

## PA 298 OF 2012 FREQUENTLY ASKED QUESTIONS

- *The statute states the Michigan Department of Transportation (MDOT) may conduct performance audits. MDOT is requiring additional audit testing to be done by our Certified Public Accountant (CPA) at the time of our annual financial audit. This seems contradictory. What is required?*
  - The performance audit (evaluating internal control and testing of transactions to ensure compliance with Act 51) will be done with each financial audit by your financial audit CPA. This will greatly minimize the cost to comply with PA 298 of 2012 for your agency.
- *When does this requirement start?*
  - The additional performance audit requirements is to be included with each financial audit for fiscal years starting on October 1, 2015 and thereafter.
- *What are CPAs required to do to show compliance?*
  - MDOT will be looking for a conclusion in the audited financial statements showing the agency is or is not in compliance with Act 51 with any audit finding.
- *What if there is no statement pertaining to the performance audit within the audited financial statements?*
  - MDOT may find the agency in noncompliance with Act 51 and may withhold the Michigan Transportation Fund distributions.
- *Is a separate form required to be filed with MDOT?*
  - No.
- *What other information is available?*
  - [Letter to Cities/Villages](#)
  - [Letter to Counties](#)
  - [Performance Auditing under PA 298 of 2012](#)