



March 18, 2020

Jack Cotter
Commission Auditor
Department of Transportation, Office of Commission Audits
425 W. Ottawa St
Lansing, MI 48909

Objective

The primary objective was to perform a peer review of the quality control system in effect for the Michigan Department of Transportation, Office of Commission Audits for 2018. Our review was conducted in conformity with the Peer Review Bylaws and other guidelines of the American Association of State Highway and Transportation Officials Standing Committee on Finance and Administration, Administrative Subcommittee on Internal and External Audit, along with those set forth under the U. S. Government Accountability Office's Government Auditing Standards (2011 Revision).

Scope

The scope of the review included:

- Questionnaires completed by various individuals in the Michigan Department of Transportation
- Solicitation of comments from management of the areas audited, reviewed, or examined during the period under review concerning the scope, nature, and quality of services received.
- Interviews, as necessary, held with members of the senior management and auditing staff of the Michigan Department of Transportation.
- A review of the Office of Commission Audits internal control system and the quality control policies, procedures, practices, and information used for managing the audit group.
- An examination of a sample of audits, reviews, or examination files completed during the review period sufficient to provide a reasonable basis to render an opinion with reasonable assurance of conforming with professional standards in the conduct of its work.
- Fieldwork conducted at the Michigan Department of Transportation from January 28, through February 1, 2019.

Opinion

Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

Based on our review, it is the opinion of the Peer Review Team that the Michigan Department of Transportation Office of Commission Audits receives a Rating of Pass with Deficiencies based upon the Peer Review Bylaws and other guidelines of the American Association of State Highway and Transportation Officials Standing Committee on Administration, Administrative Subcommittee on Internal and External Audit and those of the U.S. Government Accountability Office's Government Auditing Standards (2011 Revision).

The expressed opinion implies that the organization's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting conformity with applicable professional standards in all material respects with the exception of a certain deficiency or deficiencies that are described in the report.

As is customary in a peer review, we have issued a letter under this date that sets forth a comment that was not considered to be of sufficient significance to affect the opinion expressed in this report.

Final Note: The Team Leader retired prior to the issuance of the report. Therefore, the Peer Review Committee completed the final review, and signed the document as of the completion date.

Kathryn Valentine

Kathryn Valentine, Peer Review Committee Chair