

REPORT DIGEST

**DEPARTMENT OF TRANSPORTATION
FINANCIAL AND COMPLIANCE AUDIT
(In accordance with the Single Audit Act of 1984
and OMB Circular A-128)
for the Period Ended June 30, 1992**

FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

DELINQUENT BRIDGE INSPECTIONS

The Department did not perform 88 of its approximately 8,000 biennial bridge inspections, and local governments were delinquent in carrying out 213 of 17,000 biennial bridge inspections. The Department bears responsibility to post weight limit signs on all bridges including local jurisdiction bridges. Delinquent bridge inspections may delay bridge repairs, postings and closures needed to ensure public safety. Without timely inspections the Department was unable to determine if the bridges were able to safely handle the stress of traffic. (Finding 1 page 9)

We recommended that the Department devote the necessary resources to ensure that all bridges are inspected as required by law. The Department responded that it will continue its current procedure for monitoring biennial inspection compliance, and that all 301 bridges that were not inspected will be inspected by May 1, 1993.

STATE AIRCRAFT FARES

The rates paid by State agencies for use of State aircraft for official State business are identical to the rates charged to individuals for non-State purposes. The rates charged are 41 cents per nautical mile per passenger or \$3.28 per nautical mile for use of the entire aircraft. These charges are significantly less than the rates charged by commercial carriers. For example, a round trip flight from Springfield to Chicago would cost approximately \$125 on a State aircraft compared to \$198 for a commercial flight. The use of an entire aircraft would cost \$1,004 (nine seats) for the State aircraft compared to \$1,782 for similar services on a commercial aircraft. In the interest of reducing the burden on taxpayers, rates for non-State business should be comparable to commercial rates. (Finding 2 page 11)

We recommended that the Department review and revise rates charged to passengers flying on State aircraft for purposes other than State business. The Department responded that it is evaluating its air transportation service costs and billing rates and will determine whether a revised rate structure for air transportation services will be adopted.

FAILURE TO DETERMINE IF ROADS WERE REPAIRED

The Department did not determine whether counties had repaired roads which had not been properly maintained and returned them to a satisfactory condition within the required time frame. The Department did not develop the procedures necessary to fulfill this mandate and had no records to demonstrate that the requirements were met. (Finding 6 page 17)

We recommended that the Department revise its procedures to ensure compliance with this mandate. The Department responded that it will continue to emphasize maintenance inspections of federally funded projects and will issue a change in policy with the next revision of its operations manual.

SAFEGUARDS OVER PAYROLL CHECKS

The Department's safeguards and procedures for payroll distribution were not adequate. The Department expended approximately \$313 million and \$316 million in fiscal years 1991 and 1992 respectively for payroll. Payroll checks were received by the payroll office and divided into the various bureaus. The checks were then left unattended at the receptionist's desk in the payroll office during distribution to Bureau payroll clerks. The Bureau payroll clerks were not required to sign for payroll checks upon receipt. This weakness in control could result in a loss of payroll checks from theft. (Finding 14, page 28)

We recommended that the Department restrict access to the checks and require payroll clerks to sign for the checks as the checks are collected by the various bureaus. The Department agreed with our recommendation and announced plans to secure checks until they are released to the payroll clerks. The Department also said that it plans to obtain signatures from the payroll clerks upon release of the checks to the bureaus.

OTHER FINDINGS

The remaining findings relate to failures to comply with statutory mandates including a failure to file a transportation study report with the General Assembly. We also noted internal control weakness over telephone usage and petty cash.

We noted noncompliance with federal financial assistance requirements including the Department's failure to bill the federal government promptly for reimbursable costs and failure to timely file financial reports with the federal government.

As required by its Personnel Policies and Procedures Manual, the Department honored employees who had completed 25 years of service with an awards dinner. In 1991 the total cost was \$19,091, but only \$12,237 was spent for this purpose in 1992. (Page 89)

The Department's responses to our findings and recommendations were generally appropriate and indicative of the intent to correct noncompliance and other deficiencies.

AUDITORS' OPINION

Our auditors state that the June 30, 1992 combined financial statements of the Agency are fairly presented.

WILLIAM G. HOLLAND, Auditor General

WGH:JD:pw

SUMMARY OF AUDIT FINDINGS

Number of This Audit Prior Audit

Findings 2123

Repeated Findings 10 5

Prior Findings Implemented

or not Repeated 1318

SPECIAL ASSISTANT AUDITORS

Pandolfi, Topolski, Weiss and Co. Ltd. were our special assistant auditors for this audit.