



**OFFICE OF  
STATE AID ROAD CONSTRUCTION**

MISSISSIPPI DEPARTMENT OF TRANSPORTATION  
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**OTHER AUDIT FINDINGS**

Stacey E. Pickering, State Auditor  
Office of the State Auditor  
State of Mississippi  
P.O. Box 956  
Jackson, MS 39205-0956

March 21, 2014

Dear Mr. Pickering:

This letter is in response to the Single Audit Management Report dated March 6, 2014 regarding the June 30, 2013 audit of the Office of State Aid Road Construction. We respectfully submit our response and corrective action plan for the findings listed below.

**AUDIT FINDINGS:**

**Other Control Deficiencies**

Controls Should Be Strengthened to Ensure Compliance with the Davis-Bacon Act

<u>CFDA Number</u>	<u>Program Name</u>
20.205	Highway Planning and Construction
<u>Finding Number</u>	<u>Finding Recommendation</u>
Oth-01	Strengthen controls over Compliance with the Davis-Bacon Act Requirements.

**RESPONSE:**

The Office of State Aid Road Construction performed an examination and concur that an error was made regarding minimum wage rates that were to be paid to an employee who worked as a truck driver on a State Aid Road project. We believe this mistake was made due to human error.

CORRECTIVE ACTION PLAN:

- a. 1. Reemphasize to the employees that are checking the weekly wage reports, the importance of accuracy in determining that the minimum wage rate for each job classification listed on the payrolls submitted by the contractor, meets the requirements set by the Department of Labor.
- 2. Set up oversight process to periodically randomly check accuracy of payrolls that are in the project files.
- b. Persons responsible for the corrective action plan:
  - 1. John Bond – Director of Contract Administration
  - 2. Sandy Mohr – Staff Officer I
  - 3. Sherri Schreiber – Contract Analyst III
  - 4. Kathy Dougan – Contract Analyst I
- c. Steps 1 and 2 have been implemented as of March 21, 2014.

<u>Finding Number</u>	<u>Finding Recommendation</u>
Oth-02	Controls Should be Strengthened Over Wage Determination to Ensure Compliance With Davis-Bacon Act Requirements

RESPONSE:

The Office of State Aid Road Construction has used the same procedures to determine Wage Rates for each project as does the Mississippi Department of Transportation. The current wage determinations for each county are printed directly from the Department of Labor website and inserted into the project documents. If there is not a job classification on the "Wage Rate" sheet for an employee, then the contractor is to use the current "Minimum Wage Rate" for that employee.

CORRECTIVE ACTION PLAN:

- a. The Office of State Aid Road Construction will work with Paul Campbell in the Contract Administration Division of the Mississippi Department of Transportation to research this more and determine if our procedures are being done correctly.
- b. Persons responsible for the corrective action plan:
  - 1. John Bond – Director of Contract Administration
  - 2. Sandy Mohr – Staff Officer I
  - 3. Sherri Schreiber – Contract Analyst III
  - 4. Kathy Dougan – Contract Analyst I
- c. Will begin investigation in the near future.

Finding Number

Oth-03

Finding Recommendation

Controls Should be Strengthened Over Contract Award Determination

RESPONSE:

The Office of State Aid Road Construction concurs with the Office of the State Auditor's finding and recommendations regarding the incomplete copy of the "Checklist for Bid Documents" turned in by the State Aid District Engineer. We believe the mistake was caused by human error.

CORRECTIVE ACTION PLAN:

a.

1. We will emphasize to the State Aid District Engineers that every question on the "Checklist for Bid Documents" must be fully completed and signed by the District Engineer before being submitted to Contract Administration.
2. Emphasis is being made to Contract Administrative employees, when the "Checklist for Bid Documents" is submitted for processing, we will make sure this document is completed, dated and signed.

b.

Persons responsible for the corrective action plan:

1. All State Aid District Engineers
2. John Bond- Director of Contract Administration
3. Deryl Brown – Contract Analyst Sr.
4. Larry Ambrose – Contract Analyst III

c.

Steps 1 and 2 have been implemented as of March 21, 2014.

Sincerely,



H. Carey Webb, P.E.  
State Aid Engineer