

William R. "Bill" Minor
Northern District Commissioner

Dick Hall
Central District Commissioner

Wayne H. Brown
Southern District Commissioner



Larry L. "Butch" Brown
Executive Director

Harry Lee James
Deputy Executive Director/
Chief Engineer

Brenda Znachko
Deputy Executive Director/
Administration

P. O. Box 1850 / Jackson, Mississippi 39215-1850 / Telephone (601) 359-7001 / FAX (601) 359-7110 / www.goMDOT.com

SINGLE AUDIT FINDINGS

Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
Post Office Box 956
Jackson, Mississippi 39205-0956

February 4, 2005

Dear Mr. Bryant:

We appreciate the professionalism and courtesy shown to our staff by your audit staff during the federal compliance audit recently conducted. We had the exit conference and received the Single Audit Management Report and the following details our response to the Single Audit Finding:

AUDIT FINDING:

REPORTABLE CONDITION

DAVIS-BACON ACT

CFDA Number 20.205 Highway Planning and Construction

04-01 Internal Controls Should be Strengthened over Davis-Bacon Act Requirements

Response: We agree with this recommendation.

Corrective Action Plan:

The Contract Administration Division will strengthen controls over Davis-Bacon Act requirements by:

- A. Certifying payroll forms are initialed only after entry on the contractor log-in card
- B. When gaps are noted in payrolls submitted, Contract Administration will contact the appropriate project office for an explanation. Contract Administration will record this explanation on the log-in card and ensure corrective measures are taken.

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- C. Contract Administration will maintain only active projects in the card file
- D. Contract Administration will continue maintaining files on all submitted payrolls. While the project office is responsible for verifying contractor payrolls, Contract Administration will sample projects ensuring conformance with the Davis-Bacon Act.

The responsible party for the corrective action plan regarding this finding is B.B. House, Contract Administration Engineer. Should you have any questions or need additional information, contact him at 359-7730.

Sincerely,



Larry L. (Butch) Brown
Executive Director

LLB:JMV/cc

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OTHER AUDIT FINDINGS

Phil Bryant, State Auditor
Office of the State Auditor
State of Mississippi
Post Office Box 956
Jackson, Mississippi 39205-0956

February 4, 2005

Dear Mr. Bryant:

We appreciate the professionalism and courtesy shown to our staff by your audit staff during the federal compliance audit recently conducted. We had the exit conference and received the Single Audit Management Report and the following details our response to the Other Findings:

AUDIT FINDING:

IMMATERIAL WEAKNESS IN INTERNAL CONTROLS

SUB RECIPIENT MONITORING

CFDA Number 20.205 Highway Planning and Construction

Internal Controls over the Review of Sub Recipient Audit Reports Should be Strengthened

Response: We agree with this recommendation.

Corrective Action Plan:

The Internal Audit Division will strengthen controls over monitoring sub recipient audit requirements by:

- A. The Internal Audit Division will notify sub recipients who are subject to the audit requirement of OMB Circular A-133 and direct their compliance with the nine month submission deadline.
- B. The internal Audit Division will communicate with sub recipients who are not in compliance with the deadline requirement and determine if the audit is in progress and determine if we will receive the report in a timely manner following the completion of the audit.

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- C. The Internal Audit Division will review the audit report within six months of receipt of the sub recipients audit report. If findings are noted relating to MDOT federal pass through funds, the Internal Audit Division will contact the sub recipient and work toward resolving any findings.
- D. The internal Audit Division will make this audit function a priority and ensure these audit reports are completed within six months of receipt and will issue a management decision on audit findings, when applicable, thus complying with the sub recipient monitoring compliance requirements for a pass-through entity as noted in OMB Circular A-133.

The responsible party for the corrective action plan regarding this finding is Diane Gavin, Internal Audit Director. Should you have any questions or need additional information, contact her at 359-7499.

Sincerely,



Larry L. (Butch) Brown
Executive Director

LLB:JMV/cc