

Summary of Audits and Reviews July 1, 2022 – June 30, 2024

Title	Date	Summary	Status	Actions Taken
Internal audits completed by ODOT Audit Services				
ML 22-02 State Procurement Office Delegation Agreement	Aug 2022	Audit to determine ODOT Procurement Office’s compliance with DAS Delegation Agreement 1095-20. No recommendations were issued.	Closed	No actions required.
ML 23-01 Consultant Oversight	Feb 2023	Audit of consultant oversight in project delivery. No recommendations were issued.	Closed	No actions required.
Report 23-01 Weight-Mile Tax Audits Have Strong Collection Rate	Feb 2023	<p>Audit to calculate the Commerce and Compliance Division’s (CCD) collection rate for audit assessments issued in calendar years 2019-21.</p> <p>The audit recommended that CCD should:</p> <ol style="list-style-type: none"> 1. Ensure pre-screening sheets include documented support for why the audit should be done. Support should include, as applicable, an estimated dollar amount of unpaid taxes and fees, number of unreported miles, or other issues observed. 2. Screen carriers with auto audit recommendations for additional indicators to support that an audit is warranted beyond the number of trucks and previous audit amount. 3. Document secondary screenings done by field office auditors on carriers recommended for audit and ensure threshold criteria is met. 4. Add consideration of the likelihood to collect an audit when screening carriers and making the determination to recommend a carrier for audit. <p>If management wants to further efforts to prioritize the return on investment for Weight Mile Tax audits, CCD should consider:</p> <ol style="list-style-type: none"> 5. Tracking the level of effort for each weight-mile tax audit to monitor the frequency of audits having a negative return. 6. Increasing the screening thresholds to align with an estimated minimum level of staff effort to complete an audit. 	In progress	Management reports that it has implemented recommendation #'s 1, 2 & 3 and is in the process of implementing the others.
Report 23-02 Project Development Improvement Initiative Implemented Successfully	Apr 2023	<p>Audit to determine if the necessary documents required under the Project Development Improvement Initiative (PDII) were completed by regions and to identify which factors, if any, impacted compliance with PDII requirements.</p> <p>The audit recommended that the Statewide Project Delivery Branch (SPBD) should:</p> <ol style="list-style-type: none"> 1. Ensure that the ten milestone dates submitted at Project Initiation are consistent between the Project Charter, Change Management Request, and MS Project Schedule. 2. Enhance communications related to future changes to PDII. Possible enhancements include providing effective date, communication plan, implementation dates, point of contact, applicable projects, and problem statement on the Change Management page in the SPDB portal. Include where this information is stored. 	In progress	Management reports that it has implemented recommendation #2 and is in the process of implementing #1.

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ML 23-02 Amtrak Cascades Cost Sharing	Apr 2023	Audit of the Amtrak Cascades cost-sharing between Amtrak, ODOT and the Washington State Department of Transportation. No recommendations were issued.	Closed	No actions required.
ML 23-03 Statewide Transportation Improvement Funds Monitoring	Oct 2023	Non-audit review of how the Public Transportation Division (PTD) monitors Statewide Transportation Improvement Funds. The review summarized observations for how PTD might improve its oversight monitoring of Statewide Transportation Improvement Funds.	Closed	No actions required.
Report 24-01 ODOT Priorities to Determine Bike/Ped Facilities	Apr 2024	Audit of ODOT's efforts to provide more complete bicycle and pedestrian facilities across state highways and barriers to achievement. The audit recommended that the Delivery and Operations Division should: <ol style="list-style-type: none"> 1. Ensure agency priority for addressing deficient bicycle and pedestrian facilities aligns with funding and prioritization in construction projects. 2. Improve the consideration and prioritization of equity in bicycle and pedestrian projects. 3. Ensure the roadway context is appropriately considered when determining whether a segment needs a sidewalk or bikeway when completing the asset inventory. 4. Develop a written quality control process for asset management data gathering for sidewalks and bicycle facilities. 5. Revise the data gathering process to improve accuracy and retain field records to inform potential causes for data errors. And that the Public Transportation Division should: <ol style="list-style-type: none"> 6. Revise the 1% methodology for clarity to better capture applicable project costs for bicycle and pedestrian facilities. 7. Update the Strategic Action Plan goal calculation to account for whether the funding is being utilized in alignment with the stated metric of improving equitable access to walking, biking, and transit. 8. Update the Active Transportation Needs Inventory to incorporate region and roadway context in identifying the highest priority segments. 9. Ensure appropriate usage of bike lane and bikeway terminology when reporting on the agency bicycle and pedestrian Key Performance Measure (KPM). 10. Ensure the new KPM methodology accounts for bikeway facility condition. 	In progress	Management reports that it has implemented recommendation #'s 7, 9 & 10 and is in the process of implementing the others.
Audits completed by the Secretary of State Audits Division				
Management Letter 730-2023-01-01 Selected Financial Accounts For the Year Ended June 30, 2022	Jan 2023	Audit of selected financial accounts for year ended June 30, 2022. The audit did not identify any deficiencies in internal control considered to be material weaknesses. However, it identified the following deficiency in internal control considered to be a significant deficiency: <ul style="list-style-type: none"> • Department management should ensure staff understand the retention requirements for capital asset costs to ensure that documentation is retained as required. 	Closed	Management reports that it has implemented the recommendation.

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Management Letter 730-2023-05-01 Statewide Single Audit of Selected Federal Programs For the Year Ended June 30, 2022	May 2023	Statewide Single Audit of Selected Federal Programs for the year ended June 30, 2022: <i>Coronavirus State and Local Fiscal Recovery Fund</i> . The audit did not identify any deficiencies in internal control considered to be material weaknesses or significant deficiencies.	Closed	No actions required.
Management Letter 730-2023-05-02 Statewide Single Audit of Selected Federal Programs For the Year Ended June 30, 2022	May 2023	Statewide Single Audit of Selected Federal Programs for the year ended June 30, 2022: <i>Highway Planning and Construction Cluster</i> . The audit did not identify any deficiencies in internal control considered to be material weaknesses. However, it identified the following deficiencies in internal control considered to be significant deficiencies: <ul style="list-style-type: none"> • Management should ensure procedures for review of transfer journal entries result in timely documented approvals. • The department should adopt procedures for preparing subaward agreements that ensure all required information is provided to subrecipients at the time of the subaward. 	Closed	Management reports that it has implemented the recommendations.
Management Letter 730-2024-01-01 Selected Financial Accounts For the Year Ended June 30, 2023	Jan 2024	Audit of selected financial accounts for year ended June 30, 2023. The audit did not identify any deficiencies in internal control considered to be material weaknesses. However, it identified the following deficiency in internal control considered to be a significant deficiency: <ul style="list-style-type: none"> • Management should ensure reconciliations between the Statewide Financial Management Application and the Transportation Environment Accounting and Management System are performed timely, and all outstanding reconciliations are completed. 	Closed	Management reports that it has implemented the recommendation.
Statewide Single Audit Report 2024-14	Apr 2024	Statewide Single Audit The audit did not identify any deficiencies in internal control considered to be material weaknesses. However, it identified the following deficiency in internal control considered to be a significant deficiency: <ul style="list-style-type: none"> • Management should ensure reconciliations between the Statewide Financial Management Application and the Transportation Environment Accounting and Management System are performed timely, and all outstanding reconciliations are completed. 	Closed	Management reports that it has implemented the recommendation.
Reviews completed by the Federal Highway Administration (FHWA)				
Materials Quality Assurance Stewardship Review	Dec 2022	Review of ODOT’s Materials Quality Assurance Program practices and procedures. The review issued the following recommendations for improvement: <ol style="list-style-type: none"> 1. Acceptance Program(a) - ODOT staff should consistently develop asphalt ignition furnace correction factors or witness contractor quality control (QC) staff developing the correction factor samples (including mixing of asphalt binder and aggregates in known proportions) to reduce the risk in the measurement of asphalt binder content of asphalt mixtures. 	Closed	Management reports that it has implemented the recommendations.

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		<ol style="list-style-type: none"> 2. Independent Assurance (IA) Program - ODOT should develop an annual report to document the system-based portion of their IA program required in 23 CFR 637.207(a)(2)(iv) The annual proficiency sample program covering ODOT technicians is a system-based approach. 3. Laboratory Qualification(a) - ODOT should document that third-party laboratories used for dispute resolution must be accredited. 		
Heavy Vehicle Use Tax Review	Jan 2024	<p>Three-year compliance review of ODOT’s Heavy Vehicle Use Tax (HVUT) program.</p> <p>No findings were issued.</p>	Closed	No actions required.
Commercially Useful Function Program Review	Feb 2024	<p>Review of ODOT’s Commercially Useful Function (CUF) review processes and procedures used to monitor, verify, and certify that work completed by a Disadvantaged Business Enterprise (DBE) may be counted toward the project’s overall DBE participation goal. ODOT’s CUF program is documented in its DBE Program Plan and Construction Manual.</p> <p>The review recommended that:</p> <ol style="list-style-type: none"> 1. ODOT update its DBE Program Plan to include a complete and accurate description of its CUF monitoring and enforcement program. Specific areas needing revisions include: <ul style="list-style-type: none"> • Person responsible for completing the CUF review documentation • Timing of each CUF review • Certification of CUF reviews • Reporting of CUF review results for final DBE counting 2. ODOT include procedures for enforcing CUF provisions in its DBE Program Plan. 3. ODOT’s Office of Civil Rights provide additional guidance to its field coordinators to emphasize the importance of accurately completing the CUF review forms. The guidance should set standards for the documentation to be completed to and provide a process for the approvers to revise or have the forms corrected prior to signature. 4. ODOT revise its DBE Program plan and its Construction Manual to include more guidance on the timing of the CUF reviews to ensure the DBEs are performing the bulk of the subcontracted work at the time of the review. The guidance should contain procedures to complete additional reviews if it is determined necessary due to low work completion. 5. ODOT’s Office of Civil Rights revise its DBE Program plan and its Construction manual to include appropriate acceptable timeframes for its field coordinators and construction staff to review and approve CUF documentation. The timeframes should be reasonably tied to events important to the overall CUF responsibilities of the DBE and to ODOT counting purposes. 	In progress	Management reports that it is in the process of implementing the recommendations.
Reviews completed by the Federal Motor Carrier Safety Administration (FMCSA)				
2022 Annual CDL Program Review	Dec 2022	<p>FMCSA 2022 Annual Commercial Driver’s License (CDL) Program Review.</p> <p>The review issued the following findings:</p> <ol style="list-style-type: none"> 1. Oregon does not impose a disqualification for a CDL holder with an out-of-state administrative (per se) conviction for controlled substances. Oregon has no statutory authority to impose a suspension for an implied 	In progress	Management reports that it has closed the first 4 findings and is in the process of closing the other 9.

Oregon Department of Transportation

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		<p>consent (administrative per se) drug test failure (A95), regardless of if the offense occurred in Oregon or out of State.</p> <ol style="list-style-type: none"> 2. Offsite Inspections of Third-Party Tester and Examiner Records. Oregon is conducting offsite document reviews of third-party testers' and examiners' records, rather than onsite inspections of the third-party testers' files as required by 49 CFR 384.229(a). 3. Oregon sends driver medical variance information when no variance exists, nor is one required. Oregon is sending medical variance information to the Commercial Driver's License Information System (CDLIS) when the driver does not have, nor is the driver required, a medical variance. 4. Tank Vehicle Endorsement Exclusion. Oregon excludes from its definition of a tank vehicle, any open and empty storage container tank with a rated capacity of 1,000 gallons or more that is temporarily attached to a flatbed trailer. The caveat of "not designed for transportation" is missing from that exclusion. The result is that Oregon's statute allows a tank meeting the other qualifiers in the exclusion, but that is designed for transportation, to be operated without a tank vehicle endorsement on a CDL. 5. Proof of U.S. Citizenship or Lawful Permanent Residency as Specified in Table 1 to 383.71. In some circumstances, Oregon issues CDLs to persons without requiring them to provide proof of citizenship or lawful permanent residency as specified in Table 1 to 49 CFR §383.71. On September 25, 2024, FMCSA granted Oregon DMVs request for exemption from Table 1 to 49 CFR §383.71. The exemption is in effect for five-years (Sept. 25, 2029). 6. Class of Commercial Driver's License is not shown in CDLIS. 7. Oregon has a backlog of unprocessed incoming paper withdrawals. 8. Current Commercial Learner Permit Information is not shown in CDLIS. 9. Oregon has a backlog of Unsuccessful Report Out-of-State Withdrawal Transactions. 10. Oregon allows Logging and Tracking Mailed Convictions and Withdrawals by mail. 11. Oregon exempts members of the National Oceanic and Atmospheric Administration from the requirement to hold a CDL. 12. Convictions not shown in CDLIS when received more than 180 days after conviction date. 13. Third Party CDL Examiner Refresher Training - The State did not fully satisfy the training requirement by also including a scored examination on the training material for third party examiners. 		
MCSAP National Program Review	Jun 2023	<p>FMCSA 2023 Motor Carrier Safety Assistance Program - National Program Review.</p> <p>The review issued no findings with required actions.</p>	Closed	No actions required.
2023 Annual CDL Program Review	Dec 2023	<p>FMCSA 2023 Annual Commercial Driver's License (CDL) Program Review.</p> <p>The review issued the following finding:</p> <ul style="list-style-type: none"> • Out-of-Service Order Violation Penalty – Driver. OAR 735-070-0170 imposes civil penalties on an operator of a commercial motor vehicle who has violated an out-of-service order or notice. However, the civil penalties of \$3,471 for the first violation, and \$6,943 for a second or subsequent violation of an out-of-service order or notice is insufficient to satisfy 49 CFR 383.53 which requires that the penalty amounts meet be not less than \$3,740 for the first conviction and not less than \$7,481 for a second or subsequent conviction. 	Closed	Management reports that it has closed the finding.

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MCSAP National Program Review	Apr 2024	FMCSA 2024 Motor Carrier Safety Assistance Program - National Program Review. The review issued no findings with required actions.	Closed	No actions required.
Reviews completed by the National Highway Transportation Safety Administration (NHTSA)				
Impaired Driving Program Assessment	April 2023	Review of Oregon’s Impaired Driving Program. The review issued the following recommendations: <ol style="list-style-type: none"> 1. Program Management and Strategic Planning <ul style="list-style-type: none"> • Create a mechanism where Oregon Department of Transportation’s Transportation Safety Office staff can readily search crash and fatality data. 2. Prevention <ul style="list-style-type: none"> • Expand the membership of the Oregon Impaired Driving Task Force to include additional members of the prevention community. • Establish an impaired driving prevention conference with an emphasis on courts, treatment, assessments, and impaired driving prevention support services. 3. Criminal Justice System <ul style="list-style-type: none"> • Amend the law to include all substances that may cause impairment and not just intoxicants that are “controlled” or scheduled. • Enact legislation that allows for implied consent blood analysis for drugs so that such analysis can be used in the prosecution of Driving Under the Influence of Intoxicants. • Establish a statewide program of standardized electronic warrants for the purpose of obtaining evidentiary blood specimens for suspected impaired drivers and provide appropriate training. • Establish a statewide electronic crash reporting system. • Create an annual mandatory judicial education requirement for trial judges in the adjudication of impaired driving cases. • Create and expand probation departments to assist in monitoring of Driving Under the Influence of Intoxicants violators. • Create a driver license format or indicator that would readily enable law enforcement to determine that the licensee is subject to Ignition Interlock Device compliance. 4. Communication Program <ul style="list-style-type: none"> • No Priority Recommendations for this section. 5. Alcohol and Other Drug Misuse: Screening, Assessment, Treatment, and Rehabilitation <ul style="list-style-type: none"> • Provide supervised probation services to Driving Under the Influence of Intoxicants offenders assessed and determined to be at high risk to reoffend. 6. Program Evaluation and Data <ul style="list-style-type: none"> • Determine effective solutions to link traffic record systems to reduce data entry functions and identify records in the driver, vehicle, citation, and court adjudication systems that would have a common unique identifier. 	In progress	Management reports that it is in the process of implementing the recommendations.

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		<ul style="list-style-type: none"> Pursue the ability for citation and court case management systems to electronically transmit information to enable the tracking of each Driving Under the Influence of Intoxicants case from citation through to final disposition. Develop real time driver and vehicle data interfaces to aid in the capturing and validation of driver demographic information and vehicle attributes in completing crash report processing. 		
FFY2023 Project File Review	Mar 2024	<p>NHTSA Project File Review of randomly selected files for FFY2023.</p> <p>The review issued the following findings:</p> <ol style="list-style-type: none"> Traffic Safety Office (TSO) will need to payback funds used to cover costs of the trip to the <i>EMS World Expo</i>. Activities need to be directly tied to traffic safety and included in the project’s approved activities to be allowable costs. General EMS activities are not eligible. TSO should calculate this actual value based on claims. TSO will need to payback funds used for general corridor planning activities. TSO R-1 is developing an estimate of eligible activities (directly related and documented as highway safety behavior) that may be considered. Full claimed amount for this mini-grant = \$39,519.04 PS-23-68-11-006 – Division Midway Alliance. Supporting documentation for DMA staff activities has not been provided. Staff time claimed needs to be tied to grant activities, and all claims need a description for how they tie to the NHTSA funded grant. PT-23-30-03 – Laptop. The response provided doesn’t address why the laptop cost wasn’t divided between the projects that fund these activities (PT-23-30-03 and 164AL-23-14-20). Allocation of costs between multiple benefiting projects is directed by regulation. These two projects already have an established proportional share determined and CFR requires that costs be allocated proportionally to the individual projects. Managing costs within federal regulation is required. TC-23-24-08 – TSO will need to payback funds for the late fee. Amount = \$437.71. Provide the on-site review documentation. SA-23-25-22 – TSO will need to pay back funds for the background check. Amount (TSO should verify based on actual cost) = approximately \$25.00. 	In progress	Management reports that it has closed finding #'s 1 & 2 and 4-7 and is in the process of closing #3.
Grants Tracking System Voucher Review	Mar 2024	<p>NHTSA Grants Tracking System Voucher Review, Voucher #7 for grant year FFY2024.</p> <p>The review issued the following findings:</p> <ol style="list-style-type: none"> Project No: 164AL-23-14-03. 62,000 in local share submitted needs documentation. Project No: M5X-23-12-02. Needs detail for what these activities are. Project No: M8DD-23-20-01. Needs info on how much media was provided during the period. Activity behind the claim should be documented. This applies to all media claims. Project No: M8DE-23-20-03. Needs info on how much media was provided during the period. Activity behind the claim should be documented. This applies to all media claims. Project No: M8PE-23-20-11. Needs info on how much media was provided during the period. Activity behind the claim should be documented. This applies to all media claims. Project No: OP-23-45-01. Needs detail for what these activities are. Project No: M5X-23-14-36 (DUII OVT Enforce). No multi-tiered review/approval of claim demonstrated. Project No: PS-23-68-11 – 005 -- HR Middle School Better Blocks Club. Needs a description for the activities and budget. 	Closed	Management reports that it has closed the findings.

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Reviews completed by the Social Security Administration (SSA)				
SSA Security Assessment Report on the Oregon DMV	Dec 2023	Federal Information Security Modernization Act Security Assessment Report for the Social Security Administration (SSA) as it pertains to the Oregon Department of Motor Vehicles (DMV). The assessment evaluated management, operational, and technical controls implemented by Oregon DMV to protect SSA data, under the auspices of the agreement between the two agencies. The review identified 89 DMV Application Risks: <ul style="list-style-type: none"> • 61 Low Application Risks • 28 Moderate Application Risks 	Closed	Management reports that it has addressed the application risks.
Reviews completed by the International Registration Plan (IRP) Peer Review Team				
Peer Review of ODOT's IRP Section	Sep 2022	Compliance review of ODOT's IRP section. The review issued the following findings of non-compliance with IRP requirements: <ol style="list-style-type: none"> 1. In the audit files reviewed, the audits did not provide the Carrier the grace period of 30-days in which additional correspondence from the auditor occurred or documentation was requested. In addition, if the Registrant waived the 30-day notification period, a waiver from the Registrant was not documented in the audit file. 2. In the audit files reviewed, the audits did not document a discussion with the Registrant for improvements to the issues found during the audit. 3. In the audit reports reviewed, Oregon did not clearly identify the strengths and weaknesses of internal controls in most audit reports. 4. In the audit reports reviewed, the audits failed to document the inclusion of recommendations made to the Registrant during the closing conference. 	Closed	Management reports that it has closed the findings.
Reviews completed by the International Fuel Tax Association (IFTA) Review Committee				
2022 IFTA Program Compliance Review	Jan 2023	Five-year compliance review of Oregon's level of compliance with the governing documents of the IFTA Agreement. The review issued the following findings of noncompliance with IFTA requirements: <ol style="list-style-type: none"> 1. For one of the selected audits, Oregon transmitted its audit data to the IFTA Clearinghouse under a different number than it used to upload its audit report. 2. During the Oregon Compliance Review the review team was unable to locate 22 tax returns in the transmittal data provided. Oregon indicated these returns were either No Operation returns or Oregon only travel. When No Operation or Oregon travel only returns are not transmitted this gives the appearance that either the licensee failed to file a return or Oregon failed to transmit the return. The review also discovered that Oregon had an account that was missing the 4th qtr. 2019 return. Oregon indicated that the system shows a status of transmitted with OR & WA activity. As of 9/22/22 the return was not located on transmittal data. 3. In one audit report, vehicle(s) sampled were not found. 	Closed	Management reports that it has closed the findings.