

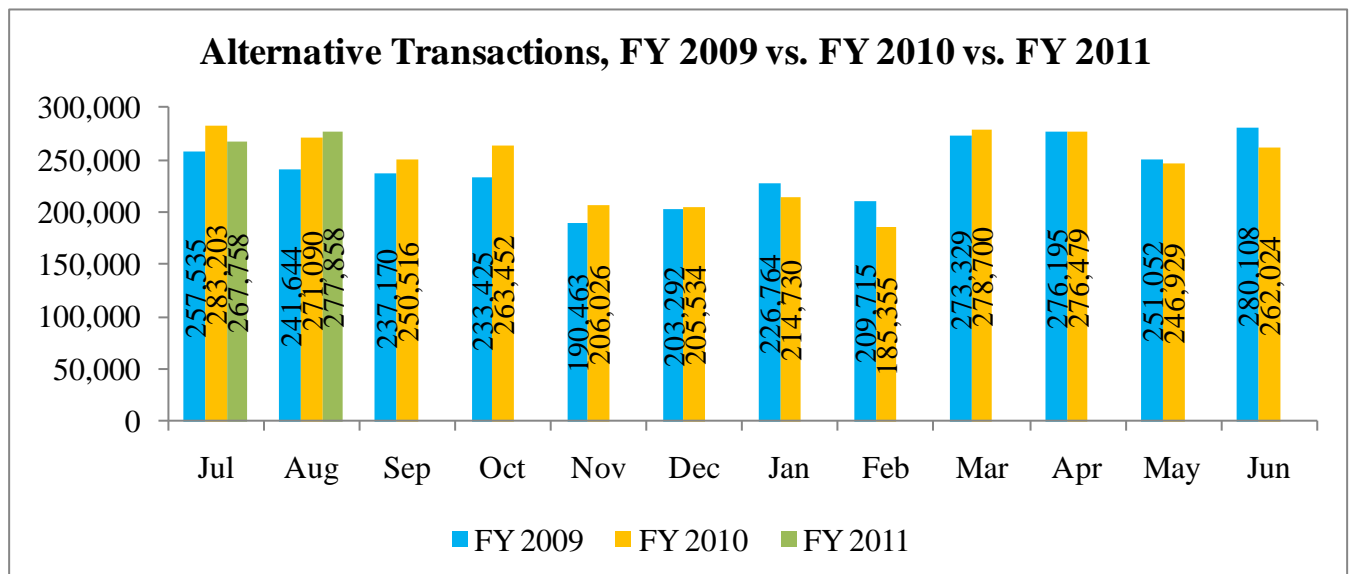
## MVA Meeting Summary

**Agency:** MDOT-MVA

Following is a summary of issues discussed at the MDOT-MVA Stat on November 18, 2010. Analysis is provided by StateStat and the Governor's Delivery Unit (GDU).

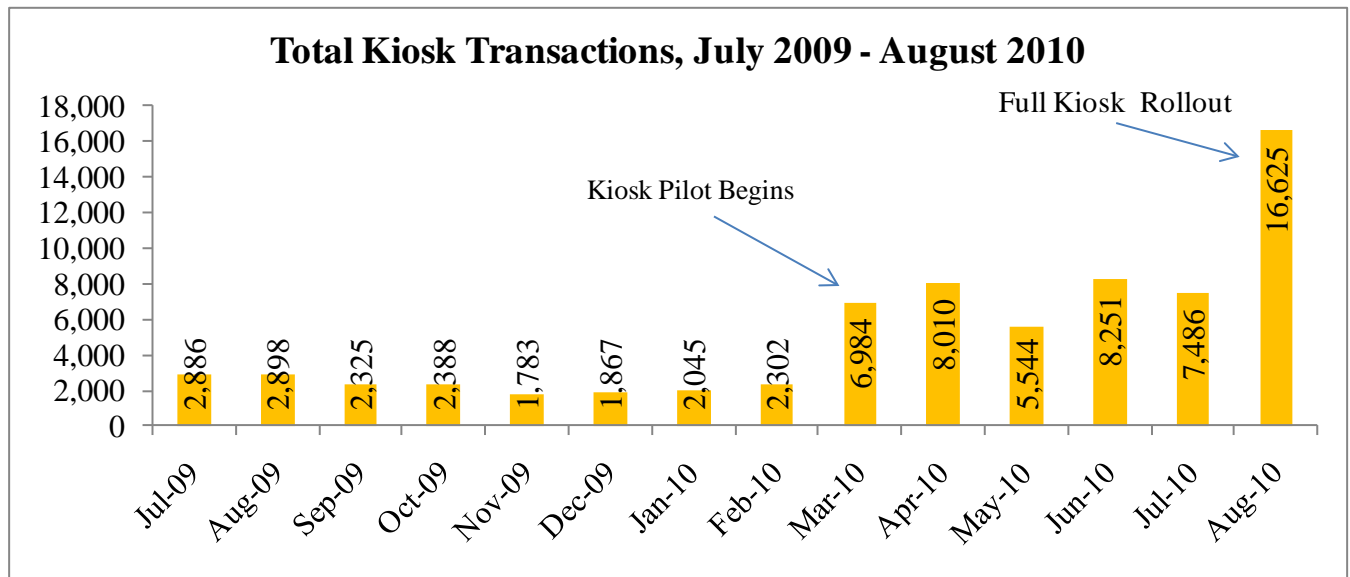
### Alternative Service Utilization

- **Total Alternative Service Utilization increased slightly.** After a slight decrease compared with previous fiscal years, alternative service transactions increased in August to the third highest levels recorded. This was largely due to an increase in kiosk transactions in August.



- **Kiosk Usage Increased Significantly.** The Department has now completed rollout of the second generation kiosk system at all branch offices. This effort is aimed to significantly improve kiosk usage and alternative service usage. Kiosk usage increased by 122 percent between July and August 2010. However, all but 9 of the transactions were titling/registration; this suggests that there is room for further increases in kiosk usage.

The Department noted that kiosk implementation is completed, although there were issues with 3 kiosks that have yet to be deployed. However, the Department was pleased with the increase in kiosk usage and hopes to continue increasing kiosk usage in the coming months.



- **Alternative Service Plan.** At StateStat, the Department provided a detailed analysis of all alternative services. The panel instructed the Department to review this analysis and develop a plan to reach 40 percent alternative service usage by the end of FY 2011, as well as ambitious targets in future fiscal years.

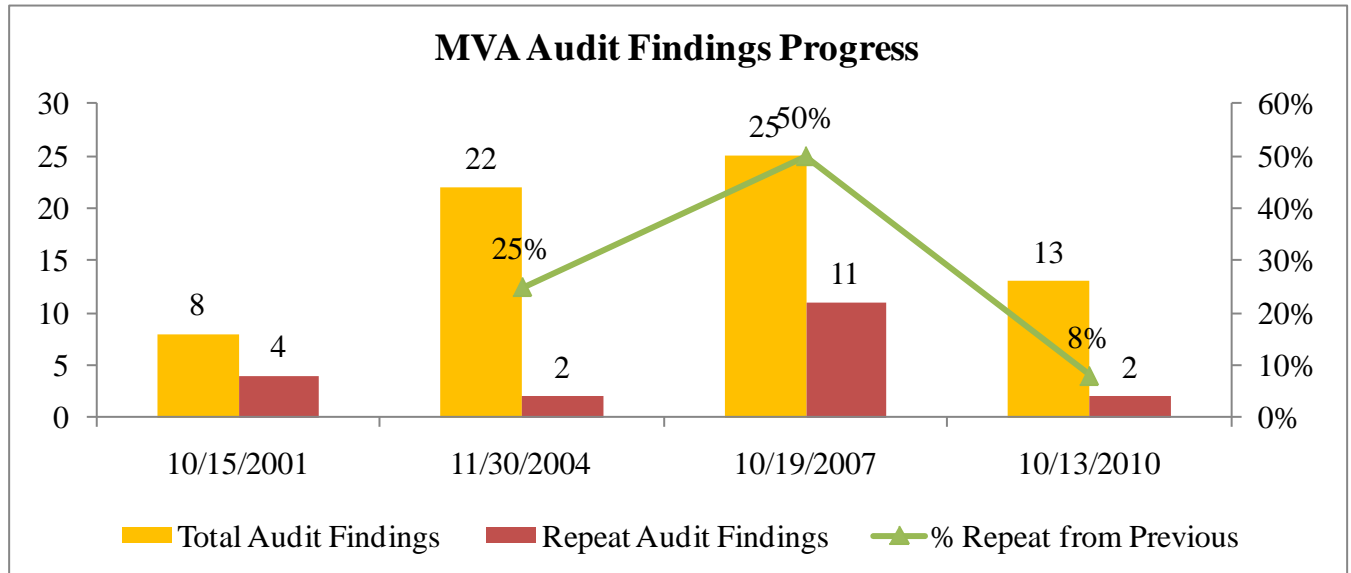
The Department and the panel discussed several strategies to improve kiosk usage, including:

- Incentives/Disincentives for using alternative service transactions
- Required use of alternative services for certain transactions
- Allowing individuals to renew their driver's licenses online
- Using Drop-boxes for used tags
- Issuing email reminders for specific services

The panel requested that the Department study these ideas further and set a specific plan for some of these services, including potential legislative/regulatory changes as well as any business process changes.

### **Legislative Audit**

- **Overall Progress is Good.** The Department's legislative audit was released October 13<sup>th</sup> and was subject to a legislative hearing on November 9, 2010 by the Joint Audit committee. In the audit and at the hearing, the Department was commended for its progress. The Department resolved 23 of the 25 prior audit findings, and the Office of Legislative Audits (OLA) noted that MVA's accountability and compliance level is no longer unsatisfactory.



OLA Audits Progress, MVA				
Audit Date	10/15/2001	11/30/2004	10/19/2007	10/13/2010
Total Audit Findings	8	22	25	13
Repeat Audit Findings	4	2	11	2
% Repeat in Current	50%	9%	44%	15%
% Repeat from Previous	n/a	25%	50%	8%
% Repeat in Current: Number of Repeated Audit Findings Divided by the Total Audit Findings in the Current Audit				
% Repeat from Previous: Number of Repeat Audit Findings in the Current Audit divided by Total Audit Findings from the Prior Audit.				

- **Two Repeat Audit Findings Show Significant Progress towards Resolution.** The Department had two repeat audit findings, discussed below:
  - **Finding 12: MVA had not established adequate controls over the processing of disbursement transactions.** The finding focused on the use of security features in MDOT’s Financial Management Information System (FMIS) with regard to employee access to authorize financial disbursement transactions without independent approval, as well as the monitoring of invoice payments.
  - **Response:** MVA agreed with the findings and noted that a solution was implemented on September 28, 2009 and confirmed with OLA that they are in compliance on March 9, 2010. However, the audit period ended July 9, 2009, which means the solution was not fully implemented prior to the audit.

The Department noted that it has fully implemented the changes and that OLA agrees with the corrective action.

- **Finding 13: MVA did not always sufficiently investigate possible fraudulent activity.** Specifically, OLA found that in internal investigations of employee fraud, noting that in 10 investigations, employees were either suspended or terminated. Of the 10 investigated, 6 did not have additional testing; it was noteworthy because 5 of these 6 employees were not referred for criminal prosecution.
- **Response:** The Department agreed and is working on improving documentation of fraud investigation, including documentation of expanded testing of employee fraud investigations. The Department noted that a review is regularly done of the work, but was not properly documented.

The Department noted that it has completed corrective action for this finding.

**Inmate IDs**

- **Inmate IDs.** StateStat has received regular updates from MVA and the Division of Correction (DOC) regarding the inmate ID program. One key component is the pre-release ID program, which uses the MVA bus to provide inmates with IDs. Over the last year, the bus has performed under capacity due to a variety of issues, including providing incomplete lists, issues with inmate paperwork, and IT connection issues.

The Department noted that processing has improved, with more complete lists from DOC and better lead time allowing MVA to fully process lists. They also noted that there was a bus breakdown recently which will affect ID issuance, although they have taken steps to provide the secondary bus to process IDs.

