

## Audit Report

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### Maryland Department of Transportation The Secretary's Office

November 2023

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#### Public Notice

**In compliance with the requirements of the State Government Article Section 2-1224(i), of the Annotated Code of Maryland, the Office of Legislative Audits has redacted cybersecurity findings and related auditee responses from this public report.**



**OFFICE OF LEGISLATIVE AUDITS**  
**DEPARTMENT OF LEGISLATIVE SERVICES**  
**MARYLAND GENERAL ASSEMBLY**

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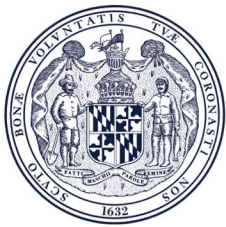
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Victoria L. Gruber  
Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

Gregory A. Hook, CPA  
Legislative Auditor

November 6, 2023

Senator Clarence K. Lam, M.D., Senate Chair, Joint Audit and Evaluation Committee  
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee  
Members of Joint Audit and Evaluation Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of The Secretary's Office, including the Debt Service Requirements Program, of the Maryland Department of Transportation (MDOT), for the period beginning May 7, 2018 and ending September 15, 2022. MDOT provides overall direction and support to five modals and administers the bond issuance and debt service activities associated with the Department's transportation bonds. MDOT also provides operating and capital grants for transit services in the Washington, D.C. metropolitan area as well as grants to other governmental agencies for transportation-related purposes.

Our audit disclosed that MDOT did not always publish contract awards on *eMaryland Marketplace Advantage (eMMA)* within 30 days as required by State law. Specifically, our test of 13 contract awards totaling \$87.7 million, disclosed that MDOT had not posted 2 awards totaling \$25.2 million to *eMMA* and MDOT posted 3 awards totaling \$14.6 million late (56, 106, and 189 days after the award dates).

In addition, we believe that MDOT should establish a formal documented process to ensure appropriate corrective actions were implemented to address findings from our Office's fiscal compliance audit reports of MDOT units. Our most recent audit reports of the five modals and MDOT - Office of Transportation Technology Services identified 25 findings. Since MDOT provides overall direction and guidance to these units, we believe a formal documented process to

ensure that the units implemented appropriate corrective actions to address these findings would help strengthen controls over these operations.

Furthermore, our audit disclosed a cybersecurity-related finding. However, in accordance with the State Government Article, Section 2-1224(i) of the Annotated Code of Maryland, we have redacted the finding from this audit report. Specifically, State law requires the Office of Legislative Audits to redact cybersecurity findings in a manner consistent with auditing best practices before the report is made available to the public. The term “cybersecurity” is defined in the State Finance and Procurement Article, Section 3.5-301(b), and using our professional judgment we have determined that the redacted finding falls under the referenced definition. The specifics of the cybersecurity finding were previously communicated to those parties responsible for acting on our recommendations.

Our audit also included a review to determine the status of the two findings contained in our preceding audit report. We determined that MDOT satisfactorily addressed these findings. Additionally, we determined the status of the finding contained in our July 26, 2019 audit of *MDOT Financial Management Information System Centralized Operations* and the status of 8 of the 12 findings in contained in our August 3, 2018 performance audit report of *Department of Information Technology and Selected State Agencies Telecommunication Resource Sharing Agreements*. We determined that MDOT satisfactorily addressed these findings.

MDOT’s response to this audit is included as an appendix to this report. We reviewed the response and noted general agreement to our findings and related recommendations. Subsequent to the response receipt, but prior to the issuance of the final report, we contacted MDOT staff and obtained verbal clarification that satisfactorily resolved all outstanding questions and issues. Consequently, we have concluded that the written responses and verbal clarification together indicate that the MDOT corrective actions identified are sufficient to address all audit issues. In addition, consistent with State law, we have redacted the elements of MDOT’s response related to the cybersecurity audit finding.

We wish to acknowledge the cooperation extended to us during the audit by MDOT. We also wish to acknowledge MDOT's willingness to address the audit issues and implement appropriate corrective actions.

Respectfully submitted,

A handwritten signature in black ink that reads "Gregory A. Hook". The signature is written in a cursive style with a large, stylized 'G' and 'H'.

Gregory A. Hook, CPA  
Legislative Auditor



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## **Background Information**

### **Agency Responsibilities**

The Maryland Department of Transportation – The Secretary’s Office (MDOT) provides overall direction and guidance to the Department including its five modals<sup>1</sup> (Maryland Aviation Administration, State Highway Administration, Motor Vehicle Administration, Maryland Port Administration, and Maryland Transit Administration). MDOT is also responsible for the operation of the Office of Transportation Technology Services (OTTS), which provides computing resources to the various units of the Department and operates as a computer service bureau for these units. The computer service operations of OTTS are addressed in a separate audit and, as such were not included in the scope of this audit. Furthermore, the operations of the five modals are addressed in separate audits.

MDOT administers the bond issuance and debt service activities associated with Maryland’s consolidated transportation bonds and receives an appropriation for all debt service requirements. In addition, MDOT provides operating and capital grants to the Washington Metropolitan Area Transit Authority for transit services in the Washington, D.C. metropolitan area, as well as grants to other governmental agencies (such as local transportation planning agencies) for transportation-related purposes.

Finally, MDOT maintains a separate Financial Management Information System (FMIS), which interfaces certain financial information to the Statewide FMIS<sup>2</sup> for recordation, payment processing, and reporting. This audit included a review of MDOT FMIS operations and internal control (for example, database and security controls) that were previously addressed in a separate audit.

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<sup>1</sup> The other component of Maryland’s transportation system is the Maryland Transportation Authority (MDTA). Although Maryland’s Secretary of Transportation serves as MDTA’s chair, MDTA is not overseen by MDOT.

<sup>2</sup> A separate version of FMIS (known as Statewide FMIS) is maintained by the State’s Department of Information Technology and the Comptroller of Maryland’s General Accounting Division for the use of most Executive Branch agencies and is outside the scope of this audit.



According to the State's records, during fiscal year 2022, MDOT's expenditures totaled approximately \$918 million, of which \$769.5 million related to operating and capital grants for transportation-related purposes (see Figure 1). In addition, debt service payments totaled approximately \$452.3 million.

**Figure 1**  
**MDOT Positions, Expenditures, and Funding Sources**

<b>Full-Time Equivalent Positions as of June 30, 2022</b>		
	<b>Positions</b>	<b>Percent</b>
Filled	287	88.0%
Vacant	39	12.0%
<b>Total</b>	<b>326</b>	
<b>Fiscal Year 2022 Expenditures</b>		
	<b>Expenditures</b>	<b>Percent</b>
Salaries, Wages, and Fringe Benefits	\$ 38,396,627	4.2%
Technical and Special Fees	6,210,185	0.7%
Operating Expenses	873,393,160	95.1%
<b>Total</b>	<b>\$917,999,972</b>	
<b>Fiscal Year 2022 Funding Sources</b>		
	<b>Funding</b>	<b>Percent</b>
General Fund	\$ 8,700,000	1.0%
Special Fund	859,507,507	93.6%
Federal Fund	49,792,465	5.4%
<b>Total</b>	<b>\$917,999,972</b>	
<b>Fiscal Year 2022 Debt Service Payments / Funding Source</b>		
	<b>Payments and Funding</b>	<b>Percent</b>
Special Fund	\$452,267,873	100.00%

Source: State financial and personnel records

## Audits of MDOT's Financial Statements

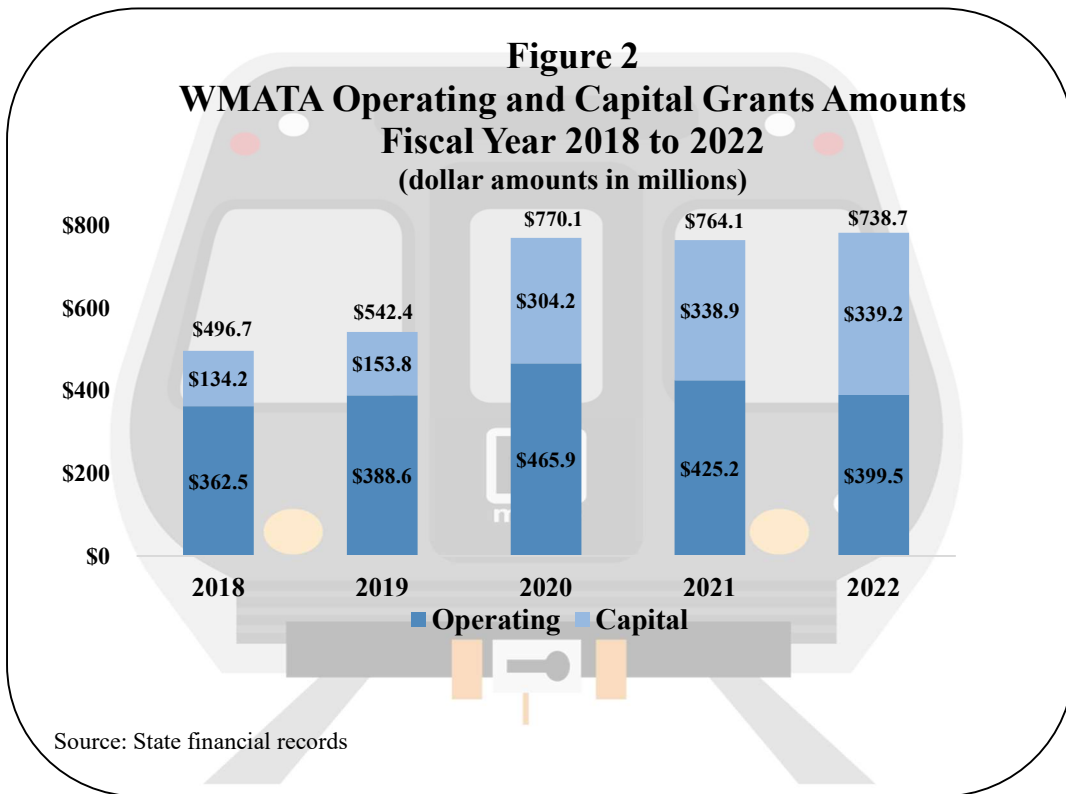
An independent accounting firm was engaged to audit the State of Maryland's financial statements for the fiscal years ended June 30, 2019, 2020, 2021, and 2022. In conjunction with these audits, the firm was engaged to prepare separate audit reports on MDOT's financial statements. In the related audit reports, the firm stated that MDOT's financial statements presented fairly, in all material respects, the respective financial position of the governmental activities, the major

fund, and the aggregate remaining fund information of MDOT, and respective changes in financial position, for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## Washington Metropolitan Area Transit Authority Grants

The Washington Metropolitan Area Transit Authority (WMATA) provides transit services (Metrobus, Metrorail, and MetroAccess paratransit) in Montgomery and Prince George's Counties, the District of Columbia, and several cities and counties in northern Virginia. MDOT enters into annual operating and capital grant agreements with the Washington Suburban Transit Commission, which is the financial conduit for funding mass transportation projects in Montgomery and Prince George's counties.

According to the State's records, MDOT's fiscal year 2022 operating and capital grant expenditures paid to WMATA totaled approximately \$738.7 million (\$399.5 million for operating and \$339.2 million for capital), an increase of 48.7 percent in total State funding compared to fiscal year 2018 (see Figure 2).



These grants, along with similar funding from certain jurisdictions within the Commonwealth of Virginia and the District of Columbia, fund WMATA's operating deficits (amounts not covered by fares and other revenue) and its capital improvement program expenditures (including bus and rail vehicle replacement, capital improvements, debt service, and infrastructure repair). The allocation of operating and capital costs to the three entities is calculated based on factors such as miles of service in each jurisdiction and ridership data<sup>3</sup>. Under the terms of these grants, MDOT can audit operating and capital subsidy payment calculations within three years of the end of the agreement.

According to MDOT, during its audit of WMATA's fiscal year 2016 operating and capital subsidies, there was a lack of cooperation from WMATA and it was unable to obtain support for the subsidy calculations. A similar lack of cooperation was encountered by MDOT's independent accounting firm contracted to review the subsidy calculations for fiscal years 2018 and 2019. The independent accounting firm's audit report for fiscal year 2018 included a scope limitation due to the lack of supporting documentation and the fiscal year 2019 audit was still not completed as of December 2022.

As a result, MDOT withheld a total of \$78.5 million in payments to WMATA during the period April 2018 through September 2019 and reduced payments to WMATA totaling \$1.3 million for its audit findings related to fiscal year 2016. Based on the fiscal year 2018 audit findings, MDOT reduced payments to WMATA an additional \$2.2 million. Despite the ongoing lack of cooperation with the independent accounting firm, MDOT released the withheld funds because WMATA subsequently provided certain requested information.

In accordance with a suggestion from certain members of the Maryland General Assembly, MDOT reached out to the other funding entities to enhance efficiency in the audit process by establishing a regional approach to the subsidy audits. However, MDOT management advised us that the parties were unable to reach agreement on the scope and process for regional audits, and accordingly, MDOT intends to continue to conduct (or contract for) annual subsidy audits for its operating and capital funding to WMATA.

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<sup>3</sup> Annual operating subsidy grant amounts (to cover operating deficits) are based initially on WMATA's budgeted operating costs for the year and adjustments are made in a subsequent fiscal year based on the actual operating deficit according to WMATA's independent audited financial statements. Annual capital grants are based on WMATA's budgeted annual capital projects improvement plan, after considering federal funding, and on each jurisdiction's proportionate share of bond debt payments.

## Resource Sharing Agreements

On August 3, 2018, we issued a performance audit report of *Department of Information Technology and Selected State Agencies Telecommunication Resource Sharing Agreements* which contained several additional findings related to MDOT. The audit report included a number of findings related to selected agencies, but emphasized the need for the Department of Information Technology to exercise greater oversight of the resource sharing agreements (RSAs) entered into by State agencies in general. The performance audit included the following select findings related to MDOT operations:

- MDOT did not maintain comprehensive records of RSAs, inventories of State-owned telecommunication towers and fiber optic cables for potential resource sharing, and inventories of private company equipment installed on towers.
- MDOT did not treat certain agreements as resource sharing resulting in lost opportunities to maximize compensation.
- MDOT did not verify that all monetary compensation was received.
- MDOT did not always include adequate provisions to protect State interests.
- MDOT executed and renewed resource sharing agreements without proper approvals.

MDOT agreed with the findings and recommendations in the August 2018 report. During our current audit, we reviewed MDOT's actions in response to this report and noted that they generally complied with the recommendations.

## Status of Findings From Preceding Audit Reports

Our audit included a review to determine the status of the two findings contained in our preceding audit report of MDOT dated April 18, 2019, and the finding in our July 26, 2019 audit of *MDOT Financial Management Information System Centralized Operations*. We determined that MDOT satisfactorily addressed these findings.

As previously mentioned in this report, we also determined the status of 8 of the 12 findings in contained in our August 3, 2018 performance audit report of *Department of Information Technology and Selected State Agencies Telecommunication Resource Sharing Agreements*. We determined that MDOT satisfactorily addressed these findings.

## Findings and Recommendations

### Procurement

#### **Finding 1**

**Maryland Department of Transportation (MDOT) did not always publish contract awards on *eMaryland Marketplace Advantage (eMMA)* as required by State procurement laws and regulations.**

#### **Analysis**

MDOT did not always publish contract awards on *eMMA* as required. Specifically, our test of 13 contract awards for various transportation planning services during the period from September 2019 through June 2022 totaling \$87.7 million, disclosed that as of December 2022 MDOT had not posted 2 awards totaling \$25.2 million made in April 2021 and June 2022. After bringing this to MDOT's attention these awards were posted on *eMMA* in December 2022 (176 and 615 days after the respective awards). For 3 other awards tested totaling \$14.6 million, we found they were posted to *eMMA* 56, 106, and 189 days after the respective award dates.

*eMMA* is an internet-based, interactive procurement system managed by the Department of General Services. State procurement laws and regulations require awards for contracts greater than \$50,000 to be published on *eMMA* not more than 30 days after the execution and approval of the contract. Publishing awards on *eMMA* provides transparency over State procurements, including information about winning bidders and the amount of the related awards.

#### **Recommendation 1**

**We recommend that MDOT comply with State procurement laws and regulations by publishing contract awards on *eMMA* in a timely manner.**

## Executive Oversight

### **Finding 2 (Policy Issue)**

**MDOT should consider establishing a formal documented process to ensure appropriate corrective actions were implemented to address findings from Office of Legislative Audits (OLA) fiscal compliance audit reports of MDOT units.**

### **Analysis**

MDOT should consider establishing a formal documented process to ensure each MDOT unit implemented appropriate corrective actions to address findings from OLA's separate fiscal compliance audit reports of each unit. In accordance with State law, OLA conducts an audit of MDOT - The Secretary's Office, the five modals, and the Office of Transportation Technology Services (OTTS). As detailed in **Exhibit 1**, our most recent audit reports of the five modals and OTTS identified 25 findings.

MDOT advised us that it performs follow-up procedures on OTTS findings since it is part of MDOT - The Secretary's Office, but it does not perform follow-up procedures on findings for the modals since it delegates this responsibility to the modals. However, staff of MDOT – The Secretary's Office is involved in the OLA audit of each unit through attendance at formal meetings and working with the modals to develop written responses to the audit findings. MDOT has also performed limited internal audit work of modal activity in the past. Since MDOT provides overall direction and guidance to the modals, we believe a formal documented process to ensure that the modals implemented appropriate corrective actions to address these findings would help strengthen controls over the modals' operations.

### **Recommendation 2**

**We recommend that MDOT establish a formal documented process to ensure appropriate correction actions were taken to address OLA report findings.**

## **Information Systems Security and Control**

We determined that Finding 3 related to “cybersecurity,” as defined by the State Finance and Procurement Article, Section 3.5-301(b) of the Annotated Code of Maryland, and therefore is subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). Consequently, the specifics of the following finding, including the analysis, related recommendations, along with MDOT’s response, have been redacted from this report copy.

<b>Finding 3</b> <b>Redacted cybersecurity-related finding.</b>
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## **Audit Scope, Objectives, and Methodology**

We have conducted a fiscal compliance audit of the Maryland Department of Transportation – The Secretary’s Office (MDOT), including the Debt Service Requirements Program, for the period beginning May 7, 2018 and ending September 15, 2022. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine MDOT’s financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included certain programs associated with transportation activities (such as the consolidated transportation program), grants, contract procurements and invoice processing, payroll processing, resource sharing agreements, and information systems security and control, including the MDOT Financial Management Information System (FMIS) operations and control. Our audit also included certain payroll support services (such as processing of personnel transactions and maintenance of employee leave records) provided by MDOT to other units of the Department of Transportation. We also determined the status of the findings contained in our preceding audit reports of MDOT and MDOT FMIS, as well as 8 of the 12 findings contained in our performance audit report on telecommunication resource sharing agreements, dated August 3, 2018.

Our audit did not include the computer operations of MDOT’s Office of Transportation Technology Services that are addressed in a separate audit. Our audit also did not include an evaluation of internal controls over compliance with federal laws and regulations for federal financial assistance programs and an assessment of MDOT’s compliance with those laws and regulations because the State of Maryland engages an independent accounting firm to annually audit such programs administered by State agencies, including MDOT.

An independent accounting firm was engaged to audit the State of Maryland’s financial statements for the fiscal years ended June 30, 2019, 2020, 2021, and 2022. In conjunction with these audits, the firm was engaged to prepare separate



audit reports on MDOT's financial statements. In the related audit reports, the firm stated that MDOT's financial statements presented fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of MDOT, and respective changes in financial position, for the years then ended, in accordance with accounting principles generally accepted in the United States of America. We have relied on the work of the independent accounting firm to provide audit coverage pertaining to bond issuance and debt service payments. Our audit procedures in this area were generally limited, therefore, to obtaining a sufficient basis for that reliance.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of May 7, 2018 to September 15, 2022, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of MDOT's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System and MDOT's Financial Management Information System (such as revenue and expenditure data) and the State's Central Payroll Bureau (payroll data). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these sources were sufficiently reliable for the purposes the data were used during this audit. We also extracted data from MDOT's payroll systems for the purpose of testing payroll transactions. We performed various tests of the relevant data and determined that the data were sufficiently reliable for the purposes the data were used during the audit. Finally, we performed other

auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

MDOT's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations, including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to MDOT, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes a finding relating to conditions that we consider to be significant deficiencies in the design or operation of internal control that could adversely affect MDOT's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Our report also includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations. In addition, this report includes a finding, which is identified as a "Policy Issue." This finding represents a significant operational or financial-related issue for which formal criteria may not necessarily exist and for which management has significant discretion in addressing, but the recommendation represents prudent and/or practical actions, which we believe should be implemented by the agency to improve outcomes. Other less significant findings were communicated to MDOT that did not warrant inclusion in this report.

State Government Article 2-1224(i) requires that we redact in a manner consistent with auditing best practices any cybersecurity findings before a report is made available to the public. This results in the issuance of two different versions of an

audit report that contains cybersecurity findings – a redacted version for the public and an unredacted version for government officials responsible for acting on our audit recommendations.

The State Finance and Procurement Article, Section 3.5-301(b), states that cybersecurity is defined as “processes or capabilities wherein systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation.” Based on that definition, and in our professional judgment, we concluded that certain findings in this report fall under that definition. Consequently, for the publicly available audit report all specifics as to the nature of cybersecurity findings and required corrective actions have been redacted. We have determined that such aforementioned practices, and government auditing standards, support the redaction of this information from the public audit report. The specifics of these cybersecurity findings have been communicated to MDOT and those parties responsible for acting on our recommendations in an unredacted audit report.

MDOT’s response to our findings and recommendations is included as an appendix to this report. Depending on the version of the audit report, responses to any cybersecurity findings may be redacted in accordance with State law. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise MDOT regarding the results of our review of its response.

**Exhibit 1**  
**Listing of Most Recent Office of Legislative Audits**  
**Fiscal Compliance Audits of Maryland Department of Transportation**  
**As of September 2023**

Name of Audit		Most Recent Report Date	Total Findings	Number of Repeat Findings
1	State Highway Administration	03/29/22	4	2
2	Maryland Port Administration	03/24/22	1	0
3	Maryland Transit Administration	03/11//22	5	1
4	Motor Vehicle Administration	09/23/20	9	1
5	Maryland Aviation Administration	12/12/19	4	0
6	Office of Transportation Technology Services	04/01/19	2	0
<b>Total</b>			<b>25</b>	<b>4</b>

Office of the Secretary

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November 2, 2023


Gregory A. Hook, CPA  
Legislative Auditor  
Office of Legislative Audits  
The Warehouse at Camden Yards  
351 West Camden Street, Suite 400  
Baltimore MD 21201

Dear Mr. Hook:

Enclosed please find responses to the audit report from the Office of Legislative Audits for the Maryland Department of Transportation (MDOT) – The Secretary's Office for the period beginning May 7, 2018, and ending September 15, 2022. We appreciate the transparent and professional manner in which the audit was conducted.

If you have any additional questions or concerns, please contact Ms. Jaclyn D. Hartman, MDOT Assistant Secretary of Transportation Investments, by email at [jhartman1@mdot.state.md.us](mailto:jhartman1@mdot.state.md.us) or by phone at 410-865-1005. Of course, you may always contact me directly.

Sincerely,

  
Paul J. Wiedefeld  
Secretary

Attachment

cc: Ms. Samantha Biddle, Deputy Secretary, MDOT  
Ms. Jaclyn D. Hartman, Assistant Secretary of Transportation Investments, MDOT  
Ms. Patricia Ramallosa, Deputy Director, Office of Audits, MDOT  
Ms. Dianna Rosborough, Assistant Secretary of Administration, MDOT

# Maryland Department of Transportation

## The Secretary's Office

### Agency Response Form

#### Procurement

##### Finding 1

Maryland Department of Transportation (MDOT) did not always publish contract awards on *eMaryland Marketplace Advantage (eMMA)* as required by State procurement laws and regulations.

We recommend that MDOT comply with State procurement laws and regulations by publishing contract awards on *eMMA* in a timely manner.

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.	N/A		
Recommendation 1	Agree	Estimated Completion Date:	04/05/2023
Please provide details of corrective action or explain disagreement.	MDOT maintains standard procedures to ensure that contract awards are posted on eMMA; however, the procedures were not always followed in a timely manner. On April 5, 2023, MDOT deployed an enhancement to the MDOT FMIS Enhanced Procurement Information Control System (EPICS, formerly MDOT FMIS AdPICS), that adds two new fields called "eMMA Contract ID" and "eMMA Post Date" to the Additional Elements screens for Blanket Purchase Orders, Purchase Orders and Direct Purchase Orders. These two fields are mandatory if the contract amount on the document is \$50,000.01 or greater. This prevents purchase orders from being posted or approved until the fields are completed with data from the appropriate contract award posting on eMMA. This system enhancement helps ensure that required postings are made in a timely manner.		

**Maryland Department of Transportation  
The Secretary's Office**

**Agency Response Form**

**Executive Oversight**

**Finding 2 (Policy Issue)**

**MDOT should consider establishing a formal documented process to ensure appropriate corrective actions were implemented to address findings from Office of Legislative Audits (OLA) fiscal compliance audit reports of MDOT units.**

**We recommend that MDOT establish a formal documented process to ensure appropriate correction actions were taken to address OLA report findings.**

<b>Agency Response</b>			
<b>Analysis</b>			
<b>Please provide additional comments as deemed necessary.</b>	N/A		
<b>Recommendation 2</b>	Agree	<b>Estimated Completion Date:</b>	10/27/2023
<b>Please provide details of corrective action or explain disagreement.</b>	MDOT's modal administrations have a process in place for each modal Audit Office to review OLA findings and monitor and re-test corrective actions. To provide additional oversight of this process, in October 2023, MDOT established a Standard Operating Procedure for the Office of Audits at the Secretary's Office to follow-up and monitor implementation of corrective action plans by modal administrations.		

# **Maryland Department of Transportation The Secretary's Office**

## **Agency Response Form**

### **Information Systems Security and Control**

The Office of Legislative Audits (OLA) has determined that Finding 3 related to “cybersecurity,” as defined by the State Finance and Procurement Article, Section 3.5-301(b) of the Annotated Code of Maryland, and therefore is subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). Although the specifics of the finding, including the analysis, related recommendations, along with MDOT’s response, have been redacted from this report copy, MDOT’s responses indicated agreement with the finding and related recommendations.

**Finding 3**  
**Redacted cybersecurity-related finding.**

**Agency Response has been redacted by OLA.**



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