

## **Management Review Guidelines**

**DOT HS 811 511**

### **PURPOSE**

The National Highway Traffic Safety Administration developed guidelines to conduct reviews of a SHSO's systems, programs, program performance and operational practices for the purpose of improving and strengthening highway safety practices to ensure efficient administration and effective planning, implementation and evaluation of programs that have potential to save lives. These guidelines as required by 23 USC Chapter 4 § 412 (a) and (c), are used by each regional office to ensure reviews are thorough and conducted consistently among regions.

A Management Review (MR) is conducted at least every three years with the exception of the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. These territories have an MR conducted as often as the Secretary determines to be appropriate.

### **AUTHORITY**

23 USC Chapter 4 § 402 - Highway Safety Programs

23 USC Chapter 4 § 412 - Agency Accountability

2 CFR Part 200 - Uniform Administrative Requirements, Cost principles, and Audit requirements for Federal Awards

23 CFR Part 1300 - Uniform Procedures for State Highway Safety Programs

### **SCOPE**

The review period covers the current fiscal year and the previous two fiscal years. The document review protocols and selection criteria for project files are detailed in the MR report.

## DEFINITIONS

**Management Review** - A review of a SHSO's systems and program performance and operational processes for the purpose of improving and strengthening highway safety practices to ensure efficient administration and effective planning, implementation, and evaluation of programs that have potential for saving lives.

**Finding** - A determination that one or more areas of review is in non-compliance with Federal and/or State laws, regulations, rules and/or written Federal policy and/or guidelines.

**Required Action** - A specific corrective action based on Federal and/or State laws, regulations, rules, and/or written Federal policy and/or guidelines which the State must implement to resolve a non-compliance issue (finding).

**Management Review Corrective Action Plan (MR CAP)** - A document jointly developed by NHTSA and the SHSO that identifies actions to address findings in the MR Final Report, tasks to complete the actions, target dates for completion of each task and status of each required action.

**Management Consideration (MC)** - A determination that an element needs improvement and, if improved, should have a positive impact on the management the State highway safety program.

**Recommended Action** - A recommended approach based on a management consideration which should have a positive impact on the management of the State highway safety program and is not a compliance item. It is a good business practice that the State may accept.

**Management Review Recommended Action Plan (MR RAP)** - A document jointly developed by NHTSA and the SHSO that identifies actions to address management considerations in the MR Final Report, tasks to complete the actions, target dates for completion of each task and status of each recommended action.

**Commendation** - Recognition of exemplary performance and/or best practices, that are innovative and demonstrate successful results.

**Consistency Review Team (CRT)** - A NHTSA team created to conduct reviews of MR draft reports to insure consistency and compliance with the MR guidelines and templates, policies, and rules and regulations related to the Federally funded highway safety program.

## **PROCESS**

### **Regional Office Actions**

1. Establish a long-range schedule for MRs and notify SHSOs of the schedule.
2. Select a review team and team leader. The team leader is from the region responsible for providing management oversight to the State under review. It is beneficial to include a team member from another region whenever possible.
3. Negotiate with the SHSO to determine the dates for the on-site visit portion of the review. For the initial site visit, a maximum of five days is scheduled, including travel time. If additional on-site time is needed, another visit is scheduled.
4. Send an MR confirmation letter to the SHSO at least 60 days in advance of the scheduled MR dates.
5. Select project files for review.  
Project file selection includes files from three fiscal years and does not include any fiscal year covered in the previous MR. Selection is based on the following three criteria without intentional bias to include or exclude certain items in the population:
  - Value. A sufficient number of older and higher funded projects are selected.
  - Relative risk. New, large, multi-year or complex projects are selected as well as projects related to any areas of risk identified in the Annual State Risk Assessment.
  - Representative. Besides value and risk considerations, the sample provides breadth and coverage over the many types of grant programs.
6. Gather all preliminary data available in the regional office.
7. Notify the SHSO in writing of the specifics of the upcoming MR and provide a copy of the MR elements. The confirmation letter provides details on the regional office team, a general schedule of work, the review elements and materials and documents the SHSO needs to provide the regional office prior to the on-site review.
8. Examine the documentation supplied by the SHSO.

### **MANAGEMENT REVIEW** (approximately 5 days)

#### **SHSO Entrance Briefing**

1. Conduct an on-site entrance briefing with appropriate SHSO personnel, which may include the Governor's Representative (GR), and/or coordinator (administrator) and representative of the Federal Highway Administration (FHWA).

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2. Define the process to be followed. Discuss the estimated time to complete the MR .(see the timeline in the brief section of this guideline)
3. Provide comments on purpose, authority, review elements and answer questions.
4. Confirm State contact person for the review.
5. Schedule a time on the last day of the on-site review for an exit conference with appropriate SHSO staff.

### **Implementation**

1. Conduct the MR using the MR elements.
2. Secure copies of additional required documents.
3. Conduct interviews with relevant SHSO staff and sub-grantee personnel.
4. Accurately document all interviews and data collection.
5. As potential findings are identified, provide the appropriate State representative an opportunity to address the issue.
6. Conduct team meetings during evenings to discuss progress and issues.
7. Discuss the status of the MR with the Regional Administrator prior to the exit conference to ensure there is agreement on presentation of issues, and to determine if the RA will participate in the exit conference.
8. Develop an informal summary/overview for discussion notes during the exit conference.
9. Determine if additional on-site visits are necessary.

### **Exit Briefing**

1. Conduct an exit briefing with appropriate SHSO and FHWA personnel.
2. Define and discuss the terms; findings, management considerations, required actions, recommended actions and commendations to ensure a clear understanding of terminology.
3. Present and discuss preliminary findings, management considerations, required actions, recommended actions and commendation(s). Emphasize they are **preliminary** in nature as documents are still being examined and information refined during post-interview period.

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4. Advise the State that additional information may be requested at a later date as the regional office develops the MR draft report.
5. Point out that some items discussed during exit conference may ultimately be resolved while other items added, based on further review. Emphasize that any new items are discussed with the State to ensure validity prior to inclusion in the draft report.
6. Emphasize that the required actions are included in the MR final report, and open required actions are addressed through a CAP jointly developed by NHTSA and the State.
7. Get initial feedback from SHSO Management.
8. Discuss the estimated length of time to complete the MR. Remind everyone that the target goal for issuing the MR draft report is 45 days. Point out that the time period from the on-site visit until the transmission of the MR draft report depends on the number and complexity of findings and need for a return visit or additional materials. Note: Regions submitting a report 14 days beyond the target date should include an explanation in the CRT transmittal e-mail. If added visits are necessary, document dates in the MR report.

**Draft Report**

1. Prepare an MR draft report based on the notes taken and documents gathered during the review process. All review notes are maintained on file in the regional office. The report headings and format follow the prescribed model.
2. The MR draft report addresses all elements that result in findings, management considerations, required actions, recommended actions and commendations.
3. An MR draft report is transmitted to the CRT and the ROPD MR coordinator. The CRT lead transmits comments and recommendations to the Region within five business days of receipt of the MR draft report.
4. An MR draft report is transmitted to appropriate SHSO personnel within 45 days of the exit conference. The SHSO reviews the report and responds to technical inaccuracies and any disagreements with the findings, required actions, management considerations and recommended actions.
5. The SHSO also lists the recommended actions accepted for implementation and the target date for completion. This response is due to the regional office within 30 days of receipt of the MR draft report. The SHSO can provide additional supporting documents at this time.

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6. In cases where the SHSO does not accept a recommended action for implementation, the rationale is concisely stated in writing and forwarded to the regional office. The regional office documents the response and notes if the recommended action is accepted or declined.
7. The regional office tracks accepted recommended actions in an MR RAP. Since recommended actions do not concern non-compliance issues but rather fall into the good business practice realm, the State is not obligated to have an MR RAP.
8. All recommended actions are included in the MR final report unless additional information renders a recommended action invalid. Any recommended action that is implemented at the time of the MR final report is noted.
9. The SHSO may request a meeting or conference call with the regional office to attempt to resolve identified inaccuracies or areas of disagreement in the MR draft report.
10. If a State does not respond within 30 days or has no comments, the region can elect to skip the MR draft-final report and issue the MR final report.

### **Draft Final Report**

1. Agreed upon changes are incorporated into the MR draft final report. Findings, management considerations, required actions and/or recommended actions may be added, deleted, or changed.
2. The report is sent to the SHSO within 20 days of receipt of the State's written response to the MR draft report.
3. The State is given 15 days to review the MR draft final report and document missed agreed upon changes and discuss remaining areas of disagreement. The SHSO response becomes part of the MR final report.

### **Final Report**

1. Within 5 days of receipt of the SHSO written response, if any, the MR final report is officially transmitted from the NHTSA Regional Administrator to the State Governor's Representative and uploaded to the State/MR file in SharePoint.
2. If there are serious findings such as fraud, waste, abuse, history of unsatisfactory performance, failure to conform to terms and conditions of grant agreements or lack of monitoring which warrant additional State oversight, NHTSA will consider instituting additional Federal award conditions as provided in 2 CFR § 200.207.

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The transmittal letter is the appropriate means to inform the GR that additional Federal award conditions, are being considered for the State pending the implementation of the recommendations and development of a CAP. As provided in 2 CFR § 200.207, the State is notified in writing of all conditions, the corrective action that needs to be taken and the time allowed to complete the actions in order to have the condition removed.

3. The SHSO may also appeal the MR final report to the AA for ROPD. (see below).

### **Corrective Action Plan**

1. After the MR final report is issued, the State and regional office jointly develop a CAP to describe the strategies required to implement the open required actions and to establish target dates for completion.
2. The CAP includes proposed actions by the State, assistance to be provided by NHTSA, and status of implementation progress.
3. The GR or designee and the Regional Administrator sign the CAP.

### **Follow-up and CAP Closeout**

1. The regional office monitors the SHSO to ensure CAP required actions are accomplished within established timeframes. The status is updated at least every three months. If necessary, the timeframes can be renegotiated.
2. A schedule is negotiated with the SHSO that requires reporting of progress at least every three months.
3. Required actions are closed as they are completed. Closeout of required actions include the following documentation noted in the status column of the CAP:
  - Action completed; or
  - Date of completion.
4. The CAP is considered closed when all required actions are completed.
5. The NHTSA Regional Administrator sends a CAP closeout letter to the SHSO noting the official closure of the CAP.
6. Findings unresolved by the next MR are noted in the new MR report. Continued non-compliance will result in enforcement action or high risk designation.
7. The regional office retains related documents as evidence that actions were completed.

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**Management Review Recommended Action Plan (MR RAP)**

1. The SHSO and regional office jointly develop a MR RAP.
2. The MR RAP tracks all accepted recommended actions listed in the MR final report.

**Follow-up and MR RAP Closeout**

1. At minimum, the regional office monitors open recommended actions semi-annually.
2. The regional office closes out the MR RAP prior to the next MR and any unresolved recommended actions can be considered in the next MR. Closeout of recommended action(s) include the following documentation in the status column of the MR RAP:
  - Action completed; or
  - Date of completion.
3. If a recommended action remains unresolved, reasons for the inability to implement the recommended action are documented.

**Appeals**

1. The SHSO can request a review of any written decision in the MR final report by submitting a written request, signed by the GR for Highway Safety, to the Regional Administrator. (23 CFR § 1200.27)
2. The Regional Administrator forwards the appeal to the NHTSA Associate Administrator for ROPD (AA for ROPD).
3. The decision of the AA for ROPD is transmitted to the GR for Highway Safety through the Regional Administrator.

**MR Timeline in Brief**

	<b>Days</b>
1. Management Review on-site	5
2. Regional office prepares and submits MR draft report to SHSO (includes 5 business days for CRT review)	45
3. SHSO responds to draft report including factual corrections and omissions	30
4. Regional office edits MR draft final report	20
5. SHSO response to draft final report MR official response for inclusion in the MR final report	15
6. Regional Office transmits MR final report including SHSO response	<u>5</u>
<b>TOTAL</b>	<b>120</b>

Time from exit meeting to final report 115

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**Note:**

- All milestones are targets. Actual time between steps will vary for each MR. The need for more or less time will depend on information available at the time of the on-site visit and revealed during the review.
- Open, candid and frequent dialog throughout the MR process from preparation to report delivery is necessary to ensure misunderstandings are corrected and complete information is considered.