

2009 MANAGEMENT REVIEW SUMMARY

Background

In April 2003, the General Accounting Office (GAO; now named the Government Accountability Office) issued a report to Congress titled “*Better Guidance Could Improve Oversight of State Highway Safety Programs*” (GAO-03-474). This report raised concerns regarding the performance-based approach and oversight of State highway safety programs. In response, the NHTSA Associate Administrator of Injury Control Operations and Resources (now referred to as Regional Operations and Program Delivery—ROPD) issued “Guidance and Oversight for State Highway Safety Programs” dated April 23, 2004, to NHTSA Regional Administrators requiring that Management Reviews be conducted in each state once every three years, starting with FY 2005. This process was codified in Section 2008 of SAFETEA – LU.

Purpose

The purpose of an MR is to conduct a review of the SHSO’s systems, programs, and operational processes for the purpose of improving and strengthening highway safety practices to ensure efficient administration and effective planning, programming, and implementation and evaluation of programs. This report summarizes the three programmatic areas that fall within the scope of a management review. They are organization and staffing, program management, and financial management.

Organization and Staffing

- Enabling legislation
- Organizational structure and placement in overall State organization
- Staffing and functions
- Delegations of authority
- Personnel development and training

Program Management

- Planning and programming
- Implementation
- Monitoring and review
- Program strengths

Financial Management

- Overall financial operations
- GTS reimbursement vouchers sent to NHTSA
- Audits
- Matching funds
- 40 percent local benefit
- Planning and administration
- Project equipment
- Time and attendance
- Indirect costs

Scope

This report reflects the results of 20 MRs that were conducted by the NHTSA Regional Offices in FY2009 and covers State Highway Safety Office documents from fiscal years 2007, 2008, and 2009.

Region 1 – New Hampshire, Vermont

Region 2 – New York, Pennsylvania

Region 3 – Kentucky, Virginia

Region 4 – Tennessee, Georgia

Region 5 – Indiana, Michigan

Region 6 – Louisiana, Mississippi

Region 7 – Iowa, Nebraska

Region 8 – Nevada, South Dakota

Region 9 – California, Hawaii

Region 10 – Oregon, Washington

Outcome

The NHTSA Regional Administrators concluded that all 20 States had compliant management systems. As shown in Table 1, there were 35 findings, 130 management considerations, and 57 commendations in recognition of best practices and exemplary performance. Two findings were carried over from a FY2006 MR.

**Table 1
Summary of Findings, Management Considerations, and Commendations**

	FINDINGS	MANAGEMENT CONSIDERATIONS	COMMENDATIONS
Organization and Staffing	0	29	15
Program Management	7	59	30
Financial Management	28	42	12
TOTAL	35	130	57

**Table 2
Findings FY2007, FY2008 and FY2009**

	Findings 2007	Findings 2008	Findings 2009
Organization and Staffing	2	1	0
Program Management	21	13	7
Financial Management	59	35	28
TOTAL	82	49	35

**Table 3
Management Considerations FY2007, FY2008 and FY2009**

	Management Considerations 2007	Management Considerations 2008	Management Considerations 2009
Organization and Staffing	26	33	29
Program Management	37	46	59
Financial Management	29	36	42
TOTAL	92	115	130

**Table 4
Commendations FY 2007, FY 2008 and FY 2009**

	Commendations 2007	Commendations 2008	Commendations 2009
Organization and Staffing	19	20	15
Program Management	37	33	30
Financial Management	16	16	12
TOTAL	72	69	57

Discussion

The focus of this discussion is on findings as these are compliance issues that must be addressed by the States.

The number of findings has decreased for the third year in a row while management considerations have increased and commendations have decreased. The continued decline in findings can be attributed to several factors; a clearer definition of findings, the institution of the NHTSA consistency review team, and the use by States of knowledge gained from previous MR's to resolve issues that would result in a finding. Additionally, the Governor's Highway Safety Association (GHSA) and NHSTA are working together to clarify and resolve problems that result in findings.

- 8 States had no findings (up from 2 States in 2008)
- 3 States accounted for 16 of the 35 findings
- 1 State had an open CAP from FY2006
- 1 State had one finding that was resolved before the final report.

As in previous years, financial management findings were the most common. There were 9 States that had no financial management findings and overall the financial findings dropped from 35 in FY2008 to 28 in FY2009. Of the remaining 11 States and Territories the most common findings are listed below.

- Ineligible or improper use of funds (7) *
- P&A (5)
- Equipment (5)
- A-133 single audit (2)
- Program match (2)
- Timely vouchering (2)
- Indirect cost rate (2)

*Note: Six of the findings in this category were from two States

Program management findings were the second most frequent cause of findings. Program management findings dropped from 13 in FY2008 to 7 in FY2009. Sixteen States had no Program management findings. Of the States remaining, four States had findings related to certification and assurances.

In eligible or improper use of funds is concentrated in two States. Action had previously been taken on planning and administration, indirect cost rate, and equipment issues. The GHSA, with input from NHTSA, developed webinars on all three topics that were conducted with the States. Additionally, NHTSA prepared a question-and-answer sheet on indirect costs and equipment for use by the NHTSA Regions and the States.

There continues to be discussion and collaboration between GHSA and NHTSA on the topics of planning and administration and indirect costs. Additionally there will be an annual meeting between GHSA representatives and MR Consistency Review Team to discuss prevalent MR findings and other issues as determined by either party.

GHSA, with funding from NHTSA, is developing an MR Self-Assessment Tool which can be used by the State Highway Safety Offices to assess their status in relation to the MR elements. This tool should be ready for dissemination in Summer of 2011.

In view of actions taken, the only recommendations at this time are to emphasize clear, concise coverage of these issues in Program Management and Management of Federal Finances.