

## NHTSA/ICOR MANAGEMENT REVIEW SUMMARY FY05

### ***Introduction***

In an effort to continue to improve oversight of the National Highway Transportation Safety Administration (NHTSA) highway safety programs, the office of Injury Control Operations and Resources (ICOR) presents a summary of the Management Reviews (MR) results conducted in FY05. The Management Review process and publication of this summary comply with Section 2008 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (codified at 23 U.S.C. Section 402). A MR is a regular, recurring assessment of a State Highway Safety Agency's systems, programs and operational processes for the purpose of improving and strengthening highway safety practices, ensuring efficient and effective administration of programs that save lives, reduce injuries and property damage. Management reviews are to be conducted in every state at least once every three years.

### ***Background***

The Highway Safety Act of 1966 provides that the Secretary of Transportation does not approve any highway safety program which does not:

“...provide that the Governor of any State shall be responsible for the administration of the program through a State Highway Safety Agency which shall have adequate powers, and be suitably equipped and organized to carry out, to the satisfaction of the Secretary such program.”

The Secretary of Transportation has delegated the authority and responsibility for assuring compliance with this provision to the National Highway Traffic Safety Administration (NHTSA).

As stated in 49 CFR§ 18.42 (e) (1), “The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of grantees and sub-grantees which are pertinent to the grant, in order to make audits, examinations, excerpts, and transcripts.”

Section 1200.25 of Title 23, CFR provides that “If a review of the Annual Report required under § 1200.33 of this part or if other relevant information indicates little or no progress toward meeting the state goal, the approving Official and State officials will jointly develop an improvement plan. This plan will detail strategies, program activities, and funding targets to meet the defined goals.”

In April 2003, the General Accounting Office (GAO) issued a report to Congress entitled “*Better Guidance Could Improve Oversight of State Highway Safety Programs*,” (GAO-03-474) which raised concerns regarding the performance-based approach and oversight of State highway safety programs.

The NHTSA Associate Administrator of Injury Control Operations and Resources (ICOR) issued “Guidance and Oversight for State Highway Safety Program” dated April 23, 2004, to NHTSA Regional Administrators requiring that Management Reviews be conducted in each state once every three years.

***Purpose***

In 2005, new surface transportation legislation was passed [which replaced the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21)]. To further ensure agency accountability, Section 2008 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) (codified at 23 U.S.C. Section 412) requires that:

“...At least once every 3 years the Secretary shall conduct a review of each State highway safety program. The review shall include a management evaluation of all grant programs funded under this chapter. The Secretary shall provide review-based recommendations on how each State could improve the management and oversight of its grant activities and may provide a management and oversight plan for such grant programs.”

This report summarizes the three programmatic areas which were specifically selected for review by NHTSA Policy on Program Management Reviews, Special Management Reviews and Performance Enhancement Plans. The management reviews performed in FY05 focused on:

**1. Organization and Staffing**

- a. Enabling legislation
- b. Organizational structure and placement in overall state organization
- c. Staffing and functions
- d. Delegations of authority
- e. Personnel development and training

**2. Program Management**

- a. Planning and programming
- b. Implementation
- c. Monitoring and review
- d. Program strengths

**3. Financial Management**

- a. Overall financial operations
- b. GTS reimbursement vouchers sent to NHTSA
- c. Audits
- d. Matching funds
- e. 40 percent local benefit
- f. Planning and administration
- g. Project equipment
- h. Contracts/Professional Service Agreements
- i. Time and attendance

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### j. Indirect costs

While each State is autonomous in shaping their Highway Safety Plan (HSP), States do share common obstacles with implementing and executing their HSP. This summary will identify compliant and non-compliant management systems; the State's common issues in organization and staffing, program management and financial management; and recognize various commendations.

### *Scope*

This report reflects the results of twenty (20) Management Reviews (MR) that were performed by the ten (10) NHTSA Regional Offices in FY05 (States are italicized):

1. Northeast Region (NER) – *Rhode Island and Maine*
2. Eastern Region (ER) - *New Jersey*
3. Mid-Atlantic Region (MAR) – *Washington, DC, Maryland and West Virginia*
4. Southeast Region (SER) – *Alabama, South Carolina*
5. Great Lakes Region (GLR) – *Illinois, Minnesota and Wisconsin*
6. South Central Region (SCR) – *Bureau of Indian Affairs (BIA) and Arkansas*
7. Central Region (CR) – *Missouri*
8. Rocky Mountain Region (RMR) – *North Dakota and Wyoming*
9. Western Region (WR) – *Arizona and Nevada*
10. Pacific Northwest Region (PNWR) – *Alaska and Idaho*

A portion of the MR was devoted to documenting the use of grant funds awarded to States under the Transportation Act for the 21<sup>st</sup> Century (TEA-21). A determination was also made as to the eligibility of the funded activities and projects reviewed, based upon the implementing regulations for each grant program. In some instances, documents reviewed by NHTSA Regional Administrators covered fiscal years 2003, 2004 and 2005.

### *Outcome*

#### **A. Compliant Management Systems**

Based upon the MRs, the NHTSA Regional Administrators concluded that all 20 states have compliant management systems. However in some States, the MR reports noted findings and recommendations such as implementing improvements or best practices. In these cases the States and the NHTSA Regional Offices jointly developed Corrective Action Plans. A CAP identifies actions that will be accomplished to implement the MR recommendations, and target dates for completion (currently 17 out of 20 States have completed or are in the process of completing their respective CAP).

#### **B. Common Issues**

##### **a. Organization and Staffing**

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The top four organizational and staffing issues shared by the States include updating the Policy and Procedure Manual (PPM), providing training, shortage of manpower and establishing a Delegation of Authority (DOA) (see figure 1).

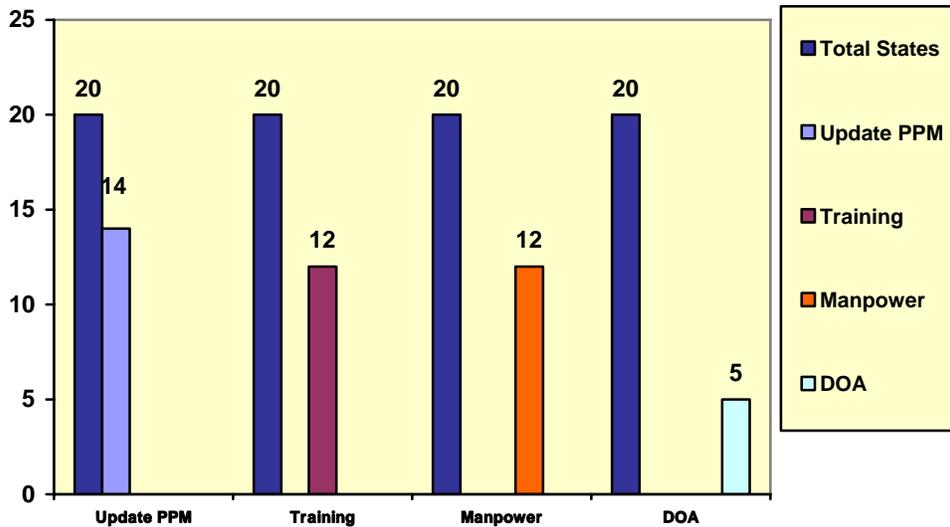
**Update PPM:** Due to new regulations and grants, the PPM needs to be updated. Some States need to develop a PPM and provide training to their staff on the PPM.

**Training:** Includes those States that need to provide training to new employees or employees that should enroll in refresher courses.

**Manpower:** The manpower shortage includes those States that either need to perform a manpower analysis, fill current vacancies or increase the size of their current staff.

**DOA:** In instances where head of the Highway Safety Office (HSO) is absent, another individual should be appointed to act on the behalf of the head of the HSO.

**Figure 1:**  
Common Issues of FY05  
Management Review:  
Organization and Staffing



**b. Program Management**

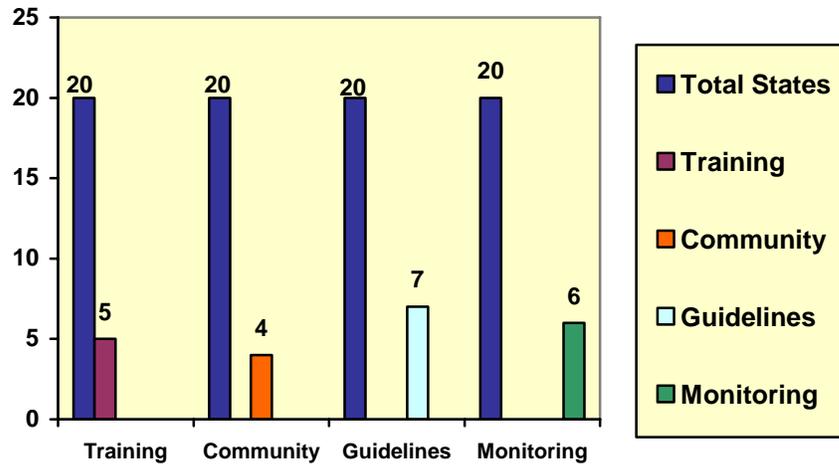
Program management is an area that reflects numerous issues where each state faces their own specialized issues and few commonalities exist (see figure 2). The four most common issues shared by the States include training, community outreach (categorized as community), adhering to or establishing guidelines specific to project management (categorized as guidelines) and project monitoring (categorized as

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monitoring).

- Training:** Suggests that States take into account the time exceeded between training sessions of their staff on NHTSA Data Analysis and Evaluations course, grant monitoring procedures as well as holding project management training for new sub-grantees.
- Community:** This citation proposed additional community involvement with local law enforcement and potential sub-grantees in order to diagnose and better combat highway safety issues.
- Guidelines:** Includes instances where States were advised to either develop project implementation guidelines or develop written policies describing their monitoring system which should be included in their PPM
- Monitoring:** States were encouraged to comply with 49 CFR 18.40, project monitoring, to ensure grantee compliance with laws, regulations and the provisions of contracts or grant agreements, and that performance goals are achieved.

**Figure 2:  
Common Issues of FY05  
Management Review:  
Program Management**

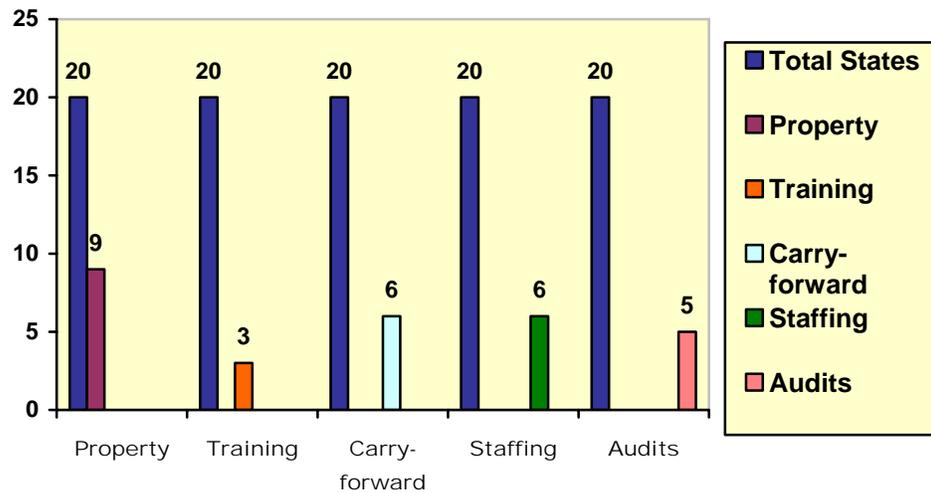


c. **Financial Management**

Of the potential issues that could affect the States Financial Management system, the most compelling is property accountability (see figure 3). The top five dilemmas shared by the States include property accountability (categorized as property); training; minimizing carry-forward funds of FY funds (categorized as carryover); staffing and adherence to OMB-133 concerning follow up to audits (categorized as audits).

- Property:** This category includes those States that need to restructure their current system in order to keep track of project equipment. Additionally, equipment should be checked to ensure that it is being used for its intended purpose as well as its location and present condition.
- Training:** When training was cited as a key issue, the recommendation was for the staff to attend various workshops; most notably Managing Your Federal Finances and Grant Tracking.
- Carry-forward:** Includes recommendations/citations that States increase spending of their funds in the fiscal year they are received in order to minimize the amount of carryover dollars.
- Staffing:** This issue was cited in States that did not have sufficient manpower to accomplish the financial management tasks in an efficient and timely manner.
- Audits:** The key criterion referenced with this issue was for States to adhere to OMB Circular A-133; specifically expanding the desk audits, track and resolve A-133 audit findings of sub-grantees and modify boiler plate language regarding the Single Audit Act.

**Figure 3:  
Common Issues of FY05  
Management Review:  
Financial Management**



### **C. Commendations**

With the implementation of new policies and procedures, it takes a committed effort from all parties involved to recognize strong efforts, best practices or exemplary performances which are keen to fulfilling the NHTSA mission. All 20 States are commended for their exceptional cooperation as well as timely and efficient efforts with providing proper documentation prior to the site visits and during the Management Reviews (MR). A list of individual State accomplishments is below:

- ❖ The majority of the State Highway Safety Offices staff showed strong working knowledge of grant programs,
- ❖ Passage of highway safety laws,
- ❖ Increased safety belt use,
- ❖ Decrease in the percentage of alcohol related fatalities,
- ❖ Development of a well-organized and thorough Policy and Procedures Manual,
- ❖ Implementing recommendations from previous MR,
- ❖ Several States achieving their highest percentage of safety belt usage,
- ❖ Active role in the national high visibility enforcement

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- and media campaigns,
- ❖ Reduction of carryover rate,
- ❖ Reduction of staff turnover rate,
- ❖ Sound financial management systems,