National Highway Traffic Safety Administration

2010 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 about the performance-based approach and oversight of State highway safety programs. In response, the National Highway Traffic Safety Administration issued *Guidance and Oversight for State Highway Safety Programs*, dated April 23, 2004, to NHTSA Regional Administrators that required Management Reviews (MRs) to be conducted in each State once every three years, starting with FY 2005. This process was codified in Section 2008 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA – LU).

Purpose

The purpose of an MR is to conduct a review of the State Highway Safety Office (SHSO) systems, programs, and operational processes to improve and strengthen highway safety practices. This report summarizes the three programmatic areas that fall within the scope of an MR. 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
- Grants Tracking System 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 16 MRs conducted by the NHTSA Regional Offices in fiscal year (FY) 2010 and covers SHSO documents from FYs 2008, 2009, and 2010.
Region 1 – Connecticut, Massachusetts
Region 2 – Virgin Islands
Region 3 – Delaware, North Carolina
Region 4 – Florida
Region 5 – Illinois, Ohio
Region 6 – New Mexico, Texas
Region 7 – Kansas
Region 8 – Colorado, Utah
Region 9 – Guam, CNMI
Region 10 –Montana

Outcome

The NHTSA Regional Administrators concluded that all 16 jurisdictions had management systems that were in compliance. It should be noted that two jurisdictions are on enhanced oversight, one designated as high risk. As shown in Table 1, there were 35 findings, 81 management considerations, and 44 commendations in recognition of best practices and exemplary performance. One finding was carried over from a FY 2007 MR and was readdressed in the current MR.

Table 1
Summary of Findings, Management Considerations, and Commendations FY 2010

	FINDINGS	MANAGEMENT CONSIDERATIONS	COMMENDATIONS
Organization and Staffing	2	20	10
Program Management	4 (1 closed)	41	22
Financial Management	29 (8 closed)	20	12
TOTAL	**35 (9 closed)**	**81**	**44**

Table 2
Findings FY 2007, FY 2008, FY 2009 and FY 2010

	Findings 2007	Findings 2008	Findings 2009	Findings 2010
Organization	2	1	0	2

and Staffing				
Program Management	21	13	7	4
Financial Management	59	35	28	29
TOTAL	**82**	**49**	**35**	**35**

Table 3
Management Considerations FY 2007, FY 2008, FY 2009, and FY 2010

	Management Considerations 2007	**Management Considerations 2008**	**Management Considerations 2009**	**Management Considerations 2010**
Organization and Staffing	26	33	29	20
Program Management	37	46	59	41
Financial Management	**29**	36	42	20
TOTAL	**92**	**115**	**130**	**81**

Table 4
Commendations FY 2007, FY 2008, FY 2009, and FY 2010

	Commendations 2007	**Commendations 2008**	**Commendations 2009**	**Commendations 2010**
Organization and Staffing	19	20	15	10
Program Management	37	33	30	22
Financial Management	16	16	12	12
TOTAL	**72**	**69**	**57**	**44**

In FY 2010:

- 5 States had no findings;
- 3 States accounted for 19 of the 35 findings;
- 1 State had an open CAP from FY2007; and
- 9 findings were resolved before the final report was issued.

As in previous years, financial management findings were the most common. There were 5 States that had no financial management findings and overall the financial findings remained constant with 28 in FY 2009 and 29 in FY2010. The most common findings in the 11 remaining jurisdictions are listed below.

- Ineligible or improper use of funds (8)
- Timekeeping (6)
- Equipment (6)
- A-1-33 single audit (3)
- Buy America Act (2
- Indirect cost rate (2

Discussion

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

The number of overall findings in jurisdictions is the same as in FY 2009, but is significantly less than the jurisdictions incurred in their previous MR (FY 2007). It should be noted that 13 of the 16 MR's conducted in FY 2010 include the same jurisdictions as conducted in FY 2007. When compared to FY 2007, the 35 overall findings in FY 2010 were less than half the amount of 82 in FY 2007. The number of organizational and staffing findings remained constant at 2, program management findings dropped from 21 in FY 2007 to 4 in FY 2010, and financial findings dropped from 59 in FY 2007 to 29 in FY 2010. If you compare only the 13 States that had MRs in both 2007 and 2010, the overall findings decreased from 72 to 29.

NHTSA is addressing the most common findings both internally and with Governor's Highway Safety Association (GHSA) and is reviewing all oversight processes to ensure provision of the best possible assistance to States. Additionally, NHTSA is tracking ineligible or improper use of funds (the most common MR findings) detected during MRs and other oversight, and will conduct in-depth analysis of these problems in FY 2012. During FYs 2010 and 2011 NHTSA worked collaboratively with GHSA to address timekeeping issues with the States and will continue to provide guidance to States as needed.

GHSA meets with NHTSA annually to discuss MR issues and findings, and to plan educational activities such as webinars to address these issues. A webinar on ineligible and improper use of funds is planned for FY 2012.

GHSA used NHTSA funding to develop an MR self-assessment tool that became available in 2011 to any State Highway Safety Office to assess compliance with MR elements.