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NHTSA Management Review Guidelines

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16. Abstract NHTSA developed guidelines to conduct reviews of State Highway Safety Office systems, programs, program performance, and operational practices to improve and strengthen highway safety practices, which will ensure efficient administration and effective planning, implementation, and evaluation of programs with potential to save lives. These guidelines as required by 23 USC Chapter 4 § 412 (a) are used by each NHTSA Region office to ensure reviews are thorough and conducted consistently. A Management Review (MR) is conducted at least every 3 years for States but excluding the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. These territories have MRs conducted as often as the Secretary determines to be appropriate.					
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Management Review Guidelines

Purpose

The National Highway Traffic Safety Administration developed guidelines to conduct reviews of a State Highway Safety Office (SHSO) systems, programs, program performance, and operational practices to improve and strengthen highway safety practices, which will 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 NHTSA Regional office to ensure reviews are thorough and conducted consistently.

A Management Review (MR) is conducted at least every 3 years for States, but not including the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands. These Territories have MRs 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 (MAP-21) and as amended in § 4006 Tracking (FAST Act)

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

Starting in fiscal year 2021, the review period is as follows:

- MRs conducted in the first and second quarter will review the previous 3 years,
- MRs conducted in the third and fourth quarters will review the current year plus the previous 2 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, program performance, and operational processes to improve and strengthen highway safety practices, which will 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 not compliant 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 that 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 that 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.

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 - A commendation demonstrates what the State has accomplished of high value since the previous MR and reflects a measurement of the State against itself, not against what another State has accomplished.

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 the 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 NHTSA Region responsible for providing management oversight to the State under review. One member of the team should be from another Region. Factors to consider when requesting a team member from another Region are location (if possible the team member should be from an adjoining Region) and expertise needed (i.e., Spanish speaking, finance). The Region conducting the MR is responsible for travel costs. Requests should be directed to the Regional Administrator (RA).
3. Negotiate with the SHSO to determine the dates for review. The review is conducted on-site or virtually. The review is 5 days, including travel time for an on-site and 10 days if done virtually. Additional time may be scheduled if needed.
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 and verify with the SHSO where and how the files are reviewed; in the SHSO or in the MR team Regional office either electronically or in hard copy.

Project file selection includes files from 3 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.
- Results of risk assessments conducted over the past 3 years.

Note: Project file reviews conducted during the 3-year MR period may be used for the MR.

6. Gather all preliminary data available in the Regional office. The MR elements indicate which items are best reviewed in advance. For MRs conducted virtually, review project files in advance of interviews.
7. Notify the SHSO in writing of the specifics of the upcoming MR, indicate whether it will be conducted on-site or virtually, and provide a copy of the MR elements. The confirmation letter provides details on the Regional office team; a general schedule of work, including dates of interviews; the review elements; and the material and documents the SHSO needs to provide the Regional office prior to the on-site or virtual review. If conducted virtually, determine and test electronic capability of all interviewees.
8. Examine the documentation supplied by the SHSO and prepare questions for review.

Management Review (approximately 5 days on-site, up to 10 days if virtual)

SHSO Entrance Briefing

1. Conduct an on-site or virtual 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).
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, and 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 or virtual 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 on-site or virtually 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. Discuss the status of the MR with the RA prior to the exit conference to ensure agreement on presentation of issues, and to determine if the RA will participate in the exit conference.
7. Develop an informal summary/overview for discussion notes during the exit conference.
8. Determine if additional on-site or virtual 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 commendations. Emphasize they are **preliminary** in nature as documents are still being examined and information refined during post-interview period.
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 are 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/virtual 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 material. Note: Regions submitting a report 14 days beyond the target date should include an explanation in the CRT transmittal email. If added visits are necessary, document dates in the MR report.
9. Complete the first section of the MR tracker and continue with updates to the tracker as the timeline progresses.

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 ROPD MR coordinator, who forwards to the CRT lead. The CRT lead transmits to the CRT members for comment. Note: If the Region would like the CRT to review and comment on commendations, a request is made when the report is submitted to the ROPD MR coordinator. The request is forwarded to the CRT lead with the draft report.
4. Comments and recommendations from the CRT are transmitted to the Region within 5 business days of receipt of the MR draft report. The Region provides a response to the CRT including comments and recommendations and notes that are accepted and that are rejected, including the reasons for rejection. The Regional office contacts the CRT lead to discuss any questions or concerns regarding the CRT report.
5. After RA approval, 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.
6. 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.
7. 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.
8. 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.

9. 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.
10. 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.
11. 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. After RA approval, 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 has 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 and after approval of the RA, the MR final report is officially transmitted from the NHTSA RA 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 that warrant additional State oversight, NHTSA will consider instituting additional Federal award conditions as provided in 2 CFR § 200.208.

The transmittal letter is the appropriate means for the RA 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 § 200.208, 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).
4. Final findings and management considerations are entered onto the Findings and Management Consideration Tracker on SharePoint.

[https://usdot.sharepoint.com/:x:/r/teams/nhtsa-nro010-ropd/State/4.%20Risk%20Assessment%20and%20Monitoring%20Plan%20Documents/Tracker%20for%20Findings%20and%20MCs%20\(004\).xlsx?d=wbf2a1c0c849b4edd831706c1b3e11b60&csf=1&web=1&e=re6sbZ](https://usdot.sharepoint.com/:x:/r/teams/nhtsa-nro010-ropd/State/4.%20Risk%20Assessment%20and%20Monitoring%20Plan%20Documents/Tracker%20for%20Findings%20and%20MCs%20(004).xlsx?d=wbf2a1c0c849b4edd831706c1b3e11b60&csf=1&web=1&e=re6sbZ)

Corrective Action Plan

1. After the MR final report is issued, the SHSO 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 RA sign the CAP.
4. A link to the CAP is entered in the Findings and Management Considerations Tracker.

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 3 months. If necessary, the timeframes can be renegotiated.
2. A schedule is negotiated with the SHSO that requires reporting of progress at least every 3 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, and
 - Date of completion.
4. The CAP is considered closed when all required actions are completed and is approved by the RA.
5. The NHTSA RA 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. (Note: this is important as you may be required to provide these documents for auditors at some future date.)

Management Review Recommended Action Plan

1. The SHSO and Regional office jointly develop a RAP.
2. The RAP tracks all accepted recommended actions listed in the MR final report.
3. A link to the RAP is entered in the Findings and Management Considerations Tracker.

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 RAP prior to the next MR and any unresolved recommended actions can be considered in the next MR. Closeout of recommended actions include the following documentation in the status column of the RAP:
 - Action completed, and
 - Date of completion.
3. If a recommended action remains unresolved, reasons for the inability to implement the recommended action are documented.
4. The Regional office retains related documents as evidence that actions were completed. (Note: this is important as you may be required to provide these documents for auditors at some future date.)

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 RA. (23 CFR § 1200.36)
2. The RA 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 RA.

MR Timeline in Brief

	Days
1. Management Review on-site or virtual	5-10
Regional office prepares and submits MR draft report to SHSO (includes 5 business days for CRT review)	45
2. SHSO responds to draft report including factual corrections and omissions	30
3. Regional office edits MR draft final report	20
4. SHSO response to draft final report MR official response for inclusion in the MR final report	15
5. Regional Office transmits MR final report including SHSO response	5
	TOTAL 125-130
Time from exit meeting to final report	120

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 or virtual visit and will be 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.

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