

# **Workshop on FTA's Oversight Reviews Process – SMRs/TRs**

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**AASHTO Internal External Audits Committee Conference**

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U.S. Department of Transportation  
Federal Transit Administration

# Agenda

- FTA Program Oversight
- The Review Process
- Preparing for Your Review
- Q&A



# What is Program Oversight?

Conducting oversight activities to help ensure that recipients of Chapter 53 grants use funds in a manner consistent with their intended purpose and remain in compliance

Comprehensive Reviews (Triennial & State Management) which:

- Occurs every three years
- Forward-looking
- Assess management practices and program implementation

Specialized Reviews (Financial, Procurement & Civil Rights):

- Occurs at FTA's discretion
- Focus on specific areas of Federal compliance

**FTA's goal is to leave the recipient in better shape than they were before the review, with a clear understanding of any compliance issues found and what corrective actions are needed to be compliant.**

# FTA Program Oversight



Strengthens the capacity of FTA funding recipients to improve public transit for America's communities.



Meets statutory requirements.



Fulfills FTA's fiduciary responsibility to prevent and identify improper payments and to ensure every dollar counts toward improving public transit.



Confirms and promotes recipient compliance with FTA requirements.



Provides technical assistance to correct identified deficiencies, workshops, webinars and eLearning modules focused on top oversight deficiency findings.



Helps address Congressional and public inquiries about the use of federal funds.

# FTA Comprehensive Oversight Review and Technical Assistance Program (CORTAP)

## Triennial Review Program (TR)

- Review of all 5307 recipients once every three years
- Assesses compliance with current statutory, regulatory, and administrative requirements and intended grant purpose
- Currently examines 23 review areas
- Provides technical assistance and training on FTA requirements
- Assists FTA in reporting to the Secretary of Transportation, Congress and other oversight agencies.

## State Management Review Program (SMR)

- Review assesses State DOT's implementation of FTA Statewide grant programs (5310 and 5311) and oversight of State's subrecipients
- Mirrors the triennial review examination of 23 review areas, once every three years
- Provides technical assistance and training on FTA requirements

# FTA Financial Management Oversight & Procurement System Review Programs

- **Financial Management Oversight Program (FMO)**
  - Evaluates recipients' financial systems, internal controls and performance to ensure compliance to FTA requirements.
- **There are seven types of FMO reviews:**
  - Full review of financial management system
  - Follow-up review
  - Agreed Upon Procedures
  - Financial Capability and Capacity Assessments
  - Cost Allocation Plan Reviews
  - Consulting Engagements
  - ECHO Spot reviews
- **Procurement System Review Program (PSR)**
  - Reviews recipient compliance with procurement standards outlined in 2 CFR Part 200 Uniform Guidance, FTA regulations, and grant agreements.
- **There are three types of PSR reviews:**
  - Full Scope review of procurement operations
  - Follow-up review
  - Procurement system focused review

# Other FTA Reviews

## Program Specific

- Buy America
- Real Estate
- Americans With Disabilities Act (ADA)
  - Complementary Paratransit
  - Fixed-route Operations

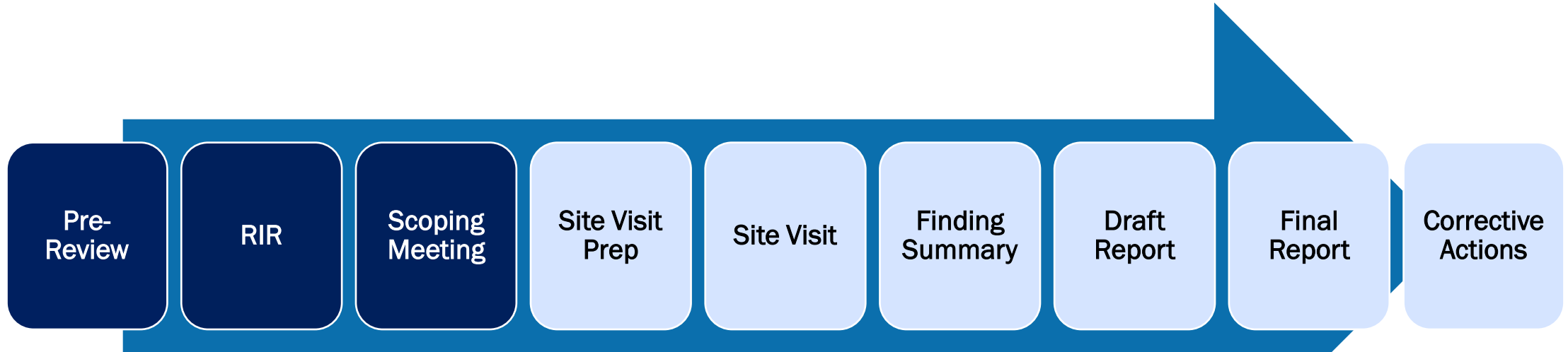
## Safety & Security

- Drug and Alcohol Program
- State Safety Oversight
- Security Readiness Assessment

## Project Level

- Project Management Oversight
- Financial Capacity Assessment

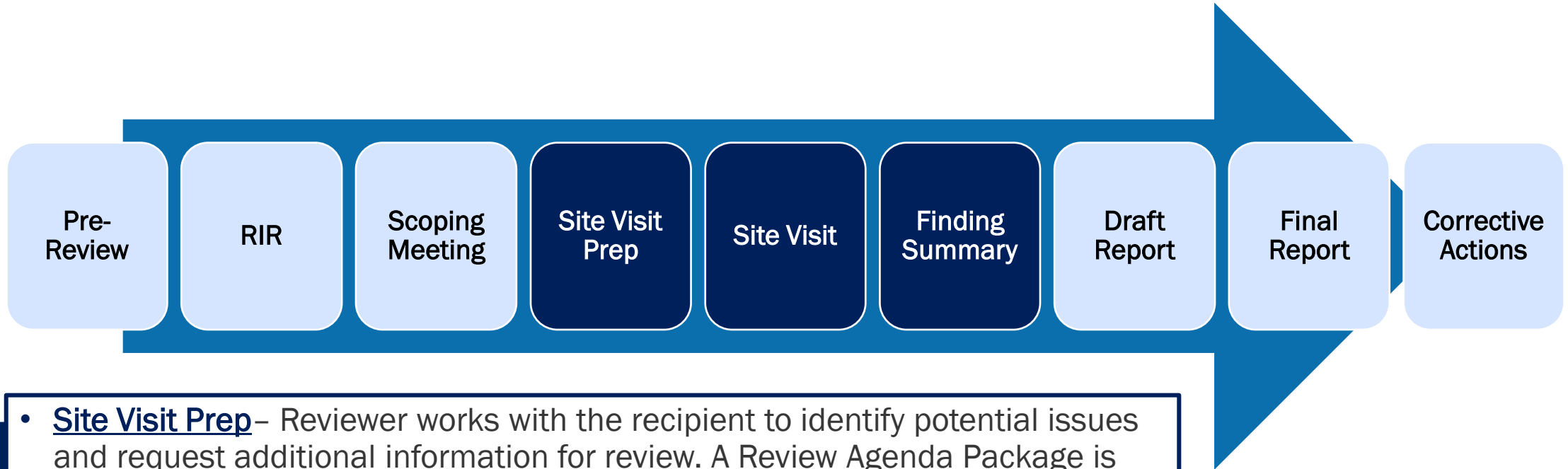
# Review Process



- **Pre-Review**– Recipient past performance and current status reviewed, Review coordination and scheduling, and Recipient Information Request prepared and transmitted.
- **Recipient Information Request**– *completed and returned to FTA by recipient*
- **Scoping Meeting**– Reviewer discusses background research and RIR responses with the FTA Regional Office

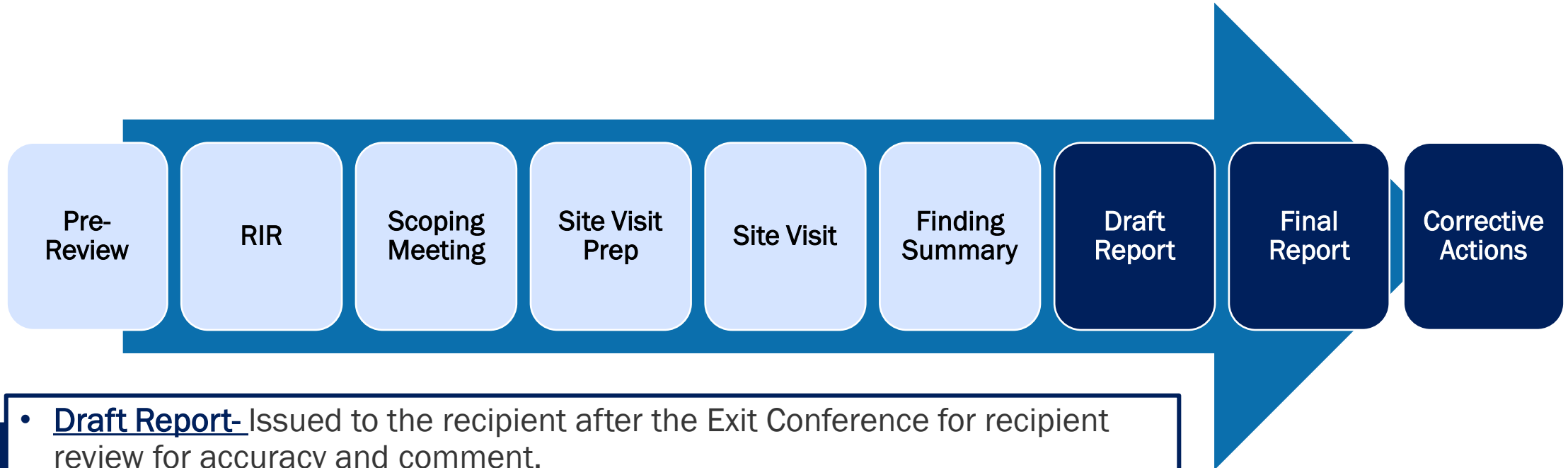


# Review Process



- **Site Visit Prep**– Reviewer works with the recipient to identify potential issues and request additional information for review. A Review Agenda Package is sent 10 days prior to the site visit
- **Site Visit**- the following activities are conducted Entrance conference, Agency staff interviews, Subrecipients/contractors/lessees virtual site visits, and Exit conference
- **Finding Summary**- Provided at the Exit Conference where corrective action deadlines are discussed

# Review Process



- **Draft Report**- Issued to the recipient after the Exit Conference for recipient review for accuracy and comment.
- **Final Report**- Issued by FTA after recipient response to draft report. The final report includes final determination and status of findings and corrective actions.
- **Corrective Actions**- Monitored for submission of recipient action by due date or earlier. Reviewed for sufficiency and closure by FTA Regional Offices.

# FY24 SMR/Combined: Top Findings





Review Area	Finding
Technical Capacity – Award Management	TC-AM5-1 - Inactive award/untimely closeouts
Procurement	P21-1 - Insufficient oversight of subrecipient procurements
Technical Capacity – Award Management	TC-AM2-1 - Incorrect FFR reporting
Technical Capacity – Program Management and Subrecipient Oversight	TC-PgM7-1 - Inadequate oversight of subrecipients
Americans with Disabilities Act – General	ADA-GEN14-1 - Insufficient oversight of subrecipients for ADA requirements
Americans with Disabilities Act – Complementary Paratransit	ADA-CPT8-1 - Insufficient oversight of subrecipients for ADA complementary paratransit
Disadvantaged Business Enterprise	DBE5-1 - DBE uniform reports contain inaccuracies and/or are missing required information
Technical Capacity – Program Management and Subrecipient Oversight	TC-PgM3-2 - Written agreements missing required elements
Procurement	P10-1 - Lacking independent cost estimate
Title VI	TVI2-1 - Language Assistance Plan implementation deficiencies
Procurement	P11-1 - Missing FTA clauses

# FY24 Triennial: Top Findings





Review Area	Finding
Procurement	P11-1 - Missing FTA clauses
Disadvantaged Business Enterprise	DBE5-1 - DBE uniform reports contain inaccuracies and/or are missing required information
Public Transportation Agency Safety Plan	PTASP3-1 - ASP missing required element(s)
Technical Capacity – Award Management	TC-AM2-1 - Incorrect FFR reporting
Technical Capacity – Award Management	TC-AM5-1 - Inactive award/untimely closeouts
Technical Capacity – Award Management	TC-AM3-1 - MPRs lack required information
Maintenance	M2-1 - Late vehicle/vessel preventive maintenance
Satisfactory Continuing Control	SCC8-3 - Inadequate equipment records
Title VI	TVI2-1 - Language Assistance Plan implementation deficiencies
Disadvantaged Business Enterprise	DBE11-1 - Unreported transit vehicle purchases
Financial Management and Capacity	F1-1 - Lacking/missing required written financial management policies and procedures
Procurement	P10-2 - Lacking required cost or price analysis

# Preparing for your Review

## Readiness

-  **Use the Recipient Information Request and the CORTAP Manual as preparation tools**
-  **Download the new CORTAP Manual every year and note changes**
-  **Review the questions, applicability and indicators of compliance**
-  **If you have questions about applicable requirements, contact your Regional Office**

## Best Practices

-  **Think of the Triennial and State Management Review as an open book test**
-  **Participate in peer-to-peer reviews and exchanges**
-  **Examine single audit or internal audit findings**
-  **Attend FTA workshops and webinars**

# Preparing for your Review

## Pre-Review

- Use the regional office and other recipients as technical resources
- Train staff in requirements
- Monitor requirement changes and adjust processes accordingly

## Post-Review

- Implement corrective actions
- Submit documentation to FTA regional office **BY THE DUE DATE**

# Resources

## Federal

- FTA Website
- FTA Regional Offices
- National Rural Transit Assistance Program

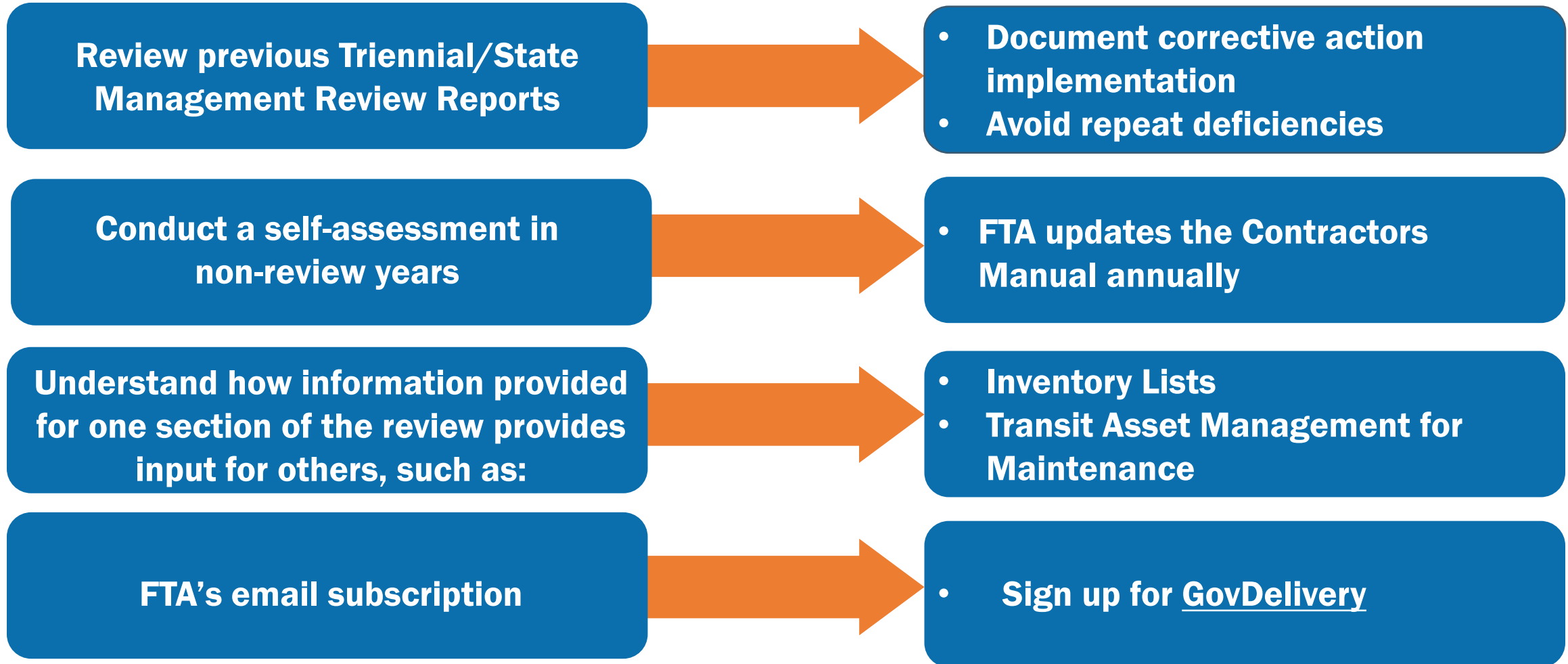
## State

- State Transit Associations
- State Departments of Transportation

## National Organizations

- AASHTO
- Community Transportation Association of America
- American Public Transportation Association
- National Cooperative Highway Research Program
- National Transit Institute
- Transportation Research Board
- Transit Cooperative Research Program

# Overall Tips for Compliance





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# Questions?



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Federal Transit Administration

# Thank you!

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