FTA Program Oversight – State Management Reviews

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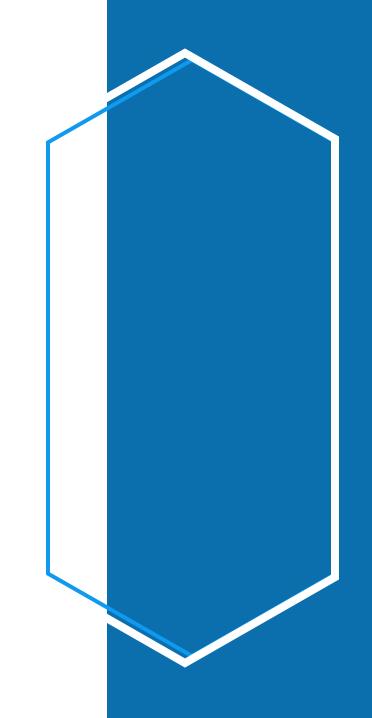


Agenda

- How to Prepare for a State
 Management Review
- What are the top recipient findings
- Tips for Compliance
- Q&A



Review Preparation





Preparing for your State Management Review

Readiness Tips



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 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



Review Area Format

LEGAL

PURPOSE OF THIS REVIEW AREA

The recipient must promptly notify the FTA of legal matters and additionally notify the U.S. Department of Transportation (US DOT) Office of Inspector General (OIG) of any instances relating to false claims under the False Claims Act or fraud. Recipients must comply with restrictions on lobbying requirements.

QUESTIONS TO BE EXAMINED

- Since the last Comprehensive Review, did the recipient promptly notify the FTA of any legal matters that may affect the FTA?
- Since the last Comprehensive Review, did the recipient promptly notify the FTA and US DOT OIG of any instances relating to false claims under the False Claims Act or fraud, waste or abuse?
- 3. Since the last Comprehensive Review, did the recipient and any subrecipients use only non-appropriated funds for any lobbying activities and did each file the required disclosure form?

INFORMATION NEEDED FROM RECIPIENT

Recipient Information Request

- List of litigations, breaches, defaults, disputes or instances where the Federal government was named as a party to litigation or a legal disagreement since the last review
- List of false claims received or criminal violation committed related to Federal assistance since the last review
- List of law enforcement investigations concerning the recipient's federally-funded projects, to the
 extent known to the recipient
- List of lobbying activities conducted since the last review

Recipient Follow-up

- . Office of Management and Budget (OMB) Standard Form LLL
- Documentation of lobbying activities conducted by subrecipients, contractors, and subcontractors



How to Utilize the CORTAP Manual for Maximum Results

- Each overarching question has six basic parts
 - Basic Requirement: high-level, clear statement of what a recipient is required to do
 - 2. Applicability: Recipients to whom the requirement applies
 - 3. Explanation: Detailed description of the basic requirement
 - **4. Indicators of Compliance**: How reviewers will assess compliance with the basic requirement
 - **5. Instruction to Reviewe**r for Determination: Based on result of indicators
 - **6. Potential Deficiency** Determination: Finding based on basic requirements not being met.
 - 7. Governing Directives: Citation from law, regulation, agreement, or other guidance forming the basis of a potential finding

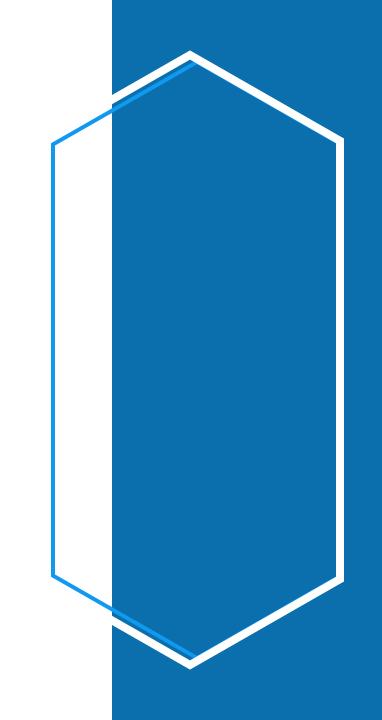
Recommendations for Preparing for your State Management Review

Pre-Review

- Use the regional office and your peer network as technical resources
- Train your state DOT staff in requirements
- Monitor requirement changes and adjust your processes accordingly

Recipient Findings & Compliance





FY24 SMR/Combined: Top Findings

Review Area	Finding	FY21	FY22	FY23	FY24
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			•	•
Technical Capacity – Program Management and Subrecipient Oversight	TC-PgM3-2 - Written agreements missing required elements			•	•
Disadvantaged Business Enterprise	DBE5-1 - DBE uniform reports contain inaccuracies and/or are missing required information	•	•	•	•
Title VI	TVI2-1 - Language Assistance Plan implementation deficiencies				•
Americans with Disabilities Act – Complementary Paratransit	ADA-CPT8-1 - Insufficient oversight of subrecipients for ADA complementary paratransit			•	•
Procurement	P10-1 - Lacking independent cost estimate	•	•		•
Procurement	P11-1 - Missing FTA clauses	•	•	•	•

What Happens When There is a Finding?

A Finding of Non-Compliance should not come as a surprise

- During the review, the reviewer will ensure the recipient understands:
 - The non-compliance issue
 - The action needed to correct the non-compliance issue
 - The due date for the corrective action submission to FTA

Overall Tips for Compliance

Document corrective action Review previous State Management implementation **Review Reports Avoid repeat deficiencies Conduct a self-assessment in FTA updates the Contractors Manual annually** non-review years FTA's email subscription Sign up for GovDelivery

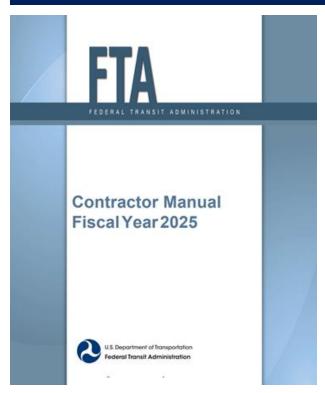
Recommendations for Resolving SMR Findings

Post-Review

- Implement corrective actions
- Submit documentation to FTA regional office <u>BY THE DUE DATE</u>
 OR EARLIER
- Work with Regional Program Manager to resolve open findings.
- Open findings or late corrective actions can lead to programspecific review(s) and/or ERF(s) in the next State Management Review

FY25 CORTAP Manual

FTA uses the CORTAP Manual to assess compliance of recipients across a broad spectrum of topic areas, including financial management and capacity, technical capacity, asset management, procurement, civil rights, and program-specific requirements.



Scan QR Code for Contractor's Manual



Questions?



Thank you!

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