

FTA

FEDERAL TRANSIT ADMINISTRATION

FTA's Office of Program Oversight: Updates

July 25, 2017

Scott Giering, Acting Director
Office of Program Oversight



FTA

FEDERAL TRANSIT ADMINISTRATION

What is Program Oversight?

FTA is responsible for conducting oversight activities to help ensure that recipients of Chapter 53 grants use the funds in a manner consistent with their intended purpose and in compliance with regulatory and statutory requirements.

We do this through:

- Comprehensive Reviews (Triennial & State Management)
 - Occur every three years
 - Forward-looking instead of reactive
 - Assess management practices and program implementation
- Specialized Reviews (Financial, Procurement, & Civil Rights)
 - Occur at FTA's discretion
 - Focus on specific areas of Federal compliance

FTA Oversight in Context

Oversight is necessary and beneficial for grantees, the public, and FTA

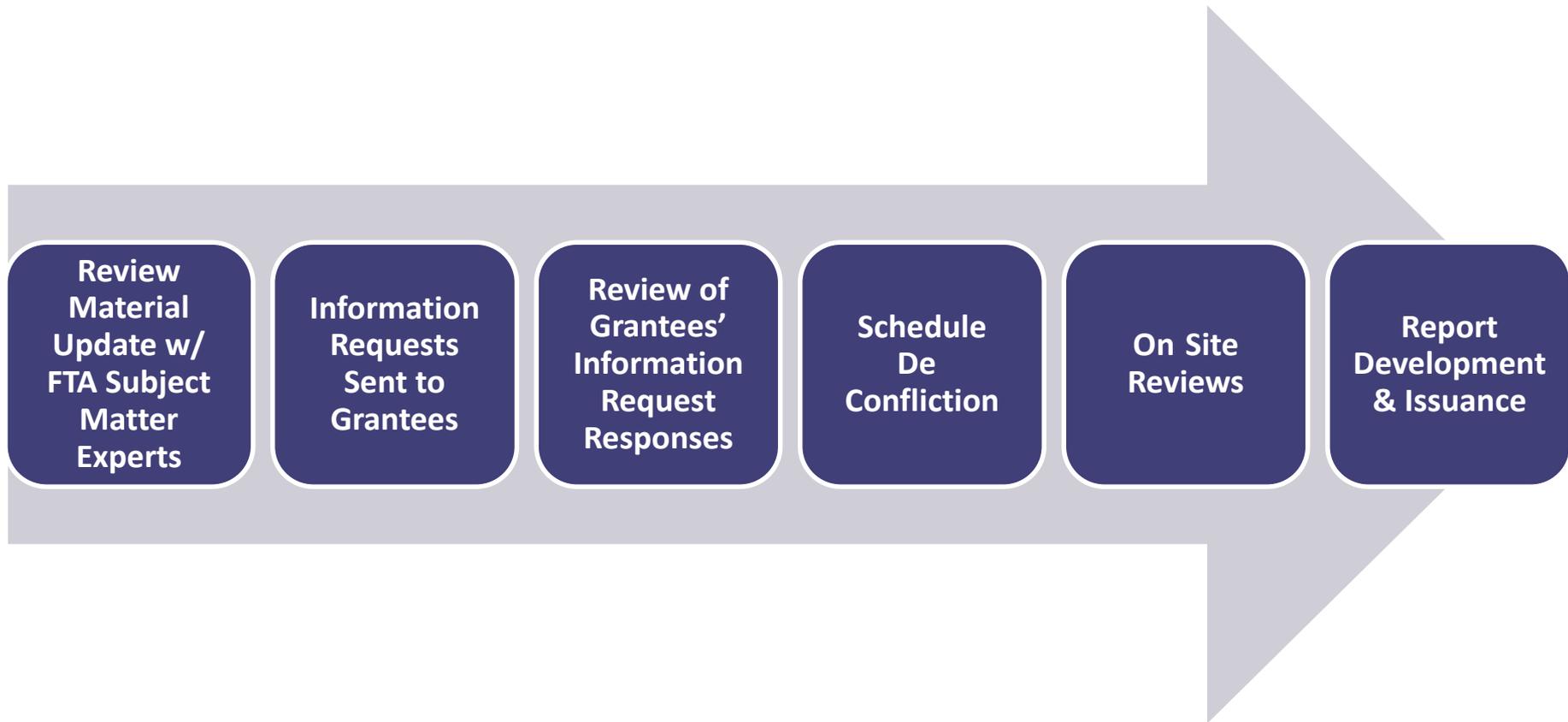
- Strengthens the capacity of FTA funding recipients to improve public transit for America's communities
- Required in legislation
- Fulfills FTA's fiduciary responsibility to prevent and identify improper payments and to ensure every dollar counts toward improving public transit
- Confirms and promotes grantee compliance with FTA requirements
- Helps address Congressional and public questions about the use of federal funds

Review Planning and Coordination

The Program Oversight Lifecycle is a framework and schedule for program oversight reviews that helps:

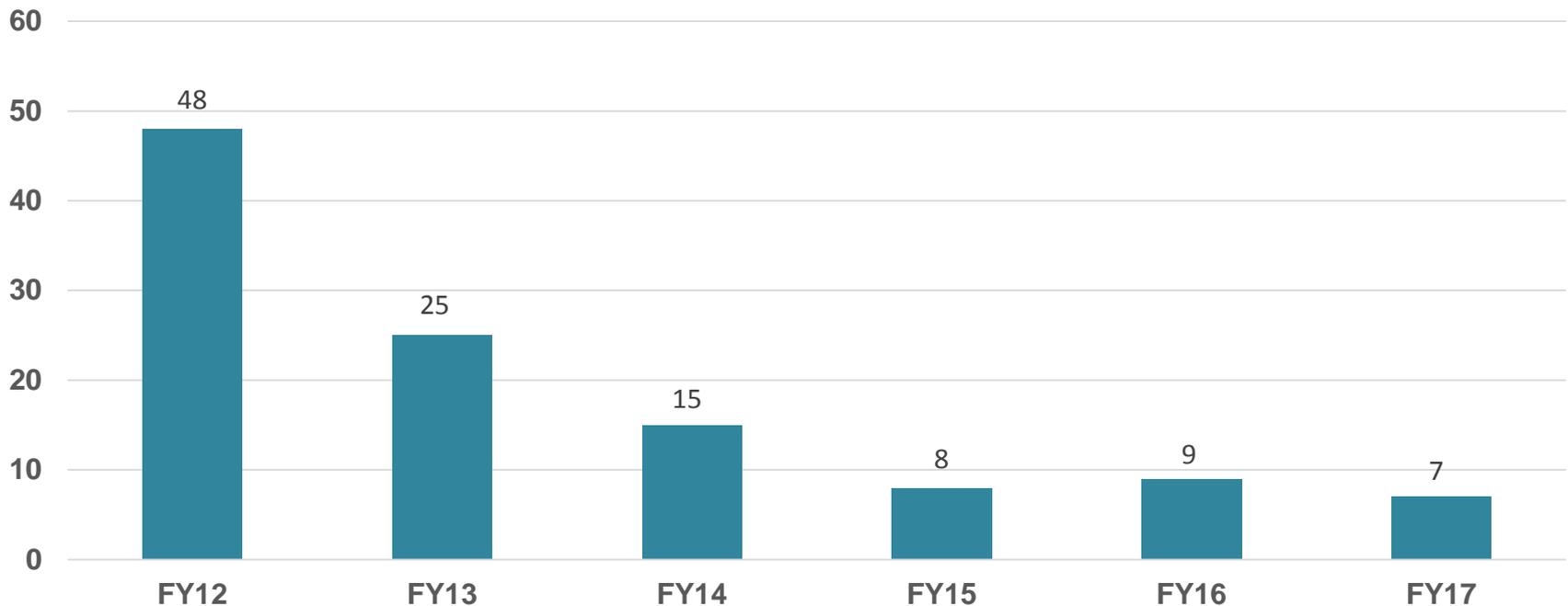
- Provide grantees with better consistency in timing/scheduling
- Allow FTA to better coordinate reviews to avoid overlap, conflicts, and overburdening grantees
- Guide FTA workflow and provide holistic view of dependent processes
- Promote efficient use of contractor and FTA staff time and help balance work throughout the year

Review Planning and Coordination



Review Planning and Coordination

FTA Grantees with Multiple Reviews
in one Fiscal Year, FY12-17



Drug and Alcohol and State Safety Oversight reviews were added to the Deconfliction process in FY16

Program Oversight Tier Designations

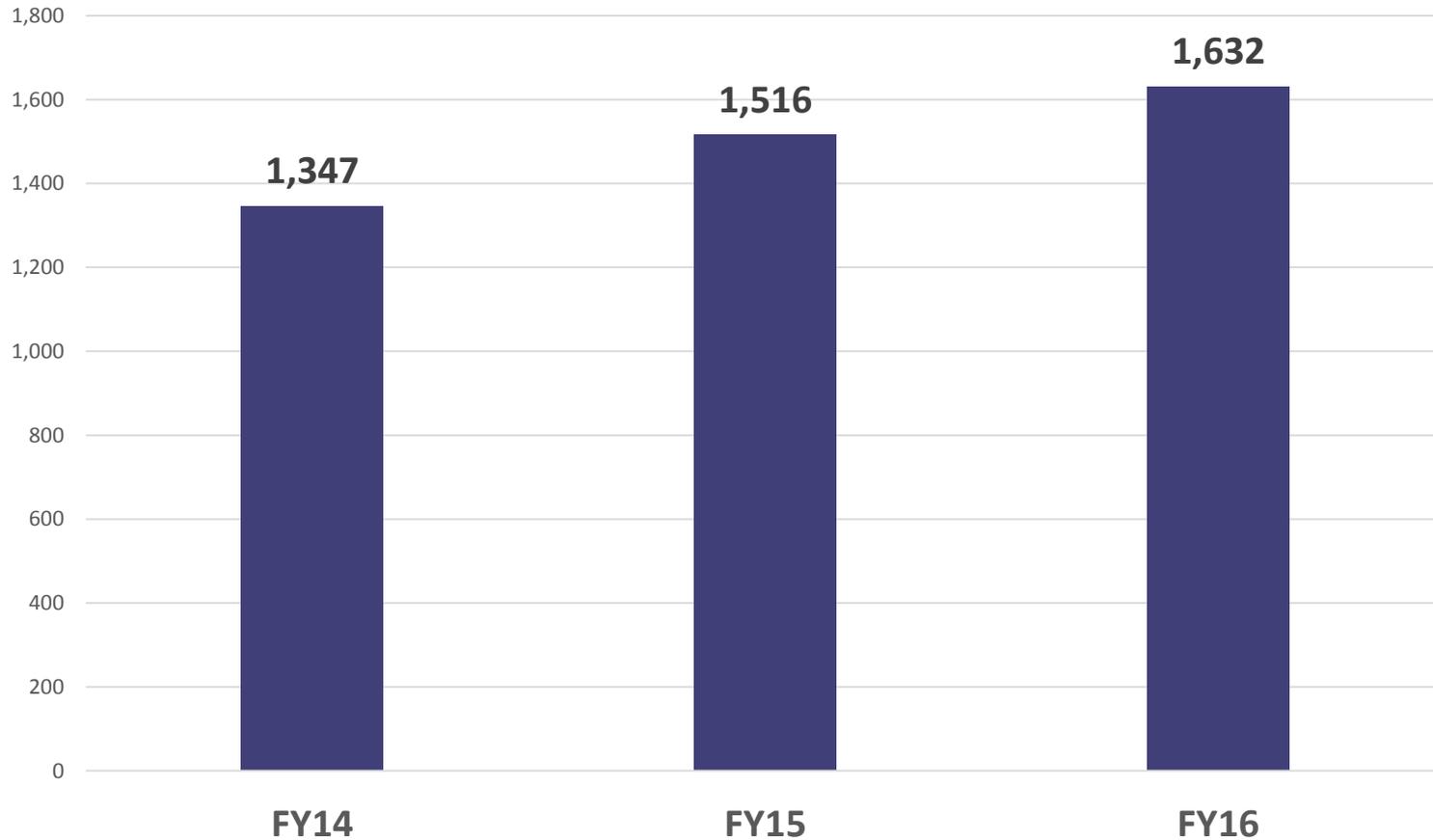
The Office of Program Oversight assigns Tier designations solely for as a mechanism for:

- Estimating and tracking level of effort for oversight reviews
- Categorizing and reporting data for agencies of similar size

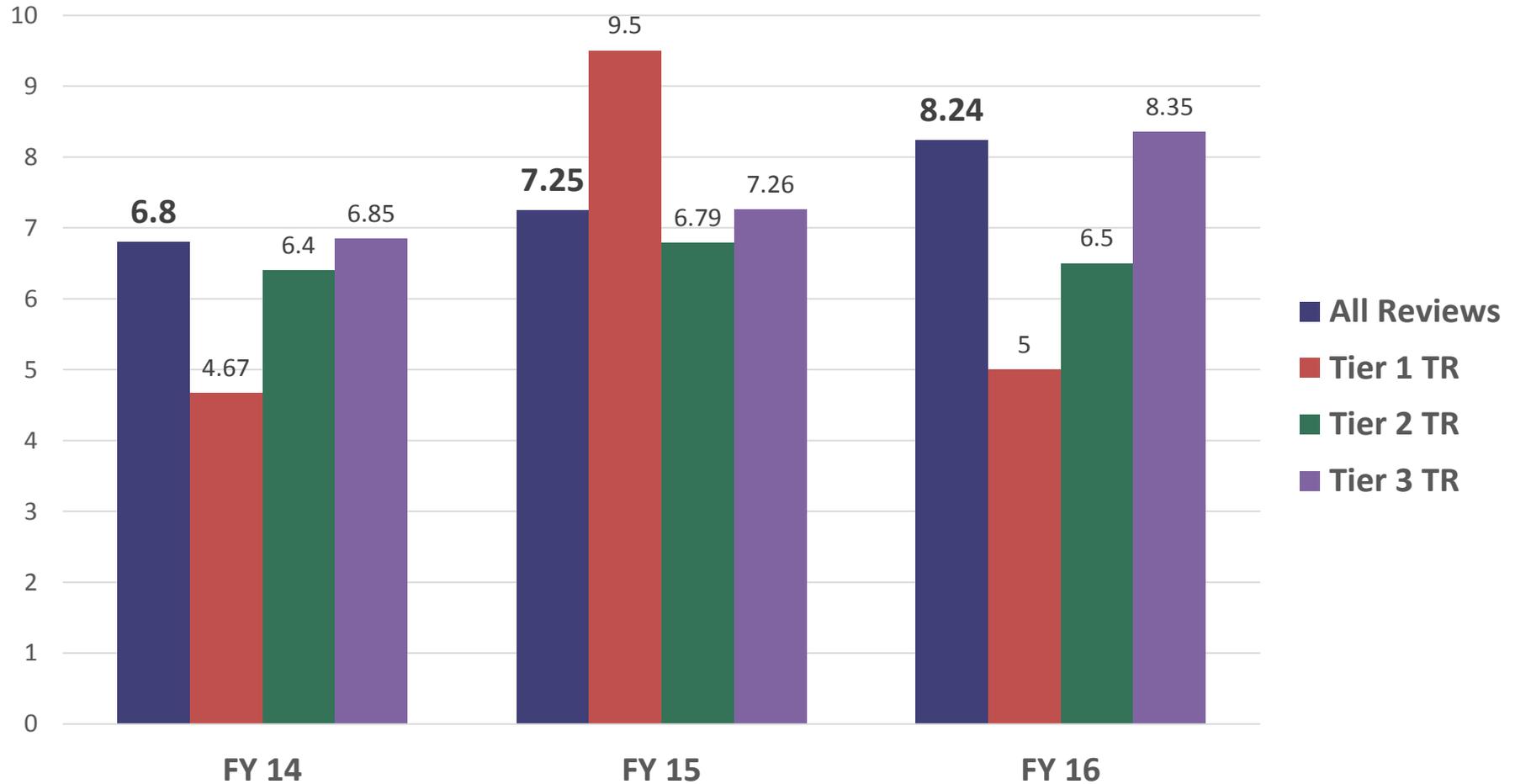
Current Tier definitions:

- Tier 1: Grantees with annual operating expenses in excess of \$1 billion
- Tier 2: Grantees with Annual Operating Expenses in excess of \$100 million and fleet size of 500 or more vehicles
- Tier 3: All grantees not included in either Tier 1 or Tier 2. Largest tier grouping (600+ grantees)

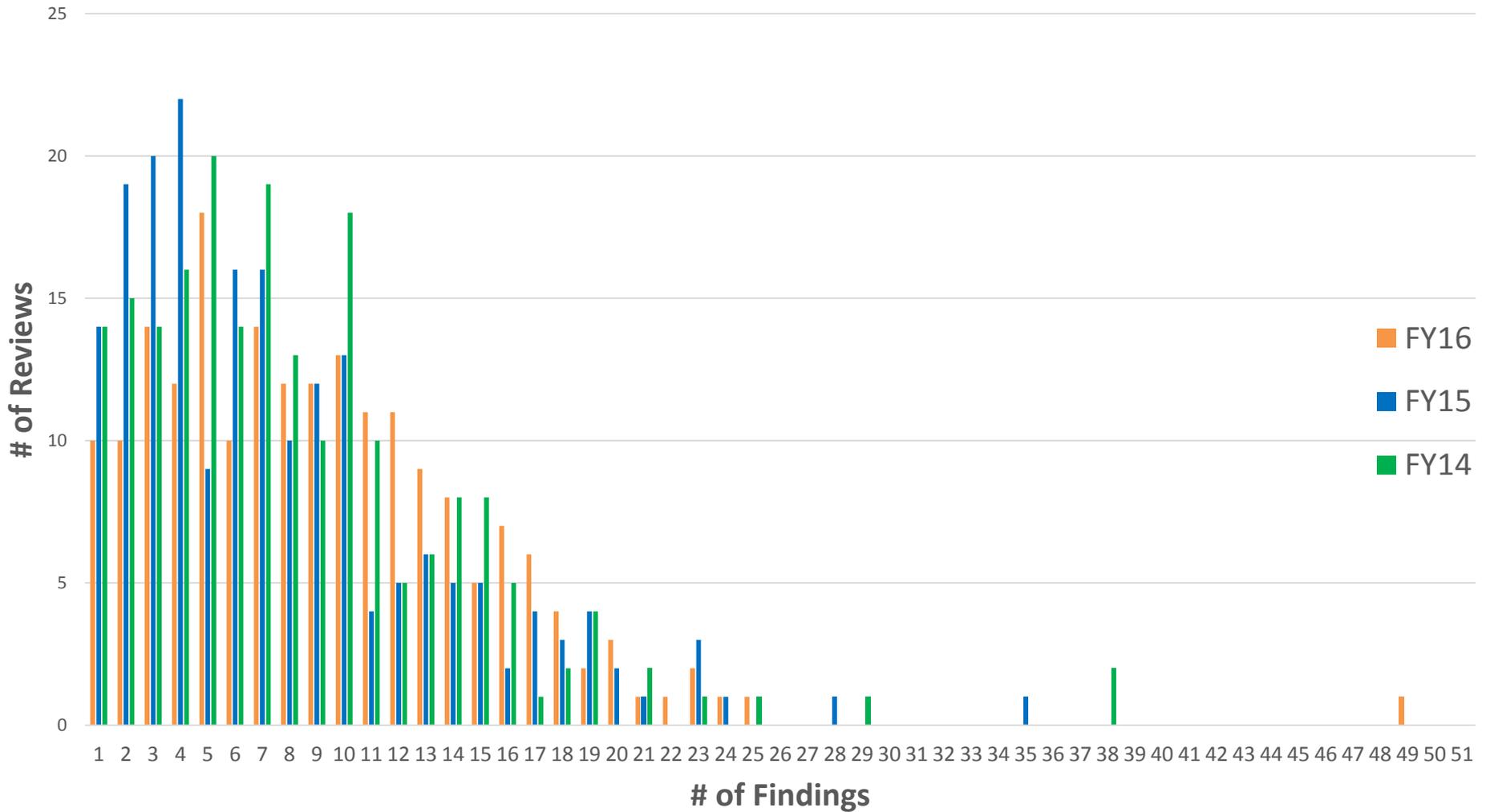
Triennial Review Findings FY 14-16



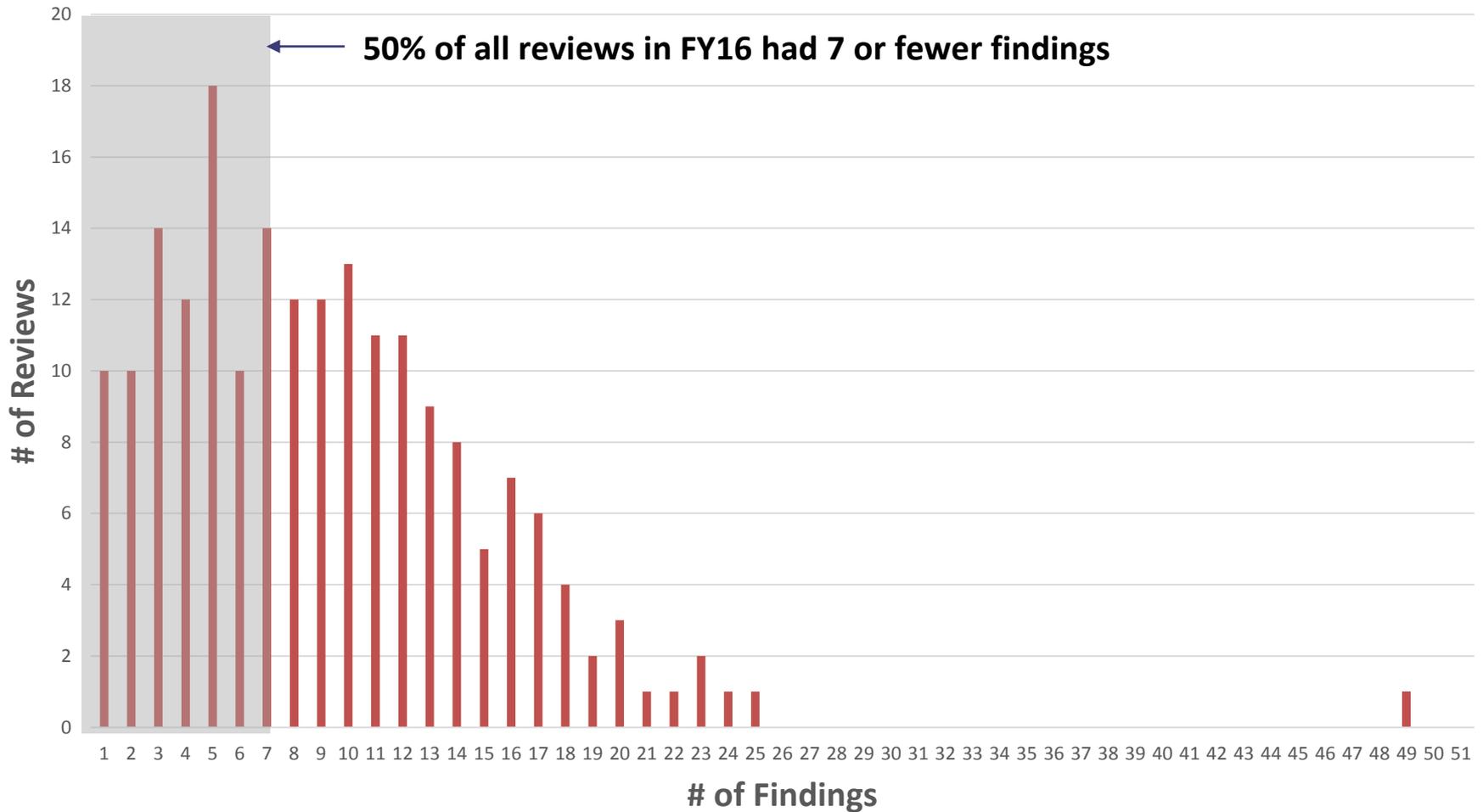
Average Findings per Triennial Review



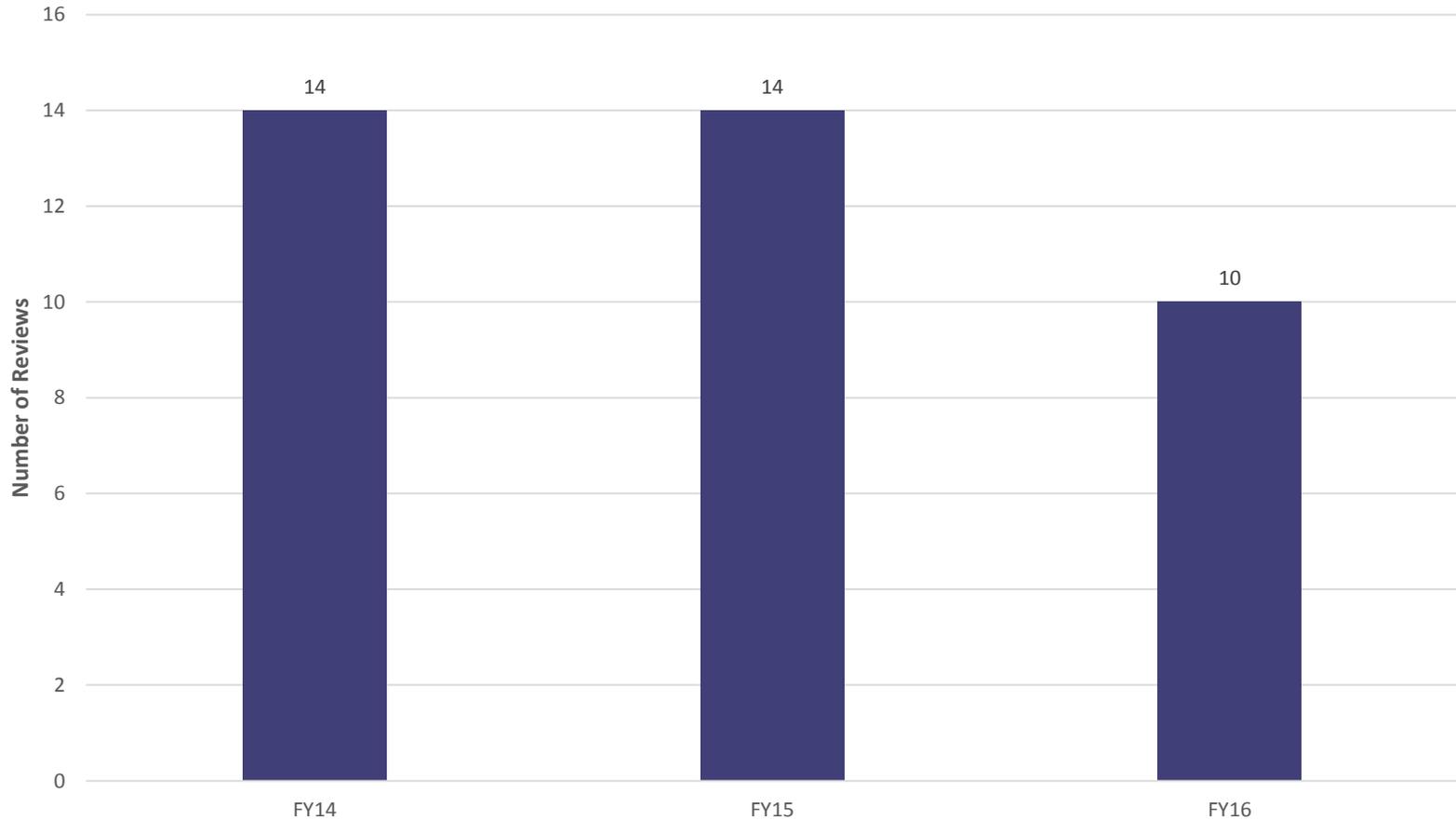
Frequency of Findings FY14-16



Frequency of Findings FY16



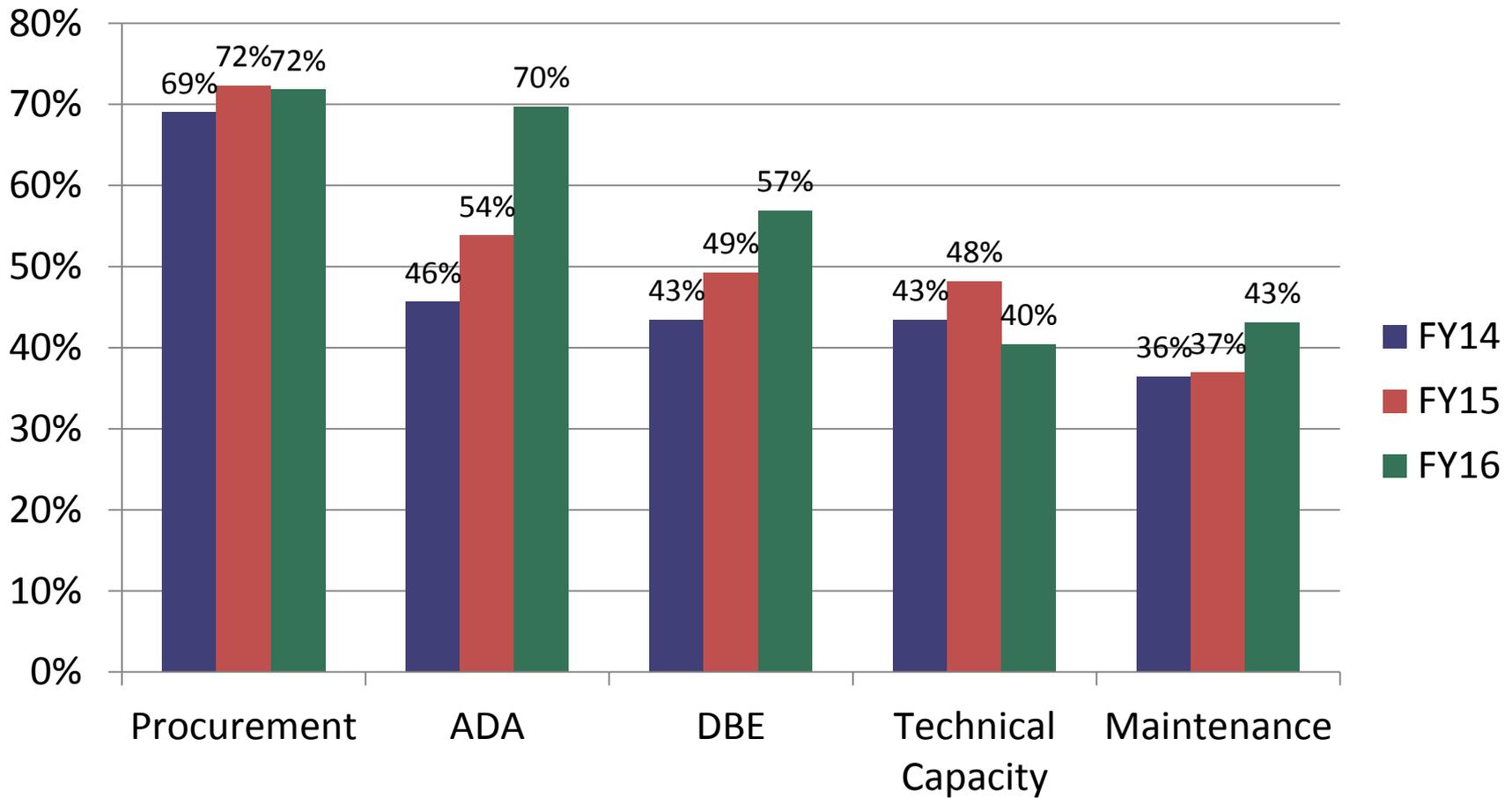
Reviews With No Findings FY14-16



Triennial Review Findings by Topic Area

Triennial Review Topic Area	FY 14	FY 15	FY 16	Cumulative Total	% of All Findings
ADA	174	197	285	656	15%
Charter Bus	6	7	7	20	0%
Disadvantaged Business Enterprise	148	188	279	615	14%
Drug and Alcohol	83	100	128	311	7%
Equal Employment Opportunity	20	24	43	87	2%
Financial Management/Capacity	90	105	109	304	7%
Half Fare	15	11	7	33	1%
Legal	19	16	3	38	1%
Maintenance	108	100	119	327	7%
Planning/Program of Projects	50	53	39	142	3%
Procurement	335	388	333	1056	23%
Public Comment	15	19	17	51	1%
Satisfactory Continuing Control	89	77	66	232	5%
School Bus	1	3	1	5	0%
Security	8	3	6	17	0%
Technical Capacity	135	167	115	417	9%
Title VI	51	58	75	184	4%
Total Number of Findings	1347	1516	1632	4495	

% of Reviews with Findings in:



Top 10 Triennial Review Findings

FY14	FY15	FY16
ADA - Insufficient no-show policy	ADA - Insufficient no-show policy	ADA - Insufficient no-show policy
Lacking independent cost estimate	DBE uniform reports not submitted semi-annually	Lacking required cost/price analysis
No FTA clauses	No verification that excluded parties are not participating	DBE goal achievement analysis not completed or not submitted
Procurement policies and procedures not evident	No FTA clauses	Limits or capacity constraints on ADA Complementary Paratransit service
DBE uniform reports not submitted semi-annually	Technical Capacity - Incorrect FFR reporting	Facility/equipment maintenance plan lacking or inadequate
Technical Capacity - Incorrect FFR reporting	Lacking independent cost estimate	DBE uniform reports not submitted semi-annually
No verification that excluded parties are not participating	Lacking required cost/price analysis	ADA Complementary Paratransit service deficiencies
DBE goal achievement analysis not completed or not submitted	DBE goal achievement analysis not completed or not submitted	Lacking independent cost estimate
Lacking required cost/price analysis	Facility/equipment maintenance plan lacking or inadequate	Drug and alcohol policy lacking required elements
Facility/equipment maintenance plan lacking or inadequate	Procurement policies and procedures not evident	ADA service provisions deficiencies

 Findings that appear in the top 10 each year

Major Initiatives In Program Oversight

- Efforts to Foster Compliance
 - Data Reporting & Analysis
 - Proactive technical assistance
 - Enhanced grantee workshops
 - Online training
- Efforts to Promote Consistency
 - New Comprehensive Oversight Review and Technical Assistance Program (CORTAP)
 - Streamlined Review Guide and Information Request
 - Annual Contractor Summit

Training and Technical Assistance

- Agency desire to take a more proactive approach to program oversight focused on:
 - Improving grantee compliance
 - Capacity building for grantees
- Feedback from grantees and FTA regional staff
- Commitments to the industry to enhance education, training opportunities, and assistance for grantees
- Continued high rate of findings in key areas

Spectrum of Offerings to Match Need

Webinars & Online Training

Topic specific
Short duration
Open to all

Workshops

Broad compliance focus
Multiple days
In person participation

Technical Assistance

Grantee specific
Longer duration
High level of interaction

Increasing level of effort and degree of personalization

Outcome: Fewer Findings

Online Training Program

- Purpose: Provide additional opportunities for grantees to learn about and understand FTA's requirements
- Formats:
 - Webinars & recorded presentations
 - Case study videos
 - Training modules, self-assessments, and quizzes
 - Fact sheets/one-pager
- General Topic Areas:
 - Review preparation
 - Narrow-focused compliance issues
- Intended outcomes:
 - Reinforce information provided at Oversight Workshops
 - Refresher for workshop participants in advance of review
 - Capacity building for grantee staff

Current Status

- Launched first Triennial Review webinar in 2015.
 - Continued in 2016
 - Covered all compliance areas in the TR
 - Viewed by over 1000 people at grantees around the country
 - Positive feedback from industry
- Added State Management Review webinars (2016)
- Topic specific trainings in planning stages
 - Indirect Cost Rates/Cost Allocation Plans
 - ADA No-show Policies
 - DBE Shortfall Analysis

Grantee Workshops

- Purpose: Improve consistency across review programs and communicate FTA's oversight responsibilities, processes, and expectations in a unified forum
- Process:
 - Merge program workshops into a single Oversight Workshop
 - Customize workshops based on specific oversight needs or concerns
 - More interactive exercises and real world examples
 - Increase the geographic coverage of workshops
- Intended outcomes:
 - Increased grantee attendance and participation
 - Clearer, more consistent information about programs and processes
 - More proactive approach with grantees
 - Greater convenience and flexibility

Current Status

- **18 Triennial Review Workshops in 2017**
 - 7 in non-FTA cities
 - Portsmouth (NH), Hartford (CT), Poughkeepsie (NY), Richmond (VA), Columbus (OH), Fayetteville (AR), Portland (OR).
- **On-site SMR workshops**
 - Effort began in Region 5 in 2016
 - Expanded to Regions 1, 3, 8, and 10 in 2017
- **Combined TR/SMR workshops**
 - For grantees receiving both 5307 and 5311 funds

Enhanced Technical Assistance

- Purpose: Provide more targeted and effective technical assistance to grantees in order to reduce overall findings, resolve open ones, and prevent repeat findings.
- Process:
 - Identify and understand current and anticipated assistance
 - Identify gaps in assistance to determine areas of need
 - Initiate proactive assistance for grantees
 - Focus on capacity building in addition to resolution of specific issues
 - Create a feedback mechanism and evaluation process
- Intended outcomes:
 - Higher compliance rates (fewer findings)
 - Better relationships between FTA and transit industry

Current Status

- 100% increase in technical assistance request between FY15 and FY17
- Significant shift towards more proactive assistance
- Increase information sharing between grantees
- Typical technical assistance:
 - On-site training to improve understanding of specific compliance topics
 - Guidance and advice for developing new policies and procedures
 - Review of documents and processes for FTA compliance
 - Monitoring implementation of new policies, processes or systems

New Oversight Review Program

- Merger of the Triennial and State Management Reviews in a single program.
- Increases FTA's flexibility in providing the appropriate level of oversight by:
 - Filling the gaps in existing oversight
 - Adapt to the increasingly complex funding, designation, and operating arrangement between grantees;
- Reduces the review burden for many grantees
- Shifts to a more proactive oversight process
- Improves consistency across FTA oversight programs

Program Material Updates

- “Back to basics” exercise to identify basic requirements for grantees and the optimal methods of assessing compliance
- Will ensure that all questions are directly related to specific, citable requirements
- Direct response to concerns express by internal and external stakeholders:
 - Basis and justifications for questions and findings
 - Burden on grantees to prepare and submit information requests
 - Quality of information request submissions
 - Requesting information to which FTA already has access
 - Dictating preferred practices vs compliant practices

New Review Guide

Each question in the review guide will have four basic parts

1. **Basic Requirement:** high-level, clear statement of what a recipient is required to do
2. **Applicability:** Recipients to whom the requirement applies
3. **Indicators of compliance:** How reviewers will assess compliance with the basic requirement
4. **Determination:** Based on result of indicators
 - Deficiency
 - Explanation
 - Governing directive

Anticipated Benefits for Grantees

- Provides a much more detailed explanation of what is expected of the grantee and exactly how FTA will go about determining a grantee's compliance
- Grantees will have a better understanding of exactly why a finding of deficiency was made with reference to requirement
- Help fulfill FTA's commitment to better transparency in its review processes
- Shifts "burden" from grantee to FTA and its contractors
- Contractor's notes for the indicators of compliance will
 - Streamline the site visit process to focus on areas of concern
 - Provide critical information to help FTA review findings
 - Identify gray areas of compliance that need to be clarified

Contractor Summit

- Purpose: Bring review contractors together to foster greater consistency in the review process
- Process:
 - Presentations to reinforce FTA priorities, program updates and changes, trends, and experiences
 - Interactive scenarios/exercises involving actual review findings
 - Discussion/brainstorming about improving consistency
- Intended outcomes:
 - Understand inconsistencies in findings and corrective actions
 - Identify where and why those differences originate
 - Determine need for updates, education, and better communication
 - Emphasize the need for documenting the rationale for findings



Federal Transit
Administration
www.fta.dot.gov

FTA

FEDERAL TRANSIT ADMINISTRATION

Your Role in FTA's Oversight

July 25, 2017

Hope Jensen, Acting Division Chief
Compliance Programs
Office of Program Oversight



FTA

FEDERAL TRANSIT ADMINISTRATION

Understanding Findings

- The vast majority of Triennial Reviews result in at least one finding.
 - Only 5-7% of the 200+ reviews annually have zero findings
 - Requirements change over time
 - Staff come and go
- A finding is an opportunity to learn, increase efficiency, improve the agency.

Your Role in Oversight

- Commitment by senior management is crucial
 - Demonstrates organizational commitment and cooperation with the review process
 - Sets the tone for staff to use the review as a self assessment tool to identify areas for improvement
 - Corrective actions should not be viewed as an exercise to close the triennial review report but as an opportunity to actually resolve compliance issues over the long term

Oversight Reviews are NOT Audits

- Think of it as:
 - Free consultancy – Experts on site
 - A 3-year check in to ensure agency staff especially new hires are current on FTA requirements
 - Opportunity for to understand what FTA is looking for and how maintain compliance

Benefits of Oversight Reviews

- Management tool to
 - Aid for the development of sound operating and business practices
 - Provide insights into internal business management practices
 - Identify where improvements can be made

Benefits of Oversight Reviews

- Opportunity to assess:
 - Staffing levels
 - Organizational structure
 - Cross department/office communication
 - Resources dedicated to each compliance area
 - Training needs



Federal Transit
Administration
www.fta.dot.gov

FTA

FEDERAL TRANSIT ADMINISTRATION