Triennial Reviews

Common Deficiencies & Corrective Actions

Arizona's 37th Annual Statewide Transit Conference
April 9, 2024

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Office of Financial Management and Program Oversight
Region 9
Federal Transit Administration

FTA
FEDERAL TRANSIT ADMINISTRATION

U.S. Department of Transportation
Federal Transit Administration

FTA Region 9 – Office of Financial Management and Program Oversight (OFM)

OFM works with the HQ Office of Program Oversight to support:

- National Oversight Program
- Needs Assessment
- Recipient Training
- Technical Assistance and Corrective Action support
- QA/QC
- Data Analysis & Reporting
- OTrak
- Indirect Costs reviews
- Single Audit Findings – particularly OIG-flagged

FTA Program Oversight

Assess and Promote Recipient <mark>Compliance</mark>:

- Comprehensive Oversight Review and Technical Assistance Program (CORTAP)
  - **Triennial** & **State Management** Reviews
- Specialized Reviews
  - Financial Management Oversight (FMO)
  - Procurement System Review (PSR)
  - Civil Rights
  - State Safety Oversight (SSO) Audits
  - Tribal Transit Assessments
  - Metropolitan TMA Certification & Statewide Planning Findings – with FHWA

Strengthen Recipient <mark>Capacity</mark> to <u>Improve Public Transit</u>

- Technical assistance and corrective action support
- Training

FTA Program Oversight: FY 2023 Activities

Oversight Activity	FTA	Region 9
Triennial Review	202	31
State Management Review	12	3
Combined TR/SMR	5	0
COVID-19 Financial Spot Reviews	47	9
Financial Management Review	17	6
Procurement System Review	–	0
Technical Assistance (FMO, PSR, and CORTAP)	47	3
Total	**330**	**52**

Comprehensive (Triennial) Reviews

- Required by statute: 49 U.S.C. § 5307(f)(2)
- Any Recipient which, <u>at any time</u>, directly receives FTA 5307 Urbanized Area formula funding *(except COVID Relief)*
- Every 3 years
- 2020 Census → more urbanized areas → more TRs

- **State Management Reviews**
  - For consistency, follow near-identical requirements as Triennial Reviews
  - States and Territories
  - Recipients of:
    - FTA 5310 Enhanced Mobility of Seniors and Individuals with Disabilities
   - FTA 5311 Rural Areas

Comprehensive Review Areas

1. Legal
2. Financial Management and Capacity
3. Technical Capacity - Award Management
4. Technical Capacity - Program Management and Subrecipient Oversight
5. Technical Capacity – Project Management
6. Transit Asset Management
7. Satisfactory Continuing Control
8. Maintenance
9. Procurement
10. Disadvantaged Business Enterprise
11. Title VI

12. ADA – General
13. ADA – Complementary Paratransit
14. Equal Employment Opportunity
15. School Bus
16. Charter Bus
17. Drug-Free Workplace Act
18. Drug and Alcohol Program
19. Section 5307 Program Requirements
20. Section 5310 Program Requirements
21. Section 5311 Program Requirements
22. Public Transportation Agency Safety Plan
23. Cybersecurity

Comprehensive Review Contractors Manual

- **Summary of Changes**
- 23 Review Areas, detailed as:

  1. **Basic Requirement**
  2. **Applicability**
  3. **Explanation**
  4. **Indicators of Compliance**
  5. **Instructions for Reviewer**
  6. **Governing Directives**
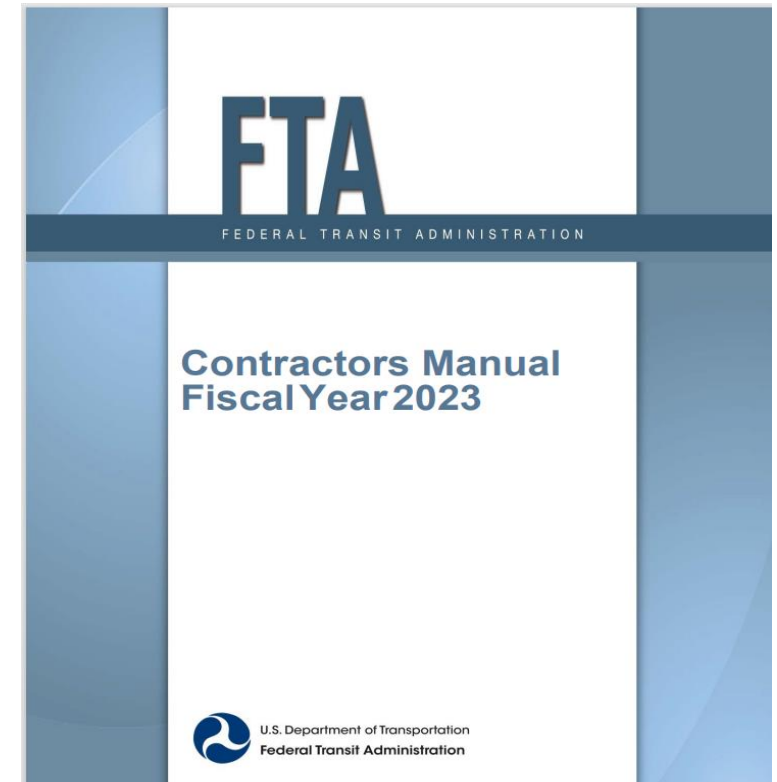
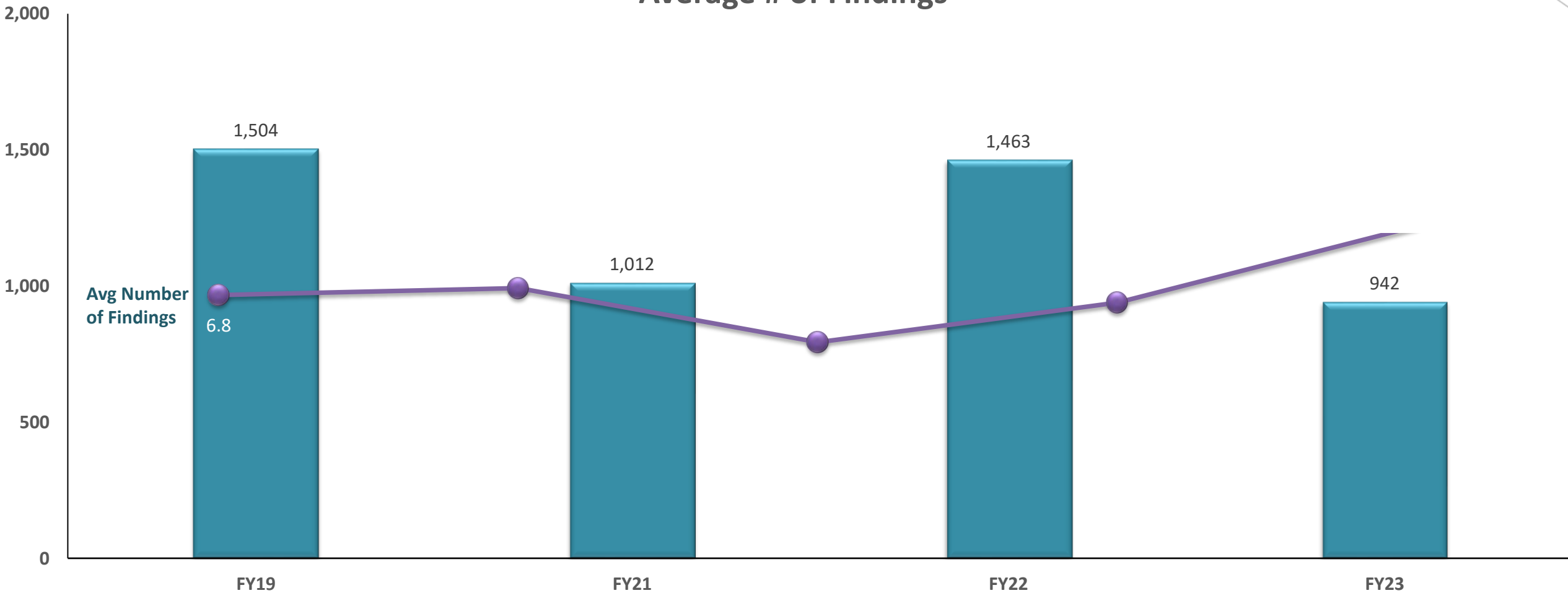[Comprehensive Review Contractors Manual](#)

FYs 2018 – 2022
Oversight Statistics
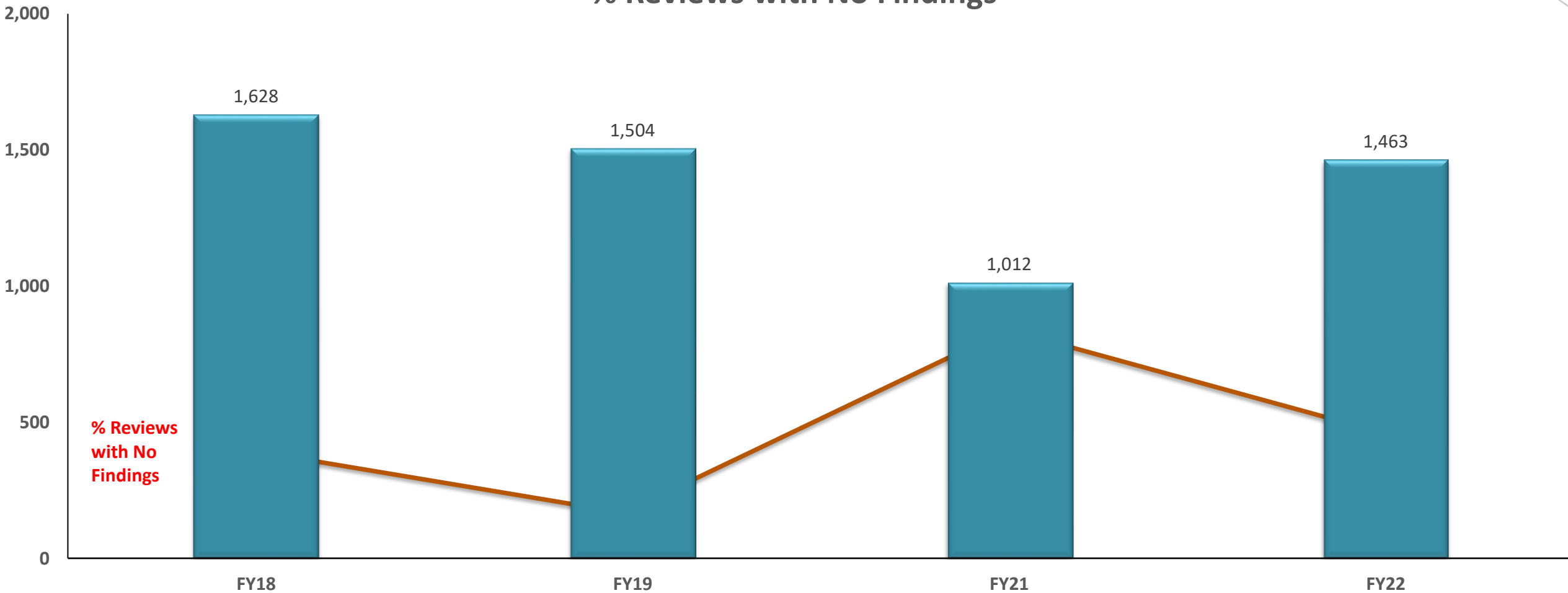
Comprehensive Review Findings: FYs 2019 – 2023

Average # of Findings

Avg Number of Findings

- FY19: 1,504 — 6.8
- FY21: 1,012
- FY22: 1,463
- FY23: 942

Note: Comprehensive Reviews include TR, SMR, or Combined TR/SMR.

Comprehensive Review Findings: FYs 2018 – 2022

% Reviews with No Findings

% Reviews with No Findings

	FY18	FY19	FY21	FY22
	1,628	1,504	1,012	1,463

Note: Comprehensive Reviews include TR, SMR, or Combined TR/SMR.

Comprehensive Reviews: Repeat Findings

FY	# of Reviews	Repeat Findings	Non-Repeat Findings	% of Repeat Findings
2018	241	112	1,516	6.9%
2019	211	112	1,392	7.4%
2021	234	90	922	8.9%
2022	230	111	1,352	7.6%
2023	219	98	844	10.4%
3-year Total	**683**	**299**	**3,118**	

Program Oversight: Top 11 Findings – FY 2022

Review Area	Finding	FY22	FY21	FY19	FY18
Procurement	P11-1 - Missing FTA clauses	✔	✔	✔	✔
Disadvantaged Business Enterprise	DBE5-1 - DBE uniform reports contain inaccuracies and/or are missing required information	✔	✔	✔	✔
Procurement	P10-2 - Lacking required cost/price analysis	✔	✔	✔	✔
Procurement	P10-1 - Lacking independent cost estimate	✔	✔	✔	
Procurement	P4-1 - Responsibility determination deficiencies	✔	✔		✔
Procurement	P5-1 - Incomplete written documentation of procurement history	✔	✔		
Disadvantaged Business Enterprise	DBE6-1 - DBE goal achievement analysis and corrective action plan not completed	✔	✔	✔	
Procurement	P12-2 - Lobbying certifications not included in procurement solicitations or signed by bidders	✔			
Title VI	TVI2-1 - Language Assistance Plan implementation deficiencies	✔		✔	✔
Technical Capacity – Award Management	TC-AM5-1 - Inactive award/untimely closeouts	✔			
Financial Management and Capacity	F4-1 - ECHO documentation deficient	✔	✔		

SMR & Combined: Top 10 Findings – FY 2022

Review Area	Finding	FY22	FY21	FY19	FY18
Disadvantaged Business Enterprise	DBE5-1 - DBE uniform reports contain inaccuracies and/or are missing required information	✔	✔	✔	
Technical Capacity – Program Management & Subrecipient Oversight	TC-PgM6-1 - FFATA reporting deficiencies	✔	✔	✔	✔
Procurement	P10-2 - Lacking required cost/price analysis	✔	✔	✔	
Procurement	P21-1 - Insufficient oversight of subrecipient procurements	✔	✔		✔
Procurement	P11-1 - Missing FTA clauses	✔	✔	✔	✔
Disadvantaged Business Enterprise	DBE6-1 - DBE goal achievement analysis and corrective action plan not completed	✔	✔	✔	
Procurement	P10-1 - Lacking independent cost estimate	✔	✔	✔	
Procurement	P12-2 - Lobbying certifications not included in procurement solicitations or signed by bidders	✔		✔	
Disadvantaged Business Enterprise	DBE12-1 - Insufficient documentation of monitoring DBE compliance of contractors	✔			
Title VI	TVI1-2 - Revisions to Title VI program not made	✔			

Corrective Actions for Common Deficiencies 1/4

DEFICIENCY CODE **P10-1**: **Lacking independent cost estimate**

SUGGESTED CORRECTIVE ACTION: The recipient must submit to the FTA regional office documentation that it has updated its procurement procedures to include development of independent cost estimates prior to receipt of bids or proposals. For the next procurement, submit to the FTA regional office documentation that the required process was implemented.

DEFICIENCY CODE **P10-2: Lacking required cost or price analysis**
SUGGESTED CORRECTIVE ACTION: The recipient must submit to the FTA regional office documentation that it has updated its procurement procedures to include performing applicable cost or price analysis for procurements above the Federal Simplified Acquisition Threshold. For the next applicable procurement, submit to FTA regional office documentation that the required analysis was implemented.

Corrective Actions for Common Deficiencies 2/4

DEFICIENCY CODE **P11-1**: **Missing FTA clauses**

SUGGESTED CORRECTIVE ACTION: The recipient must submit to the FTA regional office revised procurement procedures that address inclusion of all FTA-required third party contract clauses through use of a clause checklist or other mechanism. For the next procurement, submit to the FTA regional office documentation that the required process was implemented.

DEFICIENCY CODE **P12-2: Lobbying certifications not included in procurement solicitations or signed by bidders**

SUGGESTED CORRECTIVE ACTION: The recipient must submit to the FTA regional office procedures for obtaining signed lobbying certifications. The recipient must submit to the FTA regional office a copy of the signed lobbying certification with the next applicable procurement.

Corrective Actions for Common Deficiencies 3/4

DEFICIENCY CODE **TC-AM5-1: Inactive award/untimely closeouts**

SUGGESTED CORRECTIVE ACTION 1: The recipient must submit to the FTA regional office an ==award closeout plan==.

SUGGESTED CORRECTIVE ACTION 2: The recipient must submit to the FTA regional office more effective ==procedures== for award management (spending older funds first, tracking project progress, identifying project balances, reprogramming unused project funds to other projects, reassigning older projects to newer awards, or closing out projects) to enable it to close awards more timely.

SUGGESTED CORRECTIVE ACTION 3: The recipient must work with the FTA regional office to ==revise award budgets== to ensure funds can be spent and drawn down in active awards.

SUGGESTED CORRECTIVE ACTION 4: The recipient must work with the FTA regional office to ==deobligate funds and close awards== if funds remain in inactive awards or if projects are indefinitely delayed.

Corrective Actions for Common Deficiencies 4/4

DEFICIENCY CODE **TC-PgM6-1: FFATA reporting deficiencies**

SUGGESTED CORRECTIVE ACTION: The recipient must report all missing information to FSRS and notify the FTA regional office when complete. The recipient must also submit to the FTA regional office procedures for reporting future subawards to FSRS timely.

DEFICIENCY CODE **F4-1: ECHO documentation deficient**
SUGGESTED CORRECTIVE ACTION: The recipient must submit to the FTA regional office procedures for documenting ECHO draws. Discuss with the FTA regional office if it wants to require the recipient to submit ECHO requests for prior approval. The recipient must document and work with the FTA regional office to reimburse FTA for ineligible expenses charged to awards, plus applicable interest*. The recipient must implement and submit to the FTA regional office documentation of training conducted of the appropriate staff on new policies and procedures.

Recipient Resources for FTA Oversight

- [Comprehensive Review Contractors Manual](#) ★

- [Key Procurement Deficiencies Webinars](#)

- [Procurement System Review Program Training Module: Cost and Price Analysis](#)

- RTAP [ProcurementPRO](#)

- [Financial Management + Procurement Workshops](#)

- [National Transit Institute](#): Procurement, DBE, Title VI, ADA
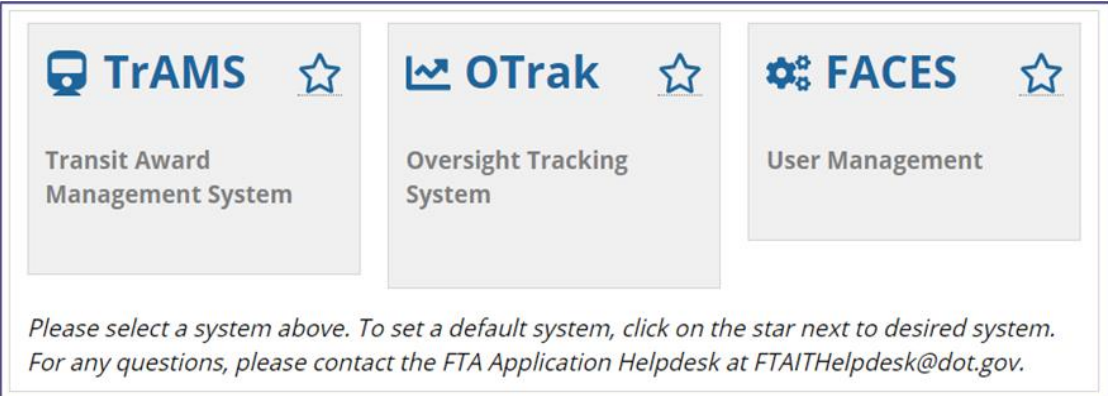
Oversight Tracking System (OTrak)

Oversight Tracking System (OTrak)

FTA's official system of record for program oversight data

- Civil Rights
- Comprehensive: Triennial Reviews (TRs), State Management Reviews (SMRs)
- COVID-19 Financial Spot Reviews
- Financial Management Oversight (FMO)

- Procurement System Review (PSR)
- State Safety Oversight (SSO) Audits
- Single Audits
- Tribal Transit Program

- Oversight activity data includes:
  - Process Stages/Events (activity milestones with dates, ex: Final Report – FTA to Recipient)
  - Documents (ex: Final Reports, Corrective Action Closure Justifications)
  - Deficiencies/Findings and Corrective Actions

OTrak *(continued)*

- New version of OTrak launched for **FTA staff** and **contractors** April 26, 2021.

- **Recipient** integration:
    - FY 2023 – Pilot Program w/ 25 Recipients
    - FY 2024 – All recipients receiving a TR, SMR, Combined TR/SMR, or PSR.

- OTrak is on FTA's Appian TrIAD (Transit Integrated Appian Development) platform.

- From the TrIAD, all of the FTA Appian databases/systems you have been granted access to can be accessed.

- www.transit.dot.gov/OTrak

🚆 TrAMS ☆	⬈ OTrak ☆	⚙️ FACES ☆
Transit Award Management System	Oversight Tracking System	User Management

Please select a system above. To set a default system, click on the star next to desired system. For any questions, please contact the FTA Application Helpdesk at FTAITHelpdesk@dot.gov.

Recipient Functionalities in OTrak

- User Management for OTrak through FTA's Access and Control Entry System
  (FACES) / annual recertification
- Assign Recipient Points of Contact (POCs) to the review in OTrak
  - Recipient POCs will receive notifications
- Submit corrective action documentation / requests for closure
- Request corrective action due date extensions
- View / download final reports

FTA Mission, Vision, Values

MISSION

Improve America's Communities through Public Transportation

VISION

A Better Quality of Life for All Built on Public Transportation Excellence

VALUES		
	SERVICE	Provide reliable, transparent, responsive, and anticipatory services to meet stakeholder needs
	INTEGRITY	Commitment to the highest professional and ethical standards
	INNOVATION	Foster new ideas, concepts, and solutions for improved outcomes
	SUSTAINABILITY	Optimize decisions, resources, and systems to make long-term positive impacts on the environment, infrastructure, and safety
	EQUITY	Remove barriers for systemically underserved communities to access all aspects of economic, social, and civic life