The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), requires the Office of Inspector General (OIG) to assess the National Highway Traffic Safety Administration’s (NHTSA) management review program and report on best practices. To address requirements set forth in SAFETEA-LU, the OIG is initiating this audit. Our audit objective will be to evaluate NHTSA’s management reviews of state highway safety programs and identify best practices.

NHTSA administers several highway safety formula and incentive grant programs. States receive these grant funds to implement a variety of traffic safety programs that influence driver behavior, such as increasing use of seat belts and child passenger safety seats, preventing and reducing drinking and driving, and improving safety data. In addition, states that fail to adopt laws designed to reduce alcohol-related fatalities associated with repeat drunk-driving offenders and open alcoholic beverage containers in motor vehicles are penalized by having a percentage of their highway construction funds transferred to highway safety programs. Total highway safety formula, incentive, and transfer grant funding for fiscal years (FY) 2005 and 2006 was $1.2 billion and NHTSA requested $584 million for FY 2007.

SAFETEA-LU requires that NHTSA review each state highway safety grant program every 3 years and make recommendations to improve management and oversight of grant activities. A management review assesses the efficiency and effectiveness of a state’s organizational, program management, and financial management systems and practices.
for strengthening highway safety programs. NHTSA planned to perform the first 3-year cycle of management reviews during FYs 2005-2007.

NHTSA also conducts special management reviews that evaluate management and operational practices in specific program areas to assess states’ program performance and progress. These reviews are scheduled as needed, usually because a state has consistently performed below the national average using analyses of the best and most current data available from NHTSA’s Fatality Analysis and Reporting System, mileage death rates, alcohol death rates, and safety belt surveys.

In conducting our audit, we will answer the following questions:

1. Did NHTSA develop its management review process in accordance with the General Accountability Office’s April 2003 recommendations and is NHTSA following its own procedures?

2. To what extent do NHTSA’s management reviews address performance measures used by the states?

3. Are there any best practices used by other agencies that NHTSA could adopt to improve its management review process?

We plan to begin our review immediately. We will conduct the audit at NHTSA offices in Washington, D.C., selected NHTSA regional offices, and selected state highway safety offices. We will also contact other Department agencies to obtain information on best practices used in their oversight reviews. If I can answer any questions or be of further assistance, please contact me at (202) 366-5630 or Joseph W. Comé, Program Director, at (202) 366-0377.

cc: FTA Audit Liaison, TAD-10  
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