

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

**EXECUTIVE SUMMARY**

This performance audit of the SCCRTC covers the three-year period of fiscal year 2000-2001 through fiscal year 2002-2003. Performance audits are prepared to fulfill the requirements of the California Transportation Development Act (TDA), which requires a performance audit every three years to review the "service's efficiency, effectiveness, and economy" and to determine if the SCCRTC meets other specified TDA requirements.

This audit includes the basic compliance audit required by the TDA, a review and verification of the SCCRTC's data collection process, an analysis of performance indicators and trends during the audit period, a determination of TDA compliance, a program review, and identification of issues.

Based on the review of the performance of the SCCRTC, it is the opinion of the auditors that the SCCRTC has adopted goals, policies, and procedures, and has taken a number of steps to improve its overall performance since the last performance audit.

The audit also identified areas where the SCCRTC can continue to improve its performance and developed recommendations to improve the performance of the SCCRTC in these areas. The following are the recommendations for the SCCRTC:

Functional Area Recommendations

**Administration and Management**

Salaries for all SCCRTC employees are defined and limited by the Santa Cruz County (County) salary structure. Planners and support staff are not technically County employees. Being limited to the salary structure of the County may limit the SCCRTC's ability to attract and retain quality personnel. Our recommendation is to review the salary cap policy imposed by the County, explore options to become independent from the County's Compensation Policy, and perform a cost benefit analysis in conjunction with improving the salary structure.

The SCCRTC uses a different budget system than the County. Because the two systems are incompatible, the staff of the SCCRTC is required to prepare additional reports so that the information can be used by management and the Commission. We recommend that the SCCRTC become an autonomous entity from the County or to implement an accounting system that is able to integrate both the County's and the SCCRTC's reporting systems. By implementing this recommendation, the SCCRTC will benefit from increased effectiveness and efficiency, and may potentially reduce overall costs.

The SCCRTC's relationship with the County involves the use of County services, policies, and procedures for legal advice, personnel and payroll, insurance coverages, purchasing, fleet services, and claim and warrant processing. Some aspects of this operational relationship work well for the SCCRTC, while others impose limitations or inefficiencies that detract from the functioning of the SCCRTC. We recommend that the SCCRTC explore options to change the operational relationship between the SCCRTC and the County including investigating the option of becoming fully independent from the County and/or of crafting more limited operational arrangements with the County or another governmental entity. The SCCRTC should also perform an updated cost-benefit analysis in conjunction with any recommendation to change the SCCRTC's administrative and personnel structure.

**Transportation Planning and Regional Coordination**

We have no recommendations.

**Claimant Relationships and Oversight**

We have no recommendations.

**Marketing and Transportation and Alternatives**

We have no recommendations.

**Grant Applications and Management**

We have no recommendations.

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excerpt from 2003 Triennial Performance Audit (FY 00-01, 01-02, 02-03)

