



**STAFF REPORT**  
Board Meeting of April 24, 2024

**AGENDA ITEM:** 8-B

**PREPARED BY:** Troy McNeil, Deputy Director/Fiscal Supervisor

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**SUBJECT:**

Triennial Performance Audits FYs 2020-2023

**Enclosure:** Yes

**Action:** Accept Triennial Performance Audits of MCTC, the County of Madera, the City of Madera, and the City of Chowchilla

**SUMMARY:**

MCTC is statutorily required by Section 99246 of the California Public Utilities Code to designate entities other than itself, a county transportation commission, a transit development board, or an operator to make a performance audit of its activities and the activities of each operator to whom it allocates funds. The audit covered fiscal years 2020-21 through 2022-23 and audited the following functions:

- RTPA Administration and Management;
- Transportation Planning and Regional Coordination;
- Claimant Relationships and Oversight;
- Follow up of prior Performance Audit Recommendations;
- Marketing and Transportation Alternatives; and
- Grant Applications and Management.

The following is a summary of the findings:

MCTC

Based on the current review, Moore & Associates submitted the following TDA compliance findings:

1. Operator TDA fiscal audit reports continued to be submitted late in FY 2020/21 and FY 2021/22.
2. MCTC's State Controller Report was submitted late in FY 2020/21.

The audit team has identified no functional findings.

### County of Madera

Based on discussions with County staff, analysis of program performance, and an audit of program compliance and function, the audit team presents two compliance findings:

1. The County's State Controller Report was submitted nearly two weeks late in FY 2020/21.
2. TDA fiscal audits were submitted after the extended deadline in FY 2020/21 and FY 2021/22.

The audit team has identified two functional findings. While these findings are not compliance findings, the audit team believes they warrant inclusion in this report:

1. While reporting improved during the audit period, the County could benefit from further improvements to financial and FTE reporting.
2. The fare revenue ratio calculation included in the TDA fiscal audits does not take into account any inclusions or exclusions that would impact the ratio.

### City of Madera

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents three compliance findings:

1. The City's Transit Operator Financial Transactions Reports for FY 2021/22 and FY 2022/23 were not submitted to the State Controller by the established deadline.
2. The City submitted its TDA fiscal audits for FY 2020/21 and FY 2021/22 after the extended deadline.
3. Use of the TDA definition of full-time equivalent (FTE) employee could not be confirmed.

The audit team has identified two functional findings. While these findings are not compliance findings, we feel they are significant enough to be addressed within this audit:

1. The City continues to struggle with consistent reporting, especially with respect to operating cost.
2. The City's contracted operator had two Unsatisfactory terminal inspection reports from CHP during the audit period.

### City of Chowchilla

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents two compliance findings:

1. The City did not submit its TDA fiscal audits within the established time period in FY 2020/21 or FY 2021/22.
2. The City did not use the TDA definition of full-time equivalent (FTE) employee during the audit period.

The audit team has identified two functional findings. While these findings are not compliance findings, the audit team believes they warrant inclusion in this report:

1. The Transit department is currently understaffed due to an unfilled part-time driver position.
2. There needs to be better communication between Transit and Finance staff regarding audits, fund transfers, etc.

MCTC Staff has already begun working on addressing these compliance and functional review findings and does not anticipate any issues with implementation.

**FISCAL IMPACT:**

No fiscal impact to the approved 2023-24 Overall Work Program and Budget.