

Internal Audit Report

**OFFICE OF TRANSPORTATION
DRIVER TRAINING AND SAFETY AUDIT
DECEMBER 2019**

Office of the County Auditor





OFFICE OF THE COUNTY AUDITOR

Craig Glendenning, CPA
County Auditor

December 2019

The Honorable Members of the County Council
The Honorable Calvin Ball, County Executive

Pursuant to Section 212 of the Howard County Charter and Council Resolution 22-1985, we have conducted a driver training and safety audit of the Office of Transportation. This report contains recommendations we believe will improve accountability and compliance with applicable policies.

This report has been reviewed with the Chief Administrative Officer and we have included the Administration's response. We wish to express our gratitude to the Office of Transportation for the cooperation and assistance extended to us during the course of this engagement.

A handwritten signature in blue ink, appearing to read "Craig Glendenning", followed by a long horizontal flourish.

Craig Glendenning, CPA
County Auditor

EXECUTIVE SUMMARY

We conducted a performance audit of driver training and safety for drivers employed by the Regional Transportation Agency (RTA). Services for RTA are managed by First Transit, Inc., under a contract with the Office of Transportation (Office). The objectives of our audit were to:

1. Ensure that drivers hired and employed by RTA are properly vetted and trained when hired and on an ongoing basis.
2. Determine if the Office and First Transit, Inc./RTA are complying with contractual requirements regarding training and safety.
3. Ensure the Office and First Transit, Inc./RTA are serving the public by addressing issues such as driver turnover and customer complaints.

Conclusions

For the audit objectives, we found that:

1. The RTA had procedures and practices in place for screening and training new hires. It also had procedures for the ongoing evaluation and training of existing drivers. Some drivers were hired who did not possess a commercial driver's license. Some of these drivers operated commercial motor vehicles in violation of Federal and State regulations.
2. The RTA had processes to ensure compliance with drug and alcohol testing requirements and motor vehicle record checks. The audit found that the Office did not receive data on fleet accidents. In addition, the Office had not performed any safety/security audits as required by the contract.
3. Actions on customer complaints was not always adequately documented or resolved in a timely manner by RTA. It had significant driver turnover but had taken actions to try to address this issue.

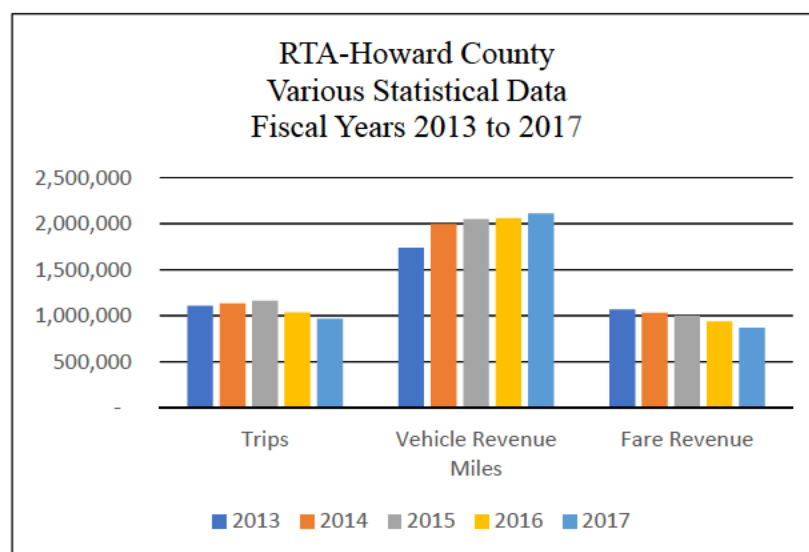
BACKGROUND

In May 2014, the County entered into a contract with First Transit, Inc., to manage transit operations for Howard County. The contract was amended in July 2014 to include transit services in Anne Arundel County, Prince George's County, and the City of Laurel. The County entered into Memoranda of Understanding (MOU) with Anne Arundel County, Prince George's County and the City of Laurel. The MOUs establish the services, oversight, and funding responsibilities of the parties.

The contract may be unilaterally renewed by the County for nine years in one-year increments. The contract and related amendments specify the annual amount of the management fee. The contract requires that, in part:

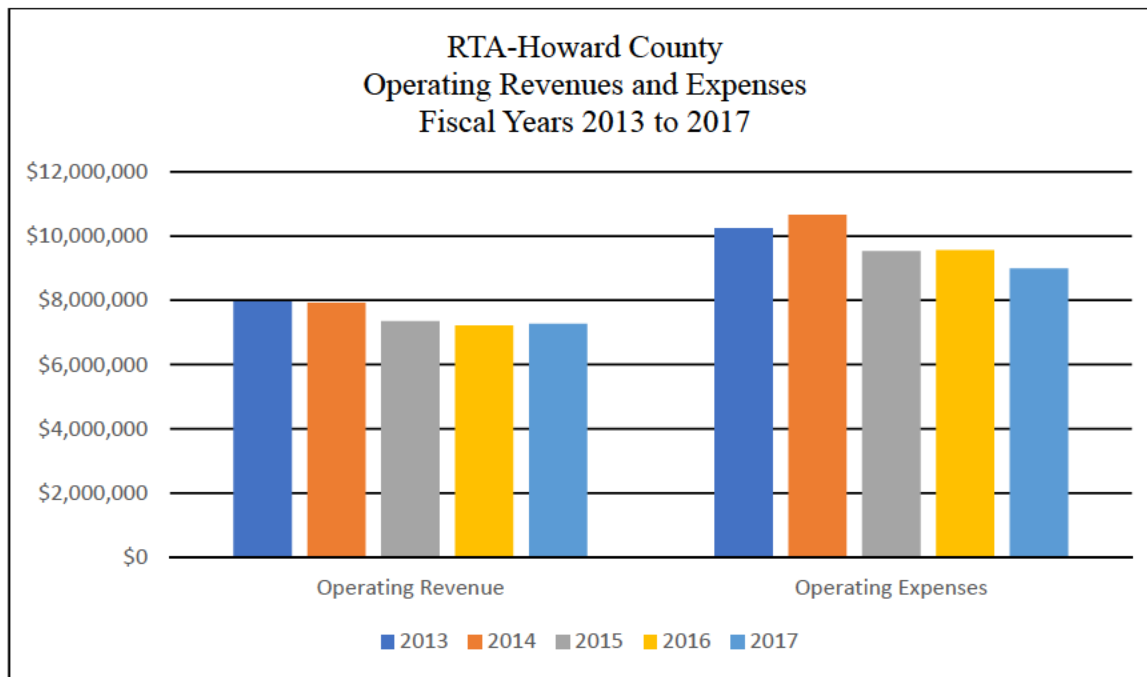
- First Transit, Inc., create a wholly owned subsidiary Corporation responsible for managing, administering and operating the fixed-route and paratransit services.
- The employees of the Corporation are not County employees.
- Policy and oversight is the responsibility of the Central Maryland Transportation and Mobility Commission.
- The contract administrator is the County's Office of Transportation.
- The County shall reimburse the Corporation for expenses actually incurred including services provided on behalf of the other jurisdictions. These payments for services are contingent on a written amendment to provide such services and receipt of sufficient funds from the jurisdictions to pay for the services.

First Transit, Inc., incorporated the requisite Corporation under the name Transit Management of Central Maryland, better known as the Regional Transportation Agency of Central Maryland (RTA). See the charts below for various statistical and financial data applicable to RTA operations in Howard County for Fiscal Years 2013 to 2017.



Source: National Transit Database, Service Performance Summary

Vehicle Revenue Miles – Total miles traveled while in revenue producing service. Does not include deadhead miles.



Source: Form 2a-Service Performance Summary

Operating Revenue includes farebox receipts, advertising revenue and payments from other jurisdictions.

In November 2017, the jurisdictions issued a draft Transit Development Plan (TDP). The TDP serves as a guide for implementing service and/or organizational changes, improvement, and/or potential expansion over a five-year period. The TDP process included a review of previous studies and data, demographic and land use analysis, public and stakeholder outreach, assessment of existing services, development of service alternatives, and recommendations. The recommendations include bus route reconfiguration and service expansion and anticipate the continued purchasing of new buses.

FINDINGS AND RECOMMENDATIONS

Finding 1

Certain drivers who operated commercial motor vehicles did not have the required license.

We determined that 15 paratransit drivers did not have a required commercial driver's license. Federal and State license regulations define commercial motor vehicles to include motor vehicles designed to transport 16 or more passengers including the driver. The regulations specify that individuals operating a commercial motor vehicle must have a State issued commercial driver's license. Based on RTA records as of January 1, 2018, the RTA paratransit fleet included 33 total vehicles of which 25 were vans configured as commercial motor vehicles based on seating capacity.

Federal regulations provide for civil and criminal penalties for drivers operating a commercial motor vehicle without the proper license as well as penalties for employers who violate these regulations. When we advised RTA and First Transit, Inc., of this issue, they took immediate action including replacing non-commercial driver's license drivers and reconfiguring the vans to lower the capacity below the commercial motor vehicle threshold.

We recommend that the Office monitor RTA and ensure that all vehicles are operated by drivers with proper licensure.

Administration's Response:

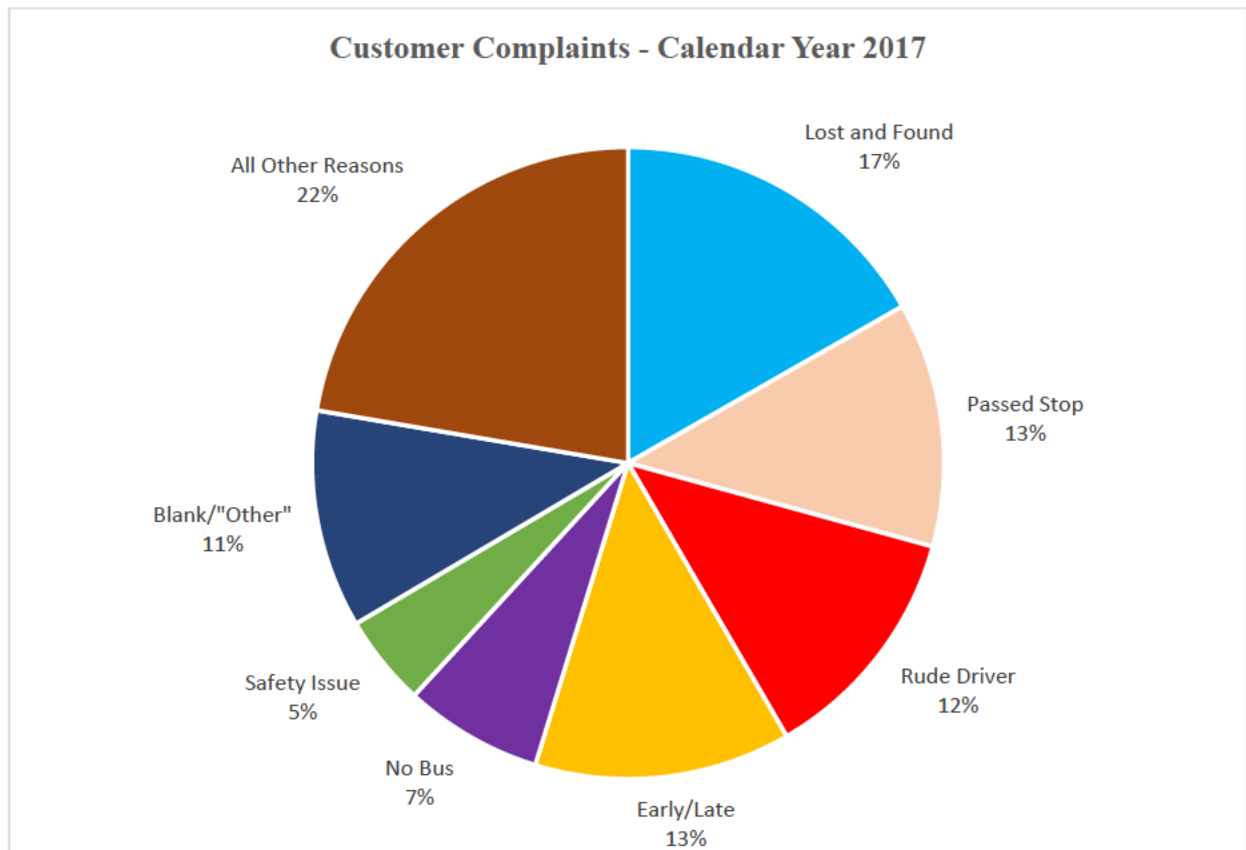
Vehicles with 16 or more seats (including the driver) require the operator to possess a Commercial Driver's License (CDL). During the audit, it was determined that 16 paratransit vehicles had at least 16 seats which required the operator to possess a CDL. To ensure compliance, two rows of stowable seats were removed from each of the 16 vehicles within a week of the preliminary finding in 2017. The County also took actions to re-register the vehicles with MVA to reflect the new seating capacity. This action did not impact operations as paratransit vehicles typically carry fewer than 15 passengers. Currently, all vehicles in the paratransit fleet hold 15 passengers or less and do not require a CDL to be operated.

To further ensure that RTA operators have the appropriate licenses, RTA will submit on a semi-annual basis to Howard County's Office of Transportation a report that will provide a list of current operators, their job assignment, and the type of license they possess. The Office of Transportation will randomly select five drivers from the list to conduct an onsite verification.

Finding 2

The complaint database maintained by RTA did not provide assurance that RTA handled all complaints properly and timely.

According to RTA's customer complaint database, RTA received 663 complaints in Calendar Year 2017. The most common reasons for a complaint included lost and found items, missed stops, buses arriving at stops too early or late, and rude drivers (see the chart on the next page). The RTA has adopted a policy for resolving and tracking complaints.



Our test of 25 complaints received during Calendar Year 2017 disclosed that:

- For 15 complaints tested, the RTA response in the database was not adequate. This is due to the use of stock language and no comments specific to the individual complaint. For example, in one case where the complaint stated that the bus pulled out early and did not pick up the waiting passenger, the RTA response stated that:

“We consider this a serious issue and will administer any appropriate policies after this investigate. We will pull driver and discuss proper customer service. We apologize for any inconvenience this may have caused.”

The response did not indicate if the investigation found the driver did, in fact, leave the stop early or if the driver was counseled for the infraction if the complaint was valid. Ten of the 15 tested complaints noted above included the same response. Since these responses did not include the results of any investigation, we had no assurance that RTA followed up on the complaint and took appropriate action.

- Resolution was not always timely. Of the 25 test items, four RTA responses were made from 7 to 35 working days after the date of the complaint. Current RTA policy establishes a goal of resolving complaints within five working days.
- The Office did not have access to the complaint database and did not receive periodic reports related to complaints. As previously noted, according to the database, there were 663 complaints filed during Calendar Year 2017.

We recommend RTA review and resolved all customer complaints and record that information in the customer complaint database. We also recommend that RTA review and resolve complaints in a timely manner. Finally, we recommend that the Office work with RTA to develop a periodic report to summarize complaints along with any systemic issues and resulting actions taken.

Administration's Response:

RTA will modify its existing complaint database to allow for additional detail about the complaint and to ensure timely tracking from the time the complaint was submitted to the final resolution. RTA will also ensure that it will follow its current policy regarding providing a response or resolution within a five-day period.

RTA will provide the Office of Transportation a quarterly report that will summarize the complaints received within the last three months. The complaints report will outline the nature of the complaint, the date it was submitted, the response/resolution, and the date of the resolution. Additional information will be added to the report as necessary.

Finding 3

The Office did not receive accident data involving the RTA fleet.

The Office did not receive transit-related accident data. Although RTA maintained a master accident report log, this log was not submitted to the Office on a periodic basis. The First Transit, Inc., contract requires the contractor to report all serious accidents to the Office and follow up with a resolution report.

We recommend the Office work with RTA to develop and implement a periodic accident reporting process. The Office should ensure any reporting includes all data it feels as pertinent.

Administration's Response:

In 2018, the RTA began reporting all vehicle accidents that meet FTA's National Transit Database (NTD) requirement for a reportable accident within 48 hours to the Office of Transportation and the Maryland Transit Administration. In addition, RTA reports all vehicle accidents at each of the quarterly RTA Commission meeting which includes the Office of Transportation Administrator as the Executive Secretary.

Finding 4
The Office did not conduct safety and security audits.

The Office, along with the other participating jurisdictions, had not performed a safety and security audit of the contractor since the contract's inception. The contract with First Transit, Inc., states that the jurisdictions will conduct a third-party audit of the operation's safety and security program at a minimum each fiscal year. Findings that represent failure on the part of the contractor to follow safety and security requirements must be corrected at the expense of the contractor.

We recommend that the Office, in conjunction with the other jurisdictions, develop and implement a process to annually audit the contractor's safety and security programs as required by the contract.

Administration's Response:

RTA currently provides a monthly report to the Office of Transportation on all safety events that occurred in the prior month. This information is also reported to FTA's National Transit Database (NTD). The Office of Transportation, RTA, and the Maryland Transit Administration recently completed the development of a Safety Management System Plan. In addition, the Maryland Transit Administration (MTA) in coordination with the Office of Transportation routinely conducts safety site visits as part of their quarterly review. As recommended in the audit, the Office of Transportation will develop a local process to conduct an annual audit of RTA's safety and security program in the Summer of 2020.

ADDITIONAL COMMENTS

Employee turnover is a significant problem for RTA, especially for drivers. Driver turnover equaled about 60 percent for Calendar Year 2017. Turnover in the first year of employment was more significant, equaling over 65 percent for the same period. While many first-year employees are terminated for failing probation or testing positive on the drug/alcohol screening, many employees simply resign based on termination data maintained by RTA. Office and RTA management concur that employee turnover represents a significant challenge and RTA has taken steps to address it, including compensation assessment (resulting in higher pay rates) and periodic new employee meetings to assess job related issues.

AUDIT SCOPE, OBJECTIVES AND METHODOLOGY

We conducted a performance audit of driver training and safety for drivers employed by the Regional Transportation Agency (RTA). Services for RTA are managed by First Transit, Inc., under a contract with the Office of Transportation (Office).

We conducted our audit in accordance with generally accepted government auditing standards prescribed by the Comptroller General of the United States.. Government auditing standards require us to plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence we obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of our audit were to:

1. Ensure that drivers hired and employed by RTA are properly vetted and trained when hired and on an ongoing basis.
2. Determine if the Office and First Transit, Inc./RTA are complying with contractual requirements regarding training and safety.
3. Ensure the Office and First Transit, Inc./RTA are serving the public by addressing issues such as driver turnover and customer complaints.

To accomplish our objectives, we met with the Office, First Transit, Inc., and RTA staff responsible for operation and oversight of the transit system. We reviewed contract documents and amendments along with First Transit, Inc., and RTA policies. We reviewed applicable Federal and State regulations. We performed tests designed to determine adherence to contracts and regulations.

Management is responsible for establishing and maintaining effective internal control. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

We conducted our field work from November 2017 to March 2018. The Office's responses to our findings and recommendations are included in this report.

AUDIT TEAM

Edward L. Shulder, CPA
Deputy County Auditor