

## **ASSESSMENT OF SANTA BARBARA COUNTY BUSINESS/MANAGEMENT PRACTICES**

### **INTRODUCTION**

The 2001-02 Grand Jury investigated the use of several contemporary business/management practices utilized by Santa Barbara County. These practices covered planning, budgeting and budget execution. The County is, in effect, a large company with expenditures of about \$600 million annually and as such should embrace common industry practices which insure sound fiscal accountability. The Executive Branch of the Federal government continues to address these same issues and has recently started referring to the Cabinet level appointees as Chief Executive Officers to further this analogy with commercial business. The Grand Jury looked into such areas as project management, performance metrics, budget planning, strategic planning and performance to budget.

### **MANAGEMENT PRACTICES**

#### **Strategic Planning**

The County has utilized a Strategic Plan for the past six to seven years. For the past four years, the County Administrator's Office (with major input from the Planning and Development Department) has published a document, now referred to as The Strategic Scan. The Strategic Scan is a forecast of key demographic projections of population, land use and housing, employment, transportation, air and water quality, poverty, education, health, drug and alcohol abuse and crime for the County of Santa Barbara. The process to update the Strategic Plan was recently modified by the County. In the fall of 2000, the Strategic Scan was used as the catalyst in an off site meeting which included most of the senior County Management and the Board of Supervisors. Critical Issues of the current Strategic Plan were identified. By adopting this approach, the BOS should provide a more comprehensive long-range vision to the operating departments and agencies, thus insuring that the alignment of resources with priorities is better understood.

#### **Project Reviews**

The County Administrator's office conducts regular evaluations of projects through its Project Review Meetings. These reviews serve several purposes. The primary purpose is to provide senior county management insight and oversight of most ongoing projects being developed. Secondary objectives of training and exposure of junior project managers is also achieved. Currently, not all projects are presented to or reviewed by the County Administrator's Review Team.

Finding 1: Several of the agencies headed by elected officials choose not to participate in the Project reviews. These include the Sheriff, Auditor-Controller, County Clerk-Recorder-Assessor, and Treasurer-Tax Collector.

Recommendation 1: The Board of Supervisors and the nonparticipating agency heads should evaluate participation in these reviews. The benefit of participation in these reviews outweighs any concern that elected department heads may feel about giving up control to the County Administrator's Office.

Finding 2: The review format currently lacks information that is critical to controlling major projects.

Recommendation 2: The project review format should be modified for major projects to include earned value, risk assessment, budget estimate at completion and issues/concerns.

### **Monthly Projection Meetings**

As the title implies, these reviews track expenditures and revenue against the budget plan. The early detection of revenue shortfalls or expenditure rate problems gives management the maximum time to react and recover or replan.

### **Operations Reviews—quarterly**

The Operations Reviews require the agencies to report their ongoing operations using performance metrics and to identify operational issues requiring management attention. These reviews are conducted by the County Administrator's office, once per quarter, with each department individually.

### **Budget Development Process**

The current budgeting process works well. The County Administrator's Office develops a Budget Guidance Document that is used by the departments/agencies in developing their proposed budget. Performance metrics are also used in this process. This process has helped the County set priorities and streamlined the budget process.

### **Employee University**

The Grand Jury reviewed the curriculum and course syllabi for the Employee University. The courses appear to provide adequate, cost effective training of county employees in the areas covered by this investigation.

**SUMMARY**

The Grand Jury was impressed with the breadth and scope of the management/business processes it reviewed. The County is to be commended for the progressive approach, dedication and professionalism of the agencies and departments observed especially the County Administrator's Office.

Recommendation 3: The County Administrator's Office should continue to nurture and encourage these practices to insure good fiscal accountability.

**AFFECTED AGENCIES**

**Board of Supervisors**

Finding 1

Recommendation 1

**County Administrator**

Findings 1, 2

Recommendations 1, 2, 3

**Sheriff's Department**

Finding 1

Recommendation 1

**Auditor-Controller**

Finding 1

Recommendation 1

**County Clerk Recorder Assessor**

Finding 1

Recommendation 1

**Treasurer Tax Collector**

Finding 1

Recommendation 1