



AGENDA
CSRA REGIONAL COMMISSION
EXECUTIVE COMMITTEE MEETING
JANUARY 25, 2018, 12:00 PM
CSRA REGIONAL COMMISSION OFFICE – AUGUSTA, GA

- | | |
|--|---------------------------|
| 1. CALL TO ORDER | CHAIRMAN |
| 2. INVOCATION | |
| 3. MINUTES OF LAST MEETING | MOTION TO APPROVE |
| 4. ECONOMIC DEVELOPMENT ADMINISTRATION
REVOLVING LOAN FUND | UPDATE |
| 5. GEORGIA DEPARTMENT OF AUDITS AND ACCOUNTS
PERFORMANCE AUDIT DIVISION – REGIONAL
COMMISSIONS PERFORMANCE AUDIT REPORT 17-02 | MOTION TO ACCEPT |
| 6. FY2017 COMPREHENSIVE ANNUAL FINANCIAL
REPORT, AUDITOR’S DISCUSSION AND ANALYSIS
SCHEDULE OF NON-PUBLIC FUNDS AND STATE
CONTRACTUAL ASSISTANCE SCHEDULE | MOTION TO ACCEPT |
| 7. COMPREHENSIVE REGIONAL PLAN UPDATE | PLANNING DIRECTOR |
| 8. CHAIRMAN’S REPORT | CHAIRMAN |
| 9. EXECUTIVE DIRECTOR’S REPORT | EXECUTIVE DIRECTOR |
| A. TSPLOST UPDATE | |
| B. 2018 INNOVATIVE READINESS TRAINING UPDATE | |
| 10. OLD BUSINESS | |
| 11. NEW BUSINESS | |
| 12. ADJOURNMENT | |

MINUTES
CSRA REGIONAL COMMISSION
EXECUTIVE COMMITTEE
OCTOBER 26, 2017
SWEET T'S RESTAURANT – THOMSON, GA

Committee Attendees:

John Luther, Council Chairman (Augusta-Richmond County)
John Graham, Vice-Chairman (Warren County)
Ken Usry, Council Treasurer (City of Thomson)
Sistie Hudson, Council Secretary, (Hancock County)
Jerry Henry, Immediate Past Chairman (Jenkins County)
Larry Morgan, City of Louisville

Staff Present:

Andy Crosson, Executive Director Mack Shealy, Chief Financial Officer

GUESTS PRESENT:

None

CALL TO ORDER

The Chairman noted that a quorum was present and called the meeting to order at 6:00 p.m.

MINUTES OF LAST MEETING

The Chairman called for the approval of the minutes from the last meeting. On a motion by Ken Usry, seconded by John Graham, the minutes were unanimously approved.

=====

ACTION ITEMS:

BECAUSE THIS MEETING IMMEDIATE PRECEDED THE FULL COUNCIL MEETING, NO ACTION ITEMS TOOK PLACE THAT WILL REQUIRE RATIFICATION.

END ACTION ITEMS

=====

The Executive Director reported that he would request the Full Council to make two changes to the CSRA Business Lending Board of Directors. A copy of the new board recommendation was included in the full Board package.

The Executive Director discussed an addendum to the Commission's personnel policies related to providing accountability information to federal and state agencies for various programs. The Executive Director noted that in many cases, he and other executive staff have to give their personal social security number for credentialing purposes. The revised policy establishes a method and indemnification process for situations where the Executive Director or his/her authorized representative is required to use such personal information in related programs. The

Executive Committee briefly discussed the policy. On a motion by Ken Usry, seconded by John Graham, the Executive Committee approved recommendation of the policy to the full Board for approval and implementation.

The Executive Director noted that the recent Performance Audit conducted by the Georgia Department of Audit recommended that the Commission review its Bylaws attendance policy. The Executive Director discussed the policy and noted that it was originally included as a method of encouraging members to attend Commission meetings. However, the Executive Director noted that the policy was not effective and only had the potential to impact private sector members since the elected officials are established as members by law. The Executive Director recommended that the Attendance section of the Bylaws (Section 6 of Article III) be removed in its entirety. The Executive Director noted that changes to the bylaws required notice to the full board at least 30 days prior to being voted on and as a result, no action was being requested tonight, but that this was the initial notice for a revision recommendation at the next full Council meeting.

CHAIRMAN'S REPORT

In the interest of time, the Chairman dispensed with the Chairman's report.

EXECUTIVE DIRECTOR'S REPORT

The Executive Director discussed the 2018 Innovative Readiness Program that will be performed in Wilkes, Warren, McDuffie, Taliaferro, Glascock and Jenkins counties. The program will result in a training program for active duty personnel from the Air Force, Navy and National Guard and will involve medical, optometry and dental services being provided in the affected counties during July of 2018. Residents from any location will be able to attend the sites for services. The Executive Director noted the he would provide further information as more details are confirmed.

OLD BUSINESS

There was no old business to come before the Council.

NEW BUSINESS

There was no new business to come before the Council.

ADJOURNMENT

There being no additional business the Vice Chairman adjourned the meeting at 6:30 p.m.

Approved and accepted this _____ day of _____, 2018.

John Luther, Chairman

Andy Crosson, Executive Director



**UNITED STATES DEPARTMENT OF COMMERCE
Economic Development Administration
Atlanta Regional Office**

Suite 1820
401 West Peachtree St., N.W.
Atlanta, Georgia 30308-3510

DEC 11 2017

In reply refer to:
Investment No. 04-79-07228

Randy Griffin, President
Central Savannah River Area Regional Commission
3626 Walton Way Extension, Suite 300
Augusta, Georgia 30909

Dear Mr. Griffin:

I am pleased to inform you that the Department of Commerce's Economic Development Administration (EDA) has approved your application for a \$750,000 EDA investment to recapitalize Central Savannah River Area Regional Commission existing Revolving Loan Fund.

Enclosed are two signed copies of the Financial Assistance Award. Your agreement to the terms and conditions of the award should be indicated by the signature of your principal official on each of the signed copies of the Financial Assistance Award. One of the executed copies should be returned to H. Philip Paradise, Jr., Regional Director, Atlanta Regional Office, Economic Development Administration, 401 West Peachtree Street, N.W, Suite 1820, Atlanta, Georgia 30308-3510. If not signed and returned within 30 days of receipt, EDA may declare the Award null and void.

Please do not make any commitments in reliance on this award until you have carefully reviewed and accepted the terms and conditions. Any commitments entered into prior to obtaining the approval of EDA in accordance with its regulations and requirements will be at your own risk.

EDA's mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. EDA implements this mission by making strategic investments in the nation's most economically distressed communities that encourage private sector collaboration and creation of higher-skill, higher wage jobs. EDA investments are results driven, embracing the principles of technological innovation, entrepreneurship and regional development.

I share your expectations regarding the impact of this investment and look forward to working with you to meet the economic development needs of your community.

Sincerely,

H. Philip Paradise, Jr.
Regional Director

Enclosures: Form CD-450 Financial Assistance Award (2)
Special Award Conditions
Attachment 1 - ACH Vendor/Miscellaneous Payment Enrollment Form
Attachment 2 -Revolving Loan Fund Financial Assistance Award Standard Terms
and Conditions, dated May 1, 2013





DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington St., S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

December 27, 2017

The Honorable Nathan Deal, Governor
Members of the General Assembly
The Honorable Christopher Nunn, Commissioner,
Georgia Department of Community Affairs
The Honorable Robyn Crittenden,
Georgia Department of Human Services
Executive Directors of the Regional Commissions

Ladies and Gentlemen:

This report provides the results of our performance audit on **Regional Commissions** in Georgia. This audit was conducted under authority of Georgia Code 50-8-38. A copy of this report is filed as a permanent record with the State Auditor and is available to the public.

We appreciate the cooperation and assistance provided by the regional commissions, the Georgia Department of Community Affairs, and the Georgia Department of Human Services during the audit.

Respectfully submitted,

Greg S. Griffin
State Auditor

GSG/cg

Mission Statement

The Department of Audits exists to provide decision-makers with credible management information to promote improvements in accountability and stewardship in state and local government.



Georgia Department of Audits and Accounts

Performance Audit Division

Greg S. Griffin, State Auditor

Leslie McGuire, Director

Why we did this review

This audit was conducted in compliance with O.C.G.A. § 50-8-38, which requires the State Auditor to conduct performance audits of state funds received by the regional commissions in the state.

In conjunction with the Department of Community Affairs (DCA) and the Department of Human Services (DHS), we developed a scorecard to evaluate and report on state-funded operations and services of all 12 regional commissions (RCs). Also, agreed-upon procedures were developed in conjunction with DCA and DHS to provide a verification component to the audit. The scorecard and agreed-upon procedures are conducted annually. The agreed-upon procedures are conducted at three RCs per year.

About regional commissions

Georgia's 12 RCs are regional planning entities created by state statute. The RCs are expected to develop, promote, and assist in establishing coordinated and comprehensive planning within their respective regions. DCA contracts with RCs to provide planning services to local governments and for their respective region.

RCs also administer other state and federal programs. For example, some RCs receive significant state funds through contracts with DHS for aging and coordinated transportation services.

Regional Commissions

Results of the regional commission scorecard and agreed-upon procedures

What we found

We conducted agreed-upon procedures at three randomly selected regional commissions (RCs) each year over the last four years and identified problems in the areas of governance, administration, contract compliance, legal compliance, and reporting. After completion of their agreed-upon procedures, some RCs began addressing their findings immediately; others used our early reports to improve their policies and practices prior to receiving their reviews. The Department of Community Affairs (DCA) and the Department of Human Services (DHS), which contract with RCs for planning, aging services, and transportation, have responded to findings by providing greater guidance to RCs through clearer policies and training, improved contracting measures, and better monitoring.

Agreed-Upon Procedures

This year's agreed-upon procedures were conducted at the Atlanta, Central Savannah, and Heart of Georgia Altamaha regional commissions for activities in fiscal year 2016. A summary of our findings is as follows:

- The Atlanta Regional Commission (ARC) had significant deficiencies related to administration and its DHS Aging contract. We identified noncompliance with policies related to travel, meals, alcohol, and purchasing cards. Deficiencies related to the DHS Aging contract resulted in insufficient monitoring and communication with subcontractors. We also identified a few issues related to the DCA Coordinated Planning contract.

- The Central Savannah Regional Commission had issues related to compliance with the DCA Coordinated Planning and DHS Aging contracts.
- The Heart of Georgia Altamaha Regional Commission had a few issues related to administration.

Scorecard

Over the last four years, we have compiled an annual Regional Commission Scorecard containing metrics for all twelve regional commissions. The Scorecard serves as performance assessment tool intended to facilitate peer-to-peer information sharing and improve operations within the RC community across four perspectives – financial, customer satisfaction, learning and growth, and internal business processes. Specifically, the annual customer satisfaction survey of member local governments continues to provide important feedback to RCs and their councils.

The results of this year's Regional Commission Scorecard are provided in the table below. The scorecard compares each RC's rank with the other 11 RCs. The RCs are ranked from 1 to 4 for each perspective and for each performance measure within the four perspectives, with a "1" representing the highest ranking quartile. It should be noted that the scorecard does not compare RC's rank to a target value for each because performance standards have not been established.

RC Scorecard Results – Aggregate Quartile Rankings

	High	Rank				Low
	1	2	3	4		
Regional Commission	Financial	Customer	Learning and Growth	Internal Business Process		
Atlanta	4	3	3	3		
Central Savannah	2	3	1	4		
Coastal	4	4	1	4		
Georgia Mountains	1	4	3	1		
HOG Altamaha	4	2	2	2		
Middle Georgia	1	1	4	1		
Northeast Georgia	3	3	2	4		
Northwest Georgia	2	2	4	3		
River Valley	2	2	1	1		
Southern Georgia	1	1	2	2		
Southwest Georgia	3	1	4	2		
Three Rivers	3	4	3	3		

What we recommend

We recommend that each RC subject to this year's agreed upon procedures begin taking steps to address the issues identified. In addition, due to the recurring nature of the issues identified over the last four years, we continue to recommend that the General Assembly require that RCs follow state travel and vehicle usage regulations. This requirement would help improve and ensure greater accountability and stewardship of public funds.

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Purpose of the Audit

This audit was conducted in compliance with O.C.G.A. § 50-8-38, which requires the state auditor to conduct performance audits of state funds received by the regional commissions in the state.

Specifically, the audit objectives were to:

- 1) Evaluate the performance of the 12 regional commissions (RCs) using a modified version of the Balanced Scorecard.
- 2) Conduct agreed-upon procedures at three RCs to verify information contained in the Regional Commission Scorecard and to review state-funded operational aspects of the RCs.

A description of the objectives, scope, and methodology used in this review is included in [Appendix A](#). A draft of the report was provided to the Department of Community Affairs (DCA), the Department of Human Services (DHS), and the 12 RCs for their review, and pertinent responses were incorporated into the report.

[Appendix B](#) shows the state funding each RC received from DCA, DHS and the Department of Natural Resources in fiscal year 2016.

Background

Regional Commissions

Georgia's 12 regional commissions (RCs) are regional planning entities created by state statute O.C.G.A. § 50-8-32. Each RC's purpose is to develop, promote, and assist in establishing coordinated and comprehensive land use, environmental, transportation, and historic preservation planning in the state; assist local governments with coordinated and comprehensive planning; and prepare and implement comprehensive regional plans that will develop and promote the essential interests of the state and its citizens. RCs may also administer programs such as aging and transportation services.

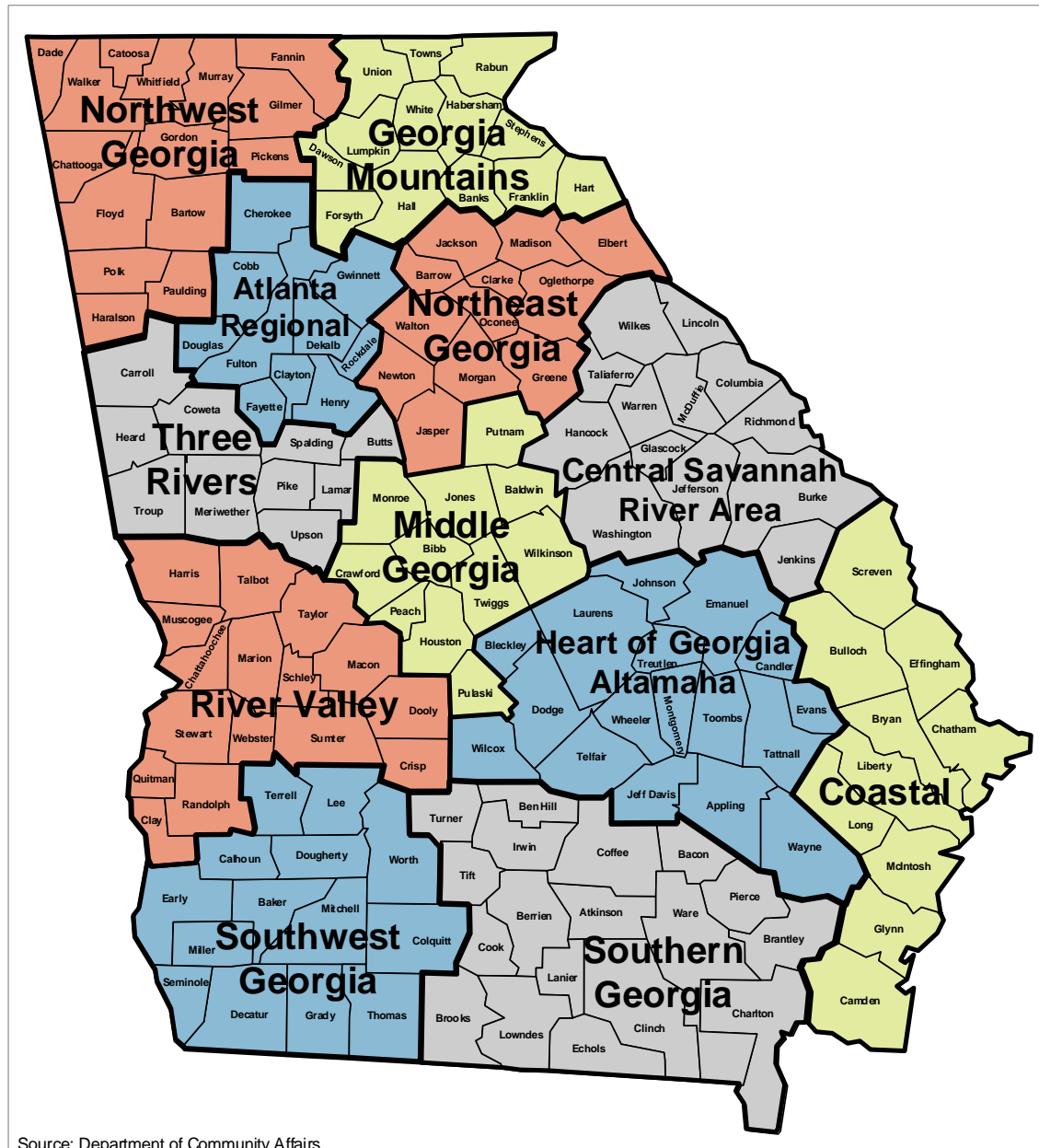
House Bill 1216 (effective July 1, 2009) replaced the 16 regional development centers (RDCs) with the current 12 regional commissions shown in **Exhibit I** on the following page. Eight of the original RDCs were combined, and the coverage areas of the new RCs are based on population. With the exception of the Atlanta Regional Commission (which serves a significantly larger population), the goal was for all the regional commissions' service areas to be approximately the same size.

By law, each county and municipality is automatically a member of the RC whose boundaries include the county or municipality. RCs obtain their revenue for operations through a combination of state and federal grants and contracts, dues paid by member local governments, and charges for specific services. RCs are statutorily defined as local governments (O.C.G.A. § 50-8-2).

Each RC is a public entity governed by a council of elected and appointed officials. Councils are composed of the chief elected official of each county, one elected official

from one municipality in each county, three residents of the region appointed by the governor (one of whom shall be either a school board member or school superintendent, and two of whom are nonpublic members), one nonpublic member appointed by the lieutenant governor, and one nonpublic member appointed by the speaker of the house.¹ The council may select additional members determined by the commissioner of the Department of Community Affairs (DCA) for purposes of complying with laws, regulations, or otherwise.

Exhibit 1 Georgia Regional Commissions



Source: Department of Community Affairs

¹Atlanta Regional Commission has special provisions for Council representation of its most populous county and municipality, and public members elect nonpublic members representing 15 districts.

Georgia Association of Regional Commissions

The 12 RCs have established the Georgia Association of Regional Commissions (GARC) to assist the RCs in implementing planning, economic development, and transportation programs. GARC allows the RCs to exchange information and ideas and provides representation before state and federal entities.

State Contracted Services

Because our audit deals primarily with state funds in accordance with O.C.G.A. § 50-8-38, the audit focuses on RC contracts with DCA to provide coordinated planning services and with the Department of Human Services (DHS) to provide aging services and coordinated transportation.

Coordinated Planning

DCA contracts with the RCs for activities related to implementing the Georgia Planning Act. The contract requires each RC to perform services mandated by the act, such as reviewing local government comprehensive plans and preparing a regional plan. Additionally, each RC is responsible for notifying local governments of their planning responsibilities and any upcoming planning deadlines. As part of the contract requirements, RCs must hold plan implementation assistance meetings with each local government in their region at least once every two years. State law requires RCs to collect annual dues from member local governments, averaging at least \$1 for each resident of the region, to be eligible to receive a planning contract from DCA.²

Also, RCs may offer a broad range of services to member local governments, including zoning assistance, historic preservation and planning, water quality monitoring and planning and GIS mapping.

Aging Services

Under the federal Older Americans Act, DHS's Division of Aging Services is responsible for administering a statewide system of services for senior citizens, individuals with disabilities, their families, and caregivers. DHS contracts with 12 Area Agencies on Aging (AAAs) throughout the state, of which 10 are operated by an RC. The AAAs are responsible for coordinating and integrating services funded by federal, state, and local moneys and for developing a coordinated and comprehensive community-based service system in their areas.

RCs are prohibited by state law from delivering human services directly to clients. As a result, RCs that operate AAAs subcontract with providers in their regions to deliver aging services to clients. The subcontractors operate senior centers, provide congregate and home-delivered meals, and provide in-home care and other services. DHS requires that the AAAs monitor their subcontractors to ensure they are providing the required services and following DHS regulations.

Coordinated Transportation

DHS is responsible for administering a statewide transportation system to provide clients access to needed services to help them achieve healthy, independent, self-sufficient lives. In fiscal year 2016, DHS contracted with 10 RCs to manage coordinated

²State law requires the Atlanta Regional Commission's counties and the most populous municipality to pay an additional \$2,000 per year.

transportation systems in their regions. As with aging services, the RCs are responsible for coordinating the services and selecting the subcontractors to provide transportation services in their region.

Other Services

Currently, 11 of the 12 RCs are under contract with the Georgia Department of Natural Resources to provide historic preservation planning.³ In fiscal year 2016, each of these RCs received \$4,090 under this contract, of which \$1,636 (40%) was state funding. Due to the limited amount of state funds involved, our review did not include a review of those contracts.

RCs may also administer programs that are primarily federally funded. For example, some RCs operate a rural transportation program in their region in coordination with the Georgia Department of Transportation, which receives Federal Transit Administration funding. RCs can also administer federally funded Workforce Investment Act training programs. Because these programs do not receive state funds, they were excluded from our review.

Balanced Scorecard

The Balanced Scorecard is a tool that was developed by Robert Kaplan and David Norton in the 1990s to monitor and evaluate organizational performance. The concept has been widely adopted by both private corporations and governmental entities. The Balanced Scorecard utilizes performance measures addressing four perspectives to provide a balanced understanding of an organization's overall performance. These perspectives are: financial, customer, learning and growth, and internal business process. Within each perspective, performance measures are developed and actual performance is then compared with target values.

The audit team, in conjunction with DCA and DHS, created a modified version of the Balanced Scorecard to rank the 12 RCs. The Regional Commission Scorecard compares each RC's rank with the other 11 RCs instead of a target value.⁴ The RCs' rank is not compared with target value for each measure because industry-specific targets have not been established.

Regional Commission Scorecard

The Regional Commission Scorecard is intended to promote accountability and transparency by allowing the rank of each of Georgia's 12 regional commissions to be assessed relative to its peers across four perspectives: financial, customer, learning and growth, and internal business process perspectives. This assessment process should facilitate peer to peer information sharing and result in improved operations within the RC community. Exhibit 2 on page 6 shows the fiscal year 2016 Regional Commission Scorecard results for all RCs. This is the fourth year we have published results of the Regional Commission Scorecard. A copy of prior Regional Commission Scorecard reports may be accessed at <http://www.audits.ga.gov/rsaAudits>.

³Currently, the Atlanta Regional Commission does not have a contract for historic preservation planning.

⁴The RCs are ranked 1 to 4 on each performance measure and in aggregate for each scorecard perspective, with a "1" ranking signifying the top quartile of RCs. Rankings were revised from the 1 to 12 format used in the fiscal year 2013 Scorecard to quartiles based on feedback from DCA and GARC.

The four Balanced Scorecard perspectives as they relate to the Regional Commission Scorecard are explained below:

- *Financial* – Selected financial measures assess the financial health of the RCs, including their ability to meet their short-term and long-term financial obligations. The data used to calculate the measures was generally found in the RCs' audited financial statements.
- *Customer* – The Department of Audits and Accounts (DOAA) conducted a survey of all local member governments in each region to determine their satisfaction with their respective RC. The overall response rate was 57% (394 of 687) and regional response rates are shown in [Appendix C](#). State law requires that each local government pay annual dues for membership in its RC.
- *Learning and Growth* – The learning and growth measures assess the organizational capacity of each RC to provide necessary services. Each RC reports staff qualifications and training to DCA annually. Because the RCs only report information for planning staff, staff members that provide other services were excluded.
- *Internal Business Process* – Internal business process measures relate to the efficiency and effectiveness with which RCs provide services under the three largest state contracts. The audit team identified metrics used by DCA Coordinated Planning, DHS Aging, and DHS Coordinated Transportation for their respective programs. The data used for these measures was provided by the contracting state agencies.

[Appendix D](#) on page 53 shows the fiscal year 2016 Regional Commission Scorecard values for all RCs and [Appendix E](#) on page 54 shows the fiscal year 2016 Regional Commission Scorecard value ranges for all RCs. As shown in the appendices, while the balanced scorecard is divided into quartiles, the range in results for some measures is narrow and the differences between quartiles may not be significant.

Exhibit 2

Regional Commission Scorecard Results – Quartiles

			Rank												
			High				Low								
			1	2	3	4									
			Atlanta	Central Savannah	Coastal	Georgia Mountains	HOG Atlanta	Middle Georgia	Northeast Georgia	Northwest Georgia	River Valley	Southern Georgia	Southwest Georgia	Three Rivers	
FINANCIAL	Ratio of local government revenue to total revenue	25%	4	3	2	1	3	2	4	4	1	1	2	3	
	Ratio of unassigned general fund balance to non-restricted governmental fund expenditures	25%	4	1	4	2	3	1	2	1	2	3	4	3	
	Ratio of assets to liabilities	25%	4	2	3	1	4	1	4	2	2	3	3	1	
	Ratio of cash and investments to short-term liabilities	25%	2	4	4	1	3	1	2	2	3	1	3	4	
	Overall Quartile		4	2	4	1	4	1	3	2	2	1	3	3	
CUSTOMER	Satisfaction with planning services	40%	3	3	4	4	2	1	3	2	2	1	1	4	
	Satisfaction with intergovernmental coordination ¹	20%	3	3	4	4	1	1	3	2	2	1	2	4	
	Satisfaction with staff	20%	2	4	4	3	3	1	3	1	2	1	2	4	
	Overall satisfaction ¹	20%	3	4	4	3	2	1	3	2	2	1	1	4	
	Overall Quartile		3	3	4	4	2	1	3	2	2	1	1	4	
LEARNING AND GROWTH ²	Planning employees per 100,000 population	20%	4	3	3	4	1	4	2	3	1	1	2	2	
	Average years of planning staff experience	20%	3	2	1	2	1	4	4	3	2	3	4	1	
	Average hours of training provided to RC planning staff	20%	4	1	1	3	2	3	2	1	2	3	4	4	
	Percent of planning staff with AICP certification	20%	1	1	2	2	4	4	3	3	2	1	2	4	
	Percent of planning staff with Master's degree in planning	20%	1	1	2	3	4	4	1	4	2	2	3	3	
	Overall Quartile		3	1	1	3	2	4	2	4	1	2	4	3	
INTERNAL BUSINESS PROCESS	Local plan implementation rate ³	10%	2	3	4	1	3	N/A	3	4	2	1	1	2	
	First time approval of RC-prepared plans ³	10%	4	3	4	3	1	N/A	2	2	2	1	3	1	
	Contract performance errors ⁴	10%	1	3	4	1	1	1	4	1	1	1	3	3	
	Success stories generated per 100,000 population ¹	10%	4	2	4	2	1	1	3	4	1	3	2	3	
	Percent of local governments with a planning excellence designation ¹	10%	1	2	1	2	3	3	1	4	4	2	4	3	
	Percent of local governments with QLG ⁴	10%	4	4	3	4	1	1	3	1	1	1	3	2	
	Planning Process Quartile		3	4	4	2	1	1	3	3	2	1	4	2	
	Number of units served per dollar - Aging ⁵	10%	1	3	2	N/A	1	2	3	4	1	3	N/A	2	
	Number of clients served per dollar - Aging ^{1,5}	10%	1	4	1	N/A	1	2	2	2	3	3	N/A	3	
	Results of Aging satisfaction surveys ⁵	5%	2	1	2	N/A	4	3	1	3	1	3	N/A	2	
	Aging Process Quartile		1	3	1	N/A	1	2	2	3	1	4	N/A	3	
	Cost per trip - Transportation ⁶	10%	2	4	2	1	3	4	3	N/A	1	3	1	2	
	Results of Transportation satisfaction surveys ⁷	5%	2	1	4	N/A	1	3	2	N/A	3	1	2	3	
	Transportation Process Quartile		2	4	3	1	2	4	3	N/A	1	3	1	2	
	Overall Quartile		3	4	4	1	2	1	4	3	1	2	2	3	

¹ The values shown in Appendix D have been rounded. In some cases, additional decimal places not visible in the table affected the RCs' quartile rankings.

² Atlanta staff represent those billable to DCA's contract. Fieldwork verified that additional planners exist and should be reported in future years.

³ Middle Georgia prepared zero plans during the applicable time frame. Therefore, they were excluded from this measure.

⁴ The values shown in Appendix D are identical for multiple RCs. In some cases, this has affected the RCs quartile rankings.

⁵ The Georgia Mountains and Southwest Georgia Regional Commissions did not administer DHS Aging services in FY 2016.

⁶ The Northwest Georgia Regional Commission did not administer DHS Coordinated Transportation services in FY 2016.

⁷ Satisfaction surveys were not issued for Georgia Mountains due to the selection of a new provider via RFP (request for proposal).

Source: DCA, DHS, DOAA, and regional commissions' financial records

Exhibit 3 describes the purpose of each performance measure (i.e., what the measure is intended to evaluate). The performance measures generally cover activities from fiscal year 2016, with consideration of earlier and later periods when necessary.

Exhibit 3 Regional Commission Scorecard Measures

<u>Measure</u>	<u>Purpose</u>
Financial	
Ratio of local government revenue to total revenue	Assess RC's ability to generate revenue by selling services to local governments in its region
Ratio of unassigned general fund balance to non-restricted governmental fund expenditures	Assess the availability of funds to provide services
Ratio of assets to liabilities	Assess RC's ability to meet its obligations in the long term
Ratio of cash and investments to short-term liabilities	Assess the availability of liquid resources to cover short-term obligations
Customer	
Satisfaction with planning services	Assess RC's provision of planning services to local governments in its region
Satisfaction with intergovernmental coordination	Assess RC's ability to coordinate local governments in its region and to act as liaison with state agencies
Satisfaction with staff	Assess RC staff's interaction with local governments in its region
Overall satisfaction	Assess RC's overall services to local governments in its region
Learning and Growth	
Planning employees per 100,000 population	Assess planning staff capacity
Average years of planning staff experience	Assess planning staff qualifications
Average hours of training provided to RC planning staff	Assess training provided to planning staff in compliance with state statute and DCA contract
Percent of planning staff with AICP certification	Assess planning staff qualifications
Percent of planning staff with Master's degree in planning	Assess planning staff qualifications
Internal Business Process	
Local plan implementation rate	Assess progress of local governments in RC's region toward implementing their comprehensive plans
First time approval of RC-prepared plans	Assess quality of local government plans prepared by RC
Contract performance errors	Assess RC's compliance with specified DCA contract provisions
Success stories generated per 100,000 population	Assess the use of best practices and innovations in the region
Percent of local governments with a planning excellence designation	Assess level of planning excellence at local governments in RC's region
Percent of local governments with QLQ	Assess level of planning compliance at local governments in RC's region
Number of units served per dollar - Aging	Assess RC's efficiency in providing aging services
Number of clients served per dollar - Aging	Assess RC's efficiency in serving clients of DHS Aging
Results of Aging satisfaction surveys	Assess RC's effectiveness in providing aging services
Cost per trip - Transportation	Assess RC's efficiency in providing transportation services
Results of Transportation satisfaction surveys	Assess RC's effectiveness in providing transportation services

Source: DOAA, DCA, and DHS

DCA's Response:

"DCA intends to continue the use of the balanced scorecard approach with regional commission audits. We look forward to working with you as we modify the criteria to ensure that the analysis will continue to be conducted on thoughtful data points. We still believe the local government survey, conducted by DOAA, is an important tool to ensure quality in our coordinated planning partnership with the regional commissions."

RCs' Responses:

Several RCs raised concerns regarding specific performance measures, such as the number of units served per dollar (Aging), the cost per trip (Transportation), the results of satisfaction survey (Transportation), the local plan implementation rate (Planning), and several of the financial measures. In some instances, the RCs' concerns are related to their specific operating environment, which they believe limits comparability. In other instances, the RCs' concerns are related to a performance measure's inputs or inconsistent self-reported data. Atlanta Regional Commission noted its concern with "comparing a regional organization serving a population of over 4.5 million with other regional commissions serving fractions of that population." In addition, Southern Georgia expressed concerns that the scorecard may be perceived as a comprehensive evaluation of the RC's total performance rather than an evaluation of selected programs and that "it has the potential to be misinterpreted by legislators, RC Council members, local elected officials, and members of the general public."

Auditor's Response:

To the extent possible, we developed performance measures with universal applicability across the 12 RCs. This was a collaborative effort between DOAA, DCA, and DHS. Based on the feedback of the regional commissions, we modified the source of the ratio of fund balance to expenditures measure and modified the 1-12 ranking into quartiles. We continue to consider the feedback of regional commissions in reviewing the appropriateness of performance measures during the ongoing administration of the Scorecard and plan on making adjustments to future scorecard measures as appropriate.

Agreed-Upon Procedures

The Department of Audits and Accounts (DOAA), in conjunction with DCA and DHS, created agreed-upon procedures to verify information contained in the Scorecard and to review state-funded operational aspects of the regional commissions. DOAA conducts the procedures at three regional commissions per year. This year we reviewed Atlanta Regional Commission (page 10), Central Savannah River Area Regional Commission (page 29), and Heart of Georgia Altamaha Regional Commission (page 37). As part of the agreed-upon procedures we verify compliance with state laws applicable to RCs; verify compliance with contract requirements with DCA regarding planning and DHS regarding transportation and aging; and review certain administrative activities such as travel reimbursements and policies and purchasing card expenditures and policies.

Actions taken due to Prior Agreed-Upon Procedures

RCs have implemented changes to business practices and policies as a result of our previous reports.

RCs began voluntarily reporting salary and travel information in fiscal year 2016 to DOAA. Additionally, GARC has created a Uniform Chart of Accounts that will be implemented by all RCs for fiscal year 2017 reporting. The chart is based upon the

Uniform Chart of Accounts for Local Governments in Georgia, which is compliant with Generally Accepted Accounting Principles.

We have identified ongoing issues related to meals, travel, vehicle usage, and fleet management, during each of the four years we have conducted agreed-upon procedures. While some RCs have revised their policies and practices related to these areas, the General Assembly should extend certain state-level regulations and requirements to the regional commissions regarding travel, vehicle usage, and fleet management to increase accountability and stewardship.

State agencies have improved communications and training with RCs and have made adjustments to program manuals.

DCA modified language in its fiscal year 2016 RC contracts and has held work sessions with RC planning staff to discuss contract requirements. Instructions regarding reporting of staffing information to DCA have been improved with clarifying language. In conjunction with the GARC Board and Carl Vinson Institute of Government, DCA has developed training programs for RC council members and staff to address financial, governance and other issues. DCA has held several financial training sessions and will hold its first council governance training in upcoming months. DCA will continue to develop and hold training sessions and meet individually with RCs to review basic contract elements.

To improve contract compliance, DHS Aging updated its administrative manual to provide specific guidance on minimum required controls for program income, site visit announcements, and background checks. In accordance with statutory requirements to perform national background checks on employees with direct care of DHS clients, DHS clarified contracts beginning in fiscal year 2015 that background checks must be national and specified which positions require background checks.

DHS Transportation comprehensively revised its Transportation Manual in July 2017, including specific guidance on monitoring and evaluation of subcontractors. The revised Transportation Manual also provides clear delineations between the roles of DHS, regional offices, and RCs. DHS staff have improved training for RCs and regional office staff to emphasize compliance with the contract and the revised Transportation Manual.

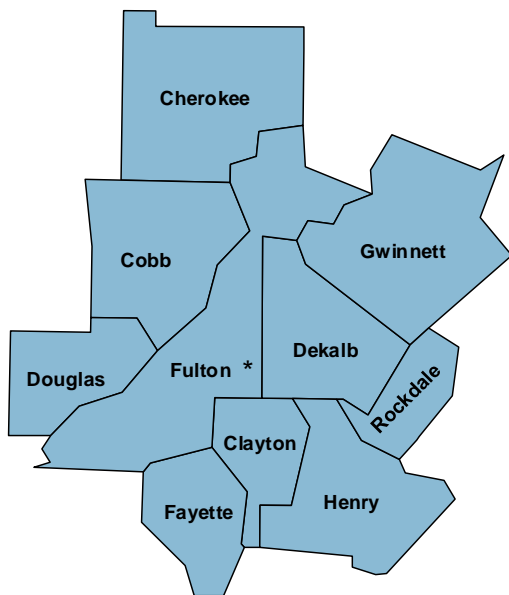
DHS response:

DHS generally agreed with the report. In addition, DHS stated that it will continue to evaluate the results from the audit for potential policy and process improvements. DHS has provided training to ensure compliance with the revised Transportation Manual and the Georgia Applicant Processing System (GAPS) for background checks. The revised manual also requires Regional Transportation to conduct random monitoring of 20% of the subcontractor's vehicles, files and driver information.

DCA response:

"Through enhanced communication and more frequent interaction, we have taken steps to improve customer service as it related to the coordinated planning activities and the planning contracts between each regional commission and DCA, as well as providing training opportunities for board members."

Agreed-Upon Procedures⁵ Atlanta Regional Commission



Office location*	Atlanta
2015 Region population (est.)	4,450,487
Calendar year 2015 expenditures ¹	\$9,028,657
Approximate square mileage	3,025
Number of local governments	76

¹ARC operates on a calendar fiscal year. CY16 financial information was not available for review.

RC Scorecard Quartiles

Financial	4
Customer	3
Learning and Growth	3
Internal Business Process	3

Summary

The Atlanta Regional Commission (ARC) had significant deficiencies related to office administration and compliance with the DHS Aging contract. Regarding administration, ARC had numerous violations of its purchasing and travel policies. Regarding its aging services contract, ARC provided insufficient monitoring of county subcontractors and failed to communicate or follow-up on corrective actions in a timely manner. Significant areas for improvement were also identified related to compliance with the DCA Coordinated Planning contract. The time period reviewed was fiscal year 2016, with consideration of earlier or later periods when required.

Administrative Findings

Policies and Procedures

Each RC should have sufficient internal controls to ensure compliance with relevant state laws and accountability for public funds.

ARC has complied with state law by requiring disclosure of employee business transactions.

To prevent potential conflicts of interest, state law requires RC employees to annually disclose any business transactions with local governments. RCs should have written policies and procedures to ensure employee compliance with disclosure requirements. ARC requires its employees to disclose business transactions with local governments and has a written policy that details the requirements of the state law to employees.

⁵ The agreed-upon procedures test the effectiveness of various controls. The primary test of control used by the audit team is an inspection of documents to determine if the system of controls operated in a reliable manner throughout the year.

While ARC does not have a written policy, it maintains a minimum requirement for its fund balance.

RCs should maintain an adequate fund balance to mitigate risks and provide a reserve for revenue shortfalls. Fund balance requirements should be based on the RC's specific circumstances. The Government Finance Officers Association (GFOA) recommends a fund balance target of no less than two months of operating revenues or expenses. ARC annually sets a fund balance of \$1 million, which appears to be based on historical amounts and is below the amount recommended by GFOA.

Travel & Purchasing Cards

Each RC should have sufficient travel and purchasing policies and procedures to ensure travel expenditures are reasonable and appropriate.

ARC generally has strong controls over vehicle management, but policies are unclear regarding when to use personal versus fleet vehicles.

The audit team reviewed the use of four vehicles owned by ARC, all of which are equipped with Global Positioning System (GPS) equipment. The GPS stores an online record of historical trip data, negating the need for mileage logs. Vehicle keys were kept on a secure floor and were either distributed at the beginning of each day or left for employees to pick up. ARC policy does not specify when employees should use fleet versus personal vehicles. In practice, it is left to the preference of the employee, which could result in higher costs by reimbursing more costly personal miles.

ARC vehicles are not marked with the RC logo, as required by state law.

O.C.G.A. § 36-80-20 requires that all vehicles owned or leased by an RC have a clearly visible decal or seal on the sides of the vehicle. ARC's four general use fleet vehicles are not marked with an ARC logo.

ARC has not maintained adequate documentation of fuel purchases.

The audit team reviewed fuel card statements and receipts for January-June 2016. ARC staff could not produce the fuel card statement for one month, and each of the remaining months had either missing pages from the statement, missing receipts, or both. We could not verify that all fuel purchases were made appropriately. Fuel cards and corresponding personal identification numbers are provided to employees with vehicle keys.

ARC's policies do not include meal limits.

ARC policies allow reimbursement for "the actual cost of meals within reasonable limits." Typically, governmental agencies (including federal, state, and local, as well as the other 11 regional commissions within the State of Georgia) specify meal limits.⁶ These meal limits help ensure stewardship of taxpayer dollars by providing a reasonable, but not excessive, amount for meals. ARC supervisors and financial staff did not disallow any meal in the items selected for review, regardless of amount. Both the council chairman and executive director stated there was no basis for what constituted a reasonable amount.

⁶ O.C.G.A. § 50-8-2 defines regional commissions as local governments and, per O.C.G.A. § 50-8-90, officers and employees of the Atlanta Regional Commission are public employees.

Exhibit 4 shows federal, State of Georgia, and Cobb County's meal limits. In addition, the exhibit shows examples of reimbursed meal amounts for ARC. [Appendix F](#) shows examples of high cost meals charged by the executive director.

Exhibit 4

ARC's Meal Reimbursement Amounts are Inconsistent with Peer Groups¹

Meal	State of GA	Cobb County	GSA ²	ARC Executive Director ³	ARC Employees ³
Breakfast	\$7	\$10	\$16	\$8-53	\$6-30
Lunch	\$9	\$18	\$17	\$7-54	\$7-43
Dinner	<u>\$20</u>	<u>\$24</u>	<u>\$31</u>	\$14-108	\$15-75
Total per diem	\$36	\$52	\$64		
¹ Rates reflect those of high cost areas. These are higher than the base rates set by federal and state government.					
² U.S. General Services Administration rate for Atlanta. Incidental expenses are not shown.					
³ Examples are taken from various employees in-region and out-of-region trips and represent a range per person from the travel reviewed.					
Sources: U.S. General Services Administration, State Accounting Office, Cobb County, ARC records					

ARC policies are not clear regarding meals for guests.

ARC policies are not clear on whether ARC will reimburse employees for purchasing the meals of business-related individuals who are not ARC employees. For example, if an employee takes a business associate such as a community partner to lunch, the policies are not clear whether the business associate's lunch would be reimbursed. Reimbursement for non-employees is not a typical practice within government. In some limited and controlled instances local governments do allow reimbursement for non-employees. For example, Cobb and Gwinnett Counties have policies that allow meals up to \$25 (or the respective per diem) if the non-employee is serving in an advisory or pro bono capacity or there is an exchange of information. We identified employees who were reimbursed for the cost of business associates' meals.

ARC has a sufficient purchasing card policy, but it could be improved to help eliminate the potential for fraudulent purchases.

The ARC purchasing card policy requires employees to adhere to procurement guidelines and sign a cardholder agreement indicating they accept the purchasing card's terms and conditions. The policy requires itemized receipts with gratuity amount for meal expenses. In addition, the following types of purchases are not allowed: alcohol, entertainment, personal purchases, professional services, and tobacco.

We identified multiple bulk purchases of small dollar gift cards. While these gift cards had an appropriate business purpose, best practice does not allow the purchase of gift cards with a purchasing card to help eliminate the potential for fraudulent purchases.

Employees' purchases and reimbursements violated ARC's policies during calendar year 2016.

The audit team reviewed travel reimbursements for six employees and purchasing card transactions for three employees for calendar year 2016.⁷ Supervisors generally reviewed the travel reimbursement requests and monthly purchasing card statements of the employees we reviewed. However, we identified the following issues related to travel and purchasing cards. Issues with the executive director's travel and purchasing card are discussed in a separate finding starting on page 14.

- *Reimbursement for in-region meals* – Travel policy does not allow reimbursement for meals within region unless the meal is part of a seminar, workshop, conference, or meeting and “is a requirement of attendance at the event.” Three of the nine employees we selected for review were reimbursed for meals in-region that were not part of an event registration.
- *Reimbursements without required receipts* – The travel policy requires receipts unless the expense is under \$20 and receipts are not available (such as road tolls, parking meters, taxi, or hotel tips). ARC reimbursed five meals without a receipt in calendar year 2016 for the employees we selected for review, including one \$75 dinner for a single employee.
- *Reimbursements without itemized receipts* – The travel and purchasing card policies require itemized meal receipts be submitted for reimbursement. Itemization demonstrates that the employee did not purchase inappropriate items, such as alcohol. ARC supervisors and financial staff regularly approve travel reimbursements and purchasing card expenses for meals that do not have itemized receipts. ARC reimbursed over 40 non-itemized meals purchased by nearly all of the employees we selected for review.
- *Alcohol purchases with a purchasing card* – ARC policy does allow for the reimbursement of alcohol (including gratuities) if the purchase is part of an ARC-sponsored reception or banquet paid for with private funds, but the purchase cannot be made with a purchasing card. Two employees we selected for review used purchasing cards to purchase alcohol. Both instances were for ARC-sponsored receptions or banquets and were funded through private sources. In addition, we found instances where staff were reimbursed while in travel status for either gratuity and tax or entire alcohol purchases.
- *Entertainment and questionable business purchases* – Entertainment and purchases of a personal nature are prohibited by purchasing card policies. The audit team identified purchasing card expenses related to retirement parties and entertainment. One employee used a purchasing card to charge \$1,236 for entertainment at a conference. This purchase was charged to an account that staff indicated did not use taxpayer funds, but entertainment should not have been paid for using a purchasing card. A second employee we reviewed charged more than \$1,700 in catering and gifts for various ARC employee retirement parties. These expenses are questionable expenditures of public funds.

Local government dues are one of the primary sources of the ARC general fund.

⁷ARC operates on a fiscal year that coincides with the calendar year, beginning January 1 and ending December 31. The items selected for review were limited to calendar year 2016.

The executive director's purchases and reimbursements violated ARC's policies during calendar year 2016.

The executive director primarily used his ARC purchasing card to pay for travel, meals, and parking. Each purchasing card statement submitted for payment was accompanied by receipts, handwritten notes, and descriptive e-mails and was typically reviewed and approved by the council chairman. The audit team reviewed 12 monthly purchasing card statements for calendar year 2016 for compliance with ARC policies.⁸ The audit team identified the following violations:

- *Non-itemized or missing receipts* – In calendar year 2016, the executive director submitted 55 non-itemized or illegible meal receipts totaling over \$5,600. Eight other meals totaling \$943 were purchased, and receipts were not submitted. The travel and purchasing card policies require itemized meal receipts. Itemization demonstrates that the employee did not purchase disallowed items, such as alcohol. The audit team obtained detailed receipts directly from vendors to review a sample (7) of the executive director's actual purchases. As shown in [Exhibit 5](#), these detailed receipts revealed that the executive director charged alcohol on at least four occasions without paying it back (for example, see [Appendix G](#)). ([Appendix H](#) shows detail of a miscellaneous reimbursement from a personal credit card that did not include an itemized receipt.)

Exhibit 5

Examples of Alcohol Purchases Submitted without Itemized Receipts in Calendar Year 2016

Date	Location	Vendor	Total Amount	Description on Receipt	Actual Charges ¹
2/29/16	Atlanta, GA	Augustine's	\$72	Dinner with employee	Alcohol \$30, appetizers \$27
2/8/16	Washington, DC	Ritz-Carlton	\$75	Lobby bar dinner	Alcohol \$44, soft drinks \$14
3/16/16	Atlanta, GA	Empire State South	\$560	Cultural Forum Dinner with Senior Program Specialist	Alcohol \$85 ² , appetizers \$88, \$247 entrees
6/26/16	Salt Lake City, UT	Little America Hotel	\$108	Room service dinner	Alcohol \$27, entree \$30, soup and dessert \$19
¹ Does not include tax, gratuity and service charges.					
² Executive director paid back \$60 for alcohol.					
Sources: ARC, Augustine's, Ritz-Carlton, Empire State South, and Little America Hotel					

- *Consumption of alcohol while engaged in ARC business* – ARC's drug and alcohol-free workplace policy prohibits alcohol consumption "while an employee is on the Agency's premises or otherwise engaged in Agency business" unless at an ARC-sponsored event. Policy prohibits any purchase of alcohol made with a purchasing card. The executive director's interpretation of these policies was that alcohol consumption was not allowed during regular business hours and alcohol purchases were allowed using a purchasing card as long as the employee paid back the amount for alcohol. The audit team did not identify any nuance in the written policies that supports the executive director's interpretation. In addition, if the executive director is allowed reimbursement for a meal, this means the executive director is engaged in ARC business

⁸ This includes several purchases made by two administrative assistants on behalf of the executive director. The executive director reviewed and approved these purchases.

regardless of the time of the meal. In calendar year 2016, the executive director paid back ARC for nine separate alcohol purchases made with a purchasing card during business dinners. The executive director paid back the actual cost of the alcohol, but did not pay back the associated tax or gratuity. These purchases violated multiple ARC policies including items prohibited for purchase with a purchasing card, reconciliation of itemized receipts, allowable expenses, in-region subsistence expenses, and drug and alcohol-free workplace. These purchases are in addition to those shown in **Exhibit 5**.

- *Purchases for spouse and family members* – The purchasing card policy prohibits personal purchases. The executive director made multiple personal purchases including meals and a flight for his spouse. In several instances, the executive director paid back the charge (e.g., room service for his spouse). In some instances, the executive director did not pay back the charge (e.g., \$103 flight). The executive director stated it was appropriate for ARC to pay for a spouse if the spouse accompanies the employee to an event outside normal business hours (e.g., \$65 ticket to a gala). The audit team did not identify this exception in any written policy. In addition, ARC purchased a corporate sponsorship table at an event at a cost of \$2,000 for 10 attendees. The executive director invited his father-in-law and the father-in-law's wife to attend. When questioned, the executive director stated that inviting relatives to the event might have been inappropriate.
- *High cost flights* – ARC policy states, "Travel by airline will be in tourist class or the lowest available alternative." Five of the eight flights taken by the executive director in calendar year 2016 utilized Delta Comfort+® seats, which based on our review of similar flights appeared to be \$80 to 150 more than Main Cabin seats but less than First Class. One of eight flights taken by the executive director utilized First Class. Also, the executive director purchased a one-way flight from Dallas to Atlanta. This flight was related to a LINK conference to which ARC provided a chartered flight for all attendees. Instead of utilizing the chartered flight, the executive director purchased two airline tickets so he and his spouse could stay in Dallas two additional days.
- *In-region business meals with ARC employees* – As stated above, travel policy does not allow reimbursement for meals within region unless the meal is part of a seminar, workshop, conference or meeting and "is a requirement of attendance at the event." In calendar year 2016, the executive director charged more than \$900 to his ARC purchasing card for in-region meals that included staff and council members. The executive director described some of the meals as rewards for a job well done. **Exhibit 6** shows meals purchased in-region where only ARC staff or council members were present.

Exhibit 6**ARC Paid For the In-Region Meals of the Executive Director and Staff in Calendar Year 2016¹**

Date	City	Vendor	Total Amount	Staff Members Attending ¹	Description
1/9/2016	Atlanta, GA	Commerce Club	\$329.40	6	Quarterly Staff Meeting
2/29/2016	Atlanta, GA	Augustine's	\$72.00	2	Business Dinner
3/31/2016	Atlanta, GA	The Georgian Club	\$66.47	Unknown	Unknown
5/20/2016	Atlanta, GA	Stone Soup Kitchen	\$34.00	2	Performance Review
5/24/2016	Atlanta, GA	Thumb's Up Diner	\$25.00	2	First Year Review
6/16/2016	Atlanta, GA	Mango's	\$53.00	3	Strategic Planning
6/26/2016	Atlanta, GA	TGI Friday's	\$39.00	1	Conference Airport Meal
7/19/2016	Atlanta, GA	Highland Bakery	\$109.42	7	Staff Appreciation Lunch
8/5/2016	Norcross, GA	Magnolia Bistro ²	\$7.16	1	Business Lunch
8/17/2016	Atlanta, GA	Paschal's	\$44.00	2	Review of Moving Finances
9/23/2016	Atlanta, GA	Rosa's Pizza ²	\$57.75	6	Urgent Space Meeting
12/6/2016	Atlanta, GA	Doc Chey's Grant Park	\$30.00	2	Exit Interview
12/20/2016	Atlanta, GA	Legal Sea Foods	<u>\$77.00</u>	3	Business Lunch
Total Amount			\$944.20		

¹ Attendees were only ARC staff or council members. The executive director is included in all figures.
² Purchased by the executive director's assistant.
Source: ARC

Collectively, the pattern of questionable purchases, reimbursements, and policy violations raises concern regarding proper stewardship of public funds.⁹ In addition, these transactions may have violated the State of Georgia's purchasing card law (O.C.G.A. §§ 16-9-30 through 16-9-38). Due to the number of purchasing card policy violations, we have referred the matter to the Office of the Attorney General for further review.

ARC did not accurately report the executive director's travel to the Department of Audits and Accounts.

RCs began voluntarily reporting salary and travel information in fiscal year 2016 to the Department of Audits and Accounts. For fiscal year 2016, ARC reported to the Department of Audits and Accounts that the executive director had \$302 in travel expenses. The executive director primarily used his purchasing card for travel and meal expenses of over \$9,000.

Performance Appraisals

O.C.G.A. § 50-8-34.1 requires each RC council to appraise the executive director annually. Each RC should also perform regular employee appraisals to allow supervisors and employees to align work with RC goals and plans, identify areas for improvement, and discuss performance expectations.

As required by state law, the council has conducted performance appraisals of the executive director.

The council conducted a performance appraisal of the executive director in November 2015 and 2016. A performance review committee appointed by the Chairman

⁹ All purchases made by the executive director were charged to accounts funded primarily by local government dues mandated by state law.

conducted the appraisal and presented the findings to the Governance Committee, which approved the appraisal and subsequent salary increase and bonus payment.

ARC generally conducted annual performance appraisals of employees, but policy could be improved by having permanent anniversary dates.

ARC policy states that performance management and development is a year-round process with a formal review at the end of a performance period. The policy does not define a performance period, but in practice it has become an “anniversary date” that is annually tied to merit increases. The audit team selected the personnel files of 17 planning staff for review and found appraisals for each of the employees’ in one or both of the last two years, with one staff member missing a 2015 appraisal. Two of the employees did not have a 2016 performance appraisal, but human resources staff provided evidence showing that the anniversary dates for these employees had reset during 2016 due to job reclassifications.

Council Meetings

For entities such as RCs, the Georgia Open Meetings Act requires meeting notices to be posted at least one week in advance and meeting minutes to be completed and available to the public before the next regular meeting. The Act also places specific limitations on closed executive sessions.

ARC generally complied with state open meeting laws and ARC’s bylaws for selected meetings.

The team reviewed 7 of 19 meetings from calendar years 2015 and 2016 for compliance with state law and ARC’s bylaws. The team did not identify any compliance issues with either open or executive session meetings.

RECOMMENDATIONS

1. ARC should develop a written fund balance target based on operational need.
2. ARC should clarify fleet vehicle usage policies and should ensure that fleet vehicles are marked with the RC’s logo.
3. ARC should have written policy requiring employees to submit fuel receipts and ensure that receipts are reconciled with statements on a monthly basis.
4. ARC should establish cost limits for meals. Limits should contain clear specific descriptions of the circumstances under which it will reimburse for meals in-region or for meals of guests.
5. ARC should strengthen its purchasing card policies by forbidding the purchase of gift cards and use other means to purchase business-related gift cards.
6. ARC should ensure that employees adhere to travel and purchasing card policies. Adherence should include monthly review and reconciliation of documentation by both staff and supervisors.
7. ARC should ensure that the executive director adheres to travel and purchasing card policies.
8. ARC should accurately report employee travel reimbursements to the Department of Audits and Accounts, including travel costs incurred through purchasing cards.
9. ARC should ensure it is in compliance with the state purchasing card law.

10. ARC should perform appraisals on an annual basis, regardless of employee reclassification dates.

Atlanta Regional Commission's Response:

ARC plans to use the audit as “a roadmap to help identify some needed policy and procedural updates that fall in line with the unique role we play in the region as a quasi-governmental agency.” ARC reports that it is currently exploring options for changes to its governance policies and procedures as part of a larger effort to address concerns raised by the audit. ARC stated it would immediately revisit current business processes and procedures to ascertain whether they are outdated or currently out of alignment with compliance best practices. Specifically, ARC indicated the following changes:

1. ***Fund balance:*** ARC adopted a new fund balance policy on October 25, 2017, which requires a fund balance of \$4 million.
2. ***Vehicles:*** ARC reported that it has already marked its fleet vehicles with the ARC logo and that it “plans to review its written policy related to when fleet vehicles should be used in lieu of personal vehicles, and ensure that all present ambiguities (to the extent any exist) are rectified.” Regarding fuel purchases, ARC plans to review its policies and documentation requirements and strengthen its recordkeeping.
3. ***Meals:*** “ARC wishes to explore the adoption of a new per diem reimbursement policy for meals and lodging in early 2018...” In addition, ARC “will also seek to address existing ambiguities associated with its policy regarding meal purchases for non-employee business associates and community partners.”
4. ***Alcohol:*** ARC will consider updating its policy on alcohol consumption to clear up ambiguities and contradictions and “to more fully align with similar quasi- governmental organizations both across Georgia and around the U.S.”
5. ***Family members:*** The ARC Governance Committee has decided that it is permissible for the executive director to purchase a ticket for his spouse to attend events when he is acting in an official capacity and that it will recommend amending the current policy to clear up any ambiguities. It “acknowledges, however, that Commission staff should only invite ARC personnel, partners, and regional elected officials to join at events it sponsors.”
6. ***Flights:*** ARC will be reviewing its travel policies to ensure they reflect the “changing business landscape” and consider requests for reasonable accommodations related “to long-haul flights with a duration of three hours or more.”
7. ***P-card policy:*** ARC will review purchasing card policies to identify mechanisms to minimize potential fraud.
8. ***Purchasing and reimbursement controls:*** Following the adoption of new policies, ARC stated that it will ensure “ARC employees receive initial and periodic ongoing training on purchasing and reimbursement activities.” Part of these efforts included moving to an online booking and invoicing system.

ARC took issue with the audit’s discussion of employees’ and the executive director’s purchases and reimbursements as violations of policy, indicating that the areas of noncompliance were the result of “inadvertent errors” and/or “correctible policy ambiguities and outmoded provisions that require updating to reflect the way the ARC now conducts business.” ARC’s specific areas of disagreement are as follows:

1. ***In-region meals:*** ARC did not agree with the audit team’s assessment that in-region meals were reimbursed in violation of ARC travel policy “given the fact the ARC Reimbursement Policy clearly defines in-region meals as a permissible expense in

conjunction with a meeting, conference or event within the Atlanta region (see ARC Reimbursement Policy pg. 6).” ARC stated the audit team was using “an extremely narrow view of the term ‘meeting’ and ‘requirement.’ That there is no statutory or regulatory basis for such a narrow interpretative understanding.”

2. ***Itemized receipts:*** ARC did not agree that employees violated ARC’s policies during calendar year 2016, stating that staff made “all reasonable efforts to comply with current reimbursement policies and to obtain itemized receipts to substantiate expenditures” and that staff “made good faith efforts to provide such receipts (at the time of submission) and continue to do so at present.” ARC indicated that most of the audit team’s examples were due to policy ambiguities and that it anticipates instituting a policy that it will no longer reimburse employees for business meals that do not have itemized receipts, except in extenuating circumstances.
3. ***Executive director p-card purchases:*** ARC did not agree that the audit team’s findings regarding the executive director “represent a pattern of compliance or policy violations that warrant referral for further investigation or review. To suggest as much not only significantly overstates the findings of a sampling of ARC activities...and reflects a fundamental misunderstanding of what merits further investigation under Georgia’s financial transaction card law.”

Auditor’s Response:

We are encouraged that ARC has committed to clarifying many of its policies and procedures and to providing training to management and staff on the new policies. While we agree that these actions are needed, it is important to note that only some of the findings are related to unclear policies. A number of the problems we identified were related to ARC’s failure to follow its policies, many of which are consistent with policies in governmental organizations.

In its response to the draft report, ARC references its uniqueness and increased reliance on “other funds” and indicates that it plans to model its new policies after those of other quasi-governmental organizations. As it considers changes to its policies, it is important to note that ARC is a governmental organization, not a quasi-governmental entity. Regional commissions are created in state statute, and their enabling legislation defines them as local governments. In addition, ARC’s financial statements are prepared in compliance with the Governmental Accounting Standards, which are followed by state and local governments. Also, the majority of ARC’s revenue is from public sources: local government dues (i.e., property taxes) and state and federal contracts and grants. Very little of its revenue comes from other funds. As such, ARC should carefully consider the extent to which it wishes to revise its policies and procedures to allow for the kind of activities we questioned.

In response to ARC’s disagreements with the report, we would like to add the following points of clarification:

1. ***In-region meals:*** We disagree that we have too narrowly interpreted ARC’s policy regarding reimbursement of in-region meals. Our interpretation is based on an understanding of typical governmental travel and reimbursement policies, which are similar to ARC’s and generally prohibit employees who are not on travel status from being reimbursed for meals except when the meal is associated with or required as part of attending a seminar, workshop or conference or meeting. (See [Appendix I](#) for ARC’s policy.) As an example, Statewide Travel Policies have similar provisions for exceptions if the meal is an integral part of the meeting and provides the example of “an agency employee is officially

engaged to speak at a luncheon or dinner meeting presented by a non-state entity that meets the above criteria and is required to purchase a meal for that engagement.” Statewide Travel Policy provides for employee group meals for infrequent circumstances, such as training sessions, which do not permit the employees to leave the premises. The policy also provides for non-employee group meals under various circumstances such as when the individuals serve in an advisory capacity or the meal is required to avoid overnight stay.

Under ARC’s broad interpretation of what constitutes an in-region “meeting,” any meal at a restaurant with ARC staff could be a reimbursable expense. Specifically, we question the appropriateness of meals or “meetings” involving only ARC staff and Commission members at Atlanta area restaurants, especially when the meeting can be conducted at ARC’s office. In our opinion, this is not consistent with prudent stewardship of taxpayer dollars.

2. **Itemized receipts:** ARC’s policies requiring itemized receipts are not ambiguous. The policies clearly state that itemized receipts are required. (Excerpts from ARC’s Reimbursement Policy and Purchasing Card Policy have been added to [Appendix I](#) and [Appendix J](#) of this report.) The issues identified center on a failure to comply with ARC’s policies. During an interview, the executive director stated that he understood receipts were required but did not always receive itemized receipts from restaurants and generally was not concerned unless alcohol was purchased. The executive director also agreed it was common practice for restaurants to provide itemized receipts when presented with the bill, and he stated he either did not pick them up or lost the receipts. After receiving the draft audit report in November 2017, ARC contacted restaurants and obtained 23 of the executive director’s 55 non-itemized receipts identified by the audit team, illustrating that not all reasonable efforts to obtain receipts were made when they were submitted for reimbursement in calendar year 2016.
3. **Executive director purchases and reimbursements:** The audit team reviewed 100% of the executive director’s purchasing card and travel transactions in calendar year 2016. Of his 84 meal purchases, 65 (77%) violated ARC’s purchasing card policy. The report provides a sample of violations identified, not a comprehensive list.
4. **Purchasing cards:** ARC’s purchasing card policies are not ambiguous. The purchasing card policy clearly requires itemized receipts and states, “The following types of purchases are NOT allowed: a. Alcohol b. Entertainment c. Personal purchases d. Professional services, i.e. consultant fees e. Tobacco products.” (See [Appendix J](#) of this report.)

Planning Findings

Communication of Planning Responsibilities

The contract between DCA and the RC requires the RC to notify local governments of upcoming planning responsibilities and deadlines. If a local government does not meet a DCA-mandated deadline for adopting planning items, the local government will lose its qualified local government (QLG) status. A qualified local government is a county or municipality with a comprehensive plan that meets certain minimum standards, and the loss of QLG status makes the local government ineligible for grant and loan programs through DCA and other state agencies. Additionally, the RC is required to conduct a plan implementation assistance (PIA) meeting with key officials from each local government in the region at least once every two years. Meeting dates are reported by the RC to DCA annually.

Local governments are generally satisfied with ARC.

All 10 of the local governments interviewed¹⁰ by the audit team were generally satisfied with planning staff, with one noting some dissatisfaction with the quality of planning documents. In general, local governments stated that ARC staff were accessible and responsive, which is consistent with customer service survey results.

ARC PIA meetings did not fulfill significant DCA contract requirements.

We reviewed documentation of PIA meetings for seven of the 76 local governments in ARC's region, and held interviews with 10. We found that ARC held PIA meetings with local governments and met the DCA contract requirements of offering to assist with upcoming projects, discussing upcoming comprehensive plan implementation activities, and discussing the regional plan. However, documentation we reviewed showed that these meetings did not meet the following DCA contract requirements:

- *RCs must offer local governments the option of holding separate, individual PIA meetings* – Three of the seven local governments we reviewed declined to attend a county-wide meeting. The documentation we reviewed did not show an offer to meet with them individually. While interviews with local governments confirmed that ARC staff may meet more frequently than once every two years at the request of local governments, there is not documentation showing that ARC met with every local government in the region.
- *RCs must include elected leaders and other key staff in PIA meetings* – Sign-in sheets did not show elected officials in attendance at any of the PIA meetings. Invitations to county-wide meetings were made to planning and administrative staff. ARC planning staff stated that they leave communications with elected officials to the government affairs division.
- *RCs must meet with each local government no less than every two years* – As of April 2017, ARC staff stated they had not held PIA meetings with any local governments since 2015 due to a vacancy in the planning director position. In 2015 they held county-wide meetings to discuss mapping growth estimates in support of the regional plan update. ARC staff stated they did not meet with local governments in 2013 or 2014.
- *RCs must review the contents of the most recent comprehensive plan, discuss the local government's use of the plan, and identify areas of the plan needing updates* – Documentation of county-wide meetings did not show that ARC provided individual local governments with the opportunity to discuss the contents, discuss use and accomplishments, or identify areas need for change in their comprehensive plan.

ARC communicates upcoming planning responsibilities but could improve follow-up communications.

The DCA contract requires that RCs begin notifying local governments 12 to 18 months before the deadline to allow sufficient time for required reviews and public hearings. We reviewed documentation for five local governments who had a comprehensive plan due and found that all of them received notifications at least 12

¹⁰ Interviews supplement the DOAA customer service survey, which had a 55% response rate (42 out of 76) for ARC. Interviews also provide feedback and verification of PIA meetings and RC communication.

months prior to the deadline. ARC staff assisted three of those local governments with creating a local comprehensive plan. Key staff from all three governments received frequent ongoing communication with ARC. The remaining two governments received offers of assistance and prompt notifications of DCA communications but otherwise received limited follow-up with deadlines. For example, one of the two local governments received notice that DCA required they adopt a resolution in order to retain QLG status. The ARC staff did not follow-up with this notice for another eight months. Of the 26 local governments in the Atlanta region that had a comprehensive plan or CIE (capital improvement element) due in fiscal year 2016, 12 (46%) lost QLG.

Atlanta Regional Commission's Response:

ARC stated that for the 12 local governments which lost QLG in FY16, five were rejected by DCA "for reasons beyond the control of the RC." Once RC staff became aware of the QLG loss, they notified each local government and advised them regarding corrective actions. In another instance, a mayor requested a delay of the plan until after a SPLOST vote.

Staffing Information

All RCs are required to report staffing information to DCA annually. For planning employees, the RC must report time devoted to planning subjects, degrees earned, years of experience, professional certifications, and number of training hours. This information is used for the learning and growth measures in the Regional Commission Scorecard for 9 of the 12 RCs. For the remaining three RCs, the results of the Scorecard reflect the documentation provided to the audit team while the agreed upon procedures were being conducted (if different from the information submitted to DCA).

ARC did not report all planning personnel information to DCA.

ARC reported 12 planning staff to DCA in fiscal year 2016. The audit team identified approximately 50 additional staff members who work in a planning capacity. ARC did not report these additional staff members because their primary job duties were associated with activities other than writing and reviewing comprehensive plans for local governments. These activities include transportation planning through the RC's federal designation as a Metropolitan Planning Organization, environmental planning, economic development, and GIS (global information system) mapping. The audit team concluded that all of these activities are planning related as described in the DCA contract and therefore should annually be reported to DCA.

With the exception of training hours, reported planning staff information was verified as accurate.

The audit team verified that ARC accurately reported staff FTEs, AICP certifications, master's degrees in planning related fields, and years of experience for those staff reported. The ARC could not provide documentation for 167 of the 392 (43%) training hours reported to DCA. Staff did not routinely keep documentation of training attended and included some training attended outside of the state fiscal year.

RECOMMENDATIONS

1. ARC planning staff should hold plan implementation assistance meetings with local governments on a biennial basis. ARC should invite elected officials and discuss the items required under the DCA contract.

2. ARC should offer local governments the option to hold separate, individual biennial plan implementation meetings.
3. ARC planning staff should follow-up with local governments to assist with meeting planning related deadlines.
4. ARC should report all planning related staff in future submissions to DCA.
5. ARC should track employee training hours and retain supporting documentation.

Atlanta Regional Commission's Response:

1. ARC will seek to provide more opportunities for local elected officials, will include discussions on the status of current plans as part of ongoing outreach, and has assigned a staff member to document PIA invitations, agendas, and sign-in sheets.
2. "ARC will be more explicit in offering every local jurisdiction with the chance to meet with ARC staff individually if county-wide meeting is not an option for that community."
3. ARC has committed to standardizing outreach communications and will "set up regular mail, e-mail and phone communication schedules for all local governments that have planned updates in the upcoming 12 months."
4. ARC "believes there may have been a miscommunication with regard to this issue and the proper scope of the term planner and/or planning personnel. To this end, ARC will work with DCA to confirm what job functions are considered planning, and update the Commission's staffing information."
5. "ARC will develop an internal online tool that standardizes the input of the various institutional trainings that planning staff undertake each year. Incorporated into this online tool and databased will be a collection of training agenda, materials, and participant records."

Transportation Findings

Subcontractor Monitoring

The contract between DHS Coordinated Transportation and the RC requires that the RC conduct monitoring of both vehicles and drivers. The RCs subcontract with providers in their regions to deliver transportation services for senior citizens, individuals with disabilities, and other eligible clients. At least annually, RC staff should review vehicle maintenance records, daily driver logs, and driver files of subcontractors to ensure they are in compliance with DHS rules. Vehicles must receive an annual safety inspection from a certified mechanic, and vehicles must also be physically inspected at least every other year by RC staff.

ARC and DHS conducted sufficient monitoring of vehicles in fiscal year 2016.

In fiscal year 2016, ARC and DHS jointly conducted all required monitoring of vehicles. DHS took the lead on monitoring efforts, since it was ARC's first year with a DHS Coordinated Transportation contract. The audit team reviewed monitoring of ARC's sole subcontractor and determined that DHS and ARC monitored and inspected all 17 vehicles. The lone exception was one vehicle that did not receive an annual inspection from a certified mechanic. DHS could not determine why this vehicle was not inspected.

ARC and DHS conducted sufficient monitoring of drivers in fiscal year 2016, with two exceptions.

The audit team reviewed monitoring documentation for ARC's sole transportation provider and determined that DHS and ARC staff generally identified all issues and ensured that the subcontractor took appropriate corrective actions. However, multiple driver files contained an identical pre-employment drug screening. In addition, the background checks used by the subcontractor did not utilize GAPS (Georgia Applicant Processing System) fingerprinting, as required by the DHS contract.

DHS communicated the results of monitoring and followed-up on corrective actions in a timely manner.

DHS communicated the results of monitoring reviews to the transportation provider within a few days of their site visit. In addition, DHS immediately scheduled follow-up visits and asked for corrective actions to be taken by those dates, less than two weeks from the initial site visit. All stages of communication were clearly passed along to ARC staff in a timely manner.

RECOMMENDATIONS

1. ARC should continue to follow the guidance and monitoring practices of DHS in fiscal year 2016 related to monitoring, communicating, and following-up with transportation providers.
2. ARC should ensure that subcontractors utilize the GAPS national background check system and ensure that all new drivers receive pre-employment drug screenings.

Atlanta Regional Commission's Response:

1. ARC reported that it immediately began taking action to address pre-employment screening after the audit team's visit.
2. ARC agreed with the recommendation, but stated it was not applicable as they chose not to renew their contract after fiscal year 2018. Additionally, it provided documentation from DHS regional staff indicating that ARC did not need to obtain corrective action from subcontractors.

Auditor's Response: While the DHS Transportation Manual may not have explicitly stated that monitors must utilize the GAPS background check system, the contract between DHS Transportation and ARC for fiscal years 2016-2018 requires it.

Aging Findings

Subcontractor Monitoring

The contract between DHS Aging and the RC requires the RC to monitor its subcontractors to ensure adequate service provision and compliance with DHS regulations. RC staff must conduct an annual on-site monitoring visit at each location, as well as quarterly desk reviews of subcontractor records. When monitoring is completed, the RC is required to provide specific, written feedback to the subcontractor regarding any findings identified.

ARC subcontracts with county governments or other county-level entities for the majority of aging services. The counties provide services directly or subcontract with a service provider, known as a fourth party subcontractor.

We identified several critical deficiencies in ARC's subcontractor monitoring.

We reviewed fiscal year 2016 monitoring of all of the service providers in three (of 10) counties. ARC conducted monitoring visits to all 38 sites in the selected counties. The following issues were identified:

- *ARC did not conduct sufficient monitoring of drivers and vehicles.* DHS Aging regulations require monitoring of any transportation not provided through the DHS Coordinated Transportation program.¹¹ As part of this monitoring, ARC must inspect all driver files for compliance in areas such as background checks and motor vehicle records. Additionally, ARC must physically inspect at least 50% of vehicles and conduct desk reviews of 50% of vehicles. ARC staff indicated they inspect 10% of driver files and conduct desk reviews of 10% of vehicles, with a minimum of five. ARC only conducts a physical vehicle inspection if the desk review identifies a needed repair that was not completed.
- *Two of the monitoring forms used by ARC did not comply with DHS regulations.* While ARC primarily used standard DHS forms to monitor aging services, two forms were created by ARC. ARC's monitoring form for food vendors allowed a longer hold time for cooked food than allowed by DHS regulations (hold time is a food safety concern). Also, the ARC transportation monitoring form omitted items such as checking for preventative maintenance logs and current driver's licenses. ARC updated the transportation monitoring form for fiscal year 2017 and added most of the omitted items.
- *ARC did not monitor congregate meals at three of the four adult day care sites we reviewed.* Congregate meals are a required component of adult day care and should be monitored in order to fully monitor all adult day care services received by clients.
- *ARC gave more than 48 hours' notice for site visits.* DHS regulations require a maximum of 48 hours' notice prior to an on-site monitoring visit. However, ARC's policy was to notify providers by Friday at noon for any visits Wednesday or earlier of the following week. As a result, any visits that occurred Monday through Wednesday did not comply with DHS requirements.
- *Monitoring forms were not always completed.* While monitoring documentation was generally sufficient, we noted blanks for some questions, such as a senior center question on maintaining safe food temperatures. In other instances, answers did not fully address the question. For example, the answer for the question "How/where are temperatures recorded?" was a "Yes".

¹¹Transportation services provided through the DHS Coordinated Transportation program are monitored separately, as discussed previously in the Transportation section.

ARC did not adequately manage deficiency findings, allowing deficiencies to persist at aging service sites.

ARC neither adequately communicated deficiency findings to its county subcontractors, nor ensured that corrective actions were completed in a timely manner. As a result, critical items identified during monitoring visits were allowed to continue for several months after the visit. It is unclear whether all findings were addressed.

- *ARC was not timely in communicating findings or in obtaining corrective action plans from its county subcontractors.* ARC communicated monitoring results to county subcontractors in January and July 2016 for all monitoring visits occurring in the applicable preceding half of the year. As a result, for the three (of 10) counties we reviewed, between 46 and 142 days elapsed between the visit and the date monitoring letters were sent. The monitoring letters described the deficiencies identified as well as the DHS rules violated. In addition, ARC did not clearly communicate deadlines for corrective action plan submittal and completion. As a result, corrective action plans were submitted up to six months after the monitoring letters were sent, and some deficiencies had not yet been addressed. For example, one senior center did not have working smoke detectors during its monitoring visit on November 3, 2015. The monitoring letter was sent to the county subcontractor on January 21, 2016. When the corrective action plan was sent to ARC on July 19, 2016, the smoke detectors had not yet been installed.
- *ARC did not ensure all deficiency findings were communicated to the county subcontractors.* For two counties we reviewed, ARC monitoring forms were sent to the applicable county, but summary letters omitted several findings noted in the forms. These two county's corrective action plans generally aligned with summary letters but did not address the findings omitted from the summary letter. For example, one congregate meals monitoring form noted that the site had no documentation showing a pest control program, but because it was omitted from the summary letter the county subcontractor did not document that the issue was corrected.

For a third county, three of twelve monitoring forms we reviewed were not sent to a county subcontractor. As a result, this county subcontractor was unaware of the findings from those visits and did not include them in their corrective action plans.¹²

- *ARC did not ensure that all findings were addressed by the county subcontractors.* In some cases, the corrective action plans submitted to ARC did not fully address the findings. For example, a county subcontractor indicated that it corrected findings of unsanitary conditions and mold in the ice machine by sending a dietitian to the food vendor's site. However, the corrective action plan did not indicate how the dietitian addressed the issue. Additionally, ARC did not have supporting documents (e.g., invoices or staff training certificates) for several sites to show that corrective actions had been completed. Despite instances in which the action or the documentation was insufficient, there is

¹² This issue may also have occurred at a second county in our sample; however, the county did not provide any communications that the audit team could compare against the RC's documentation.

no evidence that ARC conducted follow-up visits to verify the findings had been addressed. We also noted findings related to food safety, such as cross-contamination between raw meat and cooked food. Corrective actions for such findings are difficult to document because the issue occurred at a single point in time, and a follow-up visit may be warranted. However, ARC does not have policy regarding follow-up visits.

ARC was unable to provide documentation of quarterly desk reviews of its county subcontractors.

ARC staff could not provide documentation of quarterly desk reviews of county subcontractors for fiscal year 2016 and were unsure if the reviews had occurred. The staff indicated that they currently conduct monthly desk reviews, and these reviews are followed by written and verbal communications with the subcontractor to discuss the information.

ARC has not ensured there are documented controls over program income collection.

DHS regulations specify that each service provider have documented controls to safeguard and account for client contributions. While the county subcontractors we interviewed generally described sufficient controls, they were unable to provide written policies that documented the controls described. Additionally, one county noted that senior center policies were delegated to its fourth party subcontractors.

Contract Management

RCs have a contractual responsibility to ensure that all subcontractors adhere to DHS and federal regulations. To ensure adherence, a prudent monitoring entity would be aware of and review all agreements the subcontractor enters into with fourth parties.

ARC does not have sufficient contract management practices to ensure subcontractor compliance with DHS regulations.

ARC does not have an adequate procedure in place for reviewing and approving counties' fourth party subcontractors. Due to the limitations of the current process, ARC was unaware of the following contract issues:

- One of the selected counties had used the same fourth party subcontractor as its primary aging services provider since 2005 (when the county last issued an RFP). Since 2008, the county subcontractor used month-to-month extensions with this provider without a contract in place. Both ARC and its subcontractors must comply with DHS purchasing regulations, which require competitive bidding to promote open competition in the procurement process, as well as a new RFP at least every four years. Additionally, county staff were unable to produce a contract for this provider, a violation of its contract with ARC. County staff stated an RFP is underway, and a new contract should be in place by fall 2017.
- One county subcontractor changed providers in fiscal year 2017, and ARC staff were unaware of the new provider. To ensure adequate monitoring, it is critical that ARC is aware of all providers.
- One county subcontractor's contract with its in-home services provider does not specify that the provider is subject to DHS regulations, such as

background checks for those with care and custody of aging clients. DHS requires such contracts to include language that ensures compliance with its regulations.

RECOMMENDATIONS

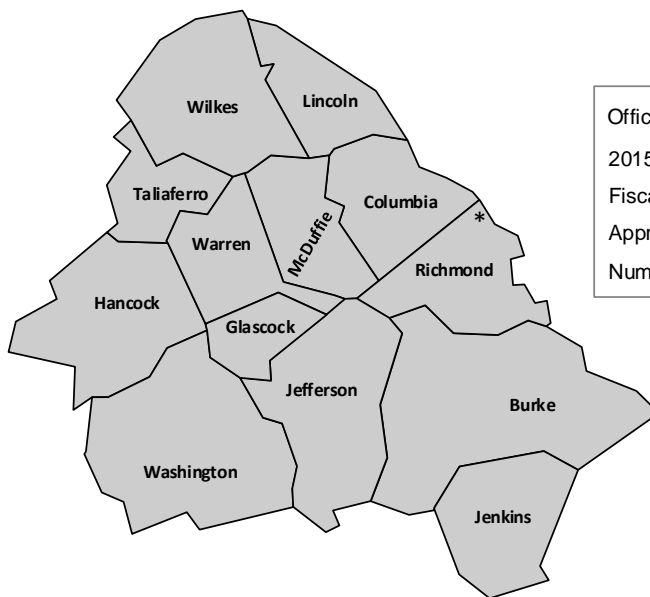
1. ARC should ensure that all services and providers are monitored in compliance with DHS regulations. As part of this effort, it should improve its monitoring of transportation vehicles and drivers and begin monitoring congregate meals at adult day care facilities.
2. ARC should revise its monitoring forms to ensure all necessary components are included and accurate and should improve its documentation of monitoring activities.
3. ARC should provide no more than 48 hours' notice to subcontractors prior to monitoring visits.
4. ARC should ensure that its subcontractors receive timely and complete communication of deficiency findings.
5. ARC should ensure that all deficiency findings are addressed by subcontractors in a timely manner. Additionally, ARC should obtain and maintain sufficient documentation showing corrective actions have been completed and should conduct follow-up visits when appropriate.
6. ARC should continue to conduct and document at least quarterly reviews of subcontractors and provide specific, written feedback as required by DHS regulations.
7. ARC should ensure all service providers have documented controls over program income collection.
8. ARC should improve its review of fourth party subcontractors. As part of this effort, it should begin reviewing applicable contract documents and require notification of new fourth party contractors.

Atlanta Regional Commission's Response:

ARC generally agreed with the findings and reports it has already taken corrective action to update monitoring protocols. ARC now requires its staff to send findings to providers within 30 days of a site visit and for providers to submit corrective action plans within 30 days of notification. In both Transportation and Aging, ARC noted "there is no evidence that any client was harmed by any of the circumstances related to the DOAA findings."

Agreed-Upon Procedures¹³

Central Savannah River Area Regional Commission



Office location*	Augusta
2015 Region population (est.)	472,264
Fiscal year 2016 expenditures	\$2,711,703
Approximate square mileage	5,141
Number of local governments	52

RC Scorecard Quartiles

Financial	2
Customer	3
Learning and Growth	1
Internal Business Process	4

Summary

Central Savannah River Area Regional Commission (Central Savannah) had issues related to compliance with the DCA Coordinated Planning and DHS Aging contracts. In both areas, Central Savannah did not properly document communication with local governments or service providers. Regarding DHS Aging Services, Central Savannah regularly exceeded the 48-hour maximum monitoring notification policy set by DHS and did not adequately monitor all aging service providers. We noted potential areas for improvement regarding office administration and travel policies. The time period reviewed was fiscal year 2016, with consideration of earlier or later periods when required.

Central Savannah's Response:

Central Savannah generally indicated agreement with all of our findings and recommendations. Central Savannah indicated that it has already taken corrective actions and will implement all recommendations noted in the report.

Administrative Findings

Policies and Procedures

Each RC should have sufficient internal controls to ensure compliance with relevant state laws and accountability for public funds.

¹³ The agreed-upon procedures test the effectiveness of various controls. The primary test of control used by the audit team is an inspection of documents to determine if the system of controls operated in a reliable manner throughout the year.

Central Savannah has a written policy requiring employees' disclosure of business transactions with local governments.

To prevent potential conflicts of interest, state law requires RC employees to annually disclose any business transactions with local governments. RCs should have written policies and procedures to ensure employee compliance with disclosure requirements. Central Savannah requires its employees to disclose business transactions with local governments and has a written policy that details state law requirements to employees

Central Savannah has a policy to maintain a minimum fund balance.

RCs should maintain adequate fund balance levels to mitigate risks and provide a reserve for revenue shortfalls. Fund balance requirements should be based on the RC's specific circumstances. Central Savannah's policy states that the target amount of unrestricted net assets should be equal to a minimum of three months of governmental fund and business type operating expenses.

Travel & Purchasing Cards

Each RC should have sufficient travel and purchasing policies and procedures to ensure travel expenditures are reasonable and appropriate.

Central Savannah has strong travel policies and procedures and generally requires sufficient documentation.

The audit team reviewed all fiscal year 2016 travel documentation for five employees, including the executive director. Employee travel documentation was reviewed and approved by supervisors, including the executive director, whose documentation was reviewed by the council chairman. Documentation indicated that employees adhered to Central Savannah travel policies, with some minor exceptions. For example, an employee in travel status twice received mileage reimbursement of \$35 per day on days during travel where the employee did not drive. The employee appears to have confused Central Savannah's two out-of-region travel policies. These policies apply a \$35 mileage reimbursement cap if the trip is less than 72 hours but do not have a cap for trips longer than 72 hours.

Central Savannah has strong controls in place regarding fleet management and vehicle rentals.

Central Savannah has two vehicles and regularly rents vehicles for employee travel. Vehicle keys and fuel cards are kept in a secure location. Employees must participate in a physical inspection of the fleet vehicle prior to receiving the vehicle key and fuel card and again after the vehicle has been returned. The audit team reviewed five months of fiscal year 2016 rental and fleet vehicle fuel purchases and noted only minor instances of missing documentation.

Central Savannah has strong controls in place regarding purchasing cards.

Central Savannah utilizes an electronic purchasing approval system that requires supervisory approval prior to purchases being made with Wells-Fargo, Lowe's or Sam's Club cards. Although most purchases are made online, purchasing cards are secured in a locked file cabinet with limited access. The audit team performed a cursory review of the Lowe's and Sam's Club purchases and an extensive review of two months of the Wells-Fargo purchases. The audit team identified zero missing receipts.

Performance Appraisals

O.C.G.A. § 50-8-34.1 requires each RC council to appraise the executive director annually. Each RC should also perform regular employee appraisals to allow supervisors and employees to align work with RC goals and plans, identify areas for improvement, and discuss performance expectations.

The council conducts annual performance appraisals of the executive director as required by state law.

The council conducted a performance appraisal of the executive director in fiscal years 2015 and 2016. Members of the council completed a survey of the executive director's performance, and summary results were discussed and documented in an open meeting.

Central Savannah conducts performance appraisals of employees annually as required by policy, but appraisals are not regularly signed off by supervisory staff. The team reviewed the personnel files of five employees at Central Savannah. All five employees had annual performance reviews completed via an electronic system in fiscal years 2015 and 2016; however, none of the appraisals conducted in fiscal year 2016 had a final supervisory sign off.

Council Meetings

For entities such as RCs, the Georgia Open Meetings Act requires meeting notices to be posted at least one week in advance and meeting minutes to be completed and available to the public before the next regular meeting. The Act also places specific limitations on closed executive sessions.

Central Savannah did not follow Georgia Open Meetings Act requirements in fiscal year 2016.

The team identified, and Central Savannah staff confirmed, that meeting notices were not posted to the Central Savannah website per the Georgia Open Meetings Act. Additionally, the council's bylaws grant the executive committee the power to conduct official business, making the executive committee subject to the Georgia Open Meetings Act. As with regular council meetings, notice of executive committee meetings was not posted on the Central Savannah website.

RECOMMENDATIONS

1. Central Savannah should revise its out-of-region travel reimbursement policy to reduce the risk of incorrect reimbursements.
2. Central Savannah should ensure that all employee appraisals are approved each year.
3. Central Savannah should post full council and executive committee meeting notices to the Central Savannah website at least one week prior to the meetings.

Central Savannah's Response:

1. Central Savannah "is in the process of reviewing its out-of-region travel reimbursement policies and will revise as necessary to avoid the risk of incorrect reimbursements in the future."

2. Central Savannah “will review its performance appraisal methodology to ensure that appraisals are approved annually.”
3. Central Savannah “has now added a ‘Notices’ section to its website and includes meeting announcements with a linked agenda for all Council and Council Committee meetings. Notices related to other Central Savannah programs and meetings are also included on this page and on the Calendar page.”

Planning Findings

Communication of Planning Responsibilities

The contract between DCA and the RC requires the RC to notify local governments of upcoming planning responsibilities and deadlines. If a local government does not meet a DCA-mandated deadline for adopting planning items, the local government will lose its qualified local government (QLG) status. A qualified local government is a county or municipality with a comprehensive plan that meets certain minimum standards, and the loss of QLG status makes the local government ineligible for grant and loan programs through DCA and other state agencies. Additionally, the RC is required to conduct a plan implementation assistance (PIA) meeting with key officials from each local government in the region at least once every two years. Meeting dates are reported by the RC to DCA annually.

Local governments described varying levels of satisfaction with Central Savannah.

The audit team interviewed 6 of the 52¹⁴ local governments in the Central Savannah region. Interviewees described varying levels of satisfaction with grant writing, discussions of the regional plan, and communications. In particular, interviewees located in smaller, or geographically more distant parts of the region, were more likely to note areas of dissatisfaction.

Biennial planning implementation assistance meetings were held with the five local governments reviewed, though Central Savannah staff does not retain documentation of all meetings.

The audit team reviewed a sample of five local governments and determined that PIA meetings had occurred. However, the audit team could not verify that all DCA contract requirements had been met due to inconsistent documentation. Some PIA meetings we reviewed were supported by copies of presentations showing the topics discussed, while others were supported with a sign-in sheet or invitation to attend. Documentation provided to the audit team did not show that per the contract all required parties were invited to attend or that offers were made to meet with local governments individually instead of on a county-wide basis. Several of the local governments interviewed by the audit team noted that Central Savannah staff provided them with multiple opportunities to meet their community’s individual needs and met with them more frequently than biennially.

¹⁴ Interviews supplement the DOAA customer service survey, which had a 54% (28 out of 52) response rate for Central Savannah. Interviews also provide feedback and verification of PIA meetings and RC communication.

Central Savannah planning staff could improve documentation of its communication of upcoming planning deadlines with local governments.

Central Savannah planning staff provided the audit team with documentation that did not indicate they communicated upcoming planning deadlines to local governments in a timely manner. Staff stated they communicated deadlines through undocumented phone calls and meetings, which local government interviewees confirmed. Although the team could not confirm how far in advance of deadlines these phone calls occurred, local government interviewees noted they had enough advance notice to meet deadlines. The audit team did confirm that Central Savannah staff sent frequent e-mails to local government contacts, which contained attachments related to comprehensive planning meetings. In fiscal year 2016, 16 local governments had a short-term work plan update, two (13%) of which lost QLG status for a period of 22 and 122 days.

Staffing Information

All RCs are required to report staffing information to DCA annually. For planning employees, the RC must report time devoted to planning subjects, degrees earned, years of experience, professional certifications, and number of training hours. This information is used for the learning and growth measures in the Regional Commission Scorecard for 9 of the 12 RCs. For the remaining three RCs, the results of the Scorecard reflect the documentation provided to the audit team while the agreed upon procedures were being conducted (if different from the information submitted to DCA).

Central Savannah did not accurately report staffing information to DCA.

The audit team selected three Central Savannah planning staff personnel files for review. Overall, Central Savannah over reported training hours by 22.25 hours, under reported years of experience by 31.4 years, and under reported time devoted to planning for one employee by 0.34 FTEs. These errors appear to have occurred as the result of errors in data entry and poor documentation. Central Savannah accurately reported AICP certifications and master's degrees related to planning.

RECOMMENDATIONS

1. Central Savannah should retain documentation of biennial planning implementation assistance meetings, including invitees and topics discussed.
2. Central Savannah should retain documentation of all types of communication with local governments regarding planning deadlines.
3. Central Savannah should ensure that information reported to DCA is accurate and verifiable.

Central Savannah's Response:

1. Central Savannah's "planning staff have now developed a documentation archiving process to ensure the ability to properly document all biennial planning implementation meetings, invitees and topics discussed."
2. Central Savannah's "planning staff has developed and implemented a methodology to retain documentation of all types of communication with local governments regarding planning deadlines."
3. Central Savannah "will use a two-person review to ensure that staffing information reported to DCA is accurate and verifiable."

Transportation Findings

Subcontractor Monitoring

The contract between DHS Coordinated Transportation and the RC requires that the RC conduct monitoring of both vehicles and drivers. The RCs subcontract with providers in their regions to deliver transportation services for senior citizens, individuals with disabilities, and other eligible clients. At least annually, RC staff should review vehicle maintenance records, daily driver logs, and driver files of subcontractors to ensure they are in compliance with DHS rules. Vehicles must receive an annual safety inspection from a certified mechanic, and vehicles must also be physically inspected at least every other year by RC staff.

DHS Coordinated Transportation staff served as the primary monitor during fiscal year 2016.

The team reviewed monitoring documentation and interviewed staff from the DHS regional transportation office (RTO), Central Savannah, and the selected subcontractor. DHS staff served as the primary monitor and communicated results to the subcontractor. Central Savannah staff assisted in the monitoring process but were not present for some of the monitoring.

DHS Coordinated Transportation and Central Savannah staff jointly monitored all vehicles and provided written communication of their results to the subcontractor.

DHS and Central Savannah staff reviewed all of the selected subcontractor's vehicles that provided coordinated transportation in fiscal year 2016. Monitors ensured that proper DHS forms were present for all vehicles, and that any deficiencies identified were communicated to the subcontractor via written correspondence. Additionally, DHS and Central Savannah staff followed up on the deficiencies to ensure corrective action had occurred.

DHS Coordinated Transportation and Central Savannah staff jointly monitored all drivers but did not provide the subcontractor with written communication of their results.

DHS and Central Savannah staff reviewed all of drivers that provided coordinated transportation in fiscal year 2016. DHS and Central Savannah staff correctly identified most issues with driver files; however, minor instances of missing documentation were not noted. Corrective actions indicate monitoring results may have been verbally communicated to the selected subcontractor, but neither DHS nor Central Savannah staff provided written communication of monitoring results to the subcontractor.

RECOMMENDATIONS

1. Central Savannah staff should participate in all parts of the DHS Coordinated Transportation monitoring process to comply with their contract requirement to monitor all subcontractors for compliance with DHS policies.
2. DHS and Central Savannah staff should provide subcontractors with written communication of monitoring results.

Central Savannah's Response:

1. Central Savannah "will work with DHS staff to ensure that all monitoring visits for all subcontractors are scheduled to include Commission staff."
2. Central Savannah "will work with DHS staff to revise its follow-up of monitoring visits and to ensure that all subcontractors receive written communication of monitoring results."

Aging Findings

Subcontractor Monitoring

The contract between DHS Aging and the RC requires the RC to monitor its subcontractors to ensure adequate service provision and compliance with DHS regulations. RC staff must conduct an annual on-site monitoring visit at each location, as well as quarterly desk reviews of subcontractor records. When monitoring is completed, the RC is required to provide specific, written feedback to the subcontractor regarding any findings identified.

Central Savannah did not consistently follow DHS's policies regarding subcontractor notification of monitoring.

DHS policies require that RCs provide no more than 48 hours' notice to a subcontractor prior to conducting on-site monitoring. Central Savannah provided notification of monitoring at the end of the business week (Thursday or Friday) in 4 of the 10 instances (40%) that the team reviewed. While no more than two business days passed from notification to time of monitoring, the notification period exceeded the 48-hours maximum required by DHS policy.

Central Savannah generally conducted all required monitoring of the selected subcontractors, with three critical exceptions.

- Central Savannah staff did not monitor congregate meals served at one adult day care provider because the meals were not purchased through Central Savannah's sole food vendor. However, congregate meals are a required component of adult day care and must be monitored in order to fully monitor all adult day care services received by the client.
- Central Savannah staff did not always review the appropriate number of client files. DHS requires that monitors review a minimum of six client files per site, or at least 10% if more than 60 clients are served. Central Savannah staff reviewed only six client files per site even at locations with more than 60 clients.
- The RC combined multiple DHS forms into a single document for each service provided. Modified versions of DHS monitoring forms did not capture all critical details, such as code of ethics and prohibited activities for in-home caregivers.

Central Savannah provided written communication of monitoring results to adult day care and homemaker services providers in fiscal year 2016, but not to senior center providers.

Central Savannah staff provided written monitoring summaries and evidence of corrective action taken for the adult day care and homemaker services provided by two of the three reviewed subcontractors. Central Savannah staff stated that they did not provide written summaries to a subcontractor providing senior center services because there were no deficiencies identified in fiscal year 2016. While the audit team

verified that Central Savannah monitoring staff did not identify deficiencies at the selected subcontractor's senior centers, they should provide subcontractors with clear written communication showing that corrective actions are not needed.

Central Savannah conducted annual monitoring of the sole food vendor for the region.

In order to lower the overall cost per meal across the region, the RC requires that all service providers purchase meals from a single food vendor. The team verified that Central Savannah staff conducted a monitoring visit to the vendor's food preparation site in 2015 and 2016, provided written results of the monitoring in a timely manner, and documented corrective action when necessary.

Central Savannah conducted quarterly desk reviews of aging services but did not always document the communication of these reviews.

Central Savannah staff were unable to provide documentation showing they provided written results of quarterly financial monitoring to service providers in fiscal year 2016. Central Savannah staff indicated that the results of the quarterly monitoring were conducted informally, usually via telephone. The team observed that Central Savannah staff began providing written communication to service providers in fiscal year 2017. Written communication indicated when corrective action was necessary, and evidence of corrective action was documented.

RECOMMENDATIONS

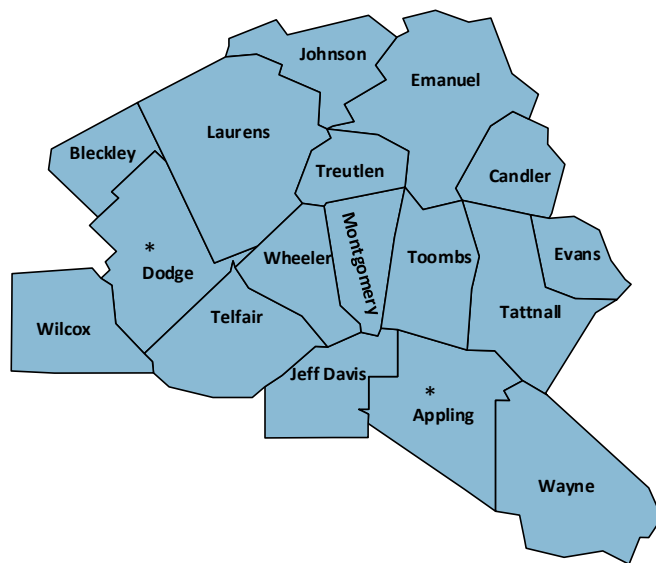
1. Central Savannah should provide no more than 48-hours' notice to subcontractors prior to monitoring visits.
2. Central Savannah should review the appropriate number of client files.
3. Central Savannah should review congregate meals provided at adult day care facilities, regardless of their fund source.
4. Central Savannah should ensure its modified monitoring forms contain all monitoring components required by DHS.
5. Central Savannah should provide written communication of monitoring results to all subcontractors for both annual and quarterly monitoring.

Central Savannah's Response:

1. Central Savannah "has implemented a notification system for Monday, Tuesday, or Wednesday to allow for no more than a 48-hour notice to subcontractors prior to monitoring visits."
2. Central Savannah "staff will review no less than six (6) files for sites less than 60 clients and at least ten percent (10%) for sites 60 and above participants. If critical compliant issues are identified an extra five percent (5%) will be reviewed."
3. Central Savannah "will follow the suggested monitor activity outlined in 302.9.5 of the Division of Aging Services' State Review Guide for Adult Day Care/Day Health Services and use an approved DHS monitoring tool to monitor adult day care congregate meals."
4. Central Savannah stated "staff will review all approved DHS monitoring forms to ensure that the monitoring tool used by the Commission include all monitoring components required by DHS."
5. Central Savannah "will provide written communication of monitoring results for all services to subcontractors on both annual and quarterly monitoring. Program, fiscal and contract managers will report quarterly desk reviews and program monitoring results to the quality assurance manager for electronic communication to providers and the Division of Aging Services."

Agreed-Upon Procedures¹⁵

Heart of Georgia Altamaha Regional Commission



Office locations*	Baxley, Eastman
2015 Region population (est.)	299,167
Fiscal year 2016 expenditures	\$2,517,297
Approximate square mileage	6,903
Number of local governments	79

RC Scorecard Quartiles

Financial	4
Customer	2
Learning and Growth	2
Internal Business Process	2

Summary

The audit team identified a few issues at Heart of Georgia Altamaha Regional Commission (Heart of Georgia Altamaha) related to administration. Additionally, Heart of Georgia Altamaha complied with most of the requirements we reviewed in its contracts with DCA Coordinated Planning, DHS Aging, and DHS Coordinated Transportation. We did note potential improvements in the areas of aging and transportation. The time period reviewed was fiscal year 2016, with consideration of earlier or later periods when required.

Heart of Georgia Altamaha's Response:

Heart of Georgia Altamaha generally indicated agreement with most of our findings and recommendations. Heart of Georgia Altamaha indicated that it has already taken corrective actions and will implement most recommendations noted in the report.

Administrative Findings

Policies and Procedures

Each RC should have sufficient internal controls to ensure compliance with relevant state laws and accountability for public funds.

Heart of Georgia Altamaha has policies requiring employees to disclose business transactions with local governments.

To prevent potential conflicts of interest, state law requires RC employees to annually disclose any business transactions with local governments. RCs should have written

¹⁵The agreed-upon procedures test the effectiveness of various controls. The primary test of control used by the audit team is an inspection of documents to determine if the system of controls operated in a reliable manner throughout the year.

policies and procedures in place to ensure employee compliance with disclosure requirements. Heart of Georgia Altamaha requires its employees to disclose business transactions with local governments and has a written policy prohibiting employees from being employed by any entity paid by the RC.

Heart of Georgia Altamaha does not have a written fund balance target.

RCs should maintain adequate fund balance levels to mitigate risks and provide a reserve for revenue shortfalls. Fund balance requirements should be based on the RC's specific circumstances. Heart of Georgia Altamaha is in the process of developing a written policy.

Travel & Purchasing Cards

Each RC should have sufficient travel and purchasing policies and procedures to ensure travel expenditures are reasonable and appropriate.

The executive director's travel expenses were not reviewed by the council in fiscal year 2016.

In fiscal year 2016 the executive director's travel reimbursements were reviewed and approved by the financial director, a subordinate employee. Review by a council member would provide an additional level of accountability.

Heart of Georgia Altamaha staff generally followed travel policies.

The audit team reviewed a sample of five employees' travel in 2016 and determined that travel reimbursements were regularly approved by supervisors and most policies were followed. Travel start and end times were not regularly recorded, and therefore we could not verify that employees received the appropriate amount of per diem. In November 2016, the travel policy was changed to no longer allow an employee to receive reimbursement for commuting mileage.

Heart of Georgia Altamaha does not have a written policy for purchasing cards or petty cash.

Heart of Georgia Altamaha maintains a small petty cash account at its Baxley office, and a Wal-Mart credit card at each of its two offices. Current practices regarding petty cash and credit cards show there are strong procedures and practices in place. Written policies would strengthen existing practices by providing staff with clear expectations and guidance.

Heart of Georgia Altamaha does not have adequate controls over fleet vehicle security and uses an informal reserve system.

Heart of Georgia Altamaha does not adequately secure vehicles. Keys to the Baxley office vehicles were kept near a side entrance that is not in direct view of staff. Vehicle reservations at Baxley were not centralized for all vehicles, and Eastman used a sign-up board that did not appear to have any future sign-ups for the month during our site visit. Although some vehicles at the Baxley office were primarily used by a single individual or department, our review of mileage logs and travel reimbursements verified that there was no personal use of vehicles. In addition, vehicles at both offices were not marked with the RC's logo, as required by state law.

Performance Appraisals

O.C.G.A. § 50-8-34.1 requires each RC council to appraise the executive director annually. Each RC should also perform regular employee appraisals to allow

supervisors and employees to align work with RC goals and plans, identify areas for improvement, and discuss performance expectations.

Heart of Georgia Altamaha could not provide documentation showing that the council annually appraises the executive director, as required by state law and council bylaws.

The audit team reviewed the executive director's personnel file and found a 2016 performance appraisal conducted and signed by the council chairman. The audit team verified that the appraisal was discussed by the full council during an open meeting. The next most recent performance appraisal on file was from 2012, prior to his promotion as executive director. The executive director stated that regular appraisals had been conducted but could not locate the files.

Heart of Georgia Altamaha conducts annual appraisals of employees, but the appraisal process has administrative weaknesses.

The audit team reviewed personnel files for eight planning staff. All employees had appraisals for the last two years, but some were either not signed or dated by the executive director. There was indication that some appraisals were not altered from one year to another, including identical scoring, narratives, and typos.

Council Meetings

For entities such as RCs, the Georgia Open Meetings Act requires meeting notices to be posted at least one week in advance and meeting minutes to be completed and available to the public before the next regular meeting. The Act also places specific limitations on closed executive sessions.

The council abided by the state's open meeting law for the selected meetings but did not exercise a council bylaw related to absences.

The team reviewed six of the nine meetings from fiscal year 2016 for compliance with state law and Heart of Georgia Altamaha's bylaws. The audit team did not identify any compliance issues with state law. The council did not exercise a bylaw under which members may be declared inactive after missing a prescribed number of meetings, even though 17 members would have qualified as inactive.

Heart of Georgia Altamaha has no bylaws specific to executive sessions.

Council bylaws do not have a procedure for holding closed meetings in executive session. No closed meetings were held in fiscal year 2016, but outlining a specific policy and procedures would help ensure that any future occurrence complied with state open meeting laws.

RECOMMENDATIONS

1. Heart of Georgia Altamaha should have a written fund balance target.
2. Heart of Georgia Altamaha should develop written policies for credit cards and petty cash.
3. Heart of Georgia Altamaha should store vehicle keys in a secure location and better control vehicle reservations.
4. The council should ensure it conducts an annual performance appraisal of the executive director and maintain the corresponding documentation.
5. Heart of Georgia Altamaha should reassess its process and instrument for annual employee appraisals.
6. The council should consider revising its bylaws regarding member absences.

7. The council should adopt written procedures for holding closed meetings.

Heart of Georgia Altamaha's Response:

1. Heart of Georgia Altamaha "concur and will develop a written fund balance policy."
2. Heart of Georgia Altamaha concurs. "Although there are policies and safeguards in place, HOGARC will commit these policies and safeguards in writing."
3. Heart of Georgia Altamaha concurs. "Vehicle keys in the Baxley office have been moved to a more secure location in plain sight of the Senior Secretary's office. HOGARC will review the vehicle sign-out procedures for vehicle sign-out in order to improve them."
4. The Council will continue to perform its annual performance review of the executive director and will ensure proper documentation is kept on file."
5. Heart of Georgia Altamaha "concur and has taken measures to ensure better performance evaluations for its employees."
6. Heart of Georgia Altamaha does not concur with this recommendation stating that the current wording of the bylaw gives discretion to the council if they so choose.
7. Heart of Georgia Altamaha concurred and indicated it will adopt a written procedure.

Planning Findings

Communication of Planning Responsibilities

The contract between DCA and the RC requires the RC to notify local governments of upcoming planning responsibilities and deadlines. If a local government does not meet a DCA-mandated deadline for adopting planning items, the local government will lose its qualified local government (QLG) status. A qualified local government is a county or municipality with a comprehensive plan that meets certain minimum standards, and the loss of QLG status makes the local government ineligible for grant and loan programs through DCA and other state agencies. Additionally, the RC is required to conduct a plan implementation assistance (PIA) meeting with key officials from each local government in the region at least once every two years. Meeting dates are reported by the RC to DCA annually.

Local governments are generally satisfied with Heart of Georgia Altamaha.

The six (out of 79 in the region) local governments interviewed¹⁶ by the audit team generally expressed satisfaction with products, services, and fees provided by the RC. Local governments stated that Heart of Georgia Altamaha staff communicated well and kept them informed of upcoming deadlines with sufficient notice. It was noted by some interviewees that the RC could provide, or better advertise, services that the local government was not receiving.

Heart of Georgia Altamaha fulfilled the DCA contract requirements for plan implementation assistance meetings.

Documentation reviewed by the audit team verified that Heart of Georgia Altamaha planning staff met with all five of the local governments we reviewed. These meetings occurred once every two years, and meeting materials, agendas, and sign-in sheets showed that all required topics were discussed and all appropriate officials attended.

¹⁶ Interviews supplement the DOAA customer service survey, which had a 57% (45 out of 79) response rate for Heart of Georgia Altamaha. Interviews also provide feedback and verification of PIA meetings and RC communication.

Local government interviewees confirmed that the RC offered to meet with them individually despite there being no documentation for the audit team to verify. There was documentation that showed Heart of Georgia Altamaha staff followed-up with local governments who chose not to attend county-wide PIA meetings.

Heart of Georgia Altamaha communicates upcoming planning deadlines to local governments in a timely fashion.

The audit team reviewed a sample of five local governments with a comprehensive plan due in fiscal year 2015, 2016, or 2017. For each local government, the RC began communicating deadlines and responsibilities at least 12 to 18 months prior as recommended by DCA. Heart of Georgia Altamaha retained documentation of both electronic and in-person communications showing multiple meetings with each local government throughout the process and constant reminders of deadlines and responsibilities. All five local governments in our sample retained QLG status, which is consistent with all of the 16 local governments with a QLG triggering event retaining QLG in fiscal year 2016.

Staffing Information

All RCs are required to report staffing information to DCA annually. For planning employees, the RC must report time devoted to planning subjects, degrees earned, years of experience, professional certifications, and number of training hours. This information is used for the learning and growth measures in the Regional Commission Scorecard for 9 of the 12 RCs. For the remaining three RCs, the results of the Scorecard reflect the documentation provided to the audit team while the agreed upon procedures were being conducted (if different from the information submitted to DCA).

The staffing information reported to DCA was generally accurate, with two exceptions.

Heart of Georgia Altamaha over reported staff by 0.4 FTEs, due to one staff member spending a third of his time on administrative activities. Training hours were underreported by 44% primarily due to a single employee not reporting approximately 80 hours of online training.

RECOMMENDATION

1. Heart of Georgia Altamaha should accurately report planning staff information and training hours.

Heart of Georgia Altamaha's Response: Heart of Georgia Altamaha "concur and will ensure better reporting of staff training hours."

Transportation Findings

Subcontractor Monitoring

The contract between DHS Coordinated Transportation and the RC requires that the RC conduct monitoring of both vehicles and drivers. The RCs subcontract with providers in their regions to deliver transportation services for senior citizens, individuals with disabilities, and other eligible clients. At least annually, RC staff should review vehicle maintenance records, daily driver logs, and driver files of subcontractors to ensure they are in compliance with DHS rules. Vehicles must

receive an annual safety inspection from a certified mechanic, and vehicles must also be physically inspected at least every other year by RC staff.

Heart of Georgia Altamaha conducted all required vehicle monitoring for the selected subcontractor in fiscal year 2016.

The audit team reviewed monitoring documentation for Heart of Georgia Altamaha's largest subcontractor and for a fourth party subcontractor that provided services in nine counties. Heart of Georgia Altamaha staff monitored both subcontractors during fiscal year 2016 and reviewed files for all vehicles and drivers. The audit team visited the selected subcontractor and verified that all vehicles at the subcontractor had the appropriate annual inspections conducted by a certified mechanic. While on-site, we verified that the selected subcontractor conducted regular preventative maintenance for the vehicles we reviewed.

Heart of Georgia Altamaha conducted monitoring of all drivers used by the selected subcontractor but did not correctly identify missing documents or ensure that national background checks utilized fingerprinting.

Heart of Georgia Altamaha staff monitored driver qualification files for all drivers used by the selected subcontractor and its fourth party subcontractor. The audit team reviewed files of six drivers at the selected subcontractor and identified one driver with a CPR training that would have been expired as of the RC's monitoring visit. In addition, national background checks were completed through a private company that did not utilize GAPS (Georgia Applicant Processing System) fingerprinting, as required by the DHS contract.

Heart of Georgia Altamaha did not appropriately communicate all deficient conditions to DHS and did not communicate monitoring feedback to the selected subcontractor in a timely fashion.

We reviewed the communication that Heart of Georgia Altamaha staff provided to the selected subcontractor and forwarded to DHS. The audit team noted that certain deficiencies identified by monitors during their site visit were not noted in the written monitoring feedback if they were corrected on-site. While both the RC and subcontractor's staff stated that the monitors provided verbal feedback at the time of monitoring, formal written feedback was not dated. The audit team determined that written feedback was not provided to the subcontractor for at least 90 days after site visit.

RECOMMENDATIONS

1. Heart of Georgia Altamaha should ensure that subcontractors utilize the GAPS national background check system.
2. Heart of Georgia Altamaha should note all deficiencies identified during monitoring in order to provide an accurate indication of the subcontractor's status.
3. Heart of Georgia Altamaha should provide subcontractors with written feedback of the results of monitoring within 30 days of their site visits.

Heart of Georgia Altamaha's Response:

1. Heart of Georgia Altamaha "concurs and will ensure that all subcontractors utilize the appropriate (GAPS) national background check system."
2. Heart of Georgia Altamaha "concurs that although all deficiencies were discussed with the subcontractor, those that were corrected immediately at the time of monitoring visits were

not always documented in the monitoring report. HOGARC will ensure that all deficiencies were noted in the monitoring report as well as make a notation in the report if an issue was corrected while the monitor was on site.”

3. *Heart of Georgia Altamaha “concurs and will ensure to provide the subcontractors written feedback of monitoring visits with 30 days.”*

Aging Findings

Subcontractor Monitoring

The contract between DHS Aging and the RC requires the RC to monitor its subcontractors to ensure adequate service provision and compliance with DHS regulations. RC staff must conduct an annual on-site monitoring visit at each location, as well as quarterly desk reviews of subcontractor records. When monitoring is completed, the RC is required to provide specific, written feedback to the subcontractor regarding any findings identified.

Heart of Georgia Altamaha generally conducted annual monitoring reviews in accordance with DHS policies.

The audit team reviewed three subcontractors who provide a variety of aging services. Heart of Georgia Altamaha monitoring staff used standard DHS forms to conduct annual monitoring of each service type provided and each service location site. The selected subcontractors received written feedback of monitoring visits and took corrective actions when necessary. In addition, Heart of Georgia Altamaha staff provided no more than 48 hours’ notice prior to monitoring visits and ensured that the selected subcontractors had appropriate controls over the collection of program income. The team did identify multiple instances where Heart of Georgia Altamaha staff identified deficiencies at the subcontractor but failed to notify the subcontractor. For example, CPR and First Aid certifications for staff at one senior center were expired, but monitoring documentation indicated the certifications were compliant and the subcontractor was not informed of the deficiency.

Heart of Georgia Altamaha did not communicate all issues identified during monitoring visits to the selected subcontractor or DHS.

Heart of Georgia Altamaha monitoring staff provided subcontractors with written feedback summarizing each service site visited. While these summaries noted deficiencies and resulted in corrective actions, they did not document all issues identified during monitoring visits. For example, monitors identified missing building, electrical, and plumbing inspections at more than one senior center operated by one of the selected subcontractors. These issues were not noted in the written feedback to the subcontractor and were not communicated to DHS. It is unknown whether the subcontractor now has inspection reports on file at their service locations.

Heart of Georgia Altamaha conducted quarterly desk reviews but did not communicate all results.

The audit team reviewed documentation for monitoring conducted on the three selected subcontractors in fiscal year 2016. For each of the selected subcontractors, Heart of Georgia Altamaha staff conducted fiscal and programmatic reviews each quarter. Staff did not communicate results of the final quarter to the selected subcontractors.

Heart of Georgia Altamaha did not monitor vehicles used to provide transportation to and from a senior center.

The contract between Heart of Georgia Altamaha and DHS Aging requires that services received by clients are held to all of DHS's standards. These standards include the DHS Transportation manual, which requires monitoring of vehicles and drivers on an annual basis.¹⁷ Heart of Georgia Altamaha staff did not monitor the vehicle or driver used by one of our selected subcontractors to provide transportation for clients to and from a senior center in fiscal year 2016.

RECOMMENDATIONS

1. Heart of Georgia Altamaha staff should improve monitoring feedback to subcontractors by including all deficiencies noted during on-site visits.
2. Heart of Georgia Altamaha should improve monitoring feedback to DHS Aging to include all deficiencies noted during on-site visits.
3. Heart of Georgia Altamaha should communicate the results of final quarter desk reviews.
4. Heart of Georgia Altamaha should conduct monitoring of vehicles and drivers used to transport aging clients.

Heart of Georgia Altamaha's Response:

1. Heart of Georgia Altamaha "concur and will ensure aging staff include all deficiencies found during the monitoring visits on monitoring reports as well as on any written feedback to the subcontractor."
2. Heart of Georgia Altamaha "concur. Aging staff will consult with DHS on how monitoring feedback to DHS can be improved."
3. Heart of Georgia Altamaha "concur. Aging staff will communicate the result of final quarter desk review to the subcontractor and DHS."
4. "All aging clients transported in local governments member areas who participate in Coordinated Transportation are monitored per DHS Guidelines by the HOGARC Coordinated Transportation Monitor. HOGARC will ensure that vehicles used to transport aging clients in counties that do not participate in the Coordinated Transportation program and use DHS dollars for transporting aging clients are inspected if it falls within the AAA/DHS authority to inspect those vehicles."

¹⁷Transportation services provided through the DHS Coordinated Transportation program are monitored separately, as discussed previously in the Transportation section.

Appendix A: Objectives, Scope, and Methodology

Objectives

This audit was conducted in compliance with O.C.G.A. § 50-8-38, which requires the State Auditor to conduct performance audits of state funds received by the regional commissions (RCs) in the state.

Specifically, the audit objectives were to:

1. Evaluate the performance of the 12 regional commissions (RCs) using a modified version of the Balanced Scorecard.
2. Conduct agreed-upon procedures at three RCs in order to verify information contained in the Regional Commission Scorecard and to review state-funded operational aspects of the RCs.

Scope

The audit generally covered activity related to RCs that occurred during fiscal year 2016, with consideration of earlier or later periods when relevant. Information used in this report was obtained by reviewing relevant laws, rules, and regulations; interviewing agency officials and staff from RCs, the Department of Community Affairs (DCA), and the Department of Human Services (DHS); reviewing prior audit work regarding RCs; conducting a survey of local governments; analyzing data and reports provided by RCs, DCA, and DHS; comparing data for all 12 regional commissions in a balanced scorecard; and conducting site visits to three RCs (Atlanta, Central Savannah, and Heart of Georgia Altamaha).

Government auditing standards require that we also report the scope of our audit work on internal control that is significant within the context of the audit objectives. We reviewed internal controls as part of our work on agreed-upon procedures, particularly those related to RC administration and subcontractor monitoring for both the DHS Aging and DHS Coordinated Transportation contracts. Specific information related to the scope of our internal control work is described in the methodology section below.

Methodology

To measure the performance of the 12 regional commissions, we created a modified version of the Balanced Scorecard that utilized performance measures addressing four perspectives: financial, customer, learning and growth, and internal business process. The methodology, data source, and time period used for each performance measure are described in the table on page 48. The general methodologies for each perspective are explained below:

- *Financial* – The data used to calculate financial measures were generally obtained from the RCs' audited financial statements. Because the fiscal year for ARC follows the calendar year and not the state's fiscal year, ARC's fiscal year 2015 statements were used. For all other RCs, fiscal year 2016 statements were used. Because local government revenue was not always reported separately in the financial statements, we requested the information directly from the RCs. We also directly requested from RCs their non-restricted governmental fund balance because each RC uses a different chart of

accounts. Therefore, local government revenue and non-restricted governmental fund balance were generally self-reported and were not verified by the audit team.

- *Customer* – Customer measures were calculated using responses to a local government survey conducted by the audit team. Survey questions were designed to determine satisfaction with RC services and staff. Prior to survey distribution, we asked representatives from DCA, two RCs, and a local government to review the survey and provide feedback. We used e-mail addresses of local government officials from lists provided by the RCs and DCA which comprised a full census of Georgia’s municipal, county, and consolidated governments. Out of the full population of the 689 local governments in the state, the audit team could not obtain valid e-mail addresses for six and distributed a survey to the remaining 683 (99%). We received responses from 394 (57%), with regional response rates varying from 41% for Georgia Mountains RC to 73% for River Valley RC, as shown in [Appendix C](#). These results can be projected to the entire population, as the sample size was 99% of the full population. In addition, for ARC, Central Savannah, and Heart of Georgia Altamaha, these surveys were supplemented with interviews of local governments that did and did not respond to the survey.
- *Learning and Growth* – The learning and growth measures reflect information RCs annually report to DCA. Because the RCs only report information for planning staff, staff members that provide other services (e.g., aging and transportation) are excluded. For ARC, Central Savannah, and Heart of Georgia Altamaha, scorecard results were adjusted to reflect documentation provided by the RC to the audit team rather than information submitted to DCA. After consulting with RC staff, we adjusted the scorecard results of Three Rivers RC to reflect information verified during our 2016 site visit, including reducing the FTE of two planning employees who spend a portion of time on administrative and federal programs. We also adjusted River Valley RC’s planning employee hours after consulting with River Valley staff on a zero hours reporting error. With these exceptions, the information is self-reported, and its accuracy was not verified by the audit team.
- *Internal Business Process* – Internal business process measures were calculated using data provided by DCA Planning, DHS Aging, and DHS Coordinated Transportation for their respective programs. The audit team generally calculated the measures using the agency-provided data.

Score value for individual performance measures, as shown in [Appendix D](#), were ranked from 1 to 12, with “1” signifying top rank among RCs. We then applied the weights shown in [Exhibit 2](#) to each of the respective performance measures to produce an aggregate overall score for the perspective. Weights were developed in conjunction with DCA and represent 100% of each perspective. Based on feedback from DCA and the Georgia Association of Regional Commissions (GARC), we converted the 1 to 12 individual performance measure rankings and overall perspective rankings into quartiles. A quartile ranking of “1” signifies rank in the top three RCs, and a quartile ranking of “4” signifies rank in the lowest three RCs. As the Internal Business Process perspective contains performance measures for DCA, DHS Aging, and DHS Coordinated Transportation, we calculated sub-rankings and quartiles for the performance measures related to each of these entities.

We assessed the controls over data used for this examination and determined that the data used were sufficiently reliable for the purposes of our review. We did not independently verify the data.

The agreed-upon procedures utilize an inspection approach to test controls. The inspection approach is typically conducted for documents selected for review related to transactions that occurred throughout the year. Doing so provides evidence that the system of controls had operated in a reliable manner throughout the year. A test of controls is a basic audit procedure and is not intended to be a statistically valid sample nor are the results intended to be extrapolated to the population. The main point of the test is to see if a control functions properly.

To conduct agreed-upon procedures at three regional commissions, we conducted site visits to the offices of all three RCs, interviewed RC staff, and reviewed documentation provided by DCA, DHS and the RCs. For administration, the audit team reviewed written policies, council minutes, and personnel and financial records to determine compliance with state law, RC-set policy, and sound management practices. For planning, we reviewed documentation of the RC's interactions with local governments and interviewed a selection of local government representatives. For aging and transportation, we reviewed documentation of the RC's monitoring activity for a selection of subcontractors. For transportation, we additionally performed a site visit to the office of one subcontractor per RC to interview staff, and review documentation kept on a selection of drivers and vehicles.

We reviewed internal controls as part of our work on administration, aging, and transportation. For the areas reviewed, we assessed whether the RC has sufficient controls in place to ensure compliance with state law and regulations, contracts with state agencies, and RC policies. Deficiencies in internal controls are discussed in findings on pages 10 through 44 of this report. Due to the limitations of the agreed-upon procedures, some findings are limited to the items selected for review and cannot be projected to the full population. For example, the audit team reviewed one transportation subcontractor, so any findings noted are limited to that subcontractor. The same issues may or may not have occurred with other subcontractors. As needed, we investigated potential abuse by documenting and analyzing purchases and requesting additional information from private vendors. Potential abuse identified by the audit team has been discussed with RC management and the council chairman, and has been communicated to the attorney general.

This performance audit was not conducted in accordance with generally accepted government auditing standards (GAGAS) or the AICPA attestation standards. However, it was conducted in accordance with the Performance Audit Division policies and procedures for non-GAGAS engagements. These policies and procedures require that we plan and perform the engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for the information reported and that data limitations be identified for the reader.

Balanced Scorecard Methodology

Measure	Methodology	Source	Time Period
Financial			
Ratio of local government revenue to total revenue	Divide revenue from local governments (excluding dues) by total revenue	RC-reported local government revenue, audited financial statements	Fiscal year 2016 ¹
Ratio of unassigned general fund balance to non-restricted governmental fund expenditures	Divide fund balance by expenditures	RC-reported expenditures, audited financial statements	Fiscal year 2016 ¹
Ratio of assets to liabilities	Divide total assets by total liabilities	Audited financial statements	Fiscal year 2016 ¹
Ratio of cash and investments to short-term liabilities	Divide cash and short term investments by short-term liabilities (short-term ≤ 1 year)	Audited financial statements	Fiscal year 2016 ¹
Customer			
Satisfaction with planning services	Average survey responses for planning services section	DOAA-conducted survey of local governments	Spring 2017
Satisfaction with intergovernmental coordination	Average survey responses for intergovernmental coordination section	DOAA-conducted survey of local governments	Spring 2017
Satisfaction with staff	Average survey responses for staff section	DOAA-conducted survey of local governments	Spring 2017
Overall satisfaction	Average survey responses for overall satisfaction section	DOAA-conducted survey of local governments	Spring 2017
Learning and Growth			
Planning employees per 100,000 population	Divide number of full-time equivalent planning staff by population/100,000	Staff information reported by RCs to DCA, U.S. Census population data	Fiscal year 2016
Average years of planning staff experience	Divide the total years of experience by the number of planning staff	Staff information reported by RCs to DCA	Fiscal year 2016
Average hours of training provided to RC planning staff	Divide the total hours of training by the number of planning staff	Staff information reported by RCs to DCA	Fiscal year 2016
Percent of planning staff with AICP certification	Divide the number of staff with a certification from the American Institute of Certified Planners by the total number of planning staff	Staff information reported by RCs to DCA	Fiscal year 2016
Percent of planning staff with Master's degree in planning	Divide the number of staff with a Master's degree in planning by the total number of planning staff	Staff information reported by RCs to DCA	Fiscal year 2016
Internal Business Process			
Local plan implementation rate	Divide the number of projects that have been completed by the total number of measurable projects (in local government short term work programs)	DCA	Fiscal year 2016
First time approval of RC-prepared plans	Divide the number of plans approved on first review by DCA by the total number of local government plans submitted by the RC to DCA	DCA	Fiscal years 2015 and 2016 ²
Contract performance errors	Count number of errors (missed deadlines, incomplete submissions, etc.) identified by DCA	DCA	Fiscal year 2016
Success stories generated per 100,000 population	Count number of local and regional "success stories" approved by DCA for inclusion on DCA's website divided by population/100,000	DCA, U.S. Census population data	Fiscal year 2016
Percent of local governments with a planning excellence designation	Divide the number of local governments in the region with a WaterFirst or PlanFirst designation by the total number of local governments	DCA	End of fiscal year 2016
Percent of local governments with QLG	Divide the number of Qualified Local Governments in the region by the total number of local governments	DCA	End of fiscal year 2016
Number of units served per dollar - Aging	Divide the number of units (meals, visits, etc.) provided by the Area Agency on Aging (AAA) by dollars spent on DHS Aging	DHS	Fiscal year 2016
Number of clients served per dollar - Aging	Divide the number of unique clients served by the AAA by dollars spent on DHS Aging	DHS	Fiscal year 2016
Results of Aging satisfaction surveys	Determine the percent of satisfied respondents from the DHS Aging surveys	DHS	Fiscal year 2016
Cost per trip - Transportation	Divide the number of trips provided by the RC by dollars spent on DHS Transportation	DHS	Fiscal year 2016
Results of Transportation satisfaction surveys	Determine the percent of satisfied respondents from the DHS Transportation surveys	DHS	Fiscal year 2016

¹Atlanta Regional Commission operates on a calendar year instead of the state's fiscal year, so its 2015 statements were used.

²Two years of data were used to increase the measure's validity by increasing the population size.

Source: DOAA, DCA, and DHS

Appendix B: State Funds Provided to Georgia's Regional Commissions, Fiscal Year 2016

Regional Commission	DCA Planning	DHS Aging Services	DHS Coordinated Transportation	DNR Historic Preservation	Total
Atlanta	\$235,000	\$8,758,916	\$34,742	\$0	\$9,028,657
Central Savannah	\$189,997	\$2,287,934	\$232,136	\$1,636	\$2,711,703
Coastal	\$213,102	\$2,469,213	\$130,640	\$1,636	\$2,814,592
Georgia Mountains	\$229,437	\$0	\$0	\$1,636	\$231,073
Heart of Georgia Altamaha	\$185,638	\$1,935,983	\$394,039	\$1,636	\$2,517,297
Middle Georgia	\$180,869	\$2,471,739	\$187,139	\$1,636	\$2,841,383
Northeast Georgia	\$208,133	\$2,156,506	\$267,956	\$1,636	\$2,634,231
Northwest Georgia	\$235,000	\$3,269,260	\$0	\$1,636	\$3,505,896
River Valley	\$193,874	\$1,636,923	\$7,515	\$1,636	\$1,839,949
Southern Georgia	\$215,018	\$2,549,202	\$36,440	\$1,636	\$2,802,296
Southwest Georgia	\$174,196	\$0	\$480,203	\$1,636	\$656,035
Three Rivers	<u>\$174,984</u>	<u>\$2,144,851</u>	<u>\$275,337</u>	<u>\$1,636</u>	<u>\$2,596,808</u>
Total	\$2,435,248	\$29,680,526	\$2,046,147	\$18,000	\$34,179,921
Source: DCA, DHS, and DNR					

Appendix C: Survey Response Rates, Fiscal Year 2016

Regional Commission	Municipalities	Counties
Atlanta	Total Respondents: 42	Total Governments in Region: 76
	Region Response Rate: 55.3%	
	<i>Respondents</i>	
	Acworth, Avondale Estates, Ball Ground, Berkeley Lake, Brooks, Canton, Clarkston, Conyers, Dacula, Decatur, Duluth, Dunwoody, East Point, Grayson, Hapeville, Holly Springs, Johns Creek, Lake City, Lawrenceville, Lithonia, Locust Grove, Marietta, McDonough, Milton, Palmetto, Peachtree Corners, Powder Springs, Riverdale, Roswell, Sandy Springs, Stone Mountain, Sugar Hill, Suwanee, Union City, Woodstock	Cherokee, Clayton, Cobb, Douglas, Fayette, Gwinnett, Rockdale
	<i>Non-Respondents</i>	
	Alpharetta, Atlanta, Austell, Brookhaven, Buford, Chamblee, Chattahoochee Hills, College Park, Doraville, Douglasville, Fairburn, Fayetteville, Forest Park, Hampton, Jonesboro, Kennesaw, Lilburn, Lovejoy, Morrow, Mountain Park, Norcross, Peachtree City, Pine Lake, Rest Haven, Smyrna, Snellville, Stockbridge, Tucker, Tyrone, Waleska, Woolsey	DeKalb, Fulton, Henry
Central Savannah River Area	Total Respondents: 28	Total Governments in Region: 52
	Region Response Rate: 53.8%	
	<i>Respondents</i>	
	Bartow, Blythe, Camak, Crawfordville, Davisboro, Dearing, Harrison, Hephzibah, Louisville, Midville, Millen, Norwood, Riddleville, Sandersville, Sardis, Sharon, Stapleton, Thomson, Wrens	Burke, Glascock, Hancock, Jenkins, Lincoln, McDuffie, Warren, Washington, Wilkes
	<i>Non-Respondents</i>	
	Avera, Deepstep, Edgehill, Gibson, Girard, Grovetown, Harlem, Keysville, Lincolnton, Mitchell, Oconee, Rayle, Sparta, Tennille, Tignall, Vidette, Wadley, Warrenton, Waynesboro	Augusta-Richmond ¹ , Columbia, Jefferson, Taliaferro
Coastal	Total Respondents: 19	Total Governments in Region: 45
	Region Response Rate: 42.2%	
	<i>Respondents</i>	
	Allenhurst, Kingsland, Ludowici, Pembroke, Pooler, Port Wentworth, Register, Riceboro, Richmond Hill, Rincon, St. Marys, Statesboro, Tybee Island	Bulloch, Camden, Chatham, Effingham, Liberty, Screven
	<i>Non-Respondents</i>	
	Bloomington, Brooklet, Brunswick, Darien, Flemington, Garden City, Gum Branch, Guyton, Hiltonia, Hinesville, Midway, Newington, Oliver, Portal, Rocky Ford, Savannah, Springfield, Sylvania, Thunderbolt, Vernonburg, Walthourville, Woodbine	Bryan, Glynn, Long, McIntosh
Georgia Mountains	Total Respondents: 21	Total Governments in Region: 51
	Region Response Rate: 41.2%	
	<i>Respondents</i>	
	Alto, Blairsville, Carnesville, Clermont, Cleveland, Cumming, Homer, Lula, Maysville, Mount Airy, Oakwood, Royston, Sky Valley, Young Harris	Banks, Forsyth, Franklin, Habersham, Hart, Lumpkin, White
	<i>Non-Respondents</i>	
	Avalon, Baldwin, Bowersville, Canon, Clarksville, Clayton, Cornelia, Dahlonega, Dawsonville, Demorest, Dillard, Flowery Branch, Franklin Springs, Gainesville, Gillsville, Hartwell, Helen, Hiawassee, Lavonia, Martin, Mountain City, Tallulah Falls, Tiger, Toccoa	Dawson, Hall, Rabun, Stephens, Towns, Union

Appendix C: Survey Response Rates, Fiscal Year 2016 (Continued)

Regional Commission		Municipalities	Counties
Heart of Georgia Altamaha	Total Respondents: 45	Total Governments in Region: 79	Region Response Rate: 57.0%
	<i>Respondents</i>	Abbeville, Adrian, Ailey, Baxley, Bellville, Cadwell, Chauncey, Chester, Claxton, Cobbtown, Cochran, Collins, Denton, Dexter, Dublin, East Dublin, Eastman, Garfield, Glennville, Glenwood, Graham, Hazlehurst, Higgston, Kite, McRae-Helena, Odum, Pitts, Pulaski, Reidsville, Rentz, Rhine, Rochelle, Scotland, Soperton, Twin City, Vidalia	Dodge, Evans, Jeff Davis, Montgomery, Tattnall, Telfair, Toombs, Treutlen, Wayne
	<i>Non-Respondents</i>	Alamo, Alston, Daisy, Dudley, Hagan, Jacksonville, Jesup, Lumber City, Lyons, Manassas, Metter, Milan, Montrose, Mount Vernon, Nunez, Oak Park, Pineview, Santa Claus, Screven, Stillmore, Summertown, Surrency, Swainsboro, Tarrytown, Uvalda, Wheeler, Wrightsville	Appling, Bleckley, Candler, Emanuel, Johnson, Laurens, Wilcox
Middle Georgia	Total Respondents: 21	Total Governments in Region: 31	Region Response Rate: 67.7%
	<i>Respondents</i>	Allentown, Centerville, Culloden, Danville, Eatonton, Fort Valley, Gordon, Gray, Jeffersonville, Milledgeville, Perry, Roberta, Warner Robins	Baldwin, Crawford, Houston, Jones, Peach, Pulaski, Putnam, Wilkinson
	<i>Non-Respondents</i>	Byron, Forsyth, Hawkinsville, Inwinton, Ivey, McIntyre, Toombsboro	Macon-Bibb ¹ , Monroe, Twiggs
Northeast Georgia	Total Respondents: 31	Total Governments in Region: 65	Region Response Rate: 47.7%
	<i>Respondents</i>	Arnoldsville, Auburn, Bishop, Buckhead, Carl, Comer, Covington, Elberton, Greensboro, Hull, Ila, Jefferson, Lexington, Monroe, Monticello, Newborn, Nicholson, Oxford, Pendergrass, Shady Dale, Social Circle, Statham, Union Point, Watkinsonville, Winder, Winterville	Greene, Jackson, Madison, Walton
	<i>Non-Respondents</i>	Arcade, Bethlehem, Between, Bogart, Bostwick, Bowman, Braselton, Carlton, Colbert, Commerce, Crawford, Danielsville, Good Hope, Hoschton, Jersey, Loganville, Mansfield, Maxeys, North High Shoals, Porterdale, Rutledge, Siloam, Talmo, Walnut Grove, White Plains, Woodville	Athens-Clarke ¹ , Barrow, Elbert, Jasper, Morgan, Newton, Oconee, Oglethorpe
Northwest Georgia	Total Respondents: 44	Total Governments in Region: 64	Region Response Rate: 68.8%
	<i>Respondents</i>	Adairsville, Aragon, Blue Ridge, Braswell, Bremen, Buchanan, Calhoun, Cartersville, Cave Spring, Cedartown, Chatsworth, Chickamauga, Cohutta, Dallas, Dalton, Ellijay, Emerson, Euharlee, Fort Oglethorpe, Hiram, Kingston, McCaysville, Morganton, Plainville, Resaca, Ringgold, Rockmart, Rossville, Summerville, Tallapoosa, Trion, Tunnel Hill, Varnell, Waco, White	Bartow, Catoosa, Dade, Fannin, Gilmer, Murray, Paulding, Pickens, Polk
	<i>Non-Respondents</i>	East Ellijay, Eton, Fairmount, Jasper, LaFayette, Lookout Mountain, Lyerly, Menlo, Nelson, Ranger, Rome, Talking Rock, Taylorsville, Trenton	Chattooga, Floyd, Gordon, Haralson, Walker, Whitfield

Appendix C: Survey Response Rates, Fiscal Year 2016 (Continued)

Regional Commission		Municipalities	Counties
River Valley	Total Respondents: 37	Total Governments in Region: 51	Region Response Rate: 72.5%
	<i>Respondents</i>	Americus, Arabi, Byromville, Cordele, Ellaville, Fort Gaines, Hamilton, Ideal, Junction City, Leslie, Lilly, Lumpkin, Marshallville, Oglethorpe, Pine Mountain, Pinehurst, Plains, Reynolds, Richland, Shellman, Shiloh, Talbotton, Vienna, Waverly Hall	Clay, Columbus-Muscogee ¹ , Crisp, Dooley, Georgetown-Quitman ¹ , Harris, Marion, Randolph, Schley, Sumter, Talbot, Taylor, Webster ¹
	<i>Non-Respondents</i>	Andersonville, Bluffton, Buena Vista, Butler, Cuthbert, DeSoto, Dooling, Geneva, Montezuma, Unadilla, Woodland	Cusseta-Chattahoochee ¹ , Macon, Stewart
Southern Georgia	Total Respondents: 43	Total Governments in Region: 63	Region Response Rate: 68.3%
	<i>Respondents</i>	Argyle, Ashburn, Barwick, Blackshear, Douglas, Du Pont, Fitzgerald, Folkston, Hoboken, Homerville, Lake Park, Lakeland, Lenox, Nahunta, Nashville, Ocilla, Offerman, Patterson, Pavo, Pearson, Quitman, Ray City, Rebecca, Sparks, Valdosta, Waycross, Willacoochee	Atkinson, Bacon, Ben Hill, Berrien, Brantley, Brooks, Charlton, Clinch, Coffee, Cook, Echols, Irwin, Lanier, Pierce, Tift, Turner
	<i>Non-Respondents</i>	Adel, Alapaha, Alma, Ambrose, Broxton, Cecil, Dasher, Enigma, Fargo, Hahira, Homeland, Morven, Nicholls, Omega, Remerton, Sycamore, Tifton, Ty Ty	Lowndes, Ware
Southwest Georgia	Total Respondents: 28	Total Governments in Region: 57	Region Response Rate: 49.1%
	<i>Respondents</i>	Albany, Baconton, Brinson, Camilla, Climax, Coolidge, Dawson, Donalsonville, Edison, Ellenton, Funston, Meigs, Morgan, Newton, Ochlocknee, Parrot, Pelham, Poulan, Sale City, Sasser, Warwick, Whigham	Calhoun, Colquitt, Dougherty, Early, Grady, Mitchell
	<i>Non-Respondents</i>	Arlington, Attapulgus, Bainbridge, Berlin, Blakely, Boston, Bronwood, Cairo, Colquitt, Damascus, Doerun, Iron City, Jakin, Leary, Leesburg, Moultrie, Norman Park, Smithville, Sumner, Sylvester, Thomasville	Baker, Decatur, Lee, Miller, Seminole, Terrell, Thomas, Worth
Three Rivers	Total Respondents: 35	Total Governments in Region: 53	Region Response Rate: 66.0%
	<i>Respondents</i>	Centralhatchee, Concord, Ephesus, Flovilla, Grantville, Greenville, Griffin, Hoganville, Jackson, Jenkinsburg, Manchester, Meansville, Milner, Molena, Moreland, Mount Zion, Newnan, Orchard Hill, Senoia, Sharpsburg, Temple, Thomaston, Villa Rica, Warm Springs, West Point, Whitesburg, Williamson, Zebulon	Coweta, Heard, Lamar, Meriwether, Pike, Spalding, Troup
	<i>Non-Respondents</i>	Aldora, Barnesville, Bowdon, Carrollton, Franklin, Gay, Haralson, LaGrange, Lone Oak, Luthersville, Roopville, Sunny Side, Turin, Woodbury, Yatesville	Butts, Carroll, Upson
Total Survey Respondents: 394		Total Governments in State: 687	State Response Rate: 57.4%

¹ Consolidated Government.

Source: DCA, DOAA Customer Survey

Appendix D: Fiscal Year 2016 Regional Commission Scorecard Results – Values

			Rank											
			High			Low								
			1	2	3	4								
			Atlanta	Central Savannah	Coastal	Georgia Mountains	HOG Altamaha	Middle Georgia	Northeast Georgia	Northwest Georgia	River Valley	Southern Georgia	Southwest Georgia	Three Rivers
	Mean													
FINANCIAL	Ratio of local government revenue to total revenue	0.036	0.002	0.022	0.034	0.140	0.008	0.031	0.005	0.003	0.040	0.115	0.026	0.008
	Ratio of unassigned general fund balance to non-restricted governmental fund expenditures	1.841	0.176	8.226	0.226	1.317	0.291	3.431	2.879	3.967	0.538	0.516	0.260	0.268
	Ratio of assets to liabilities	1.858	1.045	2.120	1.429	2.601	1.202	2.413	1.284	2.083	2.123	1.972	1.772	2.248
	Ratio of cash and investments to short-term liabilities	0.749	0.419	0.000	0.127	4.629	0.242	1.335	0.564	0.339	0.136	0.915	0.277	0.000
CUSTOMER	Satisfaction with planning services	4.35	4.38	4.35	3.68	4.12	4.44	4.80	4.35	4.40	4.52	4.67	4.52	3.97
	Satisfaction with intergovernmental coordination ¹	4.25	4.32	3.99	3.77	3.90	4.45	4.76	4.29	4.41	4.40	4.68	4.42	3.66
	Satisfaction with staff	4.63	4.70	4.50	4.12	4.60	4.69	4.85	4.66	4.81	4.75	4.82	4.81	4.21
	Overall satisfaction ¹	4.46	4.53	4.26	3.88	4.26	4.57	4.81	4.55	4.61	4.56	4.81	4.63	4.00
LEARNING AND GROWTH ²	Planning employees per 100,000 population	1.05	0.27	0.62	0.86	0.59	2.40	0.40	1.16	0.68	2.13	1.41	1.13	0.92
	Average years of planning staff experience	11.61	10.25	12.63	13.33	12.60	13.42	4.12	8.31	12.58	12.88	12.22	9.57	17.40
	Average hours of training provided to RC planning staff	29.47	18.81	37.58	47.17	29.55	32.81	27.63	34.50	38.46	37.28	26.42	11.50	12.00
	Percent of planning staff with AICP certification	17.3%	41.7%	33.3%	16.7%	20.0%	0.0%	0.0%	12.5%	8.3%	25.0%	33.3%	16.7%	0.0%
	Percent of planning staff with Master's degree in planning	29.0%	75.0%	66.7%	33.3%	20.0%	0.0%	8.3%	50.0%	0.0%	25.0%	33.3%	16.7%	20.0%
INTERNAL BUSINESS PROCESS	Local plan implementation rate ³	55.6%	58.0%	46.2%	27.4%	81.5%	39.5%	N/A	47.1%	34.8%	53.2%	78.0%	78.9%	67.4%
	First time approval of RC-prepared plans ³	58.9%	25.0%	35.0%	10.0%	46.7%	87.2%	N/A	60.0%	78.9%	75.0%	80.0%	50.0%	100.0%
	Contract performance errors	1.92	0	5	6	0	0	0	6	0	0	0	1	5
	Success stories generated per 100,000 population ¹	1.76	0.43	1.91	1.15	1.93	3.68	3.24	1.49	0.57	2.13	1.71	1.71	1.19
	Percent of local governments with a planning excellence designation ¹	6.5%	13.2%	3.8%	13.3%	9.8%	2.5%	3.1%	20.0%	1.6%	2.0%	4.8%	0.0%	3.8%
	Percent of local governments with QLG	95.0%	88.2%	88.5%	95.6%	84.3%	100.0%	100.0%	90.8%	100.0%	100.0%	100.0%	94.8%	98.1%
	Number of units served per dollar - Aging ⁴	0.425	0.615	0.357	0.396	N/A	0.496	0.445	0.364	0.211	0.613	0.354	N/A	0.396
	Number of clients served per dollar - Aging ^{1,4}	0.002	0.003	0.001	0.002	N/A	0.002	0.002	0.002	0.002	0.002	0.001	N/A	0.002
	Results of Aging satisfaction surveys ^{4,5}	97.3%	97.5%	100.0%	98.6%	N/A	93.7%	94.7%	99.0%	95.1%	99.6%	96.9%	N/A	97.8%
	Cost per trip - Transportation ⁶	\$11.31	\$ 11.60	\$ 13.36	\$ 11.18	\$ 10.85	\$ 12.40	\$ 13.46	\$ 12.12	N/A	\$ 6.33	\$ 12.60	\$ 9.41	\$ 11.13
	Results of Transportation satisfaction surveys ⁷	90.6%	91.7%	94.6%	74.7%	N/A	97.2%	86.7%	92.3%	N/A	91.0%	98.0%	91.5%	88.2%

¹ The values shown have been rounded. In some cases, additional decimal places not visible in the table affected the RCs' quartile rankings.

² Atlanta staff represent those billable to DCA's contract. Fieldwork verified that additional planners exist and should be reported in future years.

³ Middle Georgia prepared zero plans during the applicable time frame. Therefore, they were excluded from this measure.

⁴ The Georgia Mountains and Southwest Georgia Regional Commissions did not administer DHS Aging services in FY 2016.

⁵ The Central Savannah Regional Commission had no survey results for meals, which had the highest number of survey responses in all other RCs.

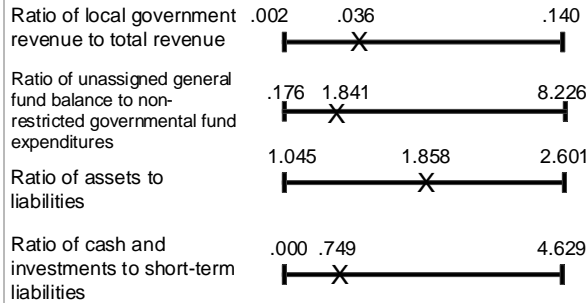
⁶ The Northwest Georgia Regional Commission did not administer DHS Coordinated Transportation services in FY 2016.

⁷ Satisfaction surveys were not issued for Georgia Mountains due to the selection of a new provider via RFP (request for proposal).

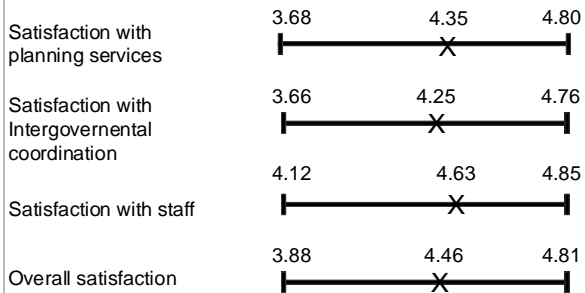
Source: DCA, DHS, DOAA, and regional commissions' financial records

Appendix E: Fiscal Year 2016 Regional Commission Scorecard Results – Ranges

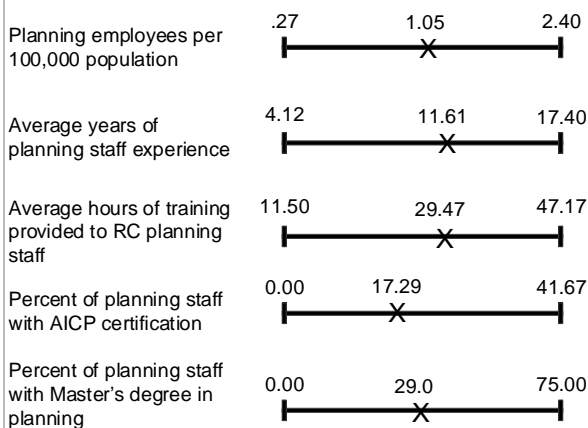
Financial Measures



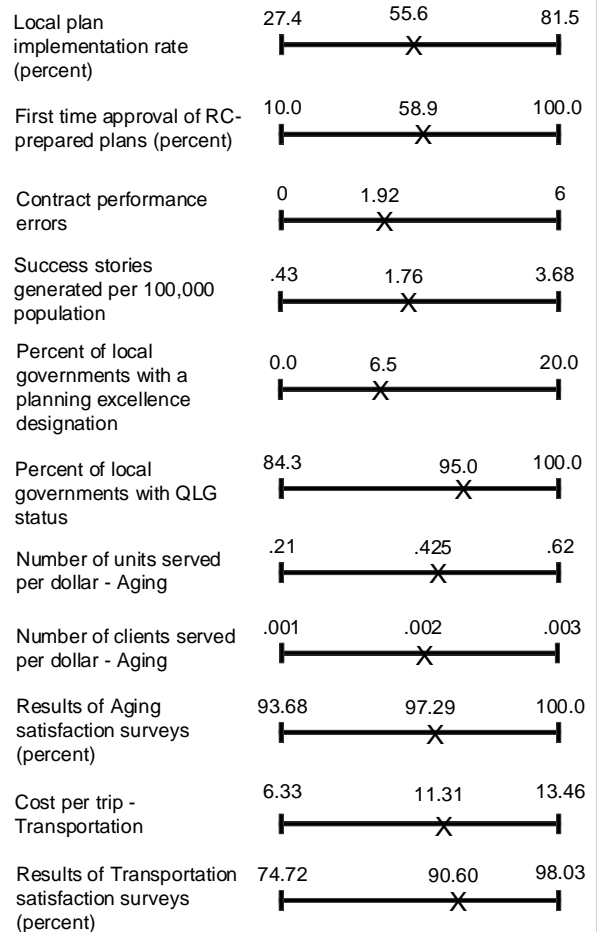
Customer Measures



Learning and Growth Measures



Internal Business Process Measures



Minimum Average Maximum

Source: DCA, DHS, DOAA, and regional commissions' financial records

Appendix F: Examples of High Cost Meals Purchased by the ARC Executive Director in Calendar Year 2016¹

Date	Location	Vendor	Total Amount	Amount Per Person	Description
1/12/2016	Chamblee, GA	National Association of Chinese-Americans	\$2,000.00	\$200.00	Fundraising Dinner
4/26/2016	Roswell, GA	Paula B's Catering	\$1,344.00	Unknown	Retirement Send Off
3/16/2016	Atlanta, GA	Empire State South ²	\$560.00	\$80.00	Cultural Forum Dinner
2/8/2016	Washington, DC	Al Tiramisu ³	\$545.00	\$49.55	Group Dinner at Conference
11/2/2016	St. Simmons, GA	Halyards	\$400.00	\$57.14	Group Dinner at Conference
12/6/2016	Fayetteville, GA	Fayette Chamber of Commerce	\$400.00	\$100.00	Event Registration
5/31/2016	Atlanta, GA	Commerce Club ³	\$399.89	\$30.76	Strategy Chairs Lunch
1/9/2016	Atlanta, GA	Commerce Club ³	\$378.29	\$54.04	Competitiveness Strategy
6/2/2016	Atlanta, GA	Oceanaire ³	\$345.00	\$86.25	Legislative Debrief
1/9/2016	Atlanta, GA	Commerce Club ³	\$329.40	\$54.90	Quarterly Staff Meeting
8/23/2016	Atlanta, GA	Empire State South ³	\$299.95	\$59.99	Discussion of European Security
9/26/2016	Savannah, GA	Westin ^{2, 3}	\$285.00	\$71.25	Group Dinner at Conference
5/31/2016	Atlanta, GA	Commerce Club ³	\$263.52	\$52.70	Breakfast for ARC Coaches
12/6/2016	Atlanta, GA	Chick Fil A	\$229.62	Unknown	Manager's Meeting
6/6/2016	Atlanta, GA	Marcel ³	\$217.00	\$54.25	Dinner with Others ⁴
11/3/2016	St. Simmons, GA	Crab Daddy's	\$195.00	\$48.75	Group Dinner at Conference
5/23/2016	Atlanta, GA	Ritz Carlton ^{2, 3}	\$158.00	\$79.00	Dinner with Others ⁴
5/19/2016	Atlanta, GA	Ritz Carlton ³	\$135.00	\$33.75	Relocation Assistance Discussion
10/24/2016	Atlanta, GA	EB Georgia Tech	\$130.00	\$65.00	Gala Dinner
9/30/2016	Savannah, GA	Westin ³	\$126.00	\$25.20	Group Lunch at Conference
10/18/2016	Atlanta, GA	Ritz Carlton ³	\$120.00	\$40.00	Drought Response Discussion
6/29/2016	Salt Lake City, UT	Little America Hotel ^{2, 3, 5}	\$108.00	\$108.00	Room Service - Dinner
11/22/2016	Atlanta, GA	Six Feet Under	\$101.50	\$33.83	Lunch with Others ⁴
1/22/2016	Atlanta, GA	Ritz Carlton ³	\$90.00	\$45.00	Lunch with Others ⁴
3/31/2016	Atlanta, GA	Rosa's Pizza ³	\$90.00	Unknown	Talent Management Discussion
3/24/2016	Atlanta, GA	Alma Cocina	\$84.95	\$28.32	Learn4Life Discussion
5/7/2016	Dallas, TX	Fairmont Hotel ³	\$80.00	\$40.00	Room Service - Breakfast
1/11/2016	Atlanta, GA	Alma Cocina ^{2, 3}	\$80.00	\$40.00	Lunch with Others ⁴
12/20/2016	Atlanta, GA	Legal Sea Foods	\$77.00	\$25.67	Lunch with Employees
7/21/2016	Greenville, SC	Hyatt ^{2, 5}	\$75.00	Unknown	Room Service - Dinner
2/8/2016	Washington, DC	Ritz Carlton ^{2, 3}	\$75.00	\$18.75	Cocktails at Conference
7/11/2016	Atlanta, GA	Beetlecat ^{2, 5}	\$75.00	\$75.00	LINK, TPL and WPA Discussion
2/29/2016	Atlanta, GA	Augustine's ^{2, 3}	\$72.00	\$36.00	Dinner with Employee
12/12/2016	Atlanta, GA	Manuel's Tavern ²	\$70.00	\$35.00	Dinner with Others ⁴
2/7/2016	Washington, DC	Ritz Carlton ^{3, 5}	\$69.00	\$69.00	Room Service - Dinner
9/18/2016	South Bend, IN	Café Navarre ^{3, 5}	\$68.00	\$68.00	Dinner at Conference
6/29/2016	Salt Lake City, UT	Little America Hotel ³	\$67.00	\$16.75	Group Breakfast at Conference
3/31/2016	Atlanta, GA	The Georgian Club ³	\$66.47	Unknown	Unknown
4/25/2016	Atlanta, GA	Brezza Cucina ³	\$65.00	\$32.50	Dinner with Others ⁴
8/22/2016	Atlanta, GA	No Mas! Cantina ^{2, 3}	\$65.00	\$32.50	Beltline Discussion
6/27/2016	Salt Lake City, UT	Market Street Grill ^{2, 3}	\$63.00	Unknown	Dinner at Conference

¹Where applicable, the audit team includes purchases made by two administrative assistants on behalf of the executive director.

²Includes identified alcohol purchase.

³Receipt missing or non-itemized.

⁴Meal with others denotes non-ARC employee present, but purpose not apparent.

⁵Meal purchase for executive director only.


Source: Atlanta Regional Commission

Appendix G: The ARC Executive Director Charged Alcohol without Paying It Back

Figure 1: Receipt for lodging submitted by the executive director.

INFORMATION INVOICE

Membership No. :
 A/R Number :
 Group Code : NATI0616_007
 Company Name : National Assn of Regional Cou



06-29-16

Room No. : 0428
 Arrival : 06-26-16
 Departure : 06-29-16
 Page No. : 1 of 1
 Folio No. : 1538441
 Conf. No. : 6516255
 Cashier No. : 289
 User ID : [REDACTED]
 Invoice No. :

Date	Description	Additional Information	Charges	Credits
06-26-16	Room Service Dinner	021020160626215152	108.36	
06-26-16	Room Service Dinner	021020160626225650	-108.36	
06-26-16	Room Service Dinner	021020160626225710	108.00	
06-26-16	Room Charge		179.00	
06-26-16	Taxes Room Tax		10.29	
06-26-16	Taxes State Sales Tax		12.26	
06-27-16	Coffee Shop Breakfast	035920160627082510	67.00	
06-27-16	Room Charge		179.00	
06-27-16	Taxes Room Tax		10.29	
06-27-16	Taxes State Sales Tax		12.26	
06-28-16	Coffee Shop Breakfast	102420160628083259	32.00	
06-28-16	Room Charge		179.00	
06-28-16	Taxes Room Tax		10.29	
06-28-16	Taxes State Sales Tax		12.26	
06-29-16	Room Service Breakfast	173920160629083624	26.00	
06-29-16	Visa Payment	[REDACTED]		837.65
Total			837.65	837.65
Balance				0.00

I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company or association fails to pay for any part of the full amount of these charges.

Guest Signature: _____

500 South Main Street * Salt Lake City, Utah 84101 * 801-363-6781 * FAX 801-596-5911 * littleamerica.com

Appendix G: The ARC Executive Director Charged Alcohol without Paying It Back (continued)

Profit Series Administration ver: 8,10,17
Date:05-23-2017 Time:08:53a

LITTLE AMERICA SLC

REPORT DATE:06-26-2016

Internal Tracking Number (50520210)

Table: 869
Dining Room: ROOM SVC
Guests: 1
Started By: [REDACTED] 21:05
Closed By: [REDACTED] 22:57

Action Item Name	Qty	Amount	Change Price/Remove Tax Comps/Voids/Discounts Reason/Authorization
Sale: LADIES PRIME RIB	1	\$30.00	
Sale: MEDIUM	1	\$0.00	
Sale: BAKER	1	\$0.00	
Sale: FRENCH ONION	1	\$9.00	
Sale: APPLE PIE	1	\$7.00	
Sale: ALA MODE	1	\$3.00	
Sale: 1/2 STARMONT CAB	1	\$27.00	← Alcohol
Sale: 1 GLASS	1	\$0.00	

Payment Summary:

	Amount	Gratuity	Add'l Tip	Total
Pymt: ROOM LA	\$83.16	\$15.20	\$9.64	\$108.00
Tendered:	\$108.00			
Card #	[REDACTED]	Token:		
Guest:	[REDACTED]			

Settlement Summary:

SubTotal	\$76.00
Tax:	\$5.97
Tax2:	\$0.00
Gratuity Tax:	\$1.19
Tip	\$9.64
Auto Gratuity:	\$15.20
Total	\$108.00

Source: Atlanta Regional Commission and Little America Hotel

Figure 2: Itemized receipt obtained by the Department of Audits and Accounts.

Appendix H: The ARC Executive Director Expensed Alcohol for Himself and an Employee

Figure 2:

Receipt submitted by the executive director for dinner with an employee.

Figure 3:
Itemized receipt obtained
by the Department of
Audits and Accounts.

Check: 0047 Table: 33 #Party: 2
Server: PM WAITSTAF 18:09
DINING

LONERIDER HOPPY KI YAY	6.00
BOHEMIAN	9.00
PRETZELS	6.50
CHEESE SAUCE	0.00
HUMMUS	9.50
BUFFALO WINGS	11.00
LONERIDER HOPPY KI YAY	6.00
BOHEMIAN	9.00

Sub Total:	57.00
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Tax:	3.60
Total:	60.60

Payments:	Amt-Tend	Tip/Cha	Tally
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MASTERCARD	72.00	11.40	60.60
02/29/2016	20.24		

60.60

Memo: 60.60

1. *Journal of the American Medical Association*, 2000; 283: 2689-2696.

Cashier: PM WAITSTAF

ARC Employee Reimbursement*

* Use this form for travel and all other expenses. Complete front and Parts 1 through 4 on the reverse side as appropriate.

Receipts are required for all expenses (excluding mileage).

Name		[Redacted]		Date	7/8/2016
Address		40 Courtland Street, NE			
City	Atlanta	State	GA	Zip	30303
Destination & Purpose		Misc. Expenses			
Date(s) of Travel		From:		2/1/16	To:
					6/1/16

I certify that the following expense were incurred in the course of the official ARC business described above.

[Redacted Signature]

Signature

[illegible]

payroll Period: 7/29/16 Review date: 7/25/16 Entry Date: 7/25/16
 Voucher #: Review by: Entered By:

Rev 1/2/2014

Appendix I: ARC's Reimbursement Policy, Excerpts

ARC Out of Region Reimbursement Policy (pg. 4)

B. Subsistence Expense

1. General - Subsistence (meals and lodging) expense are reimbursable to an employee while traveling on official business outside the Atlanta Region. Detailed receipts are required for any lodging and meal expenses. An employee who is in leave status in conjunction with travel on official business shall not be entitled to subsistence for any period of leave.
2. Lodging - Reimbursement will be made for lodging expense incurred in a hotel, motel, or other transient lodging facility associated with official business travel. Convention or conference hotels and minimal available rates will be utilized whenever possible, and deluxe accommodations and places not providing commercial rates are to be avoided. When a room is shared with another ARC employee in travel status, reimbursement shall be limited to the employee or employees' actually incurring expense. Any employee in travel status not sharing a room with another employee in travel status shall be entitled to reimbursement at a rate no greater than the single room rate.
3. Meals - Reimbursement with itemized receipts will be made for the actual cost of meals within reasonable limits. Expenses deemed in excess of reasonable limits shall require justification of the excess and are subject to disallowance. Costs for meals which logically could be taken while not in a travel status, i.e., before departure or after return from travel, will not be allowed.

ARC

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12/1/2007

ARC In Region Reimbursement Policy (pg. 6)

B. Subsistence Expenses

1. General - Except as provided below, subsistence expenses should not be allowable travel expenses of employees within the Atlanta Region.
2. Lodging - Expenses for lodging within the Atlanta Region are only allowable under extraordinary circumstances and require the advance written approval of the ARC Director. If approved, lodging shall be reimbursable in accordance with the same guidelines used for BTA expenses.
3. Meals - Meal expense incurred by employees in conjunction with attendance at a seminar, workshop, conference, or meeting within the Atlanta Region shall be an allowable business expense if the meal is a requirement of attendance at the event.

ARC

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12/1/2007

Source: Atlanta Regional Commission

Appendix J: ARC's Purchasing Card Policy, Excerpts

Atlanta Regional Commission Corporate Credit Card Policy

CHAPTER II. PURCHASING GUIDELINES PART VI. PURCHASING CARD PROCEDURES

Section One. Purpose:

The purpose of the Atlanta Regional Commission (ARC) corporate credit card policy is to provide direction and authority for proper card use. The policy may be amended as needed.

ARC permits staff to obtain corporate credit cards to make purchases and conduct business in an efficient manner. All use and responsibility of the credit card reside with the cardholder and his/her supervisor. Cardholders are responsible for charges made to the card and may be held liable for any unauthorized items appearing on the statement. Cardholders are given online access to their accounts to monitor activity for any fraudulent charges and to print statements or transaction details.

Cardholders are responsible for safeguarding their accounts and using the cards when appropriate. Only the named cardholder may use the card and the card or number should not be given to other ARC employees. All card purchases must adhere to ARC procurement guidelines and include proper documentation. The corporate credit cards will be linked to the ARC control credit account and one combined payment for all cards will be processed monthly. Cardholder privileges may be revoked at any time.

Section Two. Procedures:

1. The Purchasing Agent and Program Administrator are responsible for authorizing the use of corporate credit cards and assigning the credit limit.
2. Current and prospective cardholders are required to sign a cardholder form and agreement indicating they accept the credit card terms and conditions and will use the card strictly for ARC related business purposes.
3. The initial credit limit will be \$5,000. However, the limit may be based on total likely transactions for a division or center on a monthly basis.
4. Each cardholder will be responsible for completing a purchasing log (description/purpose, cost center, accounting code, and requester) listing all transactions as printed on his/her monthly statement.
5. Each transaction must have a corresponding receipt or confirmation – including refunds. A print out or screen shot of the transaction details from the online credit card activity center is acceptable.
 - a. Itemized receipts and credit card slips with tip amount are required for meal expenses.
 - b. A list of attendees and organization/company affiliation should be included for all meals if it's more than one person.
 - c. An agenda must be attached if applicable.
6. Each transaction receipt or confirmation must contain a signature approval if the cardholder has no signature authority for the applicable cost center.

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Appendix J: ARC's Purchasing Card Policy, Excerpts (continued)

7. Cardholders will be required to enter transactions from their monthly statement into ARC's accounting system for payment. The monthly statement will be treated as an invoice and given an invoice number. The invoice number should follow this naming convention – first name initial and last name initial, last four digits of credit card account number, first 3 letters of the previous month of statement activities, and four digit year. Example: Jane Doe statement closing 1/2/2017 - JD5555Dec2016
8. Cardholders must make sure the invoice amount in the accounting system equals the total amount due on their monthly statement.
9. The deadline to upload the monthly statement and supporting documentation is the 15th or following business day if 15th is on the weekend or holiday.
10. Cardholders must upload the supporting documentation for each transaction in the same order as the transactions are listed on the statement.
11. Late fees will be charged to the division or center that misses the deadline and delays payment to the control account. Late fees assessed by the credit card company will be charged the following month to the applicable division or center. Late fees are usually 3% of the total amount due on the control account.
12. Cash advances are not permitted.
13. The following types of purchases are NOT allowed:
 - a. Alcohol
 - b. Entertainment
 - c. Personal purchases
 - d. Professional services, i.e. consultant fees
 - e. Tobacco products
14. Staff must notify the Purchasing Agent or Program Administrator immediately in the event a card is lost or stolen.
15. The corporate credit card is the property of ARC and any cardholder leaving the employment of ARC must surrender the credit card to the Purchasing Agent who will close the account.

Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges and/or disciplinary action.

Part Three. Credit Card Reconciliation

All current ARC purchasing procedures will apply to transactions completed using an ARC credit card. The Purchasing Agent shall have discretion when using his/her card. **All purchases made on the Purchasing Agent credit card will require a document signed by the requesting Division Manager or Center Director with cost center and account information prior to the purchase transaction.**

Payment for credit card purchases shall be handled monthly and each cardholder will be responsible for entering his/her statement into Concur.

Cardholders are required to fill out a monthly purchase log and attach original or photocopied receipts. **All documentation for credit card charges must be entered in Concur by the 15th of the month.** The purchasing log and receipts will be attached to the monthly VISA statement uploaded as supporting documentation. The supervisor must review all purchases made by the

5/11/2016

The Performance Audit Division was established in 1971 to conduct in-depth reviews of state-funded programs. Our reviews determine if programs are meeting goals and objectives; measure program results and effectiveness; identify alternate methods to meet goals; evaluate efficiency of resource allocation; assess compliance with laws and regulations; and provide credible management information to decision makers. For more information, contact us at (404)656-2180 or visit our website at www.audits.ga.gov.