



Georgia Department of Audits and Accounts Performance Audit Division

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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 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.

About regional commissions

Georgia's 12 regional commissions (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

The Regional Commission Scorecard is intended to promote accountability and transparency by allowing the performance of each of Georgia's twelve regional commissions to be assessed relative to its peers across four perspectives – financial, customer, learning and growth, and internal business process perspectives. The results of this assessment are provided in the scorecard on the next page. In addition, the agreed-upon procedures we conducted at three regional commissions revealed problems, of varying degrees, related to administration, contract compliance, and required reporting. Many of the issues were similar to those identified in previous reviews of other RCs.

Scorecard

The Regional Commission Scorecard is a performance assessment tool that is intended to facilitate peer to peer information sharing and result in improved operations within the RC community. The scorecard compares each RC's performance 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 performing quartile. It should be noted that the scorecard does not compare RCs' performance to a target value for each because performance standards have not been established.

RC Scorecard Results – Aggregate Quartile Rankings

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

High	Performance				Low
1	2	3	4		

Agreed-Upon Procedures

As a result of the agreed-upon procedures, the audit team found that the 3 RCs under review reported incorrect and unsupported data to the Department of Community Affairs (DCA) and the Department of Human Services (DHS). The audit team noted varying degrees of noncompliance with state law applicable to RCs and various operational improvements that the RCs could initiate. Lastly, we identified issues that could be addressed by the General Assembly or state agencies that contract with RCs.

Agreed-upon procedures were conducted at the Northeast Georgia, Southern Georgia, and Three Rivers regional commissions. Findings for each RC are summarized below.

- The Northeast Georgia Regional Commission had issues related to contract compliance for DCA Coordinated Planning and DHS Coordinated Transportation.
- The Southern Georgia Regional Commission had a few issues related to administration.
- The Three Rivers Regional Commission had significant deficiencies related to administration and contract compliance for DCA Coordinated Planning. Two of the issues related to administration resulted in noncompliance with state law. A few issues related to DHS Aging were also identified.

What we recommend

Due to the recurring nature of the issues identified, we continue to recommend state-level actions be considered to ensure improved operations across all 12 RCs. To increase accountability and stewardship regarding RC expenditures of public funds, the General Assembly should consider extending state travel, vehicle, and performance management regulations to all RCs. Also, the DHS Transportation Services Section should continue to provide training and provide guidance to RCs regarding its transportation administration manual.

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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) Using a modified version of the Balanced Scorecard, evaluate the performance of the 12 regional commissions (RCs).
- 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, the Department of Human Services, 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 DNR in fiscal year 2015.

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 which will develop and promote the essential public interests of the state and its citizens. RCs may also administer programs such as aging and transportation services.

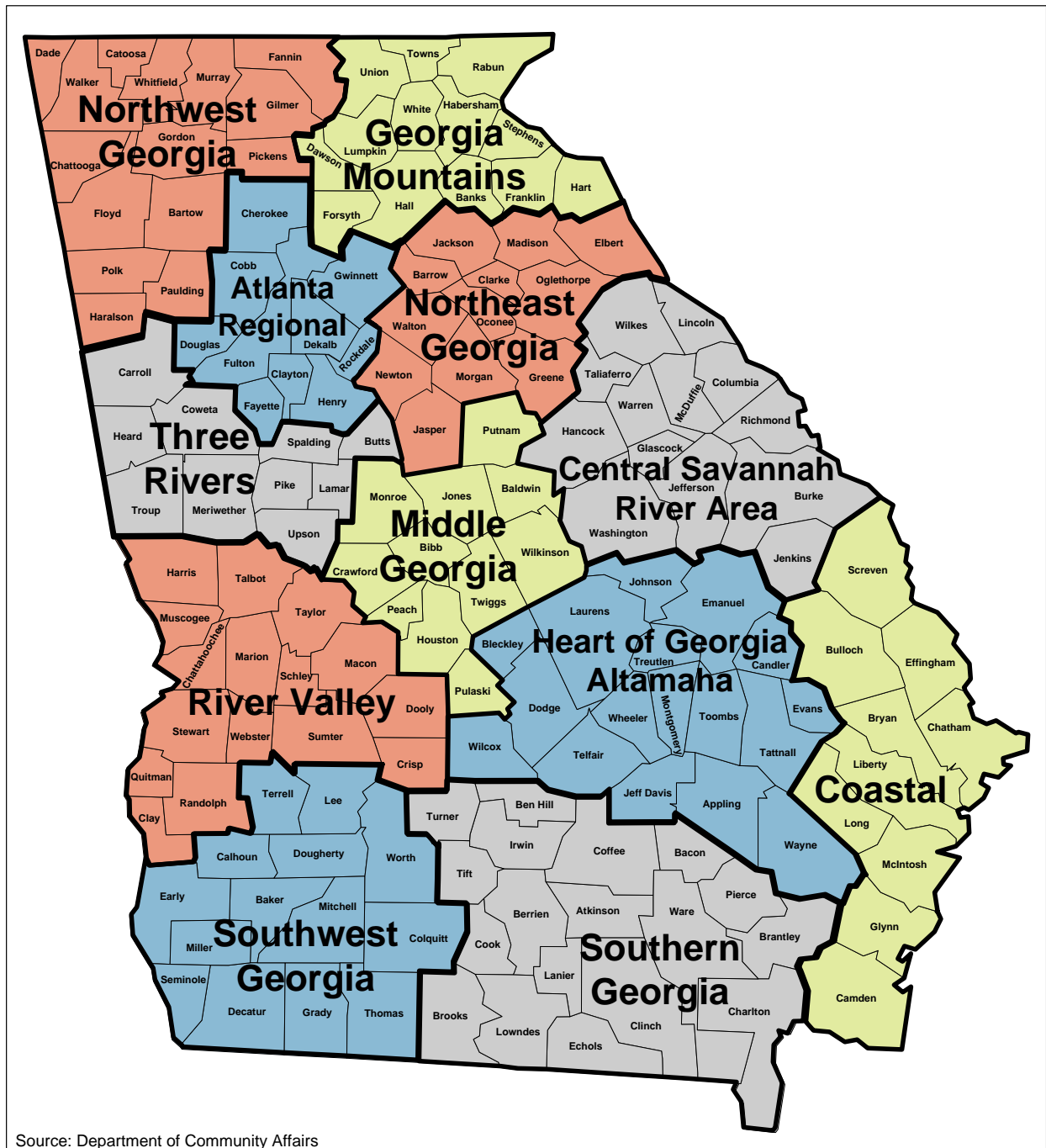
House Bill 1216 (effective July 1, 2009) replaced the 16 regional development centers (RDCs) with the current 12 regional commissions shown in [Exhibit I](#) on the following page. Eight of the original RDCs were combined, and the coverage areas of the new RCs are based on population. With the exception 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.

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. The Council may select additional members determined

**Exhibit 1
Georgia Regional Commissions**



necessary by the Commissioner of the Department of Community Affairs (DCA) for purposes of complying with laws, regulations, or otherwise.

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.

Services

RCs were originally created as regional planning entities, overseen by DCA. The regional perspective of the RCs has resulted in RCs managing various other state and federal programs. 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 requirement, RCs must hold plan implementation assistance meetings with each local government in their region at least once every two years. State law requires that RCs 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.

Also, RCs may offer a broad range of services to member local governments, including zoning assistance, historic preservation 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 its 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 2015, DHS contracted with 10 RCs to manage coordinated transportation systems in their regions. As with aging services, the RCs subcontract with providers in their regions to deliver transportation services for senior citizens, individuals with disabilities, and other eligible clients. These 10 RCs are responsible for coordinating the services and selecting the subcontractors to provide transportation services in their regions.

Other Services

Currently, 11 of the 12 RCs contract with the Georgia Department of Natural Resources to provide historic preservation planning.¹ In fiscal year 2015, 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 this contract.

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 Workforce Investment Act programs, a workforce training program that is federally funded. 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 in order to measure performance.

The audit team, in conjunction with DCA and DHS, created a modified version of the Balanced Scorecard to evaluate the performance of the 12 RCs. The Regional Commission Scorecard compares each RC's performance with the other 11 RCs instead of a target value.² The RCs' performance is not compared with a target value for each measure because industry-specific performance measures for RCs have not been established.

¹Currently, the Atlanta Regional Commission does not have a contract for historic preservation planning.

²The RCs are ranked 1 to 4 on each performance measure and in aggregate for each scorecard perspective, with a "1" ranking signifying performance in 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.

Regional Commission Scorecard

The Regional Commission Scorecard is intended to promote accountability and transparency by allowing the performance of each of Georgia's twelve 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 2015 Regional Commission Scorecard results for all RCs. This is the third year we have published results of the Regional Commission Scorecard. A copy of the prior Regional Commission Scorecard reports may be accessed at <http://www.audits.ga.gov/rsaAudits>.

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 the RC. The overall response rate was 57% (394 of 688), 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 the 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.

The appendices on pages 41 and 42 provide additional details about the Regional Commission Scorecard values calculated for each performance measure.

Exhibit 2 Regional Commissions Scorecard Results – Quartiles

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

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 No local government in Middle Georgia's region submitted a short term work program update during the applicable time frame.

³ Middle Georgia prepared one plan 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 2015.

⁶ The Atlanta and Northeast Georgia Regional Commissions did not administer DHS Coordinated Transportation services in FY 2015.

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

Exhibit 3 describes the purpose for each performance measure, i.e., what the measure is intended to evaluate. The performance measures generally cover activities from fiscal year 2015, 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 fund balance to 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 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 Masters 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 QLG status	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 and its performance measures. We believe the local government survey, conducted by DOAA, is an important tool to ensuring quality in our coordinated planning partnership with the regional commissions."

RCs' Responses:

Several RCs raised concerns regarding specific performance measures. Specifically, the ratio of local government revenue to total revenue, the ratio of fund balance to expenditures, the number of units served per dollar (Aging), number of clients served per dollar (Aging), and the cost per trip (Transportation). 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. In addition, Atlanta Regional Commission noted its concern with "comparing a regional organization serving a population of over 4.2 million with other regional commissions serving fractions of that population."

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. 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. 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 functions such as travel and purchasing cards.

Actions Taken due to Prior Agreed-Upon Procedures

The audit team found that RCs have implemented changes to business practices and policies as a result of our previous reports. Additionally, the Department of Community Affairs (DCA) and Department of Human Services (DHS) have improved communications and training with RCs and have made adjustments to program manuals.

- *RCs have improved financial reporting* – RCs began voluntarily reporting salary and travel information for fiscal year 2016 to the Department of Audits and Accounts. Additionally, GARC has drafted a single Uniform Chart of Accounts that will be used by all RCs in fiscal year 2017. The draft chart is based upon the Uniform Chart of Accounts for Local Governments in Georgia, which is compliant with Generally Accepted Accounting Principles.
- *DCA has improved communication with RCs* – DCA has modified language in its fiscal year 2016 contracts and has begun holding work sessions with RC planning staff to discuss contract requirements. Instructions regarding the

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 is developing a training program for RC Council members to address governance issues.

- *DHS Aging has improved policies* – 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 its fiscal year 2015 and 2016 contracts to specify that background checks must be national, and specified which positions require background checks.
- *DHS Transportation has improved training* – DHS Transportation staff improved training for RC and regional office staff to emphasize compliance with contract and program manuals.

DCA's Response:

“DCA is committed to developing effective relationships with each of the twelve regional commissions. Through enhanced communication and more frequent interaction, we aim to improve customer service as it relates to the coordinated planning activities and the planning contracts between each regional commission and DCA. This includes a thorough review of the contracts and additional training with the commissions.”

Current State-level Recommendations

1. The General Assembly should consider extending certain state-level regulations and requirements to regional commissions. The regional commissions (RCs) are public entities that receive the majority of their funding through federal and state grants and contracts, as well as statutorily-required dues from local governments. However, state law does not subject RCs to state regulations regarding travel, vehicle usage, fleet management or performance management. We continue to identify issues related to these areas during our agreed-upon procedures. Extending these regulations and requirements would increase accountability and stewardship regarding RC expenditures of public funds, as well as decrease the potential for fraud and abuse.

RCs' Response:

Multiple regional commissions argued that they are not state agencies and that each regional commission is governed by a separate Council that establishes policy and direction for the regional commission [O.C.G.A. 50-8-34(a)]. Several regional commissions indicated that following state policies would weaken local control and be less cost efficient than locally adopted policies which meet the unique needs of the region.

2. The DHS Transportation Services Section needs to improve management controls related to coordinated transportation services.
 - a. *DHS oversight* – Personnel at RCs lacked familiarity with key elements of the DHS Transportation Manual. The result was a lack of monitoring of vehicle safety, vehicle maintenance, and driver qualifications.

- b. *Vehicle Monitoring* – We found RCs (with transportation services) that did not monitor vehicles used to provide coordinated transportation services in compliance with contract requirements.
- c. *Driver Monitoring* – We found RCs (with transportation services) that did not perform monitoring of all subcontractor drivers that provided coordinated transportation services in compliance with contract requirements.

DHS Response:

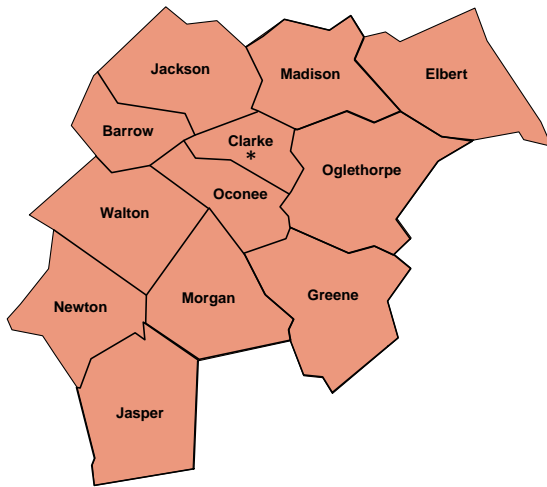
“DHS will continue to educate and provide clarity on the roles and responsibilities of the regional commissions and the DHS Regional Transportation office staff. DHS regional transportation office staff will continue to work closely with Regional Commissions during state fiscal year 2016 to ensure compliance with all requirements detailed in the DHS Transportation Manual...To track progress and compliance, DHS now requires the Regional Transportation Offices to submit quarterly progress reports illustrating the percentage of physical inspections, desk reviews, and driver qualification file reviews that have been conducted. DHS will ensure that vehicles are inspected in compliance with the DHS Transportation Manual.”

Current Year Agreed-Upon Procedures

The three RCs selected for review in 2016 and the page numbers for the report of findings of each RC's agreed-upon procedures are:

- Northeast Georgia RC, page 11;
- Southern Georgia RC, page 17; and
- Three Rivers RC, page 25.

Agreed-Upon Procedures Northeast Georgia Regional Commission



Office location*	Athens
2014 Region population (est.)	592,732
Fiscal year 2015 expenditures	\$13,115,442
Approximate square mileage	3,577
Number of local governments	65

RC Scorecard Quartiles	
Financial	3
Customer	1
Learning and Growth	2
Internal Business Process	3

Summary

Northeast Georgia Regional Commission (Northeast Georgia) had issues related to contract compliance for both DCA Coordinated Planning and DHS Coordinated Transportation. Regarding Coordinated Planning, Northeast Georgia did not meet all requirements for communicating upcoming planning deadlines to local governments. Regarding Coordinated Transportation, Northeast Georgia and DHS regional office staff did not follow-up with corrective actions noted during monitoring site visits. We noted potential areas for improvement with regards to DHS Aging.

Northeast Georgia’s response:

Northeast Georgia indicated that “administration and staff will address any recommendations...in the [report] in an effort to improve the quality of services provided to constituent governments.”

Administration Findings

Policies and Procedures

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

Northeast Georgia has a written policy regarding disclosures of business transactions with local governments.

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

Northeast Georgia has a policy to maintain a minimum requirement for its 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 RCs specific circumstances. Northeast Georgia's policy states that the target amount of unassigned fund balance should be equal to a minimum of two months of current annual expenditures, not including the amount estimated to be considered contractual expenditures.

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 2015.

In fiscal year 2015 the Executive Director's travel reimbursements were reviewed and approved by the comptroller, a subordinate employee. In November 2015, Northeast Georgia instituted a policy whereby the Chair of the Council's Audit and Finance Committee reviews the Executive Director's travel once per quarter.

Northeast Georgia staff generally follow its travel and gas card use policies.

Northeast Georgia has followed a policy identical to Statewide Travel policy since July 2011. In our review of 5 employees, we noted only minor instances of noncompliance with its policy.

Northeast Georgia appropriately used its single purchasing card, but charges are not reviewed by a member of the Council.

Northeast Georgia maintains a single purchasing card for office-wide use under the Executive Director's name. The audit team noted only minor instances of missing receipts. Purchases are all reviewed by accounting staff, who are subordinate employees of the Executive Director. Purchasing card statements should be reviewed by a superior, such as a member of the Council, who is able to determine the appropriateness and reasonableness of the expenses.

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 is conducting performance appraisals of the Executive Director.

The Chair of the Council's Personnel Committee conducted performance appraisals of the Executive Director in April 2014 and May 2015. The Personnel Committee Chair solicited feedback from other Council members, and the full Council voted to approve the appraisals.

Northeast Georgia conducts annual performance appraisals of employees.

The team reviewed a sample of seven employee personnel files, and all files contained annual performance appraisals in compliance with the RCs policies.

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 meetings law and the RC's bylaws for selected meetings.

The team reviewed a sample of meetings from fiscal year 2015 for compliance with state law and Northeast Georgia's bylaws. The team did not identify any compliance issues.

Northeast Georgia has no bylaws specific to closed executive sessions.

Council bylaws do not have a procedure for holding closed meetings in executive session. No closed meetings were held in fiscal year 2015, but outlining a specific procedure could ensure that any future occurrence complies with state open meeting laws.

Recommendations

1. The Council should review the Executive Director's purchasing expenses.
2. The Council should adopt written procedures for holding closed meetings.

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.

Northeast Georgia generally fulfilled the DCA contract requirements for plan implementation assistance meetings.

The audit team found evidence that Northeast Georgia planning staff were meeting with local government officials on a biennial basis on the dates reported to DCA. Although all the appropriate local government officials attended PIA meetings, Northeast Georgia staff addressed invitations to only the chief elected official. Most topics required by the DCA contract were discussed at biennial PIA meetings; however, both local government interviewees and meeting agendas showed that there was not a discussion of the regional plan and how local plans fit into it. Several local governments we spoke with did not feel that they had been involved or solicited for input in forming the regional plan.

Northeast Georgia could improve communication of planning responsibilities and deadlines.

DCA recommends that RCs begin notifying local governments 12 to 18 months before the deadline to allow sufficient time for required reviews and public hearings. The documentation that Northeast Georgia provided for three of the four local governments reviewed by the audit team showed a notification process beginning 15 to 6 months prior to deadlines. The fourth government had an annual Capital Improvement Element (CIE) update and was only notified 11 days prior to the deadline which resulted in the loss of QLG status for 255 days.

During fiscal year 2015, seven local governments had a required CIE update or plan update. Five of which lost QLG status for a period of typically less than 6 weeks. While Northeast Georgia planning staff responded when inquiries were made by local governments, staff did not follow-up when local government's lost QLG status. Based on the documentation reviewed and interviews with local governments, Northeast Georgia planning staff could improve communication to ensure local governments do not lose QLG status, or at least regain it in the timely manner.

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. Results of the Scorecard were adjusted to reflect any differences shown in the documentation provided by the RC to the audit team and information submitted to DCA.

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

Northeast Georgia over reported its planning staff's training hours to DCA by approximately 26%. Years of experience was underreported by approximately 11%. Planning staff FTEs were over reported by approximately one and one-half FTE as two staff members worked only one-half of one year.

Recommendations

1. Northeast Georgia should include a discussion of the regional plan as part of their biennial PIA meetings. Staff should ensure that all local governments have the opportunity to participate in the development of the regional plan.
2. To reduce QLG loss by local governments, Northeast Georgia should begin planning notifications up to 18 months before the deadline, as recommended by DCA.
3. Northeast Georgia should provide better follow-up communication once local governments have lost QLG status.
4. Northeast should document and accurately report planning staff information to DCA.

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

Northeast Georgia and DHS were unable to provide documentation of follow-up for driver-related issues noted with the selected subcontractor.

In fiscal year 2015, Northeast Georgia and DHS jointly conducted all required monitoring of driver files for the largest coordinated transportation subcontractor. DHS assumed responsibility for communicating the results of monitoring and for follow-up with the several issues identified for corrective action. DHS regional office staff could not provide documentation of how these issues were addressed. Our site visit to the selected contractor in April 2016 showed that driver files continued to lack key information such as motor vehicle reports, defensive driver training and employee drugs tests.

Northeast Georgia and DHS were unable to provide documentation of follow-up for vehicle-related issues noted with the selected subcontractor.

In fiscal year 2015, Northeast Georgia and DHS jointly conducted all required vehicle inspections for the largest Coordinated Transportation subcontractor. DHS assumed responsibility for communicating the results of monitoring and for follow-up with multiple issues identified for corrective action, including 10 vehicles with seatbelt issues, 5 requiring door repairs, and 4 with worn tires. DHS regional office staff could not provide documentation of how these issues were addressed. The subcontractor stated that they had performed repairs and had submitted documentation through an online portal.

Northeast Georgia and DHS were unable to provide documentation of the monitoring of daily vehicle pre-trip inspection logs completed by drivers.

DHS requires drivers to perform daily inspections of vehicles before transporting clients. DHS and Northeastern Georgia monitoring indicated that drivers conducted inspections daily, but the selected subcontractor stated that maintenance forms are only filled out on an as needed basis when drivers identify a problem.

Recommendations

1. Northeast Georgia and DHS should clarify the responsibilities of each entity involved in Coordinated Transportation.
2. Northeast Georgia and DHS should follow-up with corrective actions identified during monitoring.
3. Northeast Georgia and DHS should ensure that drivers fill out pre-trip vehicle inspections as required by the DHS Transportation Manual.

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.

Northeast Georgia generally complied with contract requirements for subcontractor monitoring, but the audit team identified two areas for improvement.

- Northeast Georgia communicates summary results of individual site visits to both DHS and the subcontractors. While the audit team saw documentation that Northeast Georgia staff visited all individual sites operated by the selected subcontractors, individual details such as health inspection scores, dates of fire inspections, and food temperatures are not reported to DHS and the subcontractors.
- Northeast Georgia staff did not complete new monitoring forms in fiscal year 2015. Staff used the results of prior year monitoring forms and made alterations only where differences occurred, exposing the risk of conducting incomplete monitoring.

Northeast did not monitor a company that prepared meals for a subcontractor.

One service provider in our sample subcontracts the preparation of congregated meals for one senior center. DHS requires that either the RC staff perform monitoring of all subcontracted vendors, or that RC staff review monitoring of vendors conducted by the senior center. On-site monitoring documentation showed, and staff confirmed, that Northeast Georgia did not monitor the subcontracted meal preparer or the facility in which the meals were prepared.

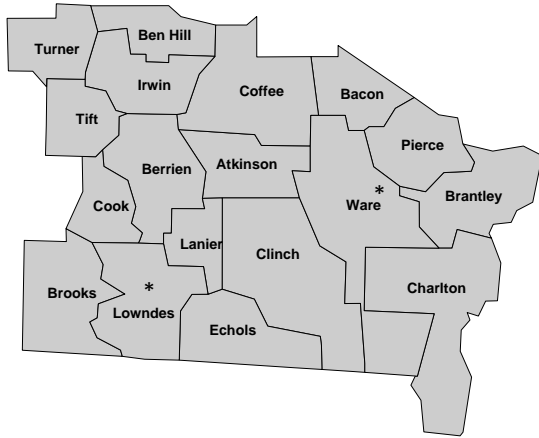
Northeast Georgia is communicating the results of on-site monitoring and quarterly desk reviews to the selected subcontractors.

Northeast Georgia communicated the results of quarterly desk reviews to the selected subcontractors. In addition they communicated the results of annual on-site visits and followed-up with corrective actions, when necessary, in a timely manner.

Recommendations

1. Northeast Georgia should ensure that the results of all sites monitored are communicated to DHS and to the subcontractor.
2. Northeast Georgia should use blank forms when conducting monitoring each year.
3. Northeast Georgia staff should ensure that all congregated meals are prepared in a safe and clean environment.

Agreed-Upon Procedures Southern Georgia Regional Commission



Office locations*	Valdosta and Waycross
2014 Region population (est.)	409,622
Fiscal year 2015 expenditures	\$13,316,671
Approximate square mileage	7,815
Number of local governments	63

RC Scorecard Quartiles	
Financial	2
Customer	1
Learning and Growth	1
Internal Business Process	1

Summary

The audit team identified a few issues at Southern Georgia Regional Commission (Southern Georgia) related to administration. Additionally Southern Georgia 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.

Southern Georgia’s response:

Southern Georgia indicated overall agreement with our findings and recommendations. Southern Georgia reports that it has already taken corrective actions related to some findings and will implement most recommendations noted in the report.

Administration Findings

Policies and Procedures

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

Southern Georgia’s procedures regarding disclosures of business transactions with local governments are adequate.

To prevent potential conflicts of interest, state law requires that RC employees annually disclose any business transactions with local governments. RCs should have written policies and procedures in place to ensure employee compliance with disclosure requirements. Southern Georgia annually communicates the requirements of state law to all employees and has them sign a statement that they have disclosed any outside employment to the Executive Director.

Southern Georgia has a fund balance target.

RCs should maintain adequate fund balance levels to mitigate risk and provide a reserve for revenue shortfalls. Fund balance requirements should be based on the RCs specific circumstances. Southern Georgia has a written fund balance policy requiring a balance of no less than two months of operating expenditures.

Travel and Purchasing Cards

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

Southern Georgia does not have written policies regarding commuting and take-home use of fleet vehicles.

Southern Georgia staff are following take-home use and commuting practices which are sound and are in-line with Statewide Travel Policies. Both vehicle logs and interviews with local governments confirmed that staff have a legitimate business need for take-home vehicles. Written policies would help ensure that both management and staff are clear on the expectations of use of vehicles.

Southern Georgia has adequate controls in place regarding fleet management.

Southern Georgia has 15 vehicles paid for through local government funds. All vehicles are marked with RC logos, and keys are managed by division directors and are signed-out to staff on an as needed basis. While staff at each of the RCs two offices followed the policies applicable to each location, the Valdosta office has a less stringent policy than the Waycross office with regard to vehicle maintenance records and documentation of gas receipts.

Southern Georgia had sufficient travel policies and reimbursement processes.

The audit team noted only four minor instances of noncompliance with policy in the documentation of five employees selected for review.

The Executive Director's travel reimbursements are not reviewed or approved by the Council.

The Executive Director's travel reimbursement was generally authorized and approved by a subordinate employee. Beginning in January 2015, the Council Chairman began authorizing travel, but did not approve final expense reimbursements.

Southern Georgia has an adequate system of controls over purchasing cards, but did not strictly follow them in fiscal year 2015.

The audit team reviewed travel reimbursements for three employees and two office-wide cards. We identified the following issues related to expense and authorization documentation:

- Several months of missing receipts for a monthly subscription;
- One non-itemized receipt for a large group dinner at an annual conference;
- Multiple instances where staff members used another individual's card instead of an office-wide card; and,
- Multiple instances where supervisors either did not sign authorization forms prior to purchase or did not sign requisition forms after the purchase had been made.

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 is conducting performance appraisals of the Executive Director.

The Council conducted a performance appraisal of the Executive Director in July 2014 and 2015. Each Council member completed a survey of the Executive Director's performance, and summary results were discussed and documented in an open meeting.

Southern Georgia does not have a written policy regarding performance appraisals and does not conduct routine performance appraisals of employees.

The audit team reviewed a sample of six planning staff's personnel files. One staff's most recent appraisal dated from 2004, another staff's from 2008, two staff had an appraisal in 2010, one had a six-month review in 2015, and one had no appraisal on file. Southern Georgia has no written policy or procedure regarding performance appraisals.

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 meetings law and the RC's bylaws for selected meetings.

The team reviewed a sample of meetings from fiscal year 2015 for compliance with state law and Southern Georgia's bylaws. The team did not identify any compliance issues.

Recommendations

1. Southern Georgia should have written policies regarding take-home vehicles that reflect its current practices.
2. Southern Georgia should adopt the more stringent vehicle documentation and recordkeeping policies of its Waycross office at the Valdosta office.
3. A Council member should sign off on the Executive Director's travel expense reimbursements.
4. Southern Georgia should follow its own purchasing card policies.
5. Southern Georgia should have written policy regarding regular appraisals of employee performance.
6. Southern Georgia should perform regular appraisals of employee performance.

Southern Georgia's response:

1. "Southern Georgia will prepare a written policy consistent with current practices regarding take-home vehicles."
2. "Southern Georgia's Valdosta office will adopt the Waycross office's vehicle maintenance documentation and recordkeeping practices."
3. "Southern Georgia will implement a procedure whereby the Council Chair will sign off on a reconciliation of the Executive Director's preauthorized travel expenses and actual travel expense reimbursements."

4. *“Southern Georgia staff will work diligently to ensure adherence to purchasing card policies.”*
5. *“Southern Georgia will develop a written policy regarding appraisals of employee performance.”*
6. *“Southern Georgia will adhere to a written policy regarding appraisals of employee performance.”*

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 annually reported to DCA by the RC.

Local governments are generally satisfied with Southern Georgia.

The audit team interviewed seven local governments, all of which expressed satisfaction with the RC's services and communication. Local governments felt that RC staff were knowledgeable and built good relationships by constantly communicating and establishing a physical presence through on-site visits.

Biennial plan implementation assistance meetings were not adequately documented, but met DCA's requirements.

The audit team found evidence that Southern Georgia planning staff were meeting with local government officials on a biennial basis. PIA meeting agendas and other documentation did not show evidence that Southern Georgia staff discussed the regional plan, the local government's upcoming implementation activities, plan implementation accomplishments, or offers of assistance with implementation activities. In addition, Southern Georgia could not provide documentation to show that they invited all key elected officials or staff to attend meetings, and for one local government in our sample, could not show who was in attendance. However, all local governments interviewed agreed PIA meetings were held and that the appropriate amount of communication had been provided to both them and other officials from their local government. Furthermore, local government interviewees verified that Southern Georgia staff are in constant communication, visit local governments more often than biennially, and constantly remind local government officials of responsibilities and deadlines.

Southern Georgia could improve its communication of planning responsibilities and deadlines.

DCA recommends that RCs begin notifying local governments 12 to 18 months before the deadline to allow sufficient time for required reviews and public hearings. The documentation that Southern Georgia provided for the five selected local governments showed communications beginning 8 to 12 months in advance of deadlines. These

communications clearly stated deadlines, but did not consistently mention the consequences of QLG loss or show offers of assistance. Southern Georgia staff sent multiple follow-up e-mails to four of the five local governments selected for review, and all local government interviewees stated that RC staff provided e-mail and in-person communications regarding upcoming deadlines, planning responsibilities, and offers of assistance. The audit team saw evidence that the Economic Development Director visited local governments in-person during multiple points in a given year and discussed planning deadlines. During fiscal year 2015, of the fourteen local governments in the Southern Georgia region which were scheduled to submit a comprehensive plan, none (0%) lost their QLG status due to late submissions.

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. Results of the Scorecard were adjusted to reflect any differences shown in the documentation provided by the RC to the audit team and information submitted to DCA.

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

Southern Georgia over reported its planning staff's training hours to DCA by approximately 2%. Years of experience was over reported by approximately 7% and staff FTE were over reported by approximately one and one-half FTE primarily due to staff working for only portions of the year.

Recommendations

1. Southern Georgia should better document how and when they invite local government officials and staff to PIA meetings, and ensure that meetings include a discussion of the regional plan.
2. Southern Georgia should better document communications of upcoming planning deadlines.
3. Southern Georgia should accurately report planning staff information and training hours.

Southern Georgia's Response:

1. *“Southern Georgia has implemented practices to ensure documentation of work performed. Planning staff members are continuing to invite all local governments to biennial (assessment) meetings via email, but are also specifically expressing offers of assistance in the emails. Staff is also ensuring that meeting agendas include discussion of the regional plan and consequences for the loss of QLG status. A staff member has been assigned responsibility for retaining and filing meeting invitations, agendas, sign-in sheets, and other pertinent assessments meeting documents.”*
2. *“A report of upcoming planning deadlines is included in Southern Georgia Council packets at every Council meeting.”*
3. *“Years of experience for planning staff have been verified to ensure the accuracy of future reports. Also, Southern Georgia staff has developed a tool for the purpose of recording employee training and instructed staff to use the tool to record training by fiscal year and to upload supporting documents, including agendas.”*

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

Southern Georgia staff were not aware of all DHS Coordinated Transportation requirements.

The Transportation Director was not aware that inspections applied to all vehicles used to provide Coordinated Transportation services, not simply those vehicles purchased with Coordinated Transportation funds. As a result, RC staff did not monitor any vehicles inspected by the Georgia Department of Transportation (GDOT)³. In fiscal year 2015, RC staff reviewed 25 of 54 driver files and stated that in fiscal year 2016 all files were reviewed. DHS requires RCs to review all driver files annually.

Southern Georgia did not conduct all required vehicle monitoring for the selected subcontractor in fiscal year 2015.

The audit team reviewed monitoring documentation for Southern Georgia's largest transportation provider and identified the following issues regarding vehicles:

- Southern Georgia staff physically inspected 11 out of 40 vehicles operated by the selected subcontractor. The DHS Transportation Manual requires the RC to physically inspect at least 50% of vehicles operated by a subcontractor and to perform desk reviews of the remaining vehicles.
- Southern Georgia staff stated that they did not perform desk reviews of vehicle maintenance files, daily driver records, and annual safety inspections.
- Not all vehicles were inspected annually by a certified mechanic as required by DHS regulations. We reviewed a sample of 10 vehicle files on-site at the subcontractor's offices, and did not see an annual vehicle inspection by a certified mechanic for two vehicles which were described as "backups."
- Daily driver inspection forms were consistently filled out by some drivers, and not at all by others. The forms should describe any vehicle issues noted by the driver, and may indicate needed repairs.

Southern Georgia did not conduct all required driver monitoring for the selected subcontractor in fiscal year 2015.

Southern Georgia reviewed driver files for a sample of 25 out of 54 drivers at their largest subcontractor. DHS transportation regulations requires review of all driver files annually. The audit team reviewed a sample of eight driver qualification files while on-site at the subcontractor and found that most files had complete and up-to

³A vehicle may be used by both GDOT and DHS transportation programs. In these instances both GDOT and DHS require separate inspections of the vehicle.

date material. One discrepancy was identified regarding an employee's CPR and first aid certification dates as recorded by Southern Georgia monitoring staff.

Recommendations

1. Southern Georgia staff should become familiar with the requirements of the DHS Transportation manual.
2. Southern Georgia should physically inspect at least half of all vehicles operated by its subcontractors and perform desk reviews for the remaining vehicles, as required by the DHS Transportation manual.
3. Southern Georgia should annually review the driver qualification files for all driver employed by their subcontractors, as required by the DHS Transportation manual.

Southern Georgia's response:

1. "Transportation staff members have familiarized themselves with the requirements of the DHS Transportation manual."
2. "During FY16, Southern Georgia staff physically inspected all vehicles operated by the subcontractor. Also during FY16, staff monitored the maintenance of vehicles and daily driver records, and they have monitored vehicle inspections to ensure that every vehicle had an annual inspection by a certified mechanic. Beginning in FY17, in accordance with DHS Transportation manual requirements, Southern Georgia staff will physically inspect at least half of all vehicles operated by its subcontractor and perform desk reviews for the remaining vehicles. Staff is in the process of updating policies to include monitoring practices consistent with DHS Transportation manual requirements."
3. "During FY16, transportation staff reviewed the driver qualification files for all drivers employed by the subcontractor. Staff is in the process of updating monitoring policies to include this practice."

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 the reviews are completed, the RC is required to provide specific, written feedback to the subcontractor regarding any findings identified.

Southern Georgia is conducting annual monitoring reviews in accordance with DHS policies, but provides too much advance notice of site visits.

As of August 2015, DHS Aging updated its administrative manual to limit site visit announcements to 48 hours. During fiscal year 2015, Southern Georgia staff provided subcontractors with one week's notice prior to monitoring visits. Staff stated they now provide notice 48 hours prior to site visits.

Southern Georgia performed the required annual monitoring reviews in accordance with DHS policies, with a few exceptions.

- One instance when the monitor did not provide comments to explain why "N/A" had been selected as an answer.

- One instance when the monitor noted a deficiency in the subcontractor's follow-up with a new client, and the deficiency was not communicated in the corrective action letter.

Southern Georgia is communicating the results of on-site monitoring and quarterly desk reviews to the selected subcontractors.

Southern Georgia communicated the results of quarterly desk reviews to the selected subcontractors. In addition, they communicated the results of annual on-site visits. Southern Georgia did not identify any corrective actions needed during fiscal year 2015 monitoring.

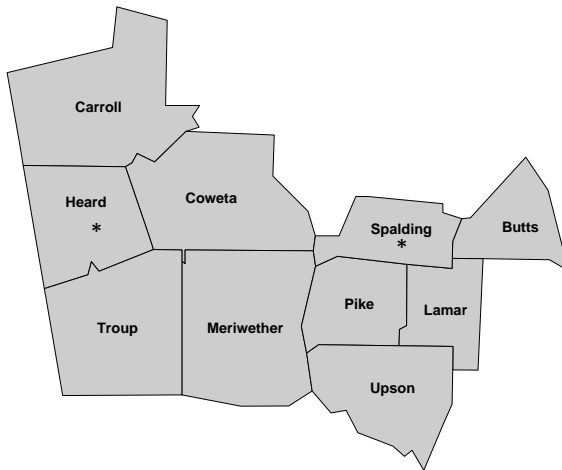
Recommendations

Southern Georgia staff should ensure they document and communicate all deficiencies identified during monitoring.

Southern Georgia's response:

"Aging staff will work diligently to ensure thorough documentation and communication of deficiencies identified during monitoring."

Agreed-Upon Procedures Three Rivers Regional Commission



Office locations*	Griffin and Franklin
2014 Region population (est.)	501,537
Fiscal year 2015 expenditures	\$11,803,335
Approximate square mileage	3,255
Number of local governments	53

RC Scorecard Quartiles	
Financial	2
Customer	4
Learning and Growth	4
Internal Business Process	4

Summary

The Three Rivers Regional Commission (Three Rivers) had significant deficiencies related to office administration and contract compliance for DCA Coordinated Planning. Regarding administration, Three Rivers had deficiencies related to employee appraisals, and two issues resulting in noncompliance with state law requiring a performance appraisal of the Executive Director and the Georgia Open Meetings Act. Regarding Coordinated Planning, Three Rivers did not communicate regularly with local governments and follow-up with the loss of QLQ status. Less significant issues were identified related to the DHS Aging contract.

Three Rivers’ Response:

Three Rivers chose not to respond to the report.

Administration Findings

Policies and Procedures

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

Three Rivers is complying with state law by disclosing employee business transactions. To prevent potential conflicts of interest, state law requires that RC employees annually disclose any business transactions with local governments. RCs should have policies and procedures in place to ensure employee compliance with disclosure requirements. Three Rivers has a procedure in place to ensure compliance with state law. The RC could improve its controls by developing a written policy or procedure that details the requirements of the state law to employees.

Three Rivers 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 RCs

specific circumstances. Three Rivers follows an unwritten policy of maintaining a target balance equal to 90 days of operating expenses.

Travel and 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 purchases and travel reimbursements are not reviewed or approved by the Council.

The Executive Director's travel expense reimbursements and credit card charges are approved by accounting staff, who are subordinate employees. Expenses should be reviewed by a superior who is able to determine the appropriateness and reasonableness of expenses.

Three Rivers generally follows sound travel reimbursement practices.

The audit team reviewed travel reimbursements for four employees and the Executive Director. Three Rivers policy states that travel reimbursements must be submitted within five days of the close of travel. Staff regularly follow a less restrictive, but reasonable practice of submitting reimbursements once per pay period. All reimbursements generally had supporting documentation and supervisory review, with some minor instances of non-compliance including one \$940 non-itemized receipt for several staff and Council members at a conference.

Through October 2014, RC accounting staff regularly reimbursed the Aging Director for meal per diems based on a daily rate instead of the per meal rate required under its policies. The meal reimbursement policy requires employees to submit receipts for each meal, which were generally present. Additionally, we identified eight instances in which the Aging Director's reimbursements were approved by accounting staff, who are subordinate employees.

Three Rivers reimburses employees for mileage without deducting for normal commuting miles.

The audit team reviewed travel reimbursements for a sample of four staff and identified instances when all four received reimbursements for trips that did not deduct for their standard daily commute. While the RC's travel policy allows for these types of reimbursements, the state's policy requires reimbursement for business use of a personal-owned vehicle from point of departure after deduction for normal commuting mileage. If normal commuting miles are not deducted the employee is reimbursed for a cost that should be borne by the employee. For example, the Aging Director commutes approximately 40 miles to the Franklin office (her home office) and 70 miles to the Griffin office. Reimbursement was provided for the full 70 miles to the Griffin office without deducting for the normal commuting miles (40 miles to the Franklin office). One employee based in the Griffin office has a daily commute of approximately 140 miles round-trip. The employee was routinely reimbursed for any business use of a personal-owned vehicle from point of departure without deduction for normal commuting mileage.

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 is not annually performing an appraisal of the Executive Director as required by state law and Three Rivers' bylaws.

The audit team reviewed the Executive Director's personnel file and found that his most recent performance appraisal was conducted by the Council Chairman in 2011.

Three Rivers has not conducted annual performance appraisals of its employees as required by its policy.

The audit team reviewed a sample of personnel files for five planning staff. Two staff had an appraisal in 2011, one had a six-month review in 2015, one had no appraisal on file, and one's most recent appraisal dated from 1993. Three Rivers has a policy stating employee appraisals should be performed annually.

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.

Council meetings did not comply with the state open meetings law.

The Three Rivers Council does not post upcoming meeting dates to the Three Rivers website or elsewhere. State law requires meeting notices to be "posted at least one week in advance and maintained in a conspicuous place available to the public at the regular place of an agency or committee meeting subject to this chapter as well as on the agency's website."

Council meeting time and frequency may be a limit to participation.

Three Rivers Council bylaws require a minimum of four meetings per year, and in fiscal years 2014 and 2015 a total of six meetings per year were held. Councils for the eight other RCs we have reviewed since 2013 met between 8-11 times per year. While each Three Rivers Council meeting held a quorum in fiscal years 2014 and 2015, Council member attendance ranged between 56-62%. During one meeting in fiscal year 2016, a quorum was lost mid-meeting due to three Council members leaving. Additionally, the Executive Director stated that the Council is too large and contains employed members who do not wish to meet during the day and retired members who do not wish to meet at night. Meetings in fiscal years 2014-2016 have been consistently held in the afternoon. Local governments noted both in interviews and in Council meeting minutes that attendance required a full day commitment and time off from the workday.

Recommendations

1. Three Rivers should develop a written policy to address employees' disclosure of business transactions with local governments.
2. Three Rivers should set a fund balance target in written policy.

3. The Council should review and approve the Executive Director's travel and purchasing expenses.
4. Three Rivers should update its written policy to reflect current travel reimbursement practices.
5. Three Rivers should discontinue reimbursing employees for mileage which is less than their regular commute.
6. The Council should appraise its Executive Director annually in accordance with state law and Three Rivers' bylaws.
7. Three Rivers should appraise its employees annually as required by the RC's policy.
8. The Council should post notifications of upcoming meetings to its website in accordance with state law.
9. The Council should consider making changes to the frequency and time of Council meetings in order to increase transparency and accessibility.

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.

Three Rivers held plan implementation assistance meetings with selected local governments, but did not fulfill all DCA contract requirements.

The local governments interviewed recalled meeting with Three Rivers staff and confirmed the timeframe reported to DCA. However, meeting documentation provided by Three Rivers did not indicate that the required elected officials were invited to, or were present at, the meetings held prior to calendar year 2016. Meeting agendas were not consistent, and some agendas contained vague or incomplete content which did not clearly communicate that Three Rivers discussed all required elements of the DCA contract. Although all meeting agendas indicated that the regional plan was discussed, none of the local governments interviewed agreed it was discussed. The DCA contract requires that PIA meetings contain a discussion of the regional plan and how the local government is progressing towards achieving it.

Three Rivers does not provide sufficient notification of planning deadlines to local governments.

DCA recommends that RCs begin notifying local governments 12 to 18 months before the deadline to allow sufficient time for required reviews and public hearings. For three of the four local governments we reviewed, initial communication of planning responsibilities occurred nine to four months before the deadline. The fourth local government did not receive any formal notification. Three Rivers planning staff

formally communicated the upcoming planning deadlines, but did not notify local governments of the consequences associated with QLG loss.

During fiscal year 2015, three local governments were scheduled to submit a comprehensive plan and seven were scheduled to submit a capital improvement element (CIE). CIEs are annual updates that may trigger QLG loss. Three of these ten (30%) lost QLG status due to a late submission of a CIE. The length of the QLG loss status was 38, 168, and 283 days.

Based on survey results, discussions with local governments, and a review of planning activities, Three Rivers should review its planning services to ensure it is meeting the planning needs of member governments.

Smaller local governments indicated that fees charged for services were not reasonable, and larger local governments preferred in-house or outsourced planning services to those offered by the RC. Survey scores indicate that local governments in this region are less likely to utilize Three Rivers for planning services and are less satisfied with Three Rivers' services than other RCs.

We reviewed planning activity documents for seven local governments and discussed planning activities with several others. Based on the evidence collected, Three Rivers planning staff are not taking the initiative to follow-up with local governments as QLG loss deadlines approach or pass. We found evidence that Three Rivers planning staff were aware of conflicts between a county government and a small municipal government within its border, but relied on the county to communicate planning responsibilities to the municipality. The municipality did not have QLG status between 2012 and 2016. Documentation showed that a key staff member at a different local government felt "out of the loop" after losing QLG status as the result of DCA previously recommending changes to their short term work program (STWP).⁴ Multiple local governments interviewed reported the RC missed deadlines for QLG triggering events and key grants. Between fiscal years 2012 and 2014, 21 local governments lost QLG status due to missed deadlines.

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. Results of the Scorecard were adjusted to reflect any differences shown in the documentation provided by the RC to the audit team and information submitted to DCA.

The staffing information that Three Rivers reported to DCA was generally accurate, with four exceptions.

Three Rivers overstated its staff's training hours to DCA by approximately 14%. Years of experience was overstated by approximately 12%, and planning staff by approximately one-half of one FTE. Three Rivers reported to DCA that two staff members had a Master's Degree in Planning, but the audit team only identified one employee with that qualification.

⁴ This local government lost QLG status for a total of 103 days in fiscal year 2014.

Recommendations

1. Three Rivers should document invitees, attendees, and items discussed at plan implementation assistance meetings to demonstrate that all requirements have been met.
2. Three Rivers planning staff should meet DCA's recommended time frame for notifying local governments of planning responsibilities and deadlines.
3. Three Rivers should meet with local governments and/or conduct surveys to ensure it is providing the planning services that are needed and to ensure that the member governments are satisfied with the quality of these services.
4. Three Rivers planning staff should follow-up with local governments in a timely manner and communicate upcoming or missed deadlines as they occur. Timely notification assists local governments in maintaining QLG status and ensures that Three Rivers is meeting all of its planning needs or requirements.
5. Three Rivers should document and accurately report planning staff information to DCA.

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

Three Rivers conducted all required driver and vehicle monitoring for the selected subcontractor in fiscal year 2015.

Three Rivers withheld funds from the subcontractor in the last quarter of fiscal year 2015 as a sanction for failure to take corrective actions on the multiple issues identified during monitoring, including: tire damage on multiple vehicles, broken taillights, missing documentation of daily driver inspections, incomplete driver files, missing driver files, and no documentation of new employee training. RC staff stated the subcontractor no longer complied with documentation requests once their contract was not renewed for fiscal year 2016. The audit team verified during an on-site visit to the selected subcontractor that poor records were maintained by the subcontractor, as described in the corrective action letter and driver qualification checklists completed by the RC.

Recommendations

Three Rivers should continue to review vehicle maintenance records, daily driver logs, and driver files. Three Rivers should continue to note corrective actions and sanctions taken when records and inspections are not provided by subcontractors.

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 the reviews are completed, the RC is required to provide specific, written feedback to the subcontractor regarding any findings identified.

Three Rivers generally complied with contract requirements for subcontractor monitoring, but the audit team identified three critical deficiencies.

RCs must annually perform site visits at each location operated by their subcontractors and report all findings to DHS. Two of three sites in our sample operated by an Adult Day-Care provider did not receive on-site monitoring in fiscal year 2015. At the same time, Three Rivers' staff provided written feedback of on-site monitoring to subcontractors, but did not follow-up with corrective actions identified. Not all deficiencies noted in the monitoring feedback were submitted to DHS Aging as part of a monitoring log. For on-site monitoring conducted in fiscal year 2016, RC staff provided evidence of corrective actions required and follow-up.

Three Rivers does not review subcontractor procedures for collection of client contributions to ensure controls are in place.

Per the recommendation of our 2014 report, DHS updated its program manual to provide guidance on collecting program income. The audit team reviewed policies on collecting program income for a sample of three service providers. Three Rivers staff reported receiving a verbal explanation of one of the three provider's policies during their annual monitoring visit. Staff were not able to provide written or explanatory policies for the other two.

Three Rivers is conducting quarterly reviews of subcontractors, but the audit team was unable to verify that written feedback was always provided to subcontractors.

Three Rivers staff reported performing monthly desk reviews of financial and programmatic performance. The audit team noted evidence of these reviews; however, the audit team found limited evidence that written feedback was provided to subcontractors in fiscal year 2015. Staff stated that they purge e-mails once per month. While onsite, the auditors observed some evidence of written feedback in the fiscal year 2015 period which had been retained by a subcontractor.

Three Rivers does not monitor a company that prepared meals for a subcontractor.

One service provider subcontracts the preparation of congregate meals for two senior centers. DHS requires that either the RC staff perform monitoring of all subcontracted vendors, or that RC staff review monitoring of vendors conducted by the senior center. On-site monitoring documentation showed, and staff confirmed, that Three Rivers did not monitor the subcontracted meal preparer or the facility in which the meals were prepared.

Three Rivers scheduled monitoring visits with the assistance of providers in fiscal year 2015.

As of August 2015, DHS Aging updated its administrative manual to limit site visit announcements to 48 hours. During fiscal year 2015, Three Rivers staff either called

subcontractors several months prior to a site visit, or e-mailed them a schedule and asked them to select a time. Staff stated they now provide limited notice prior to site visits.

Recommendations

1. Three Rivers should perform on-site visits to each site operated by a subcontractor, and maintain completed documentation of each visit.
2. Three Rivers should improve monitoring feedback to DHS Aging to include all deficiencies noted during on-site visits.
3. Three Rivers staff should follow-up with corrective actions in a timely manner and maintain documentation of the follow-up and resulting action.
4. Three Rivers staff should ensure that all service providers have the adequate controls over the collection of program income from clients.
5. Three Rivers should retain documentation of written feedback to providers of quarterly financial monitoring.
6. Three Rivers staff should ensure that all congregated meals are prepared in a safe and clean environment.
7. Three Rivers should continue to follow DHS policy and notify service providers of site visits no more than 48 hours in advance.

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) Using a modified version of the Balanced Scorecard, evaluate the performance of the 12 regional commissions (RCs).
- 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

This audit generally covered activity related to RCs that occurred during fiscal year 2015, 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; and conducting site visits to three RCs.

Government auditing standards require that we also report the scope of our 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 DHS Aging and DHS Coordinated Transportation. 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 utilizes 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 36. 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 the Atlanta RC follows the calendar year and not the state's fiscal year, the Atlanta RC's fiscal year 2014 statements were used. For all other RCs, fiscal year 2015 was used. Because local government revenue was not always reported separately in the financial statements, we requested the information directly from the RCs. Therefore, local government revenue was generally self-reported and was 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. Of the 688 local governments in the state, the audit team distributed a survey to the 684 for which we were able to obtain valid email addresses. We received responses from 394 (57%), with regional response rates varying from 42% for Coastal RC to 75% for Middle Georgia RC.

- *Learning and Growth* – The learning and growth measures reflect information reported by each RC to DCA annually. Because the RCs only report information for planning staff, staff members that provide other services (e.g., aging and transportation) were excluded. For the three RCs selected for agreed-upon procedures, scorecard results were adjusted to reflect any differences shown in the documentation provided by the RC to the audit team and information submitted to DCA. After consulting with RC staff, we adjusted the scorecard results of Southwest to reflect information verified during our 2015 site visit, including removal of one staff member not associated with planning, and removed one staff member reported as 0 FTE from Heart of Georgia Altamaha. 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 values for individual performance measures, as shown in [Appendix D](#), were ranked from 1 to 12, with “1” signifying top performance 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 performance in the top three RCs, and a quartile ranking of “4” signifies performance in the lowest three RCs. As the Internal Business Process perspective contains performance measures from 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 our analyses. While we concluded that the information was sufficiently reliable for the purposes of our review, we did not independently verify the data.

To conduct agreed-upon procedures at three regional commissions, we conducted site visits to RC offices, 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 sample of local government representatives. For aging and transportation, we selected a sample of subcontractors and reviewed documentation of the RC’s monitoring activities. For transportation, we additionally

performed a site visit to the offices of one subcontractor per RC in order to interview staff, and review documentation kept on a sample of drivers and vehicles.

We reviewed internal controls as part of our work on administration, aging, and transportation. For the items 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 control are discussed in findings on pages 11 through 32 of this report. Due to the limitations of the agreed-upon procedures, some findings are limited to the sample reviewed 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.

This performance audit was not conducted in accordance with generally accepted government auditing standards (GAGAS) or the AICPA attestation standards given the time frame in which the report was needed. However, it was conducted in accordance with 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

<u>Measure</u>	<u>Methodology</u>	<u>Source</u>	<u>Time Period</u>
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 2015 ¹
Ratio of fund balance to expenditures	Divide fund balance by total expenditures	Audited financial statements	Fiscal year 2015 ¹
Ratio of assets to liabilities	Divide total assets by total liabilities	Audited financial statements	Fiscal year 2015 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 2015 ¹
Customer			
Satisfaction with planning services	Average survey responses for planning services section	DOAA-conducted survey of local governments	Spring 2016
Satisfaction with intergovernmental coordination	Average survey responses for intergovernmental coordination section	DOAA-conducted survey of local governments	Spring 2016
Satisfaction with staff	Average survey responses for staff section	DOAA-conducted survey of local governments	Spring 2016
Overall satisfaction	Average survey responses for overall satisfaction section	DOAA-conducted survey of local governments	Spring 2016
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 2015
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 2015
Average hours of training provided to planning staff	Divide the total hours of training by the number of planning staff	Staff information reported by RCs to DCA	Fiscal year 2015
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 2015
Percent of planning staff with Masters 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 2015
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 2015
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 2014 and 2015 ²
Contract performance errors	Count number of errors (missed deadlines, incomplete submissions, etc.) identified by DCA	DCA	Fiscal year 2015
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 2015
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 2015
Percent of local governments with QLG status	Divide the number of Qualified Local Governments in the region by the total number of local governments	DCA	End of fiscal year 2015
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 2015
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 2015
Results of Aging satisfaction surveys	Determine the percent of satisfied respondents from the DHS Aging surveys	DHS	Fiscal years 2014 and 2015 ³
Cost per trip - Transportation	Divide the number of trips provided by the RC by dollars spent on DHS Transportation	DHS	Fiscal year 2015
Results of Transportation satisfaction surveys	Determine the percent of satisfied respondents from the DHS Transportation surveys	DHS	Fiscal year 2015
¹ Atlanta Regional Commission operates on a calendar year instead of the state's fiscal year, so its 2014 statements were used.			
² Two years of data were used to increase the measure's validity by increasing the population size.			
³ The measure includes biennial surveys that were conducted in 2014.			
Source: DOAA, DCA, and DHS			

Appendix B: State Funds Provided to Georgia's Regional Commissions, Fiscal Year 2015

Regional Commission	DCA Planning	DHS Aging Services	DHS Coordinated Transportation	DNR Historic Preservation	Total
Atlanta	\$235,000	\$8,212,347	\$0	\$0	\$8,447,347
Central Savannah River Area	\$190,218	\$2,187,193	\$225,442	\$1,636	\$2,604,489
Coastal	\$211,887	\$2,125,129	\$130,354	\$1,636	\$2,469,006
Georgia Mountains	\$227,506	\$0	\$108,036	\$1,636	\$337,179
Heart of Georgia Altamaha	\$186,246	\$1,786,852	\$368,850	\$1,636	\$2,343,584
Middle Georgia	\$181,496	\$2,194,001	\$189,585	\$1,636	\$2,566,718
Northeast Georgia	\$207,511	\$2,008,047	\$298,429	\$1,636	\$2,515,623
Northwest Georgia	\$235,000	\$3,041,072	\$0	\$1,636	\$3,277,709
River Valley	\$195,084	\$1,569,287	\$7,401	\$1,636	\$1,773,409
Southern Georgia	\$215,646	\$2,468,632	\$34,293	\$1,636	\$2,720,207
Southwest Georgia	\$174,967	\$0	\$480,294	\$1,636	\$656,897
Three Rivers	<u>\$174,688</u>	<u>\$2,021,860</u>	<u>\$272,896</u>	<u>\$1,636</u>	<u>\$2,471,079</u>
Total	\$2,435,248	\$27,614,418	\$2,115,580	\$18,000	\$32,183,247

Source: DCA, DHS, and DNR

Appendix C: Survey Response Rates, Fiscal Year 2015

Regional Commission	Municipalities	Counties
Atlanta	Total Respondents: 44 Total Governments in Region: 75 Region Response Rate: 58.7%	
	<p><i>Respondents</i></p> <p>Atlanta, Avondale Estates, Berkeley Lake, Brookhaven, Canton, Chamblee, Chattahoochee Hills, Clarkston, College Park, Conyers, Decatur, Douglasville, Duluth, Dunwoody, East Point, Forest Park, Grayson, Hampton, Hapeville, Lawrenceville, Lilburn, Lithonia, Locust Grove, McDonough, Milton, Mountain Park, Norcross, Peachtree City, Roswell, Sandy Springs, Smyrna, Stockbridge, Stone Mountain, Sugar Hill, Suwanee, Union City</p>	<p>Cherokee, Cobb, DeKalb, Douglas, Fayette, Fulton, Gwinett, Rockdale</p>
	<p><i>Non-Respondents</i></p> <p>Acworth, Alpharetta, Austell, Ball Ground, Brooks, Buford, Dacula, Doraville, Fairburn, Fayetteville, Holly Springs, Johns Creek, Jonesboro, Kennesaw, Lake City, Lovejoy, Marietta, Morrow, Palmetto, Peachtree Corners, Pine Lake, Powder Springs, Rest Haven, Riverdale, Snellville, Tyrone, Waleska, Woodstock, Woolsey</p>	<p>Clayton, Henry</p>
Central Savannah River Area	Total Respondents: 31 Total Governments in Region: 52 Region Response Rate: 59.6%	
	<p><i>Respondents</i></p> <p>Avera, Blythe, Camak, Columbia, Davisboro, Dearing, Harlem, Hephzibah, Lincolnton, Louisville, Millen, Mitchell, Norwood, Oconee, Riddleville, Sandersville, Sardis, Thomson, Tignail, Washington, Wrens</p>	<p>Burke, Hancock, Jefferson, Jenkins, McDuffie, Taliaferro, Warren, Washington, Augusta-Richmond¹</p>
	<p><i>Non-Respondents</i></p> <p>Bartow, Crawfordville, Deepstep, Edgehill, Gibson, Girard, Grovetown, Keysville, Midville, Rayle, Sharon, Sparta, Stapleton, Tennesse, Vidette, Wadley, Warrenton, Waynesboro</p>	<p>Glascocock, Lincoln, Wilkes</p>
Coastal	Total Respondents: 19 Total Governments in Region: 45 Region Response Rate: 42.2%	
	<p><i>Respondents</i></p> <p>Brooklet, Flemington, Garden City, Hiltonia, Kingsland, Ludowici, Riceboro, Rincon, Savannah, Springfield, St. Marys, Statesboro, Thunderbolt, Tybee Island, Walthourville, Woodbine</p>	<p>Effingham, Glynn, Liberty¹</p>
	<p><i>Non-Respondents</i></p> <p>Allenhurst, Bloomingdale, Brunswick, Darien, Gum Branch, Guyton, Hinesville, Midway, Newington, Oliver, Pembroke, Pooler, Port Wentworth, Portal, Register, Richmond Hill, Rocky Ford, Sylvania, Vernonburg</p>	<p>Bryan, Bulloch, Camden, Chatham, Long, McIntosh, Screven</p>
Georgia Mountains	Total Respondents: 25 Total Governments in Region: 51 Region Response Rate: 49.0%	
	<p><i>Respondents</i></p> <p>Blairsville, Canon, Clarkesville, Clermont, Cleveland, Cornelia, Cumming, Dahlonega, Dawsonville, Dillard, Gainesville, Hartwell, Lavonia, Lula, Maysville, Mount Airy, Oakwood, Royston, Toccoa</p>	<p>Banks, Dawson, Habersham, Rabun, Stephens, White</p>
	<p><i>Non-Respondents</i></p> <p>Alto, Avalon, Baldwin, Bowersville, Carnesville, Clayton, Demorest, Flowery Branch, Franklin Springs, Gillsville, Helen, Hiawassee, Homer, Martin, Mountain City, Sky Valley, Tallulah Falls, Tiger, Young Harris</p>	<p>Forsyth, Franklin, Hall, Hart, Lumpkin, Towns, Union</p>

Appendix C: Survey Response Rates, Fiscal Year 2015 (Continued)

<u>Regional Commission</u>	<u>Municipalities</u>	<u>Counties</u>
Heart of Georgia Altamaha	Total Respondents: 42 Total Governments in Region: 79 Region Response Rate: 53.2%	
	<i>Respondents</i>	
	Ailey, Alston, Baxley, Chester, Claxton, Collins, Dublin, East Dublin, Eastman, Garfield, Glennville, Glenwood, Graham, Hazelhurst, Helena, Higgston, Jacksonville, Jesup, Lumber City, Manassas, Metter, Odoum, Pineview, Pitts, Pulaski, Reidsville, Rentz, Rhine, Scotland, Screven, Wrightsville	Candler, Dodge, Evans, Jeff Davis, Laurens, Montgomery, Tattall, Telfair, Toombs, Treutlen, Wilcox
<i>Non-Respondents</i>		
	Abbeville, Adrian, Alamo, Bellville, Cadwell, Chauncey, Cobbtown, Cochran, Daisy, Denton, Dexter, Dudley, Hagan, Kite, Lyons, McRae, Milan, Montrose, Mout Vernon, Nunez, Oak Park, Rochelle, Santa Claus, Soperton, Stillmore, Summertown, Surrency, Swainsboro, Tarrytown, Twin City, Uvalda, Vidalia	Appling, Bleckley, Emanuel, Johnson, Wayne, Wheeler
Middle Georgia	Total Respondents: 24 Total Governments in Region: 32 Region Response Rate: 75.0%	
	<i>Respondents</i>	
	Allentown, Byron, Centerville, Culloden, Danville, Eatonton, Forsyth, Gordon, Hawkinsville, Ivey, Milledgeville, Roberta, Toombsboro, Warner Robbins	Baldwin, Crawford, Houston, Jones, Monroe, Peach, Pulaski, Putnam, Wilkinson, Macon-Bibb ¹
<i>Non-Respondents</i>		
	Fort Valley, Gray, Irwinton, Jeffersonville, McIntyre, Payne City, Perry	Twiggs
Northeast Georgia	Total Respondents: 38 Total Governments in Region: 65 Region Response Rate: 58.5%	
	<i>Respondents</i>	
	Arcade, Arnoldsville, Bethlehem, Bogart, Bowman, Carl, Cobert, Comer, Covington, Crawford, Elberton, Good Hope, Hull, Ila, Jefferson, Lexington, Loganville, Maxeys, Newborn, Nicholson, North High Shoals, Oxford, Pendergrass, Porterdale, Shady Dale, Siloam, Statham, Union Point, Watkinsville, Winder, Winterville	Barrow, Greene, Jackson, Madison, Morgan, Oconee, Walton
<i>Non-Respondents</i>		
	Auburn, Between, Bishop, Bostwick, Braselton, Buckhead, Carlton, Commerce, Danielsville, Greensboro, Hoschton, Jersey, Madison, Mansfield, Monroe, Monticello, Rutledge, Social Circle, Talmo, Walnut Grove, White Plains, Woodville	Elbert, Jasper, Newton, Oglethorpe, Athens-Clarke ¹
Northwest Georgia	Total Respondents: 38 Total Governments in Region: 64 Region Response Rate: 60.3%	
	<i>Respondents</i>	
	Adairsville, Aragon, Blue Ridge, Buchanan, Cartersville, Cave Spring, Cohutta, Dallas, Dalton, Ellijay, Emerson, Fairmount, Fort Oglethorpe, Hiram, Jasper, Kingston, Lookout Mountain, McCaysville, Menlo, Morganton, Resaca, Rockmart, Rome, Rossville, Trenton, Tunnel Hill, Varnell, White	Catoosa, Dade, Fannin, Gilmer, Haralson, Paulding, Pickens, Polk, Walker, Whitfield
<i>Non-Respondents</i>		
	Braswell, Bremen, Calhoun, Cedartown, Chatsworth, Chickamauga, East Ellijay, Eton, Euharlee, LaFayette, Lyerly, Nelson, Plainville, Ranger, Ringgold, Summerville, Talking Rock, Tallapoosa, Taylorsville, Trion, Waco	Bartow, Floyd, Gordon, Murray

Appendix C: Survey Response Rates, Fiscal Year 2015 (Continued)

<u>Regional Commission</u>	<u>Municipalities</u>	<u>Counties</u>
River Valley	Total Respondents: 33 Total Governments in Region: 51 Region Response Rate: 64.7%	
	<i>Respondents</i>	Americus, Arabi, Butler, Cordele, Cuthbert, Fort Gaines, Hamilton, Ideal, Junction City, Leslie, Lilly, Montezuma, Oglethorpe, Pine Mountain, Pinehurst, Reynolds, Shiloh, Woodland
	<i>Non-Respondents</i>	Andersonville, Bluffton, Buena Vista, Byromville, DeSoto, Dooling, Ellaville, Geneva, Lumpkin, Marshallville, Plains, Richland, Shellman, Talbotton, Unadilla, Vienna, Waverly Hall
		Clay, Crisp, Dooly, Harris, Macon, Marion, Randolph, Schley, Stewart, Sumter, Talbot, Taylor, Webster, Columbus-Muscogee ¹ , Georgetown-Quitman ¹
Southern Georgia	Total Respondents: 37 Total Governments in Region: 63 Region Response Rate: 58.7%	
	<i>Respondents</i>	Ashburn, Blackshear, Broxton, Douglas, DuPont, Fitzgerald, Folkston, Hoboken, Homerville, Lake Park, Lakeland, Lenox, Nahunta, Nicholls, Ocilla, Offerman, Patterson, Pavo, Pearson, Ray City, Rebecca, Remerton, Sparks, Tifton, Valdosta, Willacoochee
	<i>Non-Respondents</i>	Adel, Alapaha, Alma, Ambrose, Argyle, Barwick, Cecil, Dasher, Enigma, Fargo, Hahira, Homeland, Morven, Nashville, Omega, Quitman, Sycamore, Ty Ty, Waycross
		Atkinson, Bacon, Brooks, Charlton, Clinch, Echols, Irwin, Lanier, Pierce, Tift, Ware
Southwest Georgia	Total Respondents: 32 Total Governments in Region: 58 Region Response Rate: 55.2%	
	<i>Respondents</i>	Albany, Attapulugus, Baconton, Berlin, Blakely, Brinson, Bronwood, Camilla, Coolidge, Dawson, Doerun, Donaldsonville, Edison, Ellenton, Funston, Leary, Meigs, Morgan, Parrott, Pelham, Sale City, Thomasville, Warwick, Whigham
	<i>Non-Respondents</i>	Arlington, Bainbridge, Boston, Cairo, Climax, Colquitt, Damascus, Iron City, Jakin, Leesburg, Moultrie, Newton, Norman Park, Ochlocknee, Poulan, Riverside, Sasser, Smithville, Sumner, Sylvester
		Baker, Calhoun, Colquitt, Decatur, Grady, Mitchell, Thomas, Worth
Three Rivers	Total Respondents: 31 Total Governments in Region: 53 Region Response Rate: 58.5%	
	<i>Respondents</i>	Aldora, Bowdon, Concord, Ephesus, Flovilla, Grantville, Jenkinsburg, LaGrange, Manchester, Meansville, Milner, Molena, Moreland, Mount Zion, Newnan, Orchard Hill, Sharpsburg, Turin, Villa Rica, Warm Springs, Whitesburg, Yatesville
	<i>Non-Respondents</i>	Barnesville, Carrollton, Centralhatchee, Franklin, Gay, Griffin, Haralson, Hogansville, Jackson, Lone Oak, Luthersville, Roopville, Senoia, Sunny Side, Temple, Thomaston, West Point, Williamson, Woodbury, Zebulon
		Coweta, Heard, Lamar, Meriwether, Pike, Spalding, Troup, Upson
Total Survey Respondents: 394 Total Governments in State: 688 State Response Rate: 57.3%		
¹ Consolidated Government Source: DCA, DOAA Customer Survey		

Appendix D: Fiscal Year 2015 Regional Commission Scorecard Results – Values

		Performance													
		High			Low										
		1	2	3	4										
		Atlanta	CSRA	Coastal	Georgia Mountains	HOG Altamaha	Middle Georgia	Northeast Georgia	Northwest Georgia	River Valley	Southern Georgia	Southwest Georgia	Three Rivers		
	Weight														
FINANCIAL	Ratio of local government revenue to total revenue ¹	0.037	0.002	0.029	0.024	0.130	0.017	0.028	0.017	0.007	0.045	0.114	0.024	0.006	
	Ratio of fund balance to expenditures	0.125	0.113	0.248	0.058	0.216	0.053	0.186	0.068	0.159	0.066	0.190	0.037	0.102	
	Ratio of assets to liabilities	2.009	1.442	3.088	1.532	2.300	1.273	2.577	1.395	2.219	2.029	2.003	1.780	2.470	
	Ratio of cash and investments to short-term liabilities	0.505	0.502	0.344	0.186	1.664	0.135	0.927	0.525	0.299	0.163	0.720	0.193	0.404	
CUSTOMER	Satisfaction with planning services ¹	4.39	4.57	4.31	3.44	4.45	4.50	4.88	4.58	4.46	4.36	4.78	4.31	4.05	
	Satisfaction with intergovernmental coordination	4.30	4.48	4.13	3.75	4.29	4.44	4.86	4.51	4.31	4.33	4.64	4.01	3.90	
	Satisfaction with staff	4.59	4.72	4.37	3.86	4.67	4.72	4.93	4.78	4.62	4.68	4.84	4.58	4.30	
	Overall satisfaction	4.45	4.66	4.25	3.76	4.52	4.58	4.92	4.70	4.50	4.45	4.78	4.18	4.09	
LEARNING AND GROWTH	Planning employees per 100,000 population ¹	1.35	0.20	0.35	0.73	0.76	2.66	1.89	0.95	1.49	3.26	1.50	1.61	0.87	
	Average years of planning staff experience	12.15	12.77	14.50	10.40	11.80	14.44	6.13	8.04	15.27	12.62	13.95	11.50	14.40	
	Average hours of training provided to RC planning staff	28.46	30.58	48.33	75.65	30.60	25.63	9.17	26.25	25.92	23.58	30.05	3.71	12.05	
	Percent of planning staff with AICP certification	19.7%	53.8%	33.3%	20.0%	20.0%	0.0%	6.7%	28.6%	7.7%	15.4%	36.4%	14.3%	0.0%	
	Percent of planning staff with Master's degree in planning ¹	26.4%	61.5%	66.7%	20.0%	20.0%	0.0%	13.3%	57.1%	0.0%	7.7%	36.4%	14.3%	20.0%	
INTERNAL BUSINESS PROCESS	Local plan implementation rate ²	51.2%	44.9%	45.9%	41.1%	59.0%	58.9%	N/A	48.9%	41.7%	62.2%	56.9%	55.3%	48.8%	
	First time approval of RC-prepared plans ³	56.4%	40.0%	57.7%	10.0%	37.5%	92.2%	N/A	70.0%	86.4%	30.0%	81.5%	25.0%	90.0%	
	Contract performance errors	9.67	2	20	28	7	3	3	14	6	5	1	6	21	
	Success stories generated per 100,000 population	0.92	0.25	1.28	0.58	1.51	2.33	1.21	0.84	0.57	0.26	0.98	0.85	0.40	
	Percent of local governments with a planning excellence designation ¹	5.5%	10.7%	3.8%	8.9%	7.8%	1.3%	3.1%	18.5%	1.6%	2.0%	4.8%	0.0%	3.8%	
	Percent of local governments with QLG	94.9%	92.0%	84.6%	93.3%	84.3%	100.0%	100.0%	92.3%	100.0%	100.0%	100.0%	96.6%	96.2%	
	Number of units served per dollar - Aging ^{1, 4}	0.45	0.63	0.41	0.42	N/A	0.34	0.47	0.51	0.40	0.47	0.38	N/A	0.44	
	Number of clients served per dollar - Aging ^{1, 4}	0.002	0.004	0.001	0.002	N/A	0.002	0.002	0.002	0.002	0.002	0.002	N/A	0.002	
	Results of Aging satisfaction surveys ⁴	84.6%	85.3%	86.4%	83.7%	N/A	86.3%	82.7%	80.5%	89.2%	79.3%	86.7%	N/A	86.3%	
	Cost per trip - Transportation ⁵	\$11.28	N/A	\$ 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 ^{1, 5}	92.9%	N/A	96.3%	91.9%	93.2%	95.9%	85.3%	97.8%	N/A	93.8%	97.6%	93.2%	84.0%		

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 No local government in Middle Georgia's region submitted a short term work program update during the applicable time frame.

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

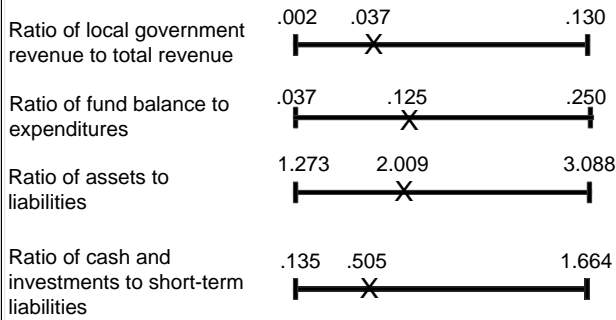
⁴ The Georgia Mountains and Southwest Georgia Regional Commissions did not administer DHS Aging services in FY 2015.

⁵ The Atlanta and Northwest Georgia Regional Commissions did not administer DHS Coordinated Transportation services in FY 2015.

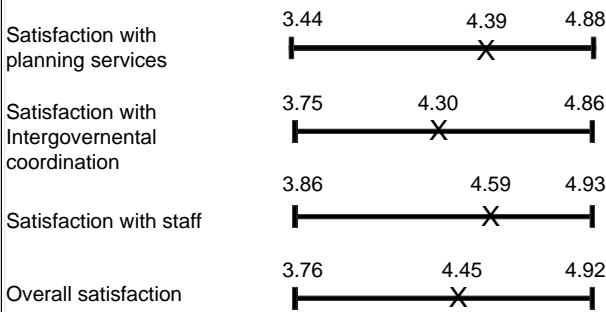
Source: DCA, DHS, DOAA, and regional commissions' financial records

Appendix E: Fiscal Year 2015 Regional Commission Scorecard Results – Ranges

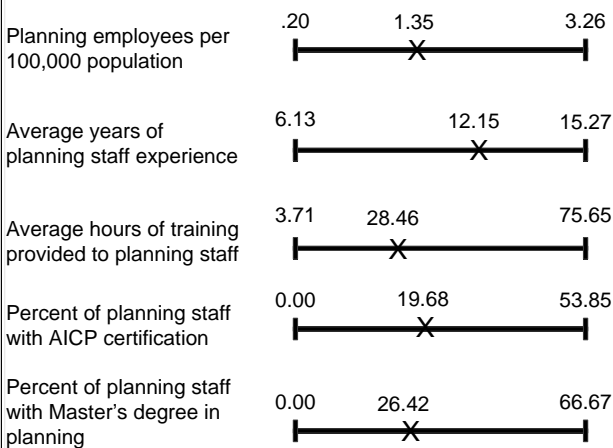
Financial Measures



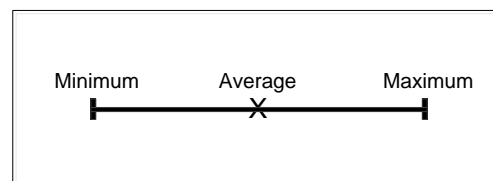
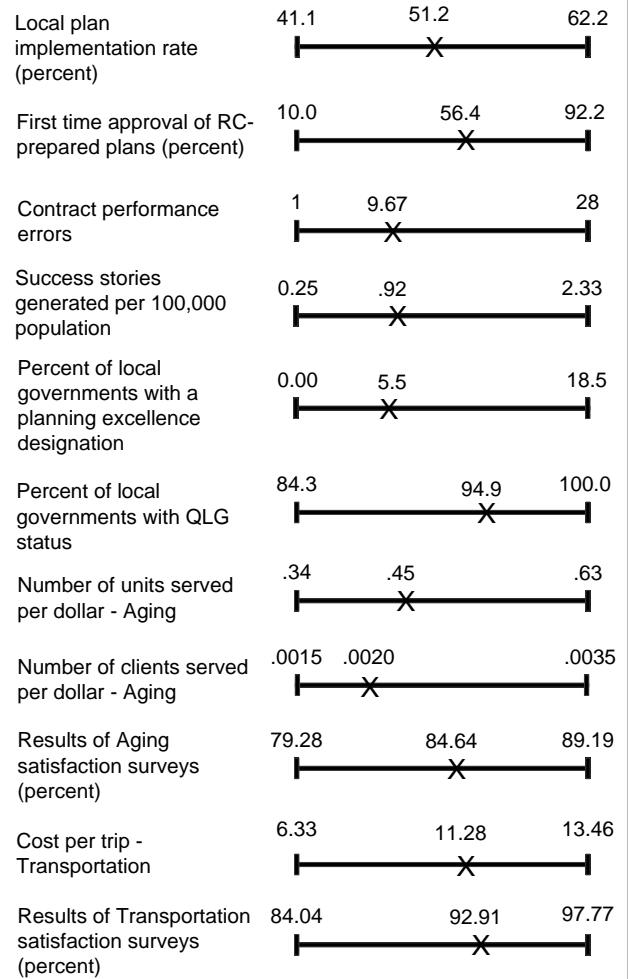
Customer Measures



Learning and Growth Measures



Internal Business Process Measures



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

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.