



# 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 performance scorecard to evaluate and report on state-funded operations and services of all 12 regional commissions (RCs). We also developed a scorecard to assess RC compliance with selected state laws and regulations, prior audit recommendations, and best practices. Finally, we determined the extent to which the three RCs subjected to agreed-upon procedures in 2015 had implemented the report's recommendations.

## About regional commissions

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

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

## Regional Commissions

### Results of the performance scorecard, compliance scorecard, and follow-up reviews

#### What we found

Many regional commissions have taken actions to address issues identified in prior performance audits. RCs were more likely to meet or exceed targets in the annual performance scorecard, and the compliance scorecard shows that most RCs have adopted policies or practices that address problem areas identified in prior audits. Finally, a follow-up review of the three RCs subjected to agreed-upon procedures in 2015 found that they had partially or fully addressed many of the recommendations.

#### Performance Scorecard

The performance scorecard has 15 measures in four categories—customer satisfaction, planning, aging services, and transportation. Eleven of the measures have performance targets. The number of performance targets met ranged from 11 for Southern Georgia to one for Central Savannah River Area.

At least three-fourths of the RCs met performance targets for three measures – transportation customer satisfaction, local government satisfaction with staff, and local government overall satisfaction with RC services. Performance targets for three planning measures—local plan implementation, first-time approval of plans by the Department of Community Affairs (DCA), and contract performance errors—were each met by just three or four RCs.

#### Compliance Scorecard

We assessed each regional commission's compliance with certain state laws and regulations, prior audit recommendations, and best practices. The areas reviewed included those frequently cited in prior audits such as travel policies, performance reviews of the executive director, employee business disclosures, fund balance

policies, and submission of the annual financial audit. For this scorecard, we based our assessment on RC policies, performance appraisals, and financial audits.

We found widespread compliance in the areas tested. Eleven RCs had travel policies that demonstrated substantial compliance with the Statewide Travel Policy. This is an improvement over the nine RCs found to be in compliance last year. The only other noncompliance identified relates to timely submission of the financial audit (two were late). All twelve RC's have implemented a policy establishing a goal of maintaining a fund balance containing 60 to 120 days of operating expenses (one lacked a policy last year).

### Follow-up Reviews

This year we conducted follow-up procedures to determine the extent to which three regional commissions fully or partially addressed issues identified during their 2015 review. The original findings were in the areas of administration, aging, planning, and transportation. A summary is as follows:

- The Georgia Mountains Regional Commission fully addressed 8 of 13 recommendations and partially addressed another three. We noted that the regional commission could still improve its communication with local governments at risk of losing Qualified Local Government status and the accuracy of planning staff information reported to the DCA.
- The Middle Georgia Regional Commission fully addressed 13 of 20 recommendations and partially addressed an additional four. More than half of Middle Georgia's recommendation were related to administrative matters. Most were addressed, but approval of travel reimbursements could still be improved. We also noted that planning staff information reported to the DCA was not accurate.
- The Southwest Georgia Regional Commission fully addressed 10 of 15 recommendations and partially addressed another five.

*DCA Response:* The agency noted that it is “committed to developing effective relationships with each of the twelve regional commissions. Through enhanced communication and more frequent interaction, we have taken steps to improve customer service as it relates to the coordinated planning activities and the planning contracts between each regional commission and DCA, as well as providing training opportunities for board members.”

*DHS Response:* The Division of Aging Services and the Office of Facilities Support Services concurred with the report.

*Regional Commission Responses:* Some regional commissions indicated that the performance scorecard included planning measures over which they had limited control. The regional commissions subjected to the follow-up review frequently indicated that they would take additional steps needed to fully address findings. More detailed responses from the regional commissions are included after the performance scorecard and compliance scorecard sections, as well as within the three follow-up reviews. Some RCs indicated a commitment to serving their local member governments and a desire for accountability and transparency.

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## Purpose of the Audit

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

Specifically, the audit objectives were to:

1. Evaluate the performance of the 12 regional commissions (RCs) in the areas of customer satisfaction, planning, aging services, and transportation.
2. Determine if the 12 RCs complied with selected state laws and regulations, prior audit recommendations, and best practices.
3. Conduct follow-up reviews at three RCs to determine whether they have implemented recommendations made when they were subjected to agreed-upon procedures in 2015.

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

[Appendix B](#) shows the state funding each RC received from DCA, DHS and the Department of Natural Resources in fiscal year 2018. We did not include DNR funding in the review because of the relatively low amount of state funds provided to RCs.

## Background

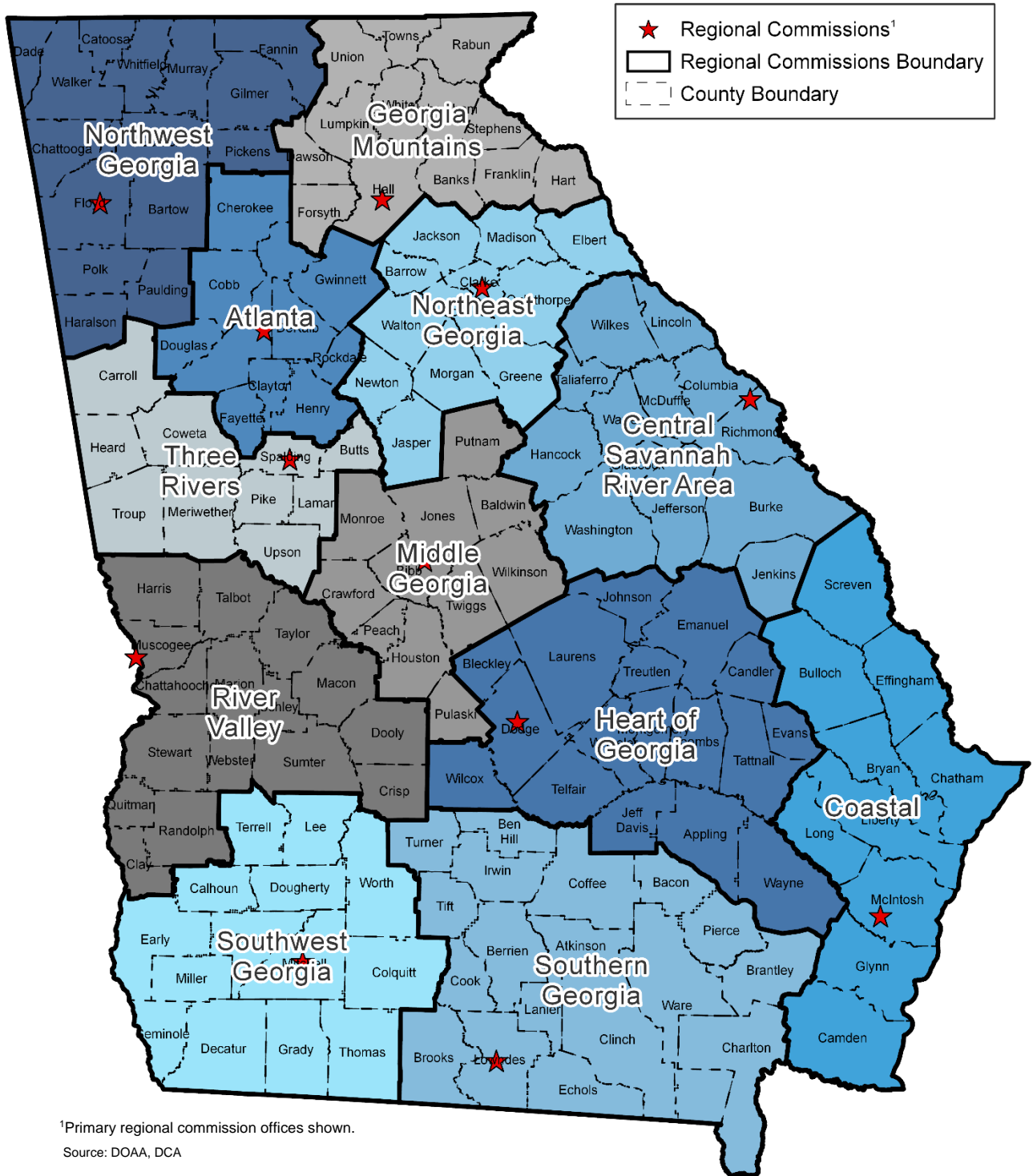
### Regional Commissions

Georgia's 12 regional commissions (RCs) are regional planning entities created by 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;
- assist local governments with coordinated and comprehensive planning; and
- prepare and implement comprehensive regional plans that will develop and promote the essential interests of the state and its citizens.

RCs may also administer other programs within their regions on behalf of other state agencies, such as aging and transportation services. RC regional coverage areas were created on the basis of similarity in population (with the exception of Atlanta Regional Commission) and geographic size (see [Exhibit 1](#) for a map of the RCs). By law, each county and municipality is a member of its regional RC. 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.

**Exhibit 1  
Georgia Regional Commissions**



<sup>1</sup>Primary regional commission offices shown.

Source: DOAA, DCA

RCs are statutorily defined as local governments and each is a public entity governed by a council of elected and appointed officials. RC councils are composed of the following members:

- 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
- One nonpublic member appointed by the speaker of the house<sup>1</sup>

The council may select additional members determined by the commissioner of the Department of Community Affairs (DCA) for the purpose of complying with laws, regulations, or other requirements.

### State Contracted Services

In accordance with O.C.G.A. § 50-8-38, this audit is focused on state funds provided to RCs. As a result, this report includes aspects of RC contracts with DCA for coordinated planning services and with the Department of Human Services (DHS) for aging services and coordinated transportation. These services are described below.

#### Coordinated Planning

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

RCs may also offer a range of planning-related services to member local governments that are not required by the DCA contract. These services may include zoning assistance, historic preservation and planning, water quality monitoring and planning, and Geographic Information System (GIS) mapping.

#### Aging Services

Under the 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, 10 of which are operated by the RC in the region. The AAAs are responsible for coordinating and integrating services funded by federal, state, and local moneys and for developing coordinated and comprehensive community-based service systems in their regions.

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

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

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

### Coordinated Transportation

DHS is responsible for administering a statewide transportation system to provide Aging Services clients access to needed services to help them achieve healthy, independent, and self-sufficient lives. In fiscal year 2018, DHS contracted with 10 RCs to manage coordinated transportation systems in their respective regions. As with aging services, the RCs are responsible for coordinating the services and selecting the subcontractors to provide transportation services in their region.

### Other Services

Currently, 11 of the 12 RCs contract with the Georgia Department of Natural Resources to provide historic preservation planning. In fiscal year 2018, each of these RCs received approximately \$1,600 in state funds under this contract (each RC received a total of \$4,100 when including federal funds). However, due to the limited state funds provided to this activity in recent years, our reviews have not included these contracts.

RCs may also administer programs that are primarily federally funded. For example, using Federal Transit Administration funding provided through the Georgia Department of Transportation, some RCs operate a rural transportation program. RCs can also administer federally funded Workforce Investment Act training programs. Because these programs do not receive state funds, they have been excluded from our review.



## Performance Scorecard

We assessed Georgia's 12 regional commissions on 15 performance measures across four areas: customer satisfaction, planning, aging services, and transportation. Eleven of the measures have performance targets based on previous years' performance results and input from DCA and DHS. Unless otherwise noted, performance is measured on activities occurring in fiscal year 2018 (see [Appendix A](#) for a further description of each measure).

As shown in [Exhibit 2](#), the number of performance targets met or exceeded by a regional commission ranged from a high of 11 by Southern Georgia to one by Central Savannah.<sup>3</sup> Heart of Georgia met 10 of 12 targets, while Middle Georgia met nine. Many RCs improved in the number of targets achieved over last year. The average number of measures met or exceeded by the 12 RCs was six.

Performance targets for two measures – local government satisfaction with RC staff and customer satisfaction with transportation services – were met or exceeded by 10 RCs. Eight RCs reached the performance target for overall satisfaction by local governments. Conversely, measures related to local government plan implementation rate, first time approval of planning documents submitted to DCA, and contract performance errors were met by fewer than five RCs.

### **Changes to the 2018 Regional Commission Performance Scorecard**

*This year's performance scorecard reflects changes based on input provided by DCA and DHS and the addition of measures related to Aging activities partially based on recommendations by RC staff.*

- **Elimination of Planning Staff Qualifications Measures** – Measures eliminated include average years of experience, training hours, and the average percentage of RC planning staff with a master's degree or American Institute of Certified Planners certification. These measures were eliminated based on discussions with DCA about the limited relationship between previous years' data in comparison to other planning measures.
- **Revised Aging Services Performance Measures** – Additional measures were created to consider the Area Agencies on Aging level of contact with its region's population and portion of those requesting services that received them. Specifically, the new measures include the percent of those requesting Home and Community Based Services (HCBS) who received them, as well as the percent of a region's population 60 years and older in contact with the Aging and Disability Resource Center (ADRC). We also eliminated the "number of units per \$1,000" aging measure.

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<sup>3</sup> Of the 15 measures on the Performance Scorecard, four do not include targets and were, therefore, not included in the average performance of all RCs. In addition, three regional commissions do not offer Aging and/or Transportation services. These include Georgia Mountains, Northwest Georgia, and Southwest Georgia.

**Exhibit 2  
Regional Commission Performance Scorecard, Fiscal Year 2018**

Measure	Target	Average	Atlanta	Central Savannah	Coastal	Georgia Mountains	Heart of Georgia	Middle Georgia	Northeast Georgia	Northwest Georgia	River Valley	Southern Georgia	Southwest Georgia	Three Rivers	Targets Met
<b>Customer Satisfaction (Survey of Local Governments)</b>															
Planning	90%	90%	90%	86%	77%	92%	94%	96%	88%	92%	94%	92%	88%	86%	7
Intergovernmental Coordination	90%	87%	87%	84%	71%	92%	93%	93%	87%	89%	93%	91%	82%	86%	5
Staff	90%	94%	96%	89%	86%	94%	96%	96%	95%	97%	96%	96%	90%	91%	10
Overall Satisfaction	90%	91%	92%	87%	78%	94%	95%	98%	90%	95%	94%	94%	87%	89%	8
Average RC Performance			91%	87%	78%	93%	95%	96%	90%	93%	94%	93%	87%	88%	
Number of Targets Met:	4		3	0	0	4	4	4	2	3	4	4	1	1	
<b>Planning</b>															
Local Plan Implementation Rate	60%	55%	65%	54%	61%	46%	46%	57%	58%	48%	58%	63%	51%	57%	3
First Time Approval of Plans by DCA	80%	64%	62%	0%	30%	53%	100%	75%	90%	91%	54%	100%	57%	57%	4
Contract Performance Errors	0	2	3	2	8	2	0	0	1	0	2	0	2	1	4
Success Stories	2	2	3	0	0	0	2	7	1	0	1	7	1	6	5
Local Governments with Planning Designation	7%	10%	18%	4%	18%	10%	9%	16%	23%	5%	4%	8%	2%	6%	7
Local Governments with QLQ status	95%	94%	91%	92%	89%	88%	99%	100%	71%	100%	100%	100%	98%	98%	7
Number of Targets Met:	6		3	0	2	1	5	4	2	3	1	6	1	2	
<b>Aging</b>															
Percent of Population 60 Years and Older in Contact with ADRC	None <sup>1</sup>	2.2%	3.4%	2.1%	1.2%	-	3.3%	2.5%	2.1%	1.3%	1.8%	3.1%	-	1.7%	N/A
Percent Requesting HCBS Served	None <sup>1</sup>	74%	85%	78%	82%	-	51%	63%	72%	83%	79%	60%	-	88%	N/A
Number of Clients per \$1,000	None <sup>1</sup>	1.59	2.58	1.53	1.34	-	1.40	1.61	1.66	1.29	1.32	1.84	-	1.32	N/A
Number of Targets Met:	N/A														
<b>Transportation</b>															
Cost Per Trip - Transportation (\$)	None <sup>1</sup>	11.94	10.99	12.05	10.72	-	12.31	14.53	11.58	-	8.92	16.57	9.34	12.42	N/A
Transportation Satisfaction Survey	90%	95%	91%	94%	90%	-	92%	94%	98%	-	99%	100%	97%	96%	10
Number of Targets Met:	1		1	1	1	-	1	1	1	-	1	1	1	1	
Total Number of Targets Met:	11		7	1	3	5	10	9	5	6	6	11	3	4	

<sup>1</sup>No target was established for these measures and some RCs do not provide these services.

Source: DCA, DHS

**Customer Satisfaction**

As in previous years, we conducted a satisfaction survey of all member governments in each of the 12 RC regions.<sup>4</sup> The survey questions covered four areas: planning, intergovernmental coordination, staff, and overall satisfaction. The performance target for each area was 90%.

<sup>4</sup> The survey has a response rate of 59% (407 of 689). This is similar to prior year response rates.

As shown in **Exhibit 2**, five RCs met or exceeded the 90% target score for all four categories of questions (Georgia Mountains, Heart of Georgia-Altamaha, Middle Georgia, River Valley, and Southern Georgia). This represents an improvement over last year when three RCs met the four satisfaction targets. Middle Georgia had the highest average score. Two additional RCs met or exceeded the 90% target in three focus areas (Atlanta and Northwest Georgia). Conversely, two RCs failed to achieve 90% in any area (Coastal and Central Savannah River Area). The focus area with the highest average satisfaction score was RC staff (94%) while the area with the lowest was intergovernmental coordination (87%).

### Planning Performance Measures

Under contracts with DCA, the RCs assist local governments in developing comprehensive plans and plan updates required to receive state grants and additional support. The scorecard contains six planning measures, each with a performance target. The performance targets were set at levels to acknowledge that RCs do not have complete control over all measures. While an RC's actions can impact local government planning activities, local governments' actions or failures to take actions will impact RCs' measured performance.

Only one of the twelve RCs (Southern Georgia) met or exceeded the performance targets for all six measures. Heart of Georgia met five of the six targets, Middle Georgia met four, while Atlanta and Northwest Georgia met three. Central Savannah River Area did not meet the performance target for any measure.

Two performance targets were met or exceeded by most RCs. Seven had 95% of their local governments obtain Qualified Local Government (QLG) status from DCA, and seven met the 7% target for the percentage of local governments with a planning designation.<sup>5</sup> Four RCs had no contract performance errors. Finally, the four RCs that met or exceeded the target for first time approval of comprehensive plans were well above the 80% benchmark: Heart of Georgia and Southern Georgia had 100% first time approval of plans, while Northwest Georgia had 91% first time approval and Northeast had 90% first time approval.

### Aging Services Performance Measures

DHS contracts with most RCs to administer federally funded aging programs in their respective regions. The RCs then subcontract with local providers of services such as home-delivered meals and senior centers. Ten RCs perform aging administration activities as a local Area Agency on Aging (AAA) on behalf of DHS,<sup>6</sup> including the Home and Community Based Services (HCBS) program that is mandated through the federal Older Americans Act and Aging and Disability Resource Centers (ADRCs) that serve as integrated points of entry into the long-term care system.

Modifications to the Aging Services performance measures occurred this year to employ more evaluative and less descriptive measures of performance. As noted on page 5, these include measures related to an RC's contact with the age 60 and over

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<sup>5</sup> These include the *PlanFirst* designation awarded by DCA to local governments that have shown a pattern of success in implementing their local comprehensive plans; the *WaterFirst* designation awarded by the Georgia Environmental Finance Authority (GEFA) for demonstrating commitment to responsible water stewardship; and the Georgia Initiative for Community Housing (GICH) awarded by the University of Georgia for demonstrating commitment to community housing revitalization.

<sup>6</sup> Georgia Mountains and Southwest Georgia Regional Commissions do not perform aging activities. Instead funding is awarded from DHS directly to non-profits to operate the AAAs in these regions.

population and the rate of serving those requesting Home and Community Based Services (HCBS). None of the Aging Services measures have associated performance targets due to the significant variation in aging services provided across RCs. However, DHS personnel consider the measures important in assessing RCs performance in carrying out the requirements of these contracts.

The following details performance of the AAAs in the three areas assessed:

- Percent of population 60 years of age and older in contact with the Aging and Disability Resource Center: The ten regional commissions that administer Aging and Disability Resource Center (ADRC) programs collectively had contact with an estimated 2.6% of the 60 and over population in their jurisdiction,<sup>7</sup> with contact rates varying from 1.2 to 3.4% of the total aging population according to U.S. Census data.
- Percent of those requesting Home and Community Based Services (HCBS) who received services: A wait list for HCBS services exists as a result of a demand for services that exceeds the funding available. In fiscal year 2018, approximately 29,000 individuals in regions with an RC performing aging administration activities received at least one HCBS service. In the same period, 11,874 clients were placed on the HCBS wait list for services, with 10,574 (89.1%) considered “high priority” based on risk assessments. We estimate 77% of all clients requesting HCBS services in fiscal year 2018 (including those directly served by programs with no wait list and those placed on the wait list at some point in the fiscal year) received requested services within the fiscal year. However, rates varied across regions from a high of 88% for Three Rivers to a low of 51% for Heart of Georgia Altamaha.
- Number of clients served per \$1,000 of funding: The ten RCs that administer AAAs served an average of 1.59 clients per \$1,000 expenditure. Among RCs, Atlanta Regional Commission had the largest number of clients served at 2.58 per \$1,000 of funding while River Valley and Three Rivers had the lowest at 1.32 clients served per \$1,000 for each regional commission.

### Transportation Performance Measures

DHS contracts with 10 RCs for the provision of transportation services such as transportation that meets the special needs of the elderly and disabled in their respective regions. The RCs may subcontract with local providers and monitor their performance. DHS measures the cost per trip to determine whether the RCs are negotiating contracts with local providers effectively. The cost per trip ranged from a low of \$8.92 (River Valley) to a high of \$16.57 (Southern). These two RCs were noted for similar performance last year.

All ten RCs met the performance target set for the second transportation measure—90% of consumers and providers reporting a favorable opinion of the RC on an annual DHS survey, which is an improvement from only 8 RCs achieving the target last year.

*RC Responses: Some RCs noted that planning measures related to local plan implementation rate, QLG status, and planning designations were not entirely within the entity’s control. The RCs noted that they can only notify, encourage, and assist local governments.*

<sup>7</sup> While 2.6% of the statewide 60 and older population was contacted, the average for regional commissions is 2.2%. The difference is attributed to regions with varying population sizes.

## Compliance Scorecard

We assessed each regional commission's compliance with certain state laws and regulations, prior audit recommendations, and best practices. As shown in Exhibit 3, the compliance areas include travel policies, performance reviews of the executive director, employee business disclosures, fund balance policies, and submission of the annual financial audit. These items were recurring issues in prior performance audits. Compliance was based on the assessment of written RC policies, performance appraisals, and other documents. An RC missing a component of the compliance scorecard may have failed to document the policy (e.g., supervisory approval of travel) but may be compliant in practice.

### Exhibit 3 Regional Commission Compliance Scorecard

	Atlanta	Central Savannah	Coastal	Georgia Mountains	Heart of Georgia	Middle Georgia	Northeast Georgia	Northwest Georgia	River Valley	Southern Georgia	Southwest Georgia	Three Rivers
<b>1. Substantial Adoption of Statewide Travel Policy:</b>												
1(a). Per Diem Meals	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
1(b). Itemized Receipts	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
1(c). Commuting Mileage	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
1(d). Non-Reimbursables	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
1(e). Supervisory Approval	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓
1(f). Cost-Effective / Least Expensive	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>RC Travel Compliance:</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>	<b>Part</b>	<b>Full</b>	<b>Full</b>	<b>Full</b>
<b>2. Executive Director Appraisal</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>3. Employee Business Disclosures</b>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>4. Fund Balance Policy (# days)</b>	60	90	60	90	60	60	60	90	90	60	90	60
<b>5. Financial Audit to DOAA by Deadline</b>	✗	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓

Source: RCs, DCA, and DOAA

### Travel

While regional commissions are not required by state law to follow the Statewide Travel Policy (applicable to all state agencies and organizations), we have recommended that they adopt policies consistent with it due to issues identified in prior audits.

Eleven RCs have adopted six key travel policy provisions that demonstrate substantial compliance with Statewide Travel Policy. This represents an improvement over the nine regional commissions found to be compliant last year. Heart of Georgia adopted three provisions, including itemized receipts, language requiring staff to use the least

expensive and most cost-effective airfare and lodging options, and a provision requiring the Council to review and approve the executive director's travel expenses. Northwest also added a provision requiring Council approval of the Executive Director's expenses. River Valley continues to lack three key provisions: the use of per diems for meals, deduction of commuting miles, and supervisory approval of the executive director's travel expenses. River Valley's policies, however, did include a limit on the dollar amount the RC will reimburse for staff meals.

### Executive Director Appraisal

O.C.G.A. § 50-8-34.1 requires that each regional commission council conduct an annual performance review of the executive director. In prior audits, we found instances in which the ED's appraisal was not conducted by the council. All RCs have conducted recent performance appraisals of their executive director in the last year.

### Employee Business Disclosure

O.C.G.A. § 50-8-63 requires that RC employees disclose their own or their family members' business transactions with local governments. In prior audits, we found that disclosures had not been filed, policies not drafted, and/or legal requirements not adequately communicated to staff.

All RCs appropriately submitted employee business disclosure forms to DCA for calendar year 2018.

### Fund Balance

Prior audits have recommended an adequate balance to serve as a reserve in the event of revenue shortfalls. A 60- to 120-day fund balance safeguards funds available to ensure solvency without diverting substantial funds from services.

All twelve RCs have implemented a policy setting a goal of having a fund balance containing 60 days or more of operating expenses. This represents an improvement over the 11 RCs with a fund balance last year, as River Valley adopted a fund balance target in 2019.

### Financial Audit

O.C.G.A. § 50-8-38(c) requires that RCs submit their annual audit report to the Department of Audits and Accounts within 180 days of the RC's fiscal year end.<sup>8</sup>

As was the case in our 2018 report, ten of twelve RCs submitted their financial audits by the required deadline. Coastal submitted its audit 36 days after the deadline, and Atlanta submitted 46 days after the deadline. Coastal and ARC also submitted after the deadline in 2018.

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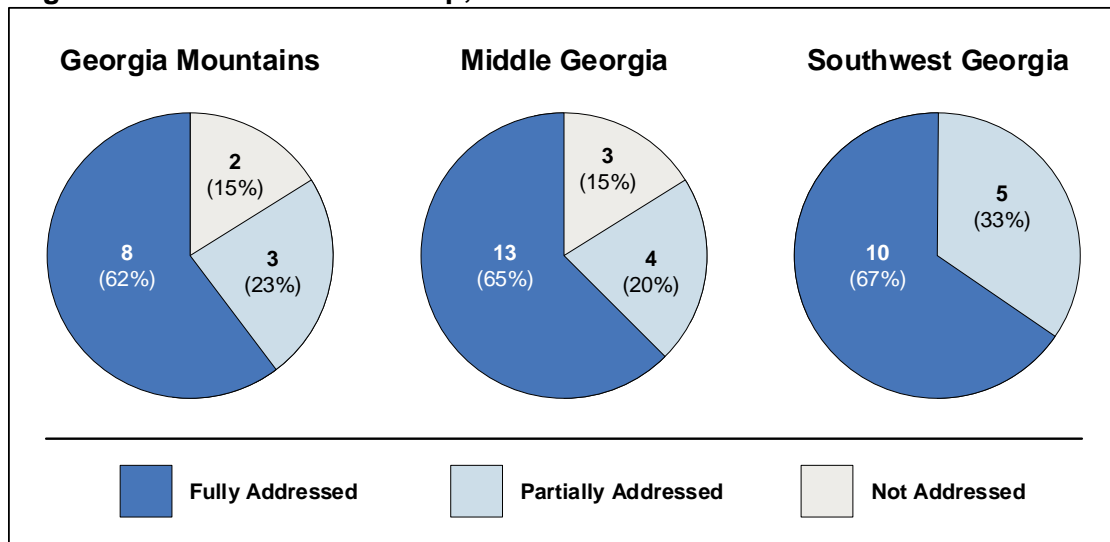
<sup>8</sup> Eleven RCs use the same fiscal calendar as the State of Georgia (July 1 - June 30). Atlanta (ARC) operates on calendar year, meaning that its financial audit is due no later than 180 days after December 31.

## Follow-Up Procedures

We conducted follow-up reviews at three RCs this year to determine their progress in implementing recommendations made during our 2015 audit report. The 2015 report included an agreed upon procedures review related to planning, transportation, aging, and certain administrative activities at Georgia Mountains Regional Commission, Middle Georgia Regional Commission, and Southwest Georgia Regional Commission.<sup>9</sup>

As shown in Exhibit 4, the three RCs have taken action to fully comply with 62% to 67% of the recommendations made in 2015. The RCs also partially addressed up to 33% of recommendations. The percentage of recommendations with no action ranged from 0% to 15% across the three RCs. Middle Georgia had the largest overall number of recommendations in the 2015 report (20) and fully or partially complied with 85%. Each of these recommendations and the RC’s activities are discussed on the following pages.

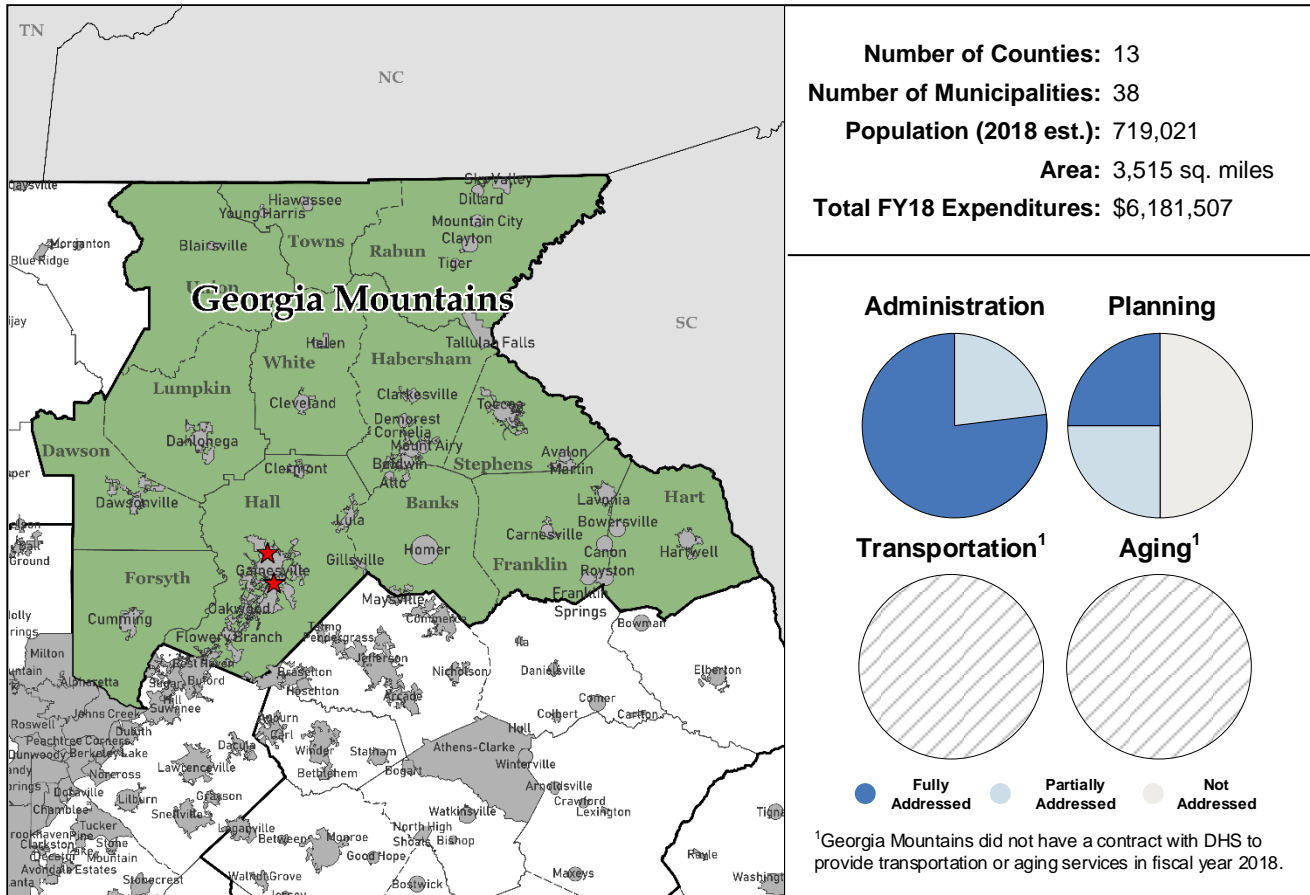
**Exhibit 4**  
**Regional Commission Follow-Up; RC Performance for All Recommendations**



Source: DOAA

<sup>9</sup> We conducted agreed-upon procedures of all RCs during 2014-2017 (reviewing three RCs per year). As part of these audit reports, we verified compliance with state laws and contracts the RCs had with DCA and DHS and reviewed certain administrative activities. Each report contained findings and recommendations for the three RCs reviewed.

## Follow-Up Procedures Georgia Mountains Regional Commission



### Summary

Our 2015 report recommended improvements in the Georgia Mountains Regional Commission’s administration, planning program, and transportation program. Administrative findings were related to business disclosures, executive director travel, purchasing cards, fuel cards, and holiday party spending. Planning findings related to plan implementation assistance meetings, communication of planning deadlines, member government satisfaction, and accuracy of planning staff information reported to DCA.

The 2015 report provided recommendations for improvement in the management of Georgia Mountains’ transportation services contract with DHS. These findings were directed at both Georgia Mountains and DHS, because DHS conducted the monitoring of vehicles and drivers in 2014. Since publication of the 2015 report, Georgia Mountains has ceased acting as the transportation contract manager for the region, and DHS began contracting directly with several local county governments and one private transportation provider. As a result, we did not follow-up on transportation findings in this report.

Of the 13 recommendations in the 2015 report, Georgia Mountains fully addressed eight (62%), partially addressed three (23%), and did not address two (15%). While conducting work to verify actions taken to address the 2015 findings, we identified a new finding related to Georgia Mountains’ formation of a nonprofit to solicit donations from individuals, businesses, and local member governments. See below for the results of each recommendation.



## Administration Findings

<b>Original Finding</b> – Georgia Mountains does not have a written policy regarding disclosures of business transactions with local governments.	
<b>Recommendation</b> – Georgia Mountains should add written policies to its personnel manual prohibiting employees from doing business with the RC and explaining the disclosure of business transactions with local governments.	<b>Current Status – Fully Addressed</b> Georgia Mountain’s personnel policies and procedures contain provisions prohibiting Georgia Mountains employees from doing business with the regional commission and require disclosure of business transactions with local governments of \$2,000 or greater.
<b>Original Finding</b> – With the exception of the executive director, Georgia Mountains’ employees had supervisory review of all direct reimbursements for travel costs.	
<b>Recommendation</b> – The Council should review and approve the executive director’s travel and purchasing expenses.	<b>Current Status – Fully Addressed</b> Appropriate approval of executive director travel by council leadership is occurring. This includes travel pre-approval, travel-related payments, and logs of personal miles driven in a commission-provided fleet vehicle.
<b>Original Finding</b> – The audit team identified purchasing card expenditures that did not comply with Georgia Mountains’ written policies and procedures.	
<b>Recommendation</b> – Georgia Mountains should ensure that staff maintain travel and purchasing card documentation and follow the RC’s adopted policies. Reimbursements should not be made without the required requisition forms and travel vouchers, and meal reimbursements should not exceed those set by the GSA.	<b>Current Status – Partially Addressed</b> While we observed improvements in Georgia Mountains’ adherence to travel expense documentation and reimbursement, the need for more documentation of travel and other expenses charged to purchasing cards was noted. Our review of a sample of purchasing card statements identified missing requisition forms for membership dues, training, and chamber of commerce event attendance. We also noted a missing receipt in one case and a meal reimbursement slightly exceeding the per diem set in policy. One instance of failure to cancel hotel reservations resulted in a \$377 charge for lodging that was not utilized.
<b>Recommendation</b> – Georgia Mountains should only reimburse purchases if receipts are attached, as is required by RC policy.	<b>Current Status – Partially Addressed</b> Although Georgia Mountains made improvements in the documentation of receipts, we found four expenses for which receipts were not included. The charges included meals and other incidental expenses and ranged from \$14 to \$40.
<b>Original Finding</b> – Door prizes purchased for a Christmas party were paid for with a combination of public and private funds.	
<b>Recommendation</b> – Georgia Mountains should ensure that taxpayer funds collected directly or indirectly are expended appropriately.	<b>Current Status – Fully Addressed</b> Georgia Mountains continues to solicit donations and sponsorships from individuals, businesses, and member governments for its annual December council meeting/awards dinner. The funds are now collected through a non-profit corporation (501(c)3), the <i>Friends of Georgia Mountains, Inc.</i> , created for this purpose and are used to purchase food, door prizes, and entertainment.

	<p>Georgia Mountains purchased and awarded 38 door prizes costing approximately \$2,500 in fiscal year 2018.</p> <p>Georgia Mountains' bylaws continue to prohibit council members and employees from receiving gifts, rewards, or compensation from individuals or entities with which it does business. However, the bylaws were revised in February 2016 to allow officials and their family members to participate in random drawings for prizes held at council meetings open to the public, if all attendees have an equal chance to win each prize. Records indicate more than 375 people attended the fiscal year 2018 annual meeting, with fewer than 50 being council members and employees. All meeting attendees had the same odds (approximately 1 in 10) of winning a door prize.</p>
<p><b>New Finding</b> – Georgia Mountains' formation of a nonprofit to solicit donations from individuals, businesses, and local member governments appears to violate state statute. The regional commission recently indicated that it is ending its relationship with the nonprofit.</p>	
<p>In July 2015, staff and council members created a nonprofit corporation (501(c)3)—the Friends of Georgia Mountains Regional Commission—to solicit donations and sponsorships for the annual December meeting. Based on information provided by the commission, the 2017 and 2018 December council meetings cost approximately \$18,000 each and were funded by a combination of ticket sales and sponsorships by businesses and local governments. The funds were used to pay for meals, door prizes, awards, and entertainment.</p> <p>Under O.C.G.A. § 50-8-35, regional commissions are specifically prohibited from creating nonprofits for any purpose other than administering or supporting state/federal programs. Georgia Mountains noted that the event is held during the council's December meeting at which regional commission business is discussed. However, the nonprofit was not created for the purpose of administering regional commission programs. Regardless of whether the bills are paid by a nonprofit corporation, the use of taxpayer funds provided by local governments for such an event is questionable.</p> <p>Georgia Mountains indicated in September 2019 that it would terminate its relationship with the nonprofit.</p>	
<p><b>Original Finding</b> – Georgia Mountains does not have adequate controls over fuel cards.</p>	
<p><b>Recommendation</b> – Georgia Mountains should enhance internal controls over vehicle use by assigning individual PINs for fuel cards and securing keys.</p>	<p><b>Current Status – Fully Addressed</b></p> <p>Georgia Mountains staff established the use of personally identifiable PIN numbers for each staff member to use when purchasing fuel for an RC vehicle.</p>
<p><b>Original Finding</b> – As required by state law, the council is conducting performance appraisals of the executive director.</p>	
<p><b>Recommendation</b> – The full council should review and adopt the performance appraisal of the executive director in order to increase accountability.</p>	<p><b>Current Status – Fully Addressed</b></p> <p>The fiscal year 2018 performance appraisal was reviewed by the entire executive committee and signed by the executive committee chair.</p>
<p><b>Original Finding</b> – Council meetings generally complied with open meetings law, with one exception.</p>	
<p><b>Recommendation</b> – The council should record and approve attendance as part of its official meeting minutes. The council could improve transparency by recording the minutes of closed sessions.</p>	<p><b>Current Status – Fully Addressed</b></p> <p>The council formally recorded and approved attendance as part of its official meeting minutes in each of the twelve FY18 meetings. Minutes were recorded for the one closed session that has been held since the original 2015 audit.</p>

<b>Original Finding</b> – The council generally complied with its bylaws, with a few exceptions.	
<b>Recommendation</b> – The council should only record proxy votes if they fully comply with the RC’s bylaws.	<b>Current Status – Fully Addressed</b> All proxy votes indicated in the Georgia Mountains’ FY18 attendance sheet had a corresponding written proxy form on file that complied with Georgia Mountains’ bylaws.

***Georgia Mountains Response:***

Georgia Mountains responded to recommendations regarding reimbursement of purchases without accompanying receipts by noting that it changed its policy in May 2018 “to approve purchases with missing receipts only when a Missing Receipt Affidavit is attached.”

Regarding door prizes, Georgia Mountains notes that the event in question is an Annual Meeting and not a Christmas party. Georgia Mountains has always held their Annual Meeting in December and GMRC official business is conducted at this meeting.

Georgia Mountains indicated the following regarding formation of a nonprofit to solicit donations:

“A literal reading of O.C.G.A. § 50-8-35(f) provides as follows: “each regional commission is authorized to create nonprofit corporations to administer [1] federal or state revolving loan programs or loan packaging programs, and to administer [2] federal or state housing and development programs and [3] funds available only to nonprofit corporations. Based upon the last state audit that was performed and working in conjunction with the auditors, it was determined that a non-profit would be the appropriate vehicle to receive the funds that are used to pay for the annual meeting. Those are not “taxpayer funds” but instead are funds donated to the non-profit so that taxpayer funds are not used. Because it was determined that the funds for the purposes of the annual meeting could not be held by the GMRC, they fell within “funds available only to nonprofit corporations.”

The purpose of the nonprofit holding these funds is, as discussed above, for the annual meeting. At the annual meeting we do conduct business including at a minimum approval of minutes, and recognition of various government officials for their service. Invited to that meeting are people beyond just the GMRC Council. Lots of government officials and agencies at the state and federal level are represented there and interact with not only the GMRC Council, but local government officials across our region. That falls within the scope of 50-8-35(e) for which nonprofits are permitted.

It is too narrow of a reading of 50-8-35(f) to say that non-profits can only be created for loan programs/housing programs. The code specifically goes beyond that and based upon prior audit findings the GMRC took steps within that code section to satisfy prior concerns. *While GMRC respectfully disagrees with interpretations which place a more narrow reading on that statute, the relationship between the GMRC and the non-profit is being terminated so as to move beyond this issue.*”

***DOAA Response:***

In the 2015 report, we recommended that Georgia Mountains ensure that taxpayer funds collected directly or indirectly be expended appropriately. In response to the report, Georgia Mountains indicated that it was working with its attorney to establish a 501(c)3 for the collection of monies for the annual meeting. DOAA did not review whether the establishment of a 501(c)3 for the stated purpose was permitted by state law.

## Planning Findings

<b>Original Finding</b> – Georgia Mountains did not fulfill the DCA contract requirements for plan implementation assistance (PIA) meetings.	
<b>Recommendation</b> – Georgia Mountains should hold required plan implementation assistance meetings and accurately report them to DCA. Georgia Mountains should document invitees, attendees, and items discussed to demonstrate that all requirements have been met.	<b>Current Status – Partially Addressed</b> Georgia Mountains staff did not consistently record PIA meeting information to ensure that all required local government staff participated or were invited to participate. Georgia Mountains staff documented planning meetings with 22 governments during fiscal year 2018. For 11 of those meetings, Georgia Mountains did not note the position or job title of the meeting attendees. DCA requires that the PIA meetings be documented, including a record of attendees. Invitees should be documented and should include, at a minimum, the mayor or commission chairman, city or county manager, and community development or planning director. Georgia Mountains did, however, begin using a meeting agenda that included the required meeting topics.
<b>Original Finding</b> – Georgia Mountains does not provide sufficient notification of planning deadlines to prevent Qualified Local Government (QLG) loss in its region and provides inconsistent notification when QLG is lost.	
<b>Recommendation</b> – Georgia Mountains planning staff should meet DCA's recommended time frame for notifying local governments of planning responsibilities and deadlines. Timely notification assists local governments in maintaining QLG status and ensures that Georgia Mountains is meeting all of its planning needs.	<b>Current Status – Not Addressed</b> Georgia Mountains did not consistently communicate with, or notify, local governments at risk of losing QLG status. Of 12 local governments that lost QLG during FY2018, Georgia Mountains only met or communicated with six (50%).
<b>Original Finding</b> – Based on survey results and discussions with local governments, Georgia Mountains should review its planning services to ensure its meeting the planning needs of member governments.	
<b>Recommendation</b> – Georgia Mountains should meet with local governments and/or conduct surveys to ensure it is providing the planning services that are needed and to ensure that member governments are satisfied with the quality of these services.	<b>Current Status – Fully Addressed</b> Georgia Mountains has taken action to ensure that its local governments are satisfied with the RC's services, including conducting a customer satisfaction survey. Further, DOAA's regional commissions satisfaction survey shows improved results since the 2015 audit report.
<b>Original Finding</b> – Compliance with the plan implementation strategy was not well documented.	
<b>Recommendation</b> – The recommendations for better documentation are included in the first two planning findings.	<b>Current Status – N/A</b>
<b>Original Finding</b> – The staffing information that Georgia Mountains reported to DCA was generally accurate, with four exceptions.	
<b>Recommendation</b> – Georgia Mountains should document and accurately report planning staff information to DCA.	<b>Current Status – Not Addressed</b> Georgia Mountains did not accurately report planning staff information to DCA for fiscal year 2018. Also, Georgia Mountains reported 3.75 FTEs in planning, but we calculated a total of 3.04. This included staff from other divisions who assisted with planning projects but were not

	included in Georgia Mountains' reporting. Finally, Georgia Mountains lacked processes for adequately and accurately tracking staff training, resulting in a slight difference with those reported to DCA.
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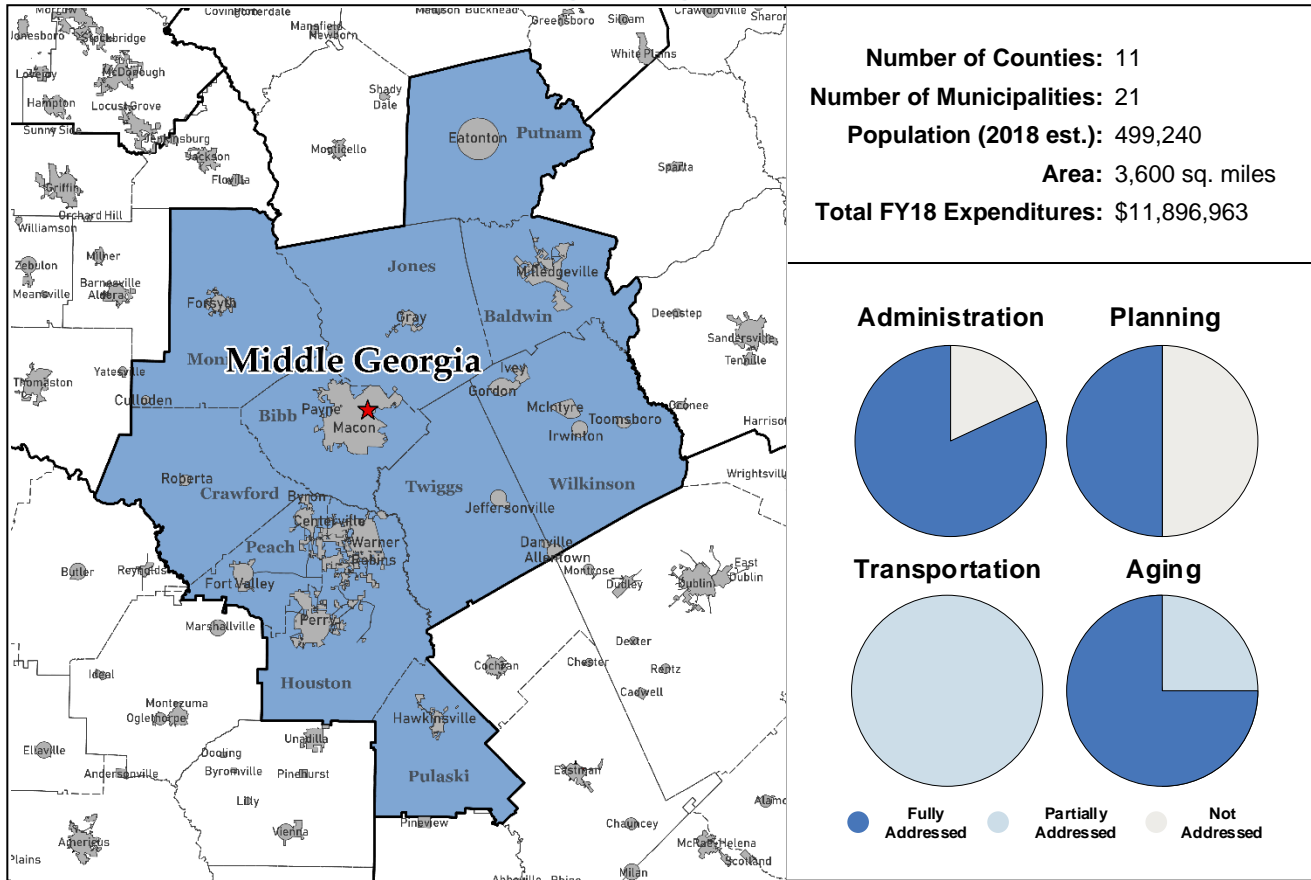
***Georgia Mountains Response:***

Regarding documentation of invitees, attendees, and items discussed at PIA meetings, Georgia Mountains noted signatures of participants were acquired, but “those signatures did not include job titles to affirm the participant's relationship to the host community. Going forward, the GMRC is using a form that specifically requests this information for all meeting participants.”

Regarding meeting the recommended time frame for notifying local governments of planning deadlines, Georgia Mountains noted the standard material used by the GMRC for PIA meetings highlights the local government's QLG deadline; however, GMRC has since developed a template letter that will be used to notify all member governments of their requirements 1 year ahead of their QLG deadlines.

Regarding reporting planning staff FTE's to the DCA portal, Georgia Mountains noted that “previous discrepancies regarding GMRC reporting methodology and DCA requirements have been resolved.”

## Follow-Up Procedures Middle Georgia Regional Commission



### Summary

Our 2015 report recommended improvements in Middle Georgia Regional Commission’s administration, planning program, transportation program, and aging program. Administrative findings encompassed fund balance, business disclosures, staff performance appraisals, and open meetings. In addition, findings were noted with purchasing cards, travel expenses, and fleet vehicle security. Transportation findings focused on compliance with DHS requirements for monitoring transportation service providers. Aging findings related to collection of program income and subcontractor monitoring. Though Middle Georgia generally complied with most of the DCA Coordinated Planning requirements, we did note the need for improved accuracy in planning staff information reported to DCA.

Of the 20 recommendations in the 2015 report, Middle Georgia fully addressed thirteen (65%), partially addressed four (20%), and did not address three (15%). See below for the results of each recommendation.

## Administration Findings

<b>Original Finding</b> – Middle Georgia does not have a fund balance target.	
<b>Recommendation</b> – Middle Georgia should set a fund balance target.	<b>Current Status – Fully Addressed</b> Middle Georgia’s council adopted a fund balance target in June 2016.
<b>Original Finding</b> – Middle Georgia’s policies and practices regarding disclosures of business transactions with local governments could be improved.	
<b>Recommendation</b> – The 2015 report noted that Middle Georgia did not have a written policy that fully detailed the requirements of state law to Middle Georgia staff.	<b>Current Status – Fully Addressed</b> Middle Georgia policies include a section on disclosure of business activity, and Middle Georgia provided DOAA with evidence of such disclosures being provided to staff.
<b>Original Finding</b> – Middle Georgia should develop a written policy regarding use of purchasing cards.	
<b>Recommendation</b> – Middle Georgia should have written purchasing card policies.	<b>Current Status – Fully Addressed</b> Middle Georgia established a purchasing card policy in July 2015.
<b>Original Finding</b> – Middle Georgia should review internal controls related to the review and approval of travel reimbursements.	
<b>Recommendation</b> – Middle Georgia should follow its own travel policies, especially regarding advance payments.	<b>Current Status – Not Addressed</b> We reviewed Middle Georgia’s fiscal year 2018 travel and expense records for a sample of seven staff members and found issues with the documentation and approval of travel expenses. The review revealed instances where required forms were missing signatures or were absent from employee travel files (documentation that supported the expenditures was located in other files). We also identified a purchase of alcohol on a meal receipt.
<b>Original Finding</b> – The executive director’s purchases are not reviewed or approved by the council.	
<b>Recommendation</b> – The council should review and approve the executive director’s purchasing expenses.	<b>Current Status – Fully Addressed</b> In June 2018, Middle Georgia revised its personnel policies to require that the RC Council review the executive director’s travel expenses. A review of fiscal year 2018 travel and expense documentation for the executive director found that RC Council members sign off occurred on quarterly summaries of the executive director’s travel expenses as well as on some individual expense forms, with one exception.
<b>Original Finding</b> – The executive director pays for other employees’ travel expenses, which is a management override of Middle Georgia’s travel reimbursement process.	
<b>Recommendation</b> – Middle Georgia should not use one credit card to pay for the travel expenses of multiple staff.	<b>Current Status – Fully Addressed</b> We did not identify any instances in which the Executive Director’s purchasing card was used to pay for other staff members’ travel. Ten Middle Georgia staff are assigned credit cards tied into the same corporate account in the regional commission’s name.

<b>Original Finding – Middle Georgia does not have adequate controls over fleet vehicle security and recordkeeping.</b>	
<b>Recommendation – Middle Georgia should store vehicle keys in a secure location and control for vehicle reservation and return.</b>	<b>Current Status – Fully Addressed</b> There have been improvements to the process for reserving vehicles and assigning vehicles to staff. In September 2019, Middle Georgia installed a locked cabinet to secure keys for fleet vehicles.
<b>Original Finding – Middle Georgia policy does not provide clear guidance on assigned vehicle usage.</b>	
<b>Recommendation – Middle Georgia staff with assigned vehicles should maintain a log of trips taken in assigned vehicles.</b>	<b>Current Status – Fully Addressed</b> Middle Georgia established vehicle policies in March 2016 to address deficiencies identified in the original audit, and mileage logs are now used for all vehicles.
<b>Original Finding – Middle Georgia RC is not conducting annual performance appraisals of all employees.</b>	
<b>Recommendation – Middle Georgia should retain complete information of annual performance appraisals and ensure that appraisals are conducted by direct supervisors.</b>	<b>Current Status – Fully Addressed</b> Middle Georgia staff provided all staff appraisals requested by the audit team. Each were completed or reviewed by Middle Georgia management personnel.
<b>Original Finding – The Council generally complied with state open meetings law, with one exception.</b>	
<b>Recommendation – The Council should record both a vote to enter into closed session and what was discussed at the closed session.</b>	<b>Current Status – Fully Addressed</b> A review of fiscal year 2018 council minutes found the Middle Georgia Regional Council entered into closed session twice during the fiscal year (9/6/17 and 5/21/18). A vote to enter closed session and items for discussion were recorded in the Council meeting minutes; however, the required Closed Meeting Affidavit was filed only for the 9/6/17 meeting.
<b>Original Finding – The Council has no bylaws specific to closed executive sessions.</b>	
<b>Recommendation – The Council could strengthen bylaws by documenting procedures for recording entry into a closed session.</b>	<b>Current Status – Not Addressed</b> A review of fiscal year 2018 Middle Georgia Council bylaws found that there were no bylaws covering the handling of closed sessions.

***Middle Georgia Response:***

Regarding the travel expense documentation findings, Middle Georgia noted it provided additional documentation to resolve the missing signatures and missing forms upon notification by DOAA. Additionally, Middle Georgia “reviewed the instance of alcohol purchase and determined that the charge occurred on a personal credit card and was not deducted from the funds advanced to the employee for out-of-state travel. The employee has refunded the amount of the purchase (\$8.95 plus tax) and been counseled on the travel policy.”

Regarding documenting procedures for entry into closed sessions in its Council bylaws, Middle Georgia indicated that “in 2015 legal counsel for the regional commission reviewed the Council’s bylaws and the Georgia Open Meetings Law. It was determined that procedures for closing a meeting are included in the Georgia Open Meetings Law and amendments were not needed. The Council will re-consider this in consultation with legal counsel during FY 2020.”



## Planning Findings

<p><b>Original Finding</b> – The majority of local governments in Middle Georgia are on the same planning cycle.</p>	
<p><b>Recommendation</b> – Middle Georgia should strongly encourage some of its local governments to adopt a new planning cycle.</p>	<p><b>Current Status – Fully Addressed</b> Middle Georgia considered the recommendation but determined that a change was not necessary. We reviewed the effects of this cycle on the QLG status of Middle Georgia local governments and found that, for years 2013 to 2018, Middle Georgia had an average QLG loss rate of 7%, the second-lowest among RCs (only Southern Georgia’s rate was lower).</p>
<p><b>Original Finding</b> – The staffing information reported to DCA was verified as accurate, with three exceptions.</p>	
<p><b>Recommendation</b> – Middle Georgia should accurately report planning staff information and training hours.</p>	<p><b>Current Status – Not Addressed</b> Middle Georgia did not accurately calculate planning staff FTEs using the methodology prescribed by DCA to all regional commissions. DCA instructions for reporting planning staff FTEs require that non-planning project time, as well as sick and annual leave, be subtracted from FTE reporting. For example, no staff member is likely to be reported as 1.0 FTE unless they had no sick or annual leave during the fiscal year.</p>

*Middle Georgia Response:*

*In response to findings regarding reporting of planning staff FTE’s to the DCA portal, Middle Georgia indicated they” will update the online reporting system in consultation with DCA for FY 2020.”*

## Transportation Findings

<p><b>Original Finding</b> – Middle Georgia staff were not aware of all DHS Coordinated Transportation requirements.</p>	
<p><b>Recommendation</b> – Middle Georgia should regularly review the DHS Transportation Manual in order to monitor the coordinated transportation program in accordance with current DHS policies and procedures. Updates to RC monitoring procedures should be written to transfer practices regardless of staffing change.</p>	<p><b>Current Status – Partially Addressed</b> Though familiarity with policies has improved since the original audit, Middle Georgia does not complete all required monitoring forms. In addition, Middle Georgia has not documented its specific vehicle or driver monitoring procedures to ensure transfer of institutional knowledge in the case of staffing changes.</p>
<p><b>Original Finding</b> – Middle Georgia did not conduct all required driver monitoring for the selected subcontractor in fiscal year 2014.</p>	
<p><b>Recommendation</b> – Middle Georgia staff should ensure that they have a comprehensive and up-to-date list of all drivers. Staff should annually review all driver qualification files.</p>	<p><b>Current Status – Partially Addressed</b> While annual inspection of driver qualification folders is occurring, formal communication of needed corrective action does not occur. Additionally, Georgia Mountains did not have a comprehensive, up-to-date list of drivers on hand when requested.</p>

**Original Finding – Middle Georgia did not conduct all required vehicle monitoring for the selected subcontractor in fiscal year 2014.**

**Recommendation –** Middle Georgia staff should ensure that they have a comprehensive, up-to-date list of all vehicles. Staff should ensure that they are annually inspecting half of all vehicles and have a certified mechanic annual inspect all vehicles.

**Current Status – Partially Addressed**

Middle Georgia had a comprehensive, up-to-date list of all vehicles and inspection records. While documentation of vehicle inspections exists, all forms prescribed in the DHS Transportation Manual were not used. As a result, certain aspects of required monitoring are not completed. Blanks and omissions were noted on vehicle monitoring forms reviewed, and some forms were completed in pencil. Formal communication of corrective action needed does not occur, nor does Middle Georgia verify that a certified mechanic is used for annual safety inspections.

***Middle Georgia Response:***

Regarding staying current with DHS Coordinated Transportation requirements and compliance with vehicle monitoring requirements, Middle Georgia noted the following:

- 1) Transportation staff have been provided online access to the most current version of the DHS Transportation Manual since the 2015 audit.
- 2) Transportation staff meet on a scheduled basis with the DHS Region 6 Regional Transportation Office (RTO) and actively participate as a member of the Regional Transportation Coordinating Committee (RTCC) to discuss, review and implement policies and procedures regarding the coordinated transportation program.
- 3) Written monitoring procedures will be developed in order to ensure the transfer of institutional knowledge in the event of staff changes.
- 4) A process to review the DHS Transportation Manual will be developed to ensure the use and completion of all required forms. Additionally, forms will be inspected for the absence of blanks, omissions and pencil markings. Forms with non-applicable sections will be notated with an explanation.
- 5) A procedure requiring the transportation provider(s) to verify and submit documentation that annual safety inspections are conducted by a certified mechanic will developed.

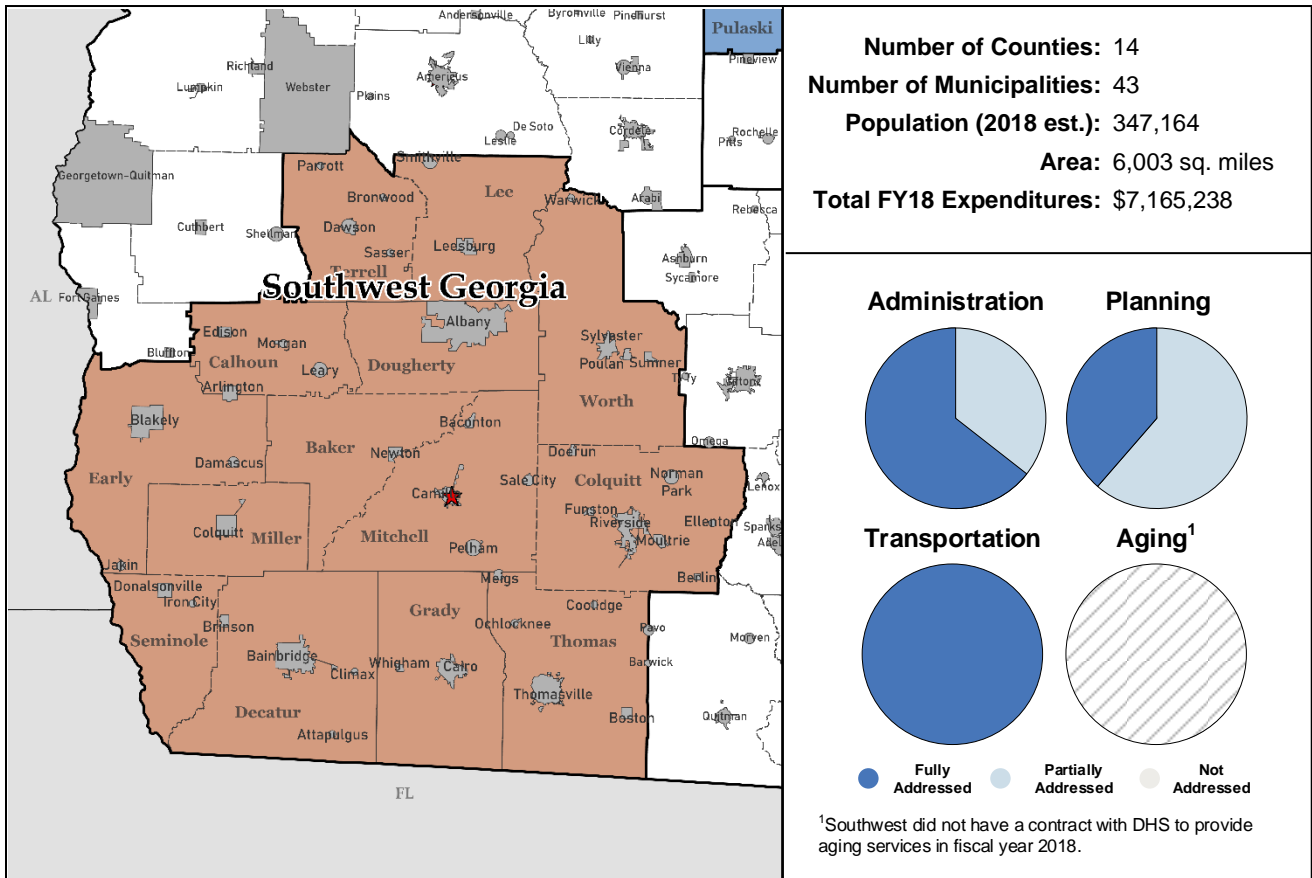
Regarding driver monitoring, Middle Georgia indicated a procedure to formally notify its transportation provider(s) of any needed corrective action. The notification will be transmitted via letterhead and will include all action items to be completed, timelines for completion, and Middle Georgia review periods to ensure successful compliance. Additionally, Middle Georgia will establish a procedure requiring the transportation provider(s) to review, update and submit a comprehensive list of all drivers on a quarterly basis. The list will be kept at the Middle Georgia office.

## Aging Findings

<b>Original Finding</b> – Middle Georgia’s providers use different methods to collect program income.	
<b>Recommendation</b> – Middle Georgia should take steps to ensure that program income collection methods are consistent with new DHS guidance.	<b>Current Status – Fully Addressed</b> Middle Georgia has taken steps to ensure program income collection methods are consistent across programs. A cost sharing policy has been developed and incorporated as an addendum to the RC’s contract with subcontractors.
<b>Original Finding</b> – Middle Georgia is conducting annual monitoring reviews in accordance with DHS policies but provides excessive advance notice of site visits.	
<b>Recommendation</b> – Middle Georgia should follow DHS guidance and notify service providers of site visits no more than 48 hours in advance.	<b>Current Status – Fully Addressed</b> Middle Georgia has changed its notification practices to ensure aging service providers receive no more than 48 hours advanced notice of site visits. A review of 10 written notifications of monitoring site visits provided to subcontractors revealed six providers were given approximately 48 hours advance notice and the remaining providers were given approximately 24 hours advance notice.
<b>Original Finding</b> – Middle Georgia does not document quarterly reviews of subcontractors and does not consistently provide written feedback to subcontractors.	
<b>Recommendation</b> – Middle Georgia should document its desk reviews of service providers, regardless of whether or not the reviews identified problems.	<b>Current Status – Partially Addressed</b> Middle Georgia now maintains documentation of desk reviews conducted. However, desk review results are not routinely communicated in writing to aging service providers. Communication about desk review findings and needed corrective action should be formalized.
<b>Original Finding</b> – Middle Georgia staff are unsure of the origin of congregated meals.	
<b>Recommendation</b> – Middle Georgia staff should be fully aware of the origin of all congregated meals and should ensure that all meals are prepared in a safe and clean environment.	<b>Current Status – Fully Addressed</b> Middle Georgia have taken steps to understand the location and number of kitchens operated by their aging service providers and ensure meals are prepared in a safe and clean environment. According to Middle Georgia’s Aging Director, monitoring of all subcontractor kitchens began in 2018, and review of monitoring forms and follow-up communications revealed formal, written communication of corrective action needed is occurring.

*Middle Georgia Response:* In response to findings regarding desk reviews of Aging service providers, Middle Georgia noted it will “implement an email notification of all desk reviews and provide a clear statement on whether corrective action is required.”

## Follow-Up Procedures Southwest Georgia Regional Commission



### Summary

Our 2015 report contained recommendations for the Southwest Regional Commission’s administration, planning program, and transportation program. Administrative findings included areas related to fund balance, fleet vehicles, executive director travel, and staff performance appraisals. Planning findings were related to communication of planning deadlines, plan implementation assistance, and accuracy of planning staff information reported to DCA. Transportation findings focused on compliance with DHS requirements for monitoring transportation service providers.

Of the 15 recommendations in the 2015 report, Southwest fully addressed ten (67%) and partially addressed five (33%). See below for the results of each recommendation.

## Administration Findings

<b>Original Finding</b> – Southwest does not have a written policy but maintains a minimum requirement for its fund balance.	
<b>Recommendation</b> – The Council should formally adopt its practice of maintaining a fund balance target as part of its written bylaws.	<b>Current Status – Fully Addressed</b> While not in its bylaws, Southwest adopted a fund balance policy and minimum balance proposal in June 2017.
<b>Original Finding</b> – Based on the travel documentation reviewed, Southwest does not have sufficient internal controls related to the review and approval of the executive director’s travel reimbursements.	
<b>Recommendation</b> – The Council should review and approve the executive director’s travel and purchasing expenses.	<b>Current Status – Partially Addressed</b> Southwest policy requires council review of executive director travel expenses. A review of fiscal year 2018 travel expenses found that, with one exception, the Council Chair did sign off on the director’s expenses. The executive director purchased an \$878 meal for council members, staff, and their guests using his RC-issued purchasing card during a conference in St. Simons in November 2017. Documentation for the expense did not include all of the required forms or itemized receipts, nor was there evidence of review or approval by the council’s executive committee.
<b>Recommendation</b> – Southwest staff should comply with its personnel policies by refraining from the purchase of alcohol with Southwest issued purchasing cards.	<b>Current Status – Partially Addressed</b> Documentation of meal purchases did not always include an itemized meal receipt, making it impossible to ensure that alcohol was not purchased.
<b>Original Finding</b> – The executive director and deputy director are not following Southwest’s vehicle use policies.	
<b>Recommendation</b> – Southwest staff should record actual business and commuting mileage driven in assigned vehicles. Logs for assigned vehicles should be reviewed by the Council to ensure accountability and supervisory review, and actual mileage driven should be used in reporting to the IRS.	<b>Current Status – Fully Addressed</b> By the end of fiscal year 2018, Southwest’s executive and deputy directors ceased using assigned regional commission vehicles. In the past, both directors were assigned regional commission vehicles for their exclusive use and used these vehicles for personal reasons as well as regional commission business. Further, the executive director did not adequately record mileage for his assigned vehicle. However, by the end of fiscal year 2018, both vehicles have since been made available to all staff as part of the general pool of fleet vehicles for staff use and Southwest no longer assigns vehicles to individual staff.
<b>Recommendation</b> – Southwest staff with assigned vehicles should not use Southwest vehicles for personal use, and written policies should more clearly define acceptable use of vehicles.	<b>Current Status – Fully Addressed</b> As noted in the above status, Southwest has ceased assigning vehicles to individual staff. Southwest has also updated its vehicle use policies since 2015.
<b>Original Finding</b> – Southwest has not documented annual performance appraisals as required by its policy.	
<b>Recommendation</b> – Southwest should document its appraisal of employees annually as required by Southwest policy.	<b>Current Status – Fully Addressed</b> All 13 employees who should have been subject to an appraisal in fiscal year 2018 had received one.

**Southwest Response:**

In response to travel reimbursement findings Southwest indicated it “concur[s] that a member of the Council should review and approve the Executive Director’s travel and purchasing expenses. This is the policy and customary practice of SWGRC and occurred in every instance, with the exception of one group meal that was purchased for Council Members, guests and staff at the annual conference. Since this purchase was out of the norm of a regular personal travel reimbursement, a receipt was submitted but the proper form was not filled out and approved by an officer of the Council. In the future, the proper procedure will be adhered to in all instances.”

Regarding potential alcohol purchases, Southwest “concur[s] that SWGRC staff should comply with its personnel policies by refraining from the purchase of alcohol with SWGRC-issued purchasing cards. SWGRC has a strict policy of prohibiting the purchase of alcohol on SWGRC-issued purchasing cards and enforces this policy by requiring any unauthorized charges to be reimbursed or withheld from payroll. Any employee who repeatedly makes unauthorized charges to the purchasing card is reprimanded.”

“SWGRC has a policy requiring staff to submit itemized receipts with their travel statements, but acknowledges that in some instances, staff erroneously submit a receipt with just the total charge and tip amount. SWGRC recognizes that it is difficult to ensure that staff members submit an itemized receipt every time for meals and has immediately notified staff that meals are no longer to be charged to the SWGRC purchasing card.”

“Effective immediately, staff will be required to fill out the proper documents to receive their per diem for meals either before a trip (advance) or after their trip when their final travel statement is submitted. Any unauthorized charges to the purchasing card will be reimbursed by the employee and the employee will receive a written reprimand to be filed in their personnel file.”

**Planning Findings**

<b>Original Finding – Southwest could improve communication of planning responsibilities and deadlines.</b>	
<b>Recommendation –</b> To reduce QLG loss by local governments, Southwest should either begin planning notifications up to 18 months before the deadline or begin follow-up communications sooner.	<b>Current Status – Fully Addressed</b> Southwest has made improvements to its communication of planning responsibilities and deadlines by ensuring initial notification of upcoming deadlines happens at least 18 months before the deadline. All planning notification letters reviewed were provided to local governments more than 18 months in advance of their upcoming planning deadlines.
<b>Original Finding – Southwest did not fulfill the DCA contract requirements for plan implementation assistance (PIA) meetings.</b>	
<b>Recommendation –</b> Southwest should hold the required PIA meetings and accurately report them to DCA. Southwest should document invitees, attendees, and items discussed to demonstrate that all contract requirements have been met.	<b>Current Status – Partially Addressed</b> Improvements have been made to PIA meeting planning and implementation at Southwest, including solicitation of local governments individually (instead of mass mailing) and improved documentation of items discussed. However, further refinement is needed to clearly meet contract requirements. Invitations are typically sent to an elected official only, with planning staff not directly invited as required. In addition, sign-in sheets are inconsistently used, making it difficult to determine attendees. Finally, one PIA meeting that was held was not reported to DCA.

<b>Original Finding – Southwest complied with its plan implementation strategy but could provide more specifics in its strategy.</b>	
<b>Recommendation – Southwest should revise its plan implementation strategy to provide more specific details of how it will conduct PIA meetings.</b>	<b>Current Status – Partially Addressed</b> Though Southwest updated its plan implementation strategy in FY18 to include more specific details of how it will conduct PIA meetings, further refinement is needed to ensure compliance with the DCA contract. The strategy should better detail how Southwest will tailor communications to individual government officials and staff. It should also better define how meeting attendance will be documented.
<b>Original Finding – Based on discussions with local governments, Southwest should review its planning services to ensure it is meeting the planning needs of member governments.</b>	
<b>Recommendation – Southwest should meet with local governments and/or conduct surveys to ensure it is providing the planning services that are needed and to ensure that member governments are satisfied with the quality of these services.</b>	<b>Current Status – Fully Addressed</b> Southwest conducted a customer satisfaction survey as recommended. Results were generally positive, with no unmet needs articulated by survey participants.
<b>Original Finding – Staffing information reported to DCA was generally accurate, with four exceptions.</b>	
<b>Recommendation – Southwest should document and accurately report planning staff information to DCA.</b>	<b>Current Status – Partially Addressed</b> Southwest did not calculate planning staff FTEs using the methodology prescribed by DCA to all regional commissions. As a result, planning staff FTE's were overreported by approximately 20%. DCA instructions for reporting planning staff FTEs require that non-planning projects, as well as sick and annual leave, be subtracted from FTE reporting. For example, no staff member is likely to be reported as 1.0 FTE unless they had no sick or annual leave during the fiscal year.

***Southwest Response:***

*“Southwest concurs with [the finding and recommendation regarding PIA meeting planning and implementation]. Southwest staff has implemented additional procedures to ensure that all PIA meetings are reported to DCA and meet the attendance requirements. SWGRC will ensure that all required participants are individually invited. Staff will also ensure that sign-in sheets are consistently used to document attendance.*

*Southwest concurs with the finding and recommendation regarding its plan implementation strategy. Southwest will further refine its plan implementation strategy to include more specifics about how the PIA meeting will be conducted. It will detail how communication will take place between the Southwest Georgia Regional Commission, government officials and designated staff and how attendance will be documented.*

*Southwest concurs with [the finding and recommendation regarding reporting of planning staff information to DCA]. Southwest will report staff members training and experience according to DCA calculation methods. There appeared to be some confusion on our part with the calculation method. Southwest has been provided additional information on how to calculate this amount correctly and will use the correct calculation method in the future.”*

## Transportation Findings

<b>Original Finding</b> – Southwest staff were not aware of all DHS Coordinated Transportation requirements.	
<b>Recommendation</b> – Southwest staff should become familiar with the requirements of the DHS Transportation Manual and contract.	<b>Current Status – Fully Addressed</b> Southwest staff demonstrated an understanding of the DHS Transportation Manual and contract through its monitoring of drivers and vehicles in fiscal year 2018.
<b>Original Finding</b> – Southwest did not conduct all required driver monitoring for the selected subcontractor in fiscal year 2014.	
<b>Recommendation</b> – For the safety of its clients and the general public, Southwest should ensure that all required monitoring is completed for both vehicles and drivers each year.	<b>Current Status – Fully Addressed</b> A review of monitoring conducted for one of Southwest Georgia’s transportation contractors found improvements in driver and vehicle monitoring practices. The documentation provided indicated all 24 driver files were reviewed according to DHS requirements and issues identified were reported to the subcontractor for resolution with appropriate follow-up. All vehicles were also included in monitoring activities during fiscal year 2018.
<b>Original Finding</b> – Southwest did not conduct all required vehicle monitoring for the selected subcontractor in fiscal year 2014.	
<b>Recommendations</b> – Southwest should ensure that all vehicles used to provide services are annually inspected by a certified mechanic.	<b>Current Status – Fully Addressed</b> A certified mechanic performed all vehicle inspections during fiscal year 2018.
<b>Recommendations</b> – Southwest should ensure that preventative and maintenance checks conducted by their subcontractors comply with all DHS requirements.	<b>Current Status – Fully Addressed</b> Southwest staff maintained records of vehicle maintenance for the contractor selected for review. In addition, Southwest staff reviewed daily driver maintenance logs while on site during their 2018 site visit.



## Appendix A: Objectives, Scope, and Methodology

### Objectives

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

Specifically, the audit objectives were to:

1. Evaluate the performance of the 12 regional commissions (RCs) in the areas of customer satisfaction, planning, aging services, and transportation.
2. Determine if the 12 RCs comply with selected state laws and regulations, prior audit recommendations, and best practices.
3. Conduct follow-up reviews at three RCs to determine whether they have implemented recommendations made when they were subjected to agreed-upon procedures in 2015.

### Scope

The audit generally covered activity related to RCs that occurred during fiscal year 2018, 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 policies, data, and reports provided by RCs, DCA, and DHS; and conducting site visits to three RCs (Georgia Mountains, Middle Georgia, and Southwest Georgia).

### Methodology

To measure the performance of the 12 regional commissions, we used a performance scorecard addressing four categories: customer satisfaction, planning, aging, and transportation. Performance targets were established for 11 of the 15 performance measures in the scorecard and RCs were declared to have “met” or “not met” the target. The targets were developed using prior years’ performance data as well as input from DCA, DHS, and several RCs.

The methodology, data source, and period used for each measure in the performance scorecard is described in the table on the next page. The general methodologies for each category are explained below:

Scorecard Measure	Methodology	Source	Time Period
<b>Customer Satisfaction</b>			
<b>Satisfaction with planning services</b>	Average survey responses for planning services section	DOAA survey of local governments	Spring 2019
<b>Satisfaction with intergovernmental coordination</b>	Average survey responses for intergovernmental coordination section	DOAA survey of local governments	Spring 2019
<b>Satisfaction with staff</b>	Average survey responses for staff section	DOAA survey of local governments	Spring 2019
<b>Overall satisfaction</b>	Average survey responses for overall satisfaction section	DOAA survey of local governments	Spring 2019
<b>Planning Performance Measures</b>			
<b>Local plan implementation rate</b>	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 2018
<b>First time approval of RC-prepared plans</b>	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 2017 and 2018 <sup>1</sup>
<b>Contract performance errors</b>	Count number of errors (missed deadlines, incomplete submissions, etc.) identified by DCA	DCA	Fiscal year 2018
<b>New success stories generated</b>	Count number of new local and regional "success stories" approved by DCA for inclusion on DCA's website	DCA	Fiscal year 2018
<b>Percent of local governments with a planning excellence designation</b>	Divide the number of local governments with a WaterFirst, PlanFirst, or Georgia Initiative for Community Housing (GICH) designation by the total number of local governments	DCA	End of fiscal year 2018
<b>Percent of local governments with QLQ</b>	Divide the number of Qualified Local Governments in the region by the total number of local governments	DCA	End of fiscal year 2018
<b>Aging Performance Measures</b>			
<b>Percent of Population 60 Years and Over in Contact with ADRC</b>	Divide the estimated number of ADRC clients 60 years and older by the total population 60 and older in the region	DHS Census Data	Fiscal Year 2018 Calendar Year 2017
<b>Percent Requesting HCBS Served</b>	1. Add the number of clients that received services to the number on the wait list 2. Subtract number of clients from wait list referred for services 3. Divide the unduplicated count of clients served by the total in item 2	DHS	Fiscal Year 2018
<b>Number of clients served per \$1,000</b>	Divide the number of unique clients served by the AAA by every \$1,000 dollars spent on DHS Aging	DHS	Fiscal year 2018
<b>Transportation Performance Measures</b>			
<b>Cost per trip</b>	Divide the number of trips provided by the RC by dollars spent on DHS Transportation	DHS	Fiscal year 2018
<b>Results of Transportation satisfaction surveys</b>	Determine the percent of satisfied respondents from the DHS Transportation surveys	DHS	Fiscal year 2018
<sup>1</sup> Two years of data were used to increase the measure's validity by increasing the population size.			
Source: DOAA, DCA, DHS, and Census Data			

- *Customer Satisfaction* – Customer satisfaction measures were calculated using responses to a local government survey conducted by the audit team. The survey questions are the same as those used in prior audits of the RCs. We used e-mail addresses of local government officials (municipal, county, consolidated) from lists provided by the RCs and DCA. Out of 688 local governments, we received responses from 383 (56%), with regional response rates varying from 33% for Coastal to 71% for River Valley, as shown in [Appendix C](#).
- *Planning* – Planning measures were calculated using data provided by DCA Planning.
  - *Local plan implementation rate* was determined by examining a database used to track plan implementation status (i.e. completed, ongoing, postponed, or cancelled). Plans entered into the database for tracking in fiscal year 2018 were isolated and an implementation rate was calculated according by dividing the number of projects that have been completed by the total number of measurable projects. Completed projects received full credit; ongoing projects received half credit; and postponed or cancelled projects received no credit.
  - *First time approval of RC-prepared plans* was determined by examining DCA's Plan Review Database for RC-prepared plans received in either fiscal year 2017 or fiscal year 2018 (two years were examined due to the small sample size). Implementation rate was calculated by dividing the number of plans approved by DCA on a first review by the total number of plans submitted by the RC to DCA.
  - *Contract errors* were self-reported by DCA through provision of spreadsheet used for this purpose. This spreadsheet was examined for sufficient accuracy and completeness.
  - *Success stories* were determined by examining a spreadsheet used for tracking success stories submitted by RC's annually to DCA. The measure comprised a simple count of success stories submitted by RC's.
  - *Percent of local governments with a planning excellence designation* was determined by examining a database of local governments applying for PlanFirst and/or WaterFirst planning excellence designations and a list of Georgia Initiative for Community Housing (GICH) awardees for fiscal year 2018 (since the designation was new and the designees few). The measure was calculated by dividing the number of local government receiving a PlanFirst, WaterFirst, and/or GICH designation by the total number of local governments in the region.
  - *Percent of local governments with Qualified Local Government (QLG) status* was determined by obtaining a list of governments without QLG status on 6/30/18 from DCA's Plan Review Database and dividing this number by the total number of local governments in existence on 6/30/18.

- *Aging* – Aging measures were calculated using data provided by the DHS Division of Aging Services. Modifications to the Aging performance measures occurred this year in an attempt to find more evaluative and less descriptive measures of performance. Aging performance indicators applied in this year’s review include one measure used in previous years (the number of clients served per \$1,000 of funding provided) as well as two new measures: 1) the percent of Home and Community Based Services (HCBS) clients served that requested services, and 2) the percent of population 60 years and older in contact with the Aging and Disability Resource Center (ADRC). Specific formulas used for each measure are indicated in the table above.
  - *Percent of population 60 years and older in contact with the ADRC* was determined by identifying the number of ADRC clients served in fiscal year 2018 from a report provided by DHS Aging and estimating how many of these ADRC clients were 60 years and older based on ADRC monthly report data. This ADRC clients 60 years and older estimate was then divided by the total population 60 years and older according to US Census data for Georgia.
  - *Percent requesting HCBS served* was determined by identifying number of clients served in fiscal year 2018 from HCBS service reports, number of clients waiting for HCBS services from HCBS wait list data, and number of clients ultimately referred to services from the same wait list data. Wait list data was delineated by Tier 1 and Tier 2, with Tier 1 clients having higher priority service needs. We calculated the measure including both Tier 1 and 2 clients.
  - *Number of clients served per \$1,000* was determined by consulting budget variance reports for RCs and unduplicated HCBS client data for fiscal year 2018.
- *Transportation* – Transportation measures were calculated using data provided by DHS Coordinated Transportation for fiscal year 2018.
  - *Cost per trip* was calculated by dividing year-to-date trip usage by year to date transportation expenditures reported by DHS.
  - *Results of Transportation satisfaction surveys* reflects the proportion of DHS funded human service providers and other transportation stakeholders satisfied with AAA services. This measure was calculated by dividing the number of satisfactory responses by all survey responses.

To determine the compliance of the 12 regional commissions with specific state laws and regulations, prior audit recommendations, and best practices, the Compliance Scorecard (see measures below) was again used to assess areas such as travel and expense, fund balance, and financial audit submission, among others.

Compliance Scorecard Measures	
<b>1. Substantial Implementation of State Travel Policy?</b>	
<b>1(a) Per Diem system?</b>	Do RC policies require a Per Diem system to cover the cost of meals?
<b>1(b) Itemized receipts?</b>	Do RC policies require itemized receipts for all expenses? (Per Diem excluded)
<b>1(c) Commuting mileage?</b>	Do RC policies require that normal commuting miles be deducted when calculating total mileage reimbursement?
<b>1(d) Non-reimbursable expenses?</b>	Do RC policies include a list of non-reimbursable expenses including, but not limited to, alcoholic beverages, travel upgrades, personal entertainment/gifts, and recreation expenses?
<b>1(e) Supervisory approval?</b>	Do RC policies require employee travel expenses to be approved by a supervisor / higher level of authority prior to reimbursement?
<b>1(f) Cost-effective / least expensive?</b>	Do RC policies require the use of the most cost-effective method of transportation and least expensive lodging option available (accounting for proximity to destination and personal safety)?
<b>2. Executive Director Performance Appraisal Conducted?</b>	Georgia statute (O.C.G.A. 50-8-34.1) requires the RC Council conduct an annual performance appraisal of the RC Executive Director.
<b>3. Annual Employee Disclosure Statements Submitted?</b>	Georgia Statute (O.C.G.A 50-8-63) requires that employees who directly or indirectly (through the employee's family, or through any business in which the employee or any member of his/her family has a substantial interest) conduct business with any local government must disclose such transactions.
<b>4. Policy Requiring Appropriate Fund Balance?</b>	The <i>Government Finance Officers Association (GFOA)</i> recommends that governments establish a formal policy on the level of fund balance that should be maintained for budgetary purposes. GFOA recommends a fund balance of between 60 and 120 days of operating expenditures.
<b>5. Financial Audit Submitted to DOAA prior to Deadline?</b>	Georgia statute (O.C.G.A. 50-8-38) requires each RC to submit a copy of their annual audit report to the state auditor within 180 days after the close of the regional commission's fiscal year.

The general methodology used to assess the RCs included requests for current policies and procedures and/or documentation reflecting the requirements. The measures tested are listed in the summary above. Listed below are portions of the Statewide Travel Policy (used for all state agencies and entities) from which parts 1(a) through 1(f) of the Compliance Scorecard were derived.

Compliance Scorecard	Statewide Travel Policy (Effective 9/01/2017)
<b>1(a) Meal Per Diem</b>	Generally, meals are reimbursable on a per diem basis (not actual expenses) for overnight official business travel outside the traveler's Primary Work Station. Per Diem expenses do not require receipts to be provided. Reasonable incidental travel expenses, also known as incidentals, are reimbursed separately...  A) In-state travel per diem rates includes the cost of meals, taxes and tips on meals. (Incidentals are not included.)  B) Out-of-state travel per diem rates include the cost of meals, taxes and tips on meals and follows the appropriate General Service Administration (GSA) per diem rates for a given geographical area. (Incidentals are not included)
<b>1(b) Itemized Receipts</b>	Travelers must always obtain receipts, except when per diem travel allowances are claimed. <b>Itemized receipts</b> should include: name and address of the vendor, date, description, and amount paid for each individual item.
<b>1(c) Commuting Mileage Deduction</b>	Reimbursement for business use of a personally-owned vehicle is calculated per mile, from point of departure <b>after deduction for normal commuting mileage</b> , based on the current reimbursement rate.

Compliance Scorecard		Statewide Travel Policy (Effective 9/01/2017)
		<b>...normal commuting miles must be deducted when calculating total mileage reimbursement.</b> Mileage travelled by State travelers between their Residence and Primary Work Station is considered "commuting miles". Commuting costs are not reimbursable.
1(d)	<b>Non-Reimbursable Expenses</b>	<b>Non-reimbursable expenses</b> include, but are not limited to, the following: - Travel upgrade fees (air, rail, car) - Alcoholic beverages - Bank charges for ATM withdrawals - Childcare - Commuting between Residence and Primary Work Station - Expenses related to vacation or personal days taken before, during or after a business trip - Haircuts and personal grooming - Laundry
1(e)	<b>Supervisory Approval</b>	<b>Under no circumstances should an individual approve his/her own expense report.</b> In most cases, he/she should not approve the expense reports of a person to whom he/she functionally or administratively reports.  <b>A traveler's immediate supervisor or higher administrative authority must approve a travel expense report before reimbursement</b> will be issued. The approver should be in a higher-level position of authority that is able to determine the appropriateness and reasonableness of expenses.  Agency Head Approval: Agency head travel/expense reimbursements are required to have final approval from the State of Georgia's Chief Financial Officer.
1(f)	<b>Cost-Effective Method of Transportation</b>	Ground Transportation: The <b>most cost-effective method of transportation</b> that will accomplish the purpose of the travel should be selected.  Lowest Logical Airfare: Travelers on State business should always select the <b>lowest priced airfare</b> that meets their approved, most logical itinerary and State Policy. Travelers are expected to use their best judgment to save on airfare cost, considering points of departure and destination, flight times and schedules, etc.
1(f)	<b>Least Expensive Lodging Option</b>	Lodging: The traveler should select the <b>least expensive option</b> available taking into consideration proximity to the business destination and personal safety. The traveler or the travel arranger must inquire about the government rate availability, or the conference lodging rate, and select the lowest available rate.

Source: State Accounting Office

To conduct a follow-up of findings and recommendations from our 2015 audit report at three regional commissions, we conducted site visits to the offices of Georgia Mountains, Middle Georgia, and Southwest Georgia RCs, interviewed staff, and reviewed documentation provided by the RCs, DCA, and DHS. Findings and recommendations were four categories used in prior reviews: administration, planning, transportation, and aging. For administration, the audit team reviewed written policies, council minutes, and personnel and financial records to determine compliance with state law, RC policy, and sound management practices. For planning, we reviewed documentation of the RC's interactions with local governments. For aging and transportation, we reviewed documentation of the RC's monitoring activity for a selection of subcontractors.

Instead of generally accepted government auditing standards (GAGAS) or the AICPA attestation standards, this performance audit was conducted in accordance with the Performance Audit Division policies and procedures for non-GAGAS engagements. These policies and procedures require that we plan and perform the engagement to obtain sufficient, appropriate evidence to provide a reasonable basis for the information reported and that data limitations be identified for the reader.

## Appendix B: State Funds Provided to Georgia's Regional Commissions, Fiscal Year 2018

Regional Commission	DCA Planning	DHS Aging Services	DHS Coordinated Transportation	DNR Historic Preservation	Total
Atlanta	\$192,493	\$8,193,666	\$4,435 <sup>1</sup>	\$0	\$8,390,594
Central Savannah	\$167,993	\$1,572,981	\$297,639	\$1,636	\$2,040,249
Coastal	\$177,493	\$1,689,409	\$170,042	\$1,636	\$2,038,581
Georgia Mountains	\$189,993	\$0	\$0	\$1,636	\$191,629
Heart of Georgia Altamaha	\$166,743	\$1,387,433	\$220,277	\$1,636	\$1,776,090
Middle Georgia	\$165,993	\$1,600,301	\$85,136	\$1,636	\$1,853,066
Northeast Georgia	\$176,243	\$1,829,769	\$226,804	\$1,636	\$2,234,453
Northwest Georgia	\$192,493	\$2,747,804	\$0	\$1,636	\$2,941,934
River Valley	\$170,993	\$1,586,014	\$48,393	\$1,636	\$1,807,036
Southern Georgia	\$177,993	\$1,606,096	\$120,742	\$1,636	\$1,906,467
Southwest Georgia	\$165,786	\$9,851 <sup>2</sup>	\$414,930	\$1,636	\$592,203
Three Rivers	\$165,689	\$1,801,531	\$363,212	\$1,636	\$2,332,069
<b>Total</b>	<b>\$2,109,905</b>	<b>\$24,024,855</b>	<b>\$1,951,610</b>	<b>\$18,000</b>	<b>\$28,104,370</b>

<sup>1</sup>The Atlanta Regional Commission (ARC) is one of 12 entities contracted to provide transportation services in the Atlanta region.

<sup>2</sup>Southwest is not contracted to provide aging services but does provide transportation. As a result, Southwest receives a small sum of state funds for aging services administration each fiscal year.

Source: DCA, DHS, and DNR

## Appendix C: Survey Response Rates

Regional Commission	Municipalities	Counties	
<b>Atlanta</b>	<b>Total Respondents: 44</b>	<b>Total Governments in Region: 78</b>	<b>Region Response Rate: 56%</b>
	<i>Respondents</i>	Acworth, Alpharetta, Austell, Berkeley Lake, Brookhaven, Buford, Chamblee, Chattahoochee Hills, Clarkston, Conyers, Dacula, Douglasville, Duluth, Dunwoody, Fayetteville, Johns Creek, Jonesboro, Kennesaw, Lilburn, Lithonia, Locust Grove, Marietta, McDonough, Milton, Norcross, Palmetto, Peachtree City, Powder Springs, Roswell, Sandy Springs, Smyrna, South Fulton, Stockbridge, Stone Mountain, Sugar Hill, Suwanee, Union City, Woolsey	Cherokee, Douglas, Fayette, Gwinnett, Henry, Rockdale
	<i>Non-Respondents</i>	Atlanta, Avondale Estates, Ball Ground, Brooks, Canton, College Park, Decatur, Doraville, East Point, Fairburn, Forest Park, Grayson, Hampton, Hapeville, Holly Springs, Lake City, Lawrenceville, Lovejoy, Morrow, Mountain Park, Peachtree Corners, Pine Lake, Rest Haven, Riverdale, Snellville, Stonecrest, Tucker, Tyrone, Waleska, Woodstock	Clayton, Cobb, DeKalb, Fulton
<b>Central Savannah River Area</b>	<b>Total Respondents: 33</b>	<b>Total Governments in Region: 52</b>	<b>Region Response Rate: 63%</b>
	<i>Respondents</i>	Avera, Bartow, Blythe, Camak, Crawfordville, Davisboro, Dearing, Grovetown, Harlem, Harrison, Keysville, Lincolnton, Louisville, Midville, Millen, Norwood, Oconee, Riddleville, Sandersville, Sardis, Sharon, Thomson, Warrenton, Washington, Wrens	Columbia, Glascock, Hancock, Jenkins, Lincoln, Taliaferro, Warren, Washington
	<i>Non-Respondents</i>	Deepstep, Edge Hill, Gibson, Girard, Hephzibah, Mitchell, Rayle, Sparta, Stapleton, Tennille, Tignall, Vidette, Wadley, Waynesboro	Augusta-Richmond <sup>1</sup> , Burke, Jefferson, McDuffie, Wilkes
<b>Coastal</b>	<b>Total Respondents: 19</b>	<b>Total Governments in Region: 45</b>	<b>Region Response Rate: 42%</b>
	<i>Respondents</i>	Brunswick, Darien, Garden City, Hiltonia, Kingsland, Ludowici, Pembroke, Riceboro, Savannah, St. Marys, Sylvania, Thunderbolt, Tybee Island	Bulloch, Camden, Effingham, Liberty, Long, McIntosh
	<i>Non-Respondents</i>	Allenhurst, Bloomingdale, Brooklet, Flemington, Gum Branch, Guyton, Hinesville, Midway, Newington, Oliver, Pooler, Port Wentworth, Portal, Register, Richmond Hill, Rincon, Rocky Ford, Springfield, Statesboro, Vernonburg, Walthourville, Woodbine	Bryan, Chatham, Glynn, Screven
<b>Georgia Mountains</b>	<b>Total Respondents: 33</b>	<b>Total Governments in Region: 51</b>	<b>Region Response Rate: 65%</b>
	<i>Respondents</i>	Alto, Blairsville, Bowersville, Clarkesville, Clayton, Clermont, Cleveland, Cornelia, Cumming, Dahlonega, Dawsonville, Flowery Branch, Hartwell, Helen, Hiawassee, Homer, Lavonia, Lula, Mount Airy, Oakwood, Royston, Toccoa, Young Harris	Banks, Dawson, Franklin, Habersham, Hall, Lumpkin, Rabun, Stephens, Towns, Union
	<i>Non-Respondents</i>	Avalon, Baldwin, Canon, Carnesville, Demorest, Dillard, Franklin Springs, Gainesville, Gillsville, Martin, Maysville, Mountain City, Sky Valley, Tallulah Falls, Tiger	Forsyth, Hart, White



## Appendix C: Survey Response Rates (Continued)

<b>Regional Commission</b>	<b>Municipalities</b>	<b>Counties</b>
<b>Heart of Georgia Altamaha</b>	<b>Total Respondents: 44      Total Governments in Region: 79      Region Response Rate: 56%</b>	
	<i>Respondents</i>	
	<p>Ailey, Alston, Baxley, Claxton, Cobbtown, Collins, Daisy, Dexter, Dudley, East Dublin, Garfield, Glennville, Graham, Hagan, Hazlehurst, Higgston, Jacksonville, Kite, Lumber City, Lyons, McRae-Helena, Metter, Odum, Pitts, Reidsville, Rentz, Rhine, Santa Claus, Scotland, Stillmore, Summertown, Surrency, Tarrytown, Twin City, Uvalda</p>	<p>Candler, Evans, Jeff Davis, Johnson, Laurens, Montgomery, Tattnall, Telfair, Wayne</p>
<i>Non-Respondents</i>		
	<p>Abbeville, Adrian, Alamo, Bellville, Cadwell, Chauncey, Chester, Cochran, Denton, Dublin, Eastman, Glenwood, Jesup, Manassas, Milan, Montrose, Mount Vernon, Nunez, Oak Park, Pineview, Pulaski, Rochelle, Screven, Soperton, Swainsboro, Vidalia, Wrightsville</p>	<p>Appling, Bleckley, Dodge, Emanuel, Toombs, Treutlen, Wheeler, Wilcox</p>
<b>Middle Georgia</b>	<b>Total Respondents: 18      Total Governments in Region: 31      Region Response Rate: 58%</b>	
	<i>Respondents</i>	
	<p>Allentown, Byron, Centerville, Danville, Eatonton, Gray, Hawkinsville, Irwinton, Milledgeville, Perry, Roberta, Warner Robins</p>	<p>Baldwin, Houston, Monroe, Peach, Putnam, Twiggs</p>
<i>Non-Respondents</i>		
	<p>Culloden, Forsyth, Fort Valley, Gordon, Ivey, Jeffersonville, McIntyre, Toombsboro</p>	<p>Crawford, Jones, Macon-Bibb<sup>1</sup>, Pulaski, Wilkinson</p>
<b>Northeast Georgia</b>	<b>Total Respondents: 40      Total Governments in Region: 65      Region Response Rate: 62%</b>	
	<i>Respondents</i>	
	<p>Arnoldsville, Auburn, Bethlehem, Bishop, Bogart, Bowman, Buckhead, Carlton, Colbert, Crawford, Elberton, Good Hope, Hull, Ila, Jefferson, Loganville, Mansfield, Maxeys, Monroe, Pendergrass, Porterdale, Rutledge, Shady Dale, Social Circle, Statham, Talmo, Union Point, Winder, Winterville</p>	<p>Athens-Clarke<sup>1</sup>, Barrow, Elbert, Greene, Jackson, Jasper, Morgan, Newton, Oconee, Oglethorpe, Walton</p>
<i>Non-Respondents</i>		
	<p>Arcade, Between, Bostwick, Braselton, Carl, Comer, Commerce, Covington, Danielsville, Greensboro, Hoschton, Jersey, Lexington, Madison, Monticello, Newborn, Nicholson, North High Shoals, Oxford, Siloam, Walnut Grove, Watkinsville, White Plains, Woodville</p>	<p>Madison</p>
<b>Northwest Georgia</b>	<b>Total Respondents: 34      Total Governments in Region: 64      Region Response Rate: 53%</b>	
	<i>Respondents</i>	
	<p>Adairsville, Blue Ridge, Buchanan, Calhoun, Cartersville, Cedartown, Chickamauga, Cohutta, Dallas, Dalton, Ellijay, Emerson, Eton, Fairmount, Hiram, Kingston, Lookout Mountain, Menlo, Rockmart, Rossville, Talking Rock, Tallapoosa, Taylorsville, Tunnel Hill, Varnell, White</p>	<p>Catoosa, Dade, Gilmer, Gordon, Murray, Paulding, Pickens, Whitfield</p>
<i>Non-Respondents</i>		
	<p>Aragon, Braswell, Bremen, Cave Spring, Chatsworth, East Ellijay, Euharlee, Fort Oglethorpe, Jasper, LaFayette, Lyerly, McCaysville, Morganton, Nelson, Plainville, Ranger, Resaca, Ringgold, Rome, Summerville, Trenton, Trion, Waco</p>	<p>Bartow, Chattooga, Fannin, Floyd, Haralson, Polk, Walker</p>

## Appendix C: Survey Response Rates (Continued)

Regional Commission	Municipalities	Counties
<b>River Valley</b>	<b>Total Respondents: 30      Total Governments in Region: 51      Region Response Rate: 59%</b>	
	<p><i>Respondents</i></p> <p>Americus, Arabi, Buena Vista, Dooling, Ellaville, Geneva, Hamilton, Ideal, Junction City, Leslie, Lilly, Montezuma, Oglethorpe, Pine Mountain, Pinehurst, Plains, Reynolds, Shellman, Shiloh, Vienna</p>	<p>Clay, Columbus-Muscogee<sup>1</sup>, Dooly, Harris, Macon, Randolph, Stewart, Sumter, Talbot, Webster<sup>1</sup></p>
	<p><i>Non-Respondents</i></p> <p>Andersonville, Bluffton, Butler, Byromville, Cordele, Cuthbert, De Soto, Fort Gaines, Lumpkin, Marshallville, Richland, Talbotton, Unadilla, Waverly Hall, Woodland</p>	<p>Crisp, Cusseta-Chattahoochee<sup>1</sup>, Georgetown-Quitman<sup>1</sup>, Marion, Schley, Taylor</p>
<b>Southern Georgia</b>	<b>Total Respondents: 34      Total Governments in Region: 63      Region Response Rate: 54%</b>	
	<p><i>Respondents</i></p> <p>Alma, Barwick, Blackshear, Cecil, Dasher, Douglas, Du Pont, Fargo, Fitzgerald, Folkston, Hoboken, Homeland, Lake Park, Lakeland, Morven, Nahunta, Offerman, Rebecca, Tifton, Ty Ty, Valdosta, Waycross, Willacoochee</p>	<p>Bacon, Ben Hill, Berrien, Brantley, Brooks, Clinch, Echols<sup>1</sup>, Irwin, Pierce, Tift, Ware</p>
	<p><i>Non-Respondents</i></p> <p>Adel, Alapaha, Ambrose, Argyle, Ashburn, Broxton, Enigma, Hahira, Homerville, Lenox, Nashville, Nicholls, Ocilla, Omega, Patterson, Pavo, Pearson, Quitman, Ray City, Remerton, Sparks, Sycamore</p>	<p>Atkinson, Charlton, Coffee, Cook, Lanier, Lowndes, Turner</p>
<b>Southwest Georgia</b>	<b>Total Respondents: 33      Total Governments in Region: 57      Region Response Rate: 58%</b>	
	<p><i>Respondents</i></p> <p>Albany, Arlington, Attapulgus, Bainbridge, Brinson, Bronwood, Camilla, Climax, Colquitt, Coolidge, Damascus, Doerun, Donaldsonville, Edison, Ellenton, Funston, Jakin, Meigs, Morgan, Moultrie, Newton, Sale City, Sasser, Sylvester, Thomasville, Warwick</p>	<p>Baker, Calhoun, Early, Lee, Mitchell, Terrell, Thomas</p>
	<p><i>Non-Respondents</i></p> <p>Baconton, Berlin, Blakely, Boston, Cairo, Dawson, Iron City, Leary, Leesburg, Norman Park, Ochlocknee, Parrott, Pelham, Poulan, Smithville, Sumner, Whigham</p>	<p>Colquitt, Decatur, Dougherty, Grady, Miller, Seminole, Worth</p>
<b>Three Rivers</b>	<b>Total Respondents: 45      Total Governments in Region: 53      Region Response Rate: 85%</b>	
	<p><i>Respondents</i></p> <p>Aldora, Barnesville, Bowdon, Carrollton, Centralhatchee, Concord, Ephesus, Franklin, Gay, Grantville, Greenville, Griffin, Haralson, Hogansville, Jackson, Lone Oak, Luthersville, Manchester, Meansville, Milner, Molena, Moreland, Mount Zion, Newnan, Roopville, Sharpsburg, Temple, Thomaston, Villa Rica, Warm Springs, West Point, Whitesburg, Williamson, Yatesville, Zebulon</p>	<p>Butts, Carroll, Coweta, Heard, Lamar, Meriwether, Pike, Spalding, Troup, Upson</p>
	<p><i>Non-Respondents</i></p> <p>Flovilla, Jenkinsburg, LaGrange, Orchard Hill, Senoia, Sunny Side, Turin, Woodbury</p>	
<b>Total Survey Respondents: 407      Total Governments in State: 689      State Response Rate: 59%</b>		
<p><sup>1</sup> Consolidated or Unified Government                  Source: DCA, DOAA Customer Survey</p>		

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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](http://www.audits.ga.gov).