



FY24 Periodic Audit Report

ECONOMIC DEVELOPMENT

FY24 Periodic Departmental Mission, Operations, & Internal Controls Audit

Economic Development

Report Number 2024P-72



The mission of the Office of Operational Analysis is to provide quality internal audit services through independent and objective reviews and assessments of the activities, operations, financial systems, and internal accounting controls that support the Mayor and Commission's adopted goals and strategies; to make recommendations that will improve governance, risk management, control processes and value for money, all with the intent of enhancing the efficiency and effectiveness of government operations for the benefit of Athens-Clarke County.

In accordance with Sec. 1-3-1 (b)(1) of the Athens-Clarke County Code of Ordinances, the Internal Auditor shall:

"Conduct reviews and analysis of operational and fiscal procedures and organizational structure and responsibilities as affects the efficiency and effectiveness of departments, offices, boards, activities, and agencies of the Unified Government of Athens-Clarke County."

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The Office of Operational Analysis (OA) conducted this audit with voluntary guidance and reference from the US Government Accountability Office publication Government Auditing Standards, also commonly referred to as "generally accepted government accounting standards" (GAGAS), or "Yellow Book." Acknowledgement of these standards indicates our continued efforts to incorporate applicable, professional practices that are realistic and adaptive to the unique expectations of ACCGov and the community at large. The Periodic Audit process developed by the Office of Operational Analysis is not a forensic audit; however, OA staff uses framework from the Standards for Internal Control in the Federal Government, known as the "Green Book," as guidance for internal control and financial review. Green Book compliance helps provide reasonable assurance that evidence discovered is sufficient and appropriate to support findings and recommendations.

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Executive Summary

FY24 Periodic Audit - Economic Development

The Office of Operational Analysis is pleased to present the FY24 Periodic Departmental Mission, Operations and Internal Controls Audit for the Economic Development Department. This report highlights the important services provided to the community by the Economic Development Department, and how they approach such responsibility as an entity, in both objective(s) and performance. Focus was primarily directed toward the assessment of applicable financial and operational processes to determine reliability, use of resources, and adherence to regulations.

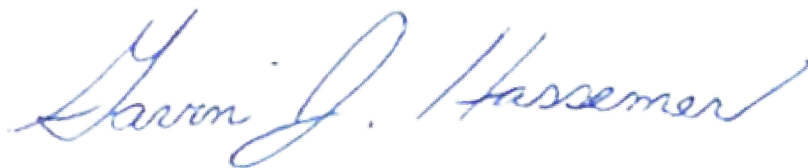
This audit is intended to serve as a resource for ACCGov and the community. The report signifies the role of Operational Analysis to guide efficiency and effectiveness throughout a complex governmental system. The main purpose and scope are outlined in greater detail within the document, along with the most significant findings discovered during the review. Lesser concerning items were presented and discussed with the department and county management during the audit, as appropriate, and may not have warranted inclusion in the report. All findings and recommendations, regardless of significance, have been brought to the attention of applicable staff and the Audit Committee prior to the public release. The full list of formal findings, recommendations, and responses, along with informal points of interest or concern can be found on pages 18-20.

It is the professional opinion of the Office of Operational Analysis that the Economic Development Department is in good standing, functioning at a satisfactory level. The department has sound leadership in place, and services are being provided within budget while abiding by applicable law. Most concerns noted were minor, and three findings were worthy of formal mention, along with recommendations to mitigate. Those issues included the following:

1. Departmental Functions are Position-Specific
2. BAC Compliance
3. Establishment of Performance Metrics

The recommendations outlined were made with the goal of worthy consideration and hopeful implementation for the betterment of ACCGov as a local government entity. Based on this audit and the analysis that was completed, the Office of Operational Analysis plans to follow up on the findings and recommendations within one year's time to assess the status in adherence toward completion.

The Office of Operational Analysis would like to offer and extend our sincere appreciation to the ACCGov Economic Development Department for their assistance and cooperation throughout the audit process. Additionally, the Manager's Office has been responsive to any requests for information or clarification. Finally, gratitude is warranted for the support and direction provided by the Audit Committee in acknowledgement of their respective role.



Gavin J. Hassemer, Internal Auditor

Glossary of Terms

FY24 Periodic Audit - Economic Development

For increased understanding, the Office of Operational Analysis has compiled a list of commonly used words and phrases in relation to the Economic Development Department Periodic Audit that are used throughout this report.

Boards, Authorities, and Commission (BAC)

A structured way for individual citizens to share their opinions and perspectives, study issues, develop recommendations, and participate in board decisions in a focused, small group structure.ⁱ

Economic Development

Creating the conditions for economic growth and improved quality of life by expanding the capacity of individuals, businesses, and communities to maximize the use of their talents and skills to support innovation, job creation, and private investment.ⁱⁱ

International Economic Development Council (IEDC)

A non-profit, non-partisan membership organization serving economic developers. With more than 4,500 members, IEDC is the largest organization of its kind.ⁱⁱⁱ

Metropolitan Statistical Area (MSA)

One or more counties that contain a city of 50,000 or more inhabitants, or contain a Census Bureau-defined urbanized area (UA) and have a total population of at least 100,000 (75,000 in New England).^{iv}

Tax Allocation District (TAD)

A redevelopment tool that uses the increased property taxes generated by new development in a designated redevelopment area to finance costs related to development including, but not limited to, public infrastructure, demolition, utilities, and planning costs.

Telework

Work in a designated area outside the traditional, assigned workplace. Telework is a cooperative arrangement among employees, department directors, supervisors, and coworkers.^v

Workforce Development

Economic development planning or implementation projects that support workforce education and skills training activities directly connected to the hiring and skills needs of the business community and that result in quality jobs. Workforce development is one of EDA's seven investment priorities.^{vi}

^[i] <https://www.acgov.com/DocumentCenter/View/60841/Boards-Authorities-Commissions-Manual?bidId=>
^[ii] <https://www.eda.gov/about/economic-development-glossary>
^[iii] <https://www.iedc.org/pages/about-iedc/>
^[iv] <https://www2.census.gov/geopl/reference/GARM/Ch13GARM.pdf>
^[v] <https://www.acgov.com/DocumentCenter/View/97399/Telework-Policy---HR---006?bidId=>
^[vi] <https://www.eda.gov/about/economic-development-glossary>

Overview

→ Chapter One

On November 7, 2023 the Mayor & Commission approved the FY24 Audit Workplan for the Office of Operational Analysis. The Economic Development Department, along with the Tax Assessor's Office and Housing and Community Development Departments were recommended for periodic audits during the final three quarters of FY24. The purpose of periodic departmental audits is to conduct a basic review and analysis of established performance measures and sound financial management strategies to deliver exceptional service, while also ensuring compliance through internal controls.

It is the intent of the Internal Auditor, at the request of the Audit Committee, to assure every department of ACCGov be reviewed by such a periodic audit regularly, on an established rotation. Considering this approach for the Office of Operational Analysis, it is necessary for the Audit Committee to use its discretion to recommend the proper timeline of these periodic audits. Among the factors considered in the decision were length of time since previous internal audit, community and organization impact, scheduling, and risk exposure.

According to the US Department of Commerce, the definition of economic development is "Creating the conditions for economic growth and improved quality of life by expanding the capacity of individuals, businesses, and communities to maximize the use of their talents and skills to support innovation, job creation, and private investment." ^[1] Athens-Clarke County is the smallest county by land area in the state of Georgia, covering approximately 122 square miles. It is also home to the state's flagship university, and the urban hub of the Athens-Clarke County Metropolitan Area comprising Clarke, Madison, Oconee and Oglethorpe counties. The Internal Auditor and the Audit Committee considered the importance of the Economic Development Department and the impact it can have on economic growth, and in turn, the quality of life for all residents of Athens and the surrounding areas.

Furthermore, the unique nature of work done by the department, and the fact that it has not been the subject of an internal audit in the past, influenced its inclusion during the FY24 Periodic Audit cycle. The audit scope comprised three primary sections of review and analysis:

Financial

Items evaluated regarding appropriate internal controls and oversight included fiscal year budget and spending as well as budget oversight and permissions. Additionally, the handling of purchasing, travel, contracts, receipt of goods and accounting of assets was subject to examination. Timesheet entry and payroll processing were also included as part of financial review and analysis.

Performance

The review of service delivery was based on the mission statement and objectives of the department and included benchmark testing against self-stated performance measures, review of standard operating procedures and analysis of staffing and succession planning.

Compliance

All applicable items of compliance were subject to review including adherence to charter and ordinances, proper professional credentials, analyses by third-party audits and reviews, alignment with organizational strategic plan and initiatives, as well as overall adherence to existing policies/procedures/practices.

With respect to the tailored nature of this unique approach, staff sought to apply applicable aspects of the COSO or Green Book model of Internal Controls to the departmental functions being audited in general. Finally, any other pertinent observations or points of interest made by the Internal Auditor, that may warrant future examination (inefficiency, ineffectiveness; customer dissatisfaction; staff vacancies; missing records; mispending; fraud; abuse; negligence; etc.), were noted, as appropriate.

[1] <https://www.eda.gov/about/economic-development-glossary>

Process

The process for internal Periodic Audits involves planning, fieldwork and reporting.

During the planning phase all involved parties are notified and an initial entrance meeting is held to establish the audit timeline, as well as discuss the scope and audit objectives. During this phase information is gathered through research, questionnaires and documents submitted by the department being audited. Dates for field visits and in-person interviews are agreed upon.

The fieldwork phase of the audit generally includes on-site visits so that OA staff can observe department operations, interview staff, perform analyses, identify anomalies and write recommendations for improvement. At the end of the fieldwork phase an exit interview is scheduled to review the audit findings with the department director. It should be noted that the Economic Development Department does not have dedicated office space; all employees work 100% remotely. Therefore, field visits were limited to virtual and in-person meetings.

The final phase of the audit is reporting. OA staff prepares a draft report, to which the subject department director submits a written response and corrective action plan. These documents are combined, along with a management response (if submitted), into a final report which is presented to the Mayor & Commission for approval.

Figure 1



Methodology

It is the intent of the Internal Auditor to perform constructive audits and present reports which are clear and concise. This report highlights factual information, both positive and negative, so that those with responsibility have the opportunity to respond and build off the suggestions provided. The findings of the Periodic Audit are presented so as to be easily understood by those outside ACCGov in a manner that is relatable, but sound in logic. The layout has been designed in a direct and deliberate style to facilitate usability for all interested parties

In order to assure and maintain objectivity, independence, integrity and professionalism, OA uses generally accepted government auditing standards to gather and analyze data. Information used for this report was attained directly from the Economic Development Department and other ACCGov entities, along with publicly available documents and information. Information from sources outside of ACCGov are cited where applicable.

Quantitative analysis has included a review of ratios and trends among data in order to isolate unusual circumstances. Qualitative analysis has been judged to be valid when it is logically comprehensive, complete, professional, and significant to the reported findings.

Specific activities of research and analysis included:

- Research of federal, state and local laws and regulation governing the operation of the Economic Development Department
- Gathering of information specific to the Economic Development Department and its partnership entities through research of digital and printed sources
- Analysis of documentation requested from the department and subsequently submitted by department director and staff
- Data and information gathered from written surveys prepared by OA staff and submitted by each employee of the department
- Oral interviews of staff members
- Test of internal controls against standards set by the county and state, as well as best professional practices
- Observation of meetings facilitated by Economic Development staff, or meetings in which EDD staff participated
- Research and analysis of comparisons between ACC Economic Development Department and similar departments across the state and country.

While methodology and scope are designed to be consistent among ACCGov departments, the diversity of operations across the organization calls for certain aspects of the audit work to be tailored to each department. For the Economic Development Department, a standardized Periodic Audit Document Request list was used, and all requested documents were submitted by the department in a timely manner. A standard Periodic Audit questionnaire was provided to each staff member, to which a 100% response rate was received. Fieldwork comprised 35.5 hours over 13 days. Email and phone calls were used to follow up regarding scheduling, office visits, and quick clarification questions. Confirmation of assets, records, statements and documents was made by cross-reference with other ACCGov departments. Because the department works under a 100% telework structure, visual inspection of assets and documents was deemed impractical.

Background

The Economic Development Department was established by local ordinance on February 5, 2013 as a part of the FY13 ACCGov Operating Budget. From Sec. 1-22-2 of Athens-Clarke County's Code of Ordinance, the Economic Development Department is:

“... to be the primary point of contact for industries, large commercial developments, site location consultants, and state economic development organizations interested in developing, expanding, or locating new or expanded businesses in Athens-Clarke County.

Prior to the Mayor and Commission establishing an in-house, Economic Development Department, similar services within Athens-Clarke County were handled by various groups both inside and outside the government. Originally, the primary group charged with organizing and ensuring economic development throughout the county was the Athens-Clarke County Economic Development Foundation (EDF).

The Economic Development Implementation Committee Action Report described the Athens-Clarke County EDF as “a nonprofit organization created and supported by a partnership among the Unified Government, the Athens Area Chamber of Commerce, the Athens-Clarke County Economic Development Authority, and the University of Georgia.” Following the creation of the ACCGov Economic Development Department, the EDF halted its operations and the Economic Development Department took over its duties.

Since its establishment, the Manager's Office has held oversight and responsibility for the Economic Development Department. The Manager's Office ensures that Economic Development exemplifies that Athens-Clarke County is "open for business" with its mission to facilitate economic growth by supporting businesses and industries in developing, locating, and growing in Athens-Clarke County by providing needed resources, assistance, and connections.

The role of the office is to be the liaison between prospective businesses and industries and ACCGov. Although the ACCGov Code of Ordinance only mentions large commercial developments and businesses, the office has broadened its scope to include Workforce Development, Business Incentives, and Small Business and Entrepreneurship topics in an effort to serve as a point of contact with businesses and developments of all sizes who are interested in relocating to Athens-Clarke County.

The Economic Development Department housed within ACCGov differs in nature from all of the compared jurisdictions, being the only one among them which serves as a stand-alone internal department, hired by the county government and reporting to the Manager's Office. In addition to the EDD, there are two county-wide development authorities. Athens-Clarke County Industrial Development Authority comprises a five-member board: the mayor, the chairperson of the Athens Area Chamber of Commerce, one county commission member, and two members appointed by the Mayor & Commission, whose duties are "... to participate in decisions ... as prescribed by applicable law, including financing of projects through the issuance of bonds and other permitted indebtedness." The Development Authority of the Unified Government of Athens-Clarke County is a seven-member board appointed by the Mayor & Commission with the duty to "...to participate in decisions ... as prescribed by applicable law, including financing of projects through the issuance of bonds and other permitted indebtedness."

The Joint Development Authority of ACCGov & Winterville is overseen by seven board members, four of whom are appointed by ACCGov and three by the City of Winterville. The JDA "...was established to provide a route to economic development activities that are unavailable to either local government, potentially including loan support, tax benefits or property transfers that serve in the best interest of the establishing local governments." The EDD Small Business and Entrepreneurship Coordinator serves as staff liaison for the JDA.

One of the major responsibilities of the ACCGov EDD is to provide a staff liaison to the six Tax Allocation District (TAD) advisory boards. This position is funded directly through the tax proceeds of the TADs themselves.



During FY23, the Economic Development Department has supported various employers to create 1,785 jobs and recruit or expand 21 projects in Athens-Clarke County through incentivized projects. So far into FY24, the Economic Development Department is already linked to 100 jobs and has helped recruit or expand 6 projects throughout Athens-Clarke County via incentivized projects.

Economic Development also focuses on outreach and relationship building with current and potential businesses and organizations. In FY23, the department had 49 retention visits with existing businesses and have completed 27 such visits in FY24.

The Economic Development Department also oversees numerous boards, authorities, and commissions (BACs), most notably the Joint Development Authority (JDA) for Athens-Clarke County & Winterville, and the six Tax Allocation District (TAD) Advisory Committees.

Analysis

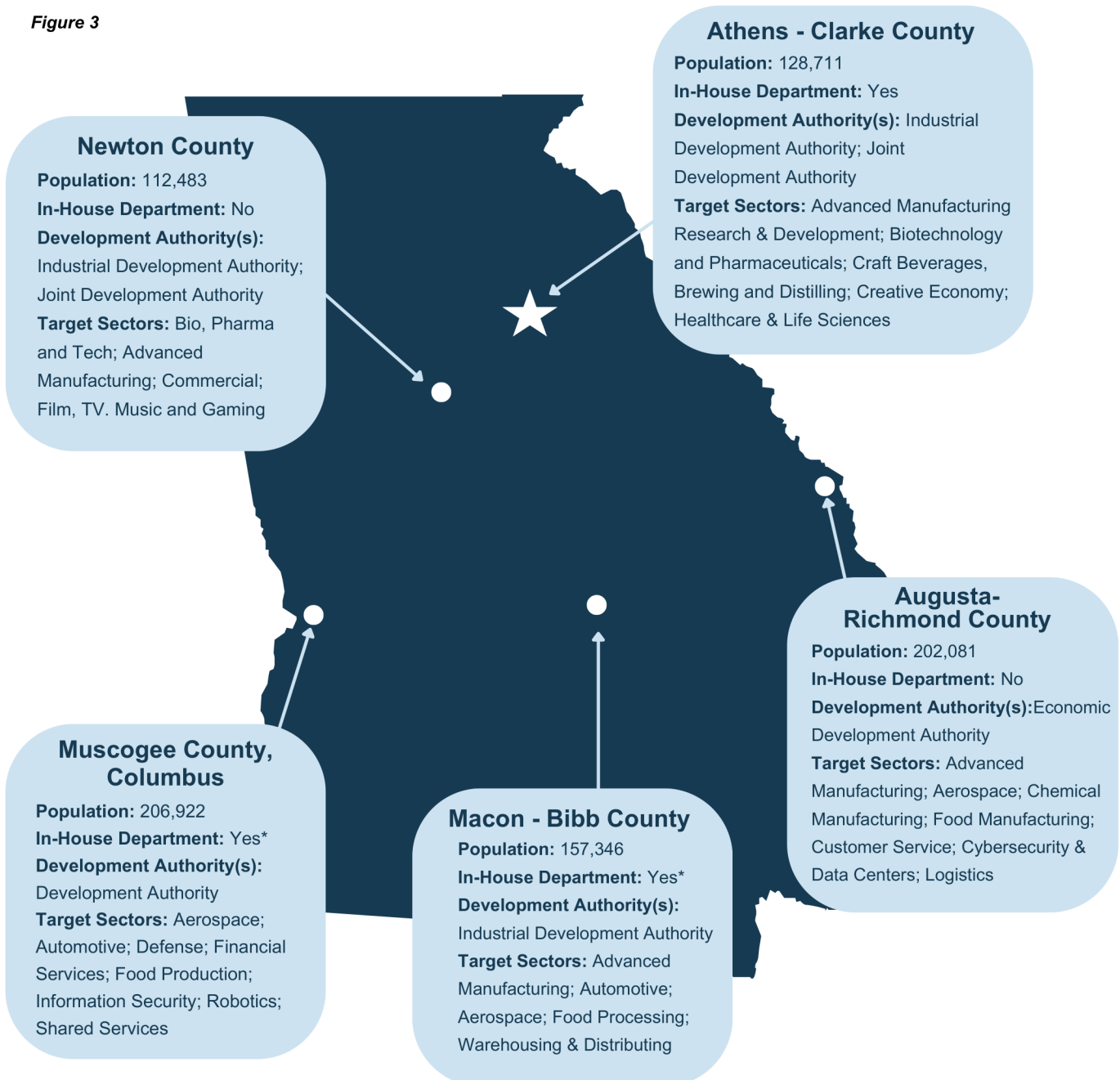
Chapter Two

Throughout the periodic audit, OA staff analyzed data from four comparable Economic Development organizations in the state. Population, whether or not there is an in-house economic development department, other development authorities and target sectors were reviewed. From these inquiries and findings, Operational Analysis staff were successfully able to compare the ACCGov Economic Development Department with those comparable organizations.

Comparative Analysis

By researching various counties in Georgia, OA found that the structure of local government entities charged with the task of economic development varies greatly. Because the consolidated city-county structure like the one of ACCGov is only used by a handful of Georgia counties, OA found it important to look at the local government sponsored or supported economic development entities within three other consolidated governments: Augusta, Columbus and Macon-Bibb. Additionally, Newton County, due to its proximity and similar population, was also chosen for comparison.

Figure 3



*not exclusively economic development functions

Muscogee County-Columbus Consolidated Government is located in southwest Georgia along the Georgia-Alabama state line. The City of Columbus has a population of 206,922 according to the 2020 census, making it the second largest city in the state outside of Atlanta. The Columbus Metropolitan Statistical Area (MSA) comprises six counties including one in Alabama and had a population of 328,883 according to the same census.

The Columbus Consolidated Government houses some economic development activities within its Community Reinvestment Department, which appears to function in a similar capacity to ACCGov's Housing and Community Development (HCD) Department. The county is also served by the Muscogee County Columbus Consolidated Government Development Authority, which is overseen by seven board members. It also seems the Authority supervises additional economic development staff employed by the Chamber of Commerce.^[1]

Macon-Bibb County is a consolidated government located in central Georgia and has a population of 157,346 according to the 2020 census. It consists of a Community and Economic Development Department comprising 10 employees. This department seems similar in function to ACCGov's Housing and Community Development (HCD) Department. Additionally, the Macon-Bibb County Industrial Authority (MBCIA) was created by an act of the General Assembly in 1962 and is governed by a six-member board consisting of the Mayor of Macon-Bibb County, four Macon-Bibb County appointees, and one appointment. MBCIA is charged with the responsibility of creating jobs and increasing the tax base of Macon-Bibb County, and lists as Macon-Bibb's leading industries, "...aerospace, automotive, advanced manufacturing, food processing, and warehouse and distribution."^[2]

Augusta-Richmond County Georgia is a consolidated government located in east Georgia along the Georgia-South Carolina state line and has a population of 202,081 according to the 2020 census. Augusta-Richmond County does not have an "in-house" economic development department, but instead, activities are overseen by the August Economic Development Authority (AEDA) which states as its mission, "... to seek new investments and jobs for Augusta and to aide existing businesses undergoing capital expansions and job growth. The organization provides bond financing, tax abatement and other incentives for businesses based on certain guidelines. The AEDA is Augusta's key contact for the Georgia Department of Economic Development (GDEC) and statewide economic development partners like Georgia Power Company and Georgia EMC. The AEDA also works with other stakeholders including industry leaders, developers and site selection consultants."^[3]

The AEDA is overseen by nine board members, and its operations staff comprises a team of five: the president, two senior project managers, an operations manager and a commercial and retail development manager. On its website the AEDA calls itself "the single point of contact for economic development projects in Augusta-Richmond County," and emphasizes assistance with recruiting industries, corporate and regional headquarters, and focusing on military-related companies associated with Fort Eisenhower military base, which lies within Richmond County.

Newton County lies in the north-central portion of the state, southwest of Athens-Clarke County and is included in the Metro Atlanta Metropolitan Statistical Area (MSA). As of the 2020 census, the population was 112,483, and the county covers an area of 279 square miles and its county seat is the City of Covington. Newton County has an Industrial Development Authority which is overseen by a five-member board. The board membership comprises the Mayor of Covington, the Newton County Commission Chair, the President of the Chamber of Commerce, and two at-large members.

The county also lists a Joint Development Authority on its official website. The Joint Development Authority (JDA) of Jasper, Morgan, Newton and Walton Counties is overseen by a board of nine

[1] <https://www.choosecolumbusga.com/about/contact-us>

[2] <https://mbcia.com/>

[3] <https://augustaeda.org/news/cal-wray-selected-to-lead-augusta-economic-development-authority/>

[4] <https://www.co.newton.ga.us/552/Joint-Development-Authority>

members, including the board's attorney along with two members from each represented county. According to its website, "The Joint Development Authority (JDA) of Jasper, Morgan, Newton, and Walton Counties began as a concept in 1998 between Newton and Walton Counties. In 1999 the formation of the JDA between the four counties was adopted by each county and the JDA became a reality." The Authority recognizes major industries within its targeted area as Takeda, Georgia's BioScience Training Center, Facebook's Newton Data Center, the Newton County Water and Sewerage Authority's Emmons Treatment Facility, and the future home of Baymare's Data Center and Rivian Electric Vehicle Plant.^[4]

Financial Review

A review of the FY24 Operating Budget, and previous three fiscal years, was performed to gain a general sense of revenue/expenditure trends, and provide detail of major account spending. This was accomplished through an understanding of financial documents, interviews, observations, and data analysis. Year-over-year approved budget totals are compared against end-of-year results in the summary tables below.

Overall, the annual operating budget has fluctuated in terms of the general fund in recent history, both decreasing and increasing by margins of greater than 15% from the previous year. The same can also be stated with regard to other monetary sources under the management of Economic Development, as evidenced by a focus on hotel/motel funds, special programs funds, and capital funds. The degree of annual variance amongst these various accounts is also noted below.

Figure 4 - Financial Highlights: Economic Development

Fiscal Year	Fund	Approved Budget	% +/- Previous Year	Year End Expenditures	% of Yearly Expenditures	Notes
FY21	General	\$551,102	--	\$790,959	73.5	FY21 Budget Revised ^[1]
	Hotel/Motel	\$115,000	--	\$47,093	18.1	FY21 Budget Revised ^[2]
	Special Programs	\$59,700	--	\$0	0	FY21 Budget Revised ^[3]
	Capital	\$225,000	--	\$0	0	FY21 Budget Revised ^[4]
FY22	General	\$624,109	-15.9	\$535,417	59.1	FY22 Budget Revised ^[5]
	Hotel/Motel	\$100,000	-6.8	\$74,507	30.4	FY22 Budget Revised ^[6]
	Special Programs	\$60,000	28.6	\$0	0	FY22 Budget Revised ^[7]
	Capital	\$0	0	\$0	0	FY22 Budget Revised ^[8]
FY23	General	\$595,649	-25.3	\$503,548	74.5	FY23 Budget Revised ^[9]
	Hotel/Motel	\$100,000	-2	\$28,658	11.9	FY23 Budget Revised ^[10]
	Special Programs	\$60,000	22.3	\$0	0	FY23 Budget Revised ^[11]
	Capital	\$500,000	--	\$100,000	6	FY23 Budget Revised ^[12]
FY24*	General	\$818,087	21	\$352,699	46.7	--
	Hotel/Motel	\$145,000	-39.6	\$0	0	--
	Special Programs	\$60,000	-81.8	\$0	0	--
	Capital	\$500,000	24.1	\$0	0	FY24 Budget Revised ^[13]

*Year to Date Expenditures

[1] FY21 Approved Budget was revised by \$525,000, increasing total approved budget to \$1,076,102
[2] FY21 Approved Budget was revised by \$145,000, increasing total approved budget to \$260,000
[3] FY21 Approved Budget was revised by \$150,000, increasing total approved budget to \$209,700
[4] FY21 Approved Budget was revised by \$837,630, increasing total approved budget to \$1,062,630
[5] FY22 Approved Budget was revised by \$281,244, increasing total approved budget to \$905,353
[6] FY22 Approved Budget was revised by \$145,000, increasing total approved budget to \$245,000

[7] FY22 Approved Budget was revised by \$209,700, increasing total approved budget to \$269,700
[8] FY22 Approved Budget was revised by \$1,062,630, increasing total approved budget to \$1,062,630
[9] FY23 Approved Budget was revised by \$80,700, increasing total approved budget to \$676,349
[10] FY23 Approved Budget was revised by \$40,179, increasing total approved budget to \$240,179
[11] FY23 Approved Budget was revised by \$269,700, increasing total approved budget to \$329,700
[12] FY23 Approved Budget was revised by \$1,158,750, increasing total approved budget to \$1,658,750
[13] FY24 Approved Budget was revised by \$1,558,750, increasing total approved budget to \$2,058,750

It was observed that, though not indicative of accounting error, each annual budget during the period analyzed has undergone revision (+/-) from that of the originally approved version, as detailed in the notations. A majority of this is likely to adjust for actual revenues/expenditures that occur throughout a fiscal year in order to transfer funds or realistically set account parameters from that of estimated projections/forecasts.

As is typical with most general fund departmental budgets, compensation and benefit line items total the majority of the Economic Development Department expenditures, though a few operating accounts are worth mention based on allocated amounts.

FY24 General Fund

Fees-Professional Services - \$82,000

- This account is used primarily for annual service contracts, consultants, and/or legal fees.

Advertising-General - \$35,000

- This account is used in association with various marketing services and resources, like graphic design, event sponsorship, promotional items, public notices, and media publication.

Recruitment/Prospect Development - \$65,000

- This account is used for services like website maintenance associated with attracting prospective developers, businesses, industries, and officials. It increased 622% from that of the previous year (\$9,000 in FY23).

Unique to Economic Development, from a budget perspective, is the inclusion of Tax Allocation District (TAD) funding. Both revenue and expenditure accounts of all six TADs are assigned to Economic Development. Revenue is generated by the incremental value in property, while spending is linked to administrative costs and any approved improvement projects. Similar to the general, hotel/motel, special projects, and capital funds chart, the proceeding chart displays budgetary allocations for the past three years in which all TADs have been activated.

Figure 5 - Financial Highlights: Tax Allocation District (TAD) Funding

TAD Name	Fiscal Year	Approved Budget	% +/- Previous Year	Year End Expenditures	% of Yearly Expenditures	Notes
Mall	2022	\$22,000	--	\$6,431	29.2	--
	2023	\$76,000	256	\$28,999	37	FY23 Budget Revised ^[1]
	2024*	\$110,000	40.3	\$20,485	18.6	--
W. Broad / Hawthorne	2022	\$118,000	--	\$4,038	3.4	--
	2023	\$183,000	51.7	\$12,098	6.8	FY23 Budget Revised ^[2]
	2024*	\$196,000	9.5	\$19,485	9.9	--
Newton Bridge	2022	\$73,000	--	\$4,115	5.6	--
	2023	\$110,000	50.2	\$9,984	9.1	FY23 Budget Revised ^[3]
	2024*	\$160,000	46	\$16,980	10.6	--
E. Downtown	2022	\$49,000	--	\$3,417	7	--
	2023	\$245,000	416.3	\$18,818	7.4	FY23 Budget Revised ^[4]
	2024*	\$295,000	16.6	\$22,441	7.6	--
North Avenue	2022	\$30,000	--	\$1,719	5.7	--
	2023	\$57,000	92	\$4,458	7.7	FY23 Budget Revised ^[5]
	2024*	\$73,000	26.7	\$13,986	19.2	--
Lexington	2022	\$202,000	--	\$35,903	17.8	--
	2023	\$328,000	59.1	\$23,795	7.4	FY23 Budget Revised ^[6]
	2024*	\$387,000	20.4	\$25,771	6.7	--

*Year to Date Expenditures

1 FY23 Approved Budget was revised by \$2,382, increasing total approved budget to \$78,382


2 FY23 Approved Budget was revised by (\$4,036), decreasing total approved budget to \$178,964

3 FY23 Approved Budget was revised by (\$379), decreasing total approved budget to \$109,621

4 FY23 Approved Budget was revised by \$7,989, increasing total approved budget to \$252,989

5 FY23 Approved Budget was revised by \$612, increasing total approved budget to \$57,612

6 FY23 Approved Budget was revised by (\$6,568), decreasing total approved budget to \$321,432



Individual, annual TAD budgets are developed based on estimated revenue, which then matches projected expenses. Said revenue can fluctuate; however, both above/below expectations, requiring careful analysis and tracking of actual expenses, and the potential for a budget amendment.

Aside from TAD dollars, the Development Authority offers Revolving Loan Funds. A recent, external financial report of the Joint Development Authority was completed for years 2022 and 2023. Similarly, the Industrial Development Authority financial reports for years 2021 and 2022 was also finalized. Neither respective audit highlighted significant findings of concern.

At time of the audit, Economic Development did not identify any active grant awards that would impact revenue reporting. It should be noted that the department does attempt to pursue grants when applicable. Although there have been no capital projects thus far into FY24, a capital project fund has historically existed, and is reserved for initiatives that are often unknown until such time development of relative significance would warrant use.

Associated assets are primarily limited to information technology and software. No vehicles are presently assigned to the department, and no physical office space exists. A review of annual expenditures did yield commitments to legal services for the purpose of representation at various authority meetings, or for TAD administration. Other consistent obligations include those for software, website maintenance, marketing, and site engineering.

When necessary or advantageous, the department is expected to work with the Purchasing Division of the Finance Department to procure items over established thresholds, whether by multiple quotes or requests-for-proposals (RFP). One such example would be the recent selection of an additional engineering firm for on-call site plan preparation in order to promote fairness and multiple options in vendor solicitation. If not for the fact these services are presently provided “pro-bono”, typical procurement practices would be pursued.

In accordance with ACCGov Finance Department policy, all staff are determined by departmental leadership for various permission(s) within the Munis financial system. Upon review, the list of current permissions amongst Economic Development staff appears accurate and appropriate given the levels of access select employees have been designated, based on job title and responsibility. It should be noted that one staff member has been designated as the primary point for most of the department’s procurement.

This also holds true for purchase card (P-Card) authority, in terms of reconciliation and approval of charges. A list of active, issued purchase cards was verified between the Purchasing Division of the Finance Department and the Economic Development Department. Two staff members presently have a P-Card, in an effort to lessen issuance to only select individuals and to similarly move away from use of the departmental credit card. For clarification, the departmental credit card is not the same as a P-Card or T-Card. It is essentially a corporate credit card used for specific purchases related to fulfilling the mission of Economic Development, but abide by strict reconciliation in line more with a purchase order and approved by Manager’s Office. Overall, permissions are considered in context of budget analysis, procurement, journal entry, fund transfers, reimbursements, receipt of goods, and cash handling.

Not unlike many departments, compensation represents the largest annual expenditure within the Economic Development budget, specifically \$371,926 allocated to full-time salaries, or 45.5% of the total departmental generally funded budget in FY24. It should be noted that an additional \$57,230 in full-time salary is derived from the cumulative proportion amongst each of the six TADs.

Staff within the department are expected to log work hours directly into the Munis ESS software system for eventual approval by their supervisor. Although a two-factor method (paper timesheets)

of validation is not required by Human Resources policy, it represents a best practice that may help ensure accuracy and proper record-keeping. Upon financial review, Operational Analysis staff did not observe any abnormalities in the sampling of timesheets, or concern in the validation of actual time worked. Although the office is 100% remote, which can necessitate increased attention over supervision and performance, no indication of fraud was discovered.

Performance Review

The Economic Development Department can be best described through its self-stated mission,

“To facilitate economic growth by supporting businesses and industries interested in developing, locating, and growth in Athens-Clarke County by providing needed resources, assistance, and connections

as stated in the FY24 Comprehensive Budget

”

Fulfilling this mission involves providing services and programs which assure the office not only facilitates economic growth, but also identifies growth opportunities, to serve as a liaison in workforce development, and enhance the quality of life for those living within Athens-Clarke County.

A Periodic Audit was conducted of the ACCGov Economic Development Department from January - March 2024. During this time Operational Analysis staff reviewed various sources of information and data in order to analyze the performance of the office. Overall, OA found the operations to be performed within organizational standards. Additional notes and recommendations for performance improvement can be found in the Findings & Recommendations section of this report.

The structure of the Economic Development Department (EDD) is unique among ACCGov organizational units. It is the only department known to OA which has a 100% telework structure. Being so, OA staff has only been able to conduct fieldwork studies of EDD staff during their public interactions.

During the fieldwork phase of the audit, OA staff observed two of the members of the EDD team during their interactions with members of the constituency with which they are charged to provide services. Most of these observations were made during meetings of Tax Allocation District (TAD) meetings.

Other fieldwork opportunities included observation of a meeting of the Industrial Development Authority of Athens-Clarke County (IDA), the Joint Development Authority of ACCGov and Winterville (JDA), and a workshop sponsored by EDD in partnership with the Lyndon House Arts Center, which is a division of ACCGov Leisure Services Department.

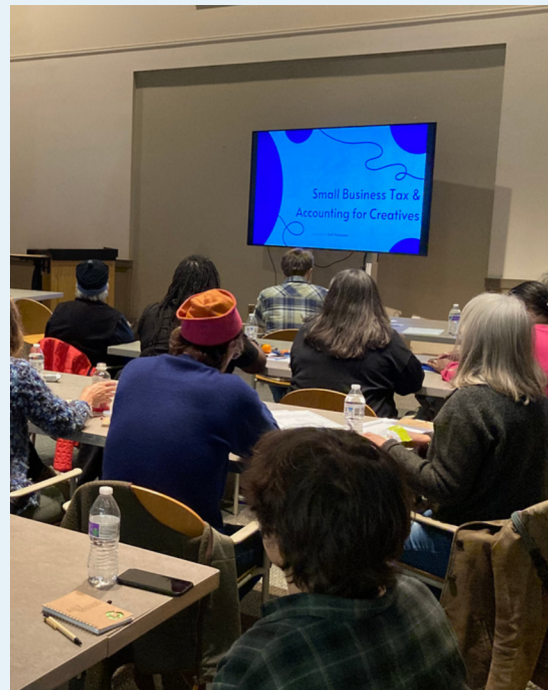


Figure 6-Participants view presentation hosted by the Small Business and Entrepreneurship Coordinator in collaboration with Lyndon House Arts Center

EDD staff were observed conducting TAD meetings with each of the six TAD Advisory Committees and one meeting of the JDA. The staff liaison for EDD was prepared for the TAD meetings, arrived at site on-time, and had all arrangements in place to livestream meetings, per ACCGov standards for citizen involvement and transparency. Similarly, the staff liaison for the JDA was prepared with all the necessary materials for the JDA meeting, although this meeting was not livestreamed.

OA staff attended a meeting of the IDA which is regularly attended by EDD staff. Regular annual business of the IDA occurred, including a brief presentation of the audit findings from the external auditor. Other normal business was conducted by the attorney who is compensated from the IDA's operating fund.

During the period of the audit, a workshop was hosted by EDD in conjunction with the Lyndon House Arts Center. Attendance was observed to be approximately 30 guests. The program was facilitated by a third-party presenter who delivered material regarding accounting practices for small businesses. EDD was represented by the Small Business and Entrepreneurship Coordinator, who greeted attendees and introduced the presenter.

OA staff was able to observe two internal meetings of the EDD staff, one held virtually and one in-person. Such meetings are held bi-weekly, and OA heard coordinators giving updates on their activities and sharing general information of interest to the group.

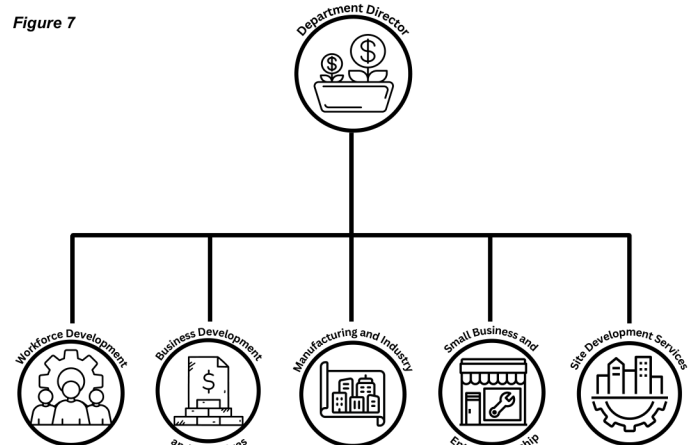
OA staff attended a Visioning meeting with a prospective developer at the Permit and Building Inspections Department. The Site Development Coordinator is tasked with both organizing and managing these meetings, but OA staff observed that in their absence a Planning Department staff member takes over those duties.

Staffing

The Economic Development Department comprises six staff members: a director and five coordinators. The number of staff has doubled since the department was established in 2013. Original staffing called for a Director, a Business Development Specialist and a Program Support Manager.

All coordinators report to the director. At the time of the audit there were no additional employees, so none of the coordinators were in a supervisory position. (See Fig. 7)

Figure 7



Each of the current coordinators has an area of specialization with the following job description titles:

- Business Development Coordinator (Data Management)
- Business Development Coordinator (Small Business & Entrepreneurship Coordinator)
- Business Development and Incentives Coordinator (TADs)
- Site Development Services Coordinator
- Workforce Development Coordinator

EcDev Staff Time in Department^{*} (in years)



Figure 8

^{*}as of February 2024

Physical Facility

The Economic Development Department does not have a dedicated workspace for its operations. All staff routinely telework, or attend meetings either at an ACCGov location, or at sites determined by the parties which are included.

For example, meetings of the Industrial Development Authority are held at the Chamber of Commerce Building in Downtown Athens, and meetings of TAD advisory boards may be held in the community room at the Solid Waste Facility, or at an ACCGov Fire Station, among others (preferably an ACCGov facility in the general area of that particular TAD).

The EDD staff holds an in-person meeting every other week at a local café, or ACCGov facility and each staff member meets monthly one-on-one with the department director. In turn, the director also meets monthly with an ACCGov Assistant Manager.

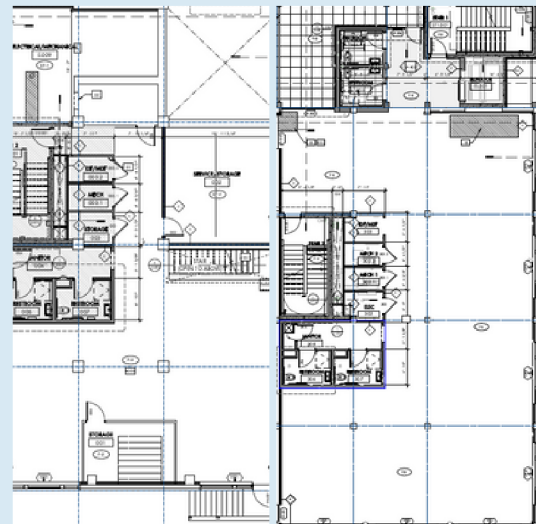


Figure 9-Proposed interior floor plan of Costa Building renovated space

In a September 2023 Interim Space Allocation Report to the Mayor & Commission, ACCGov Central Services Department noted an increase of staff within EDD, along with the need for flex space, was taken into consideration for the study. The report recommended EDD share a flex space in the Costa Building once renovation is complete (See Figure 9). With this arrangement, EDD would retain high telework usage, but have access to the shared space and manage its contents. At the time of this audit, renovation of the Costa building is anticipated to be mid - late 2024.

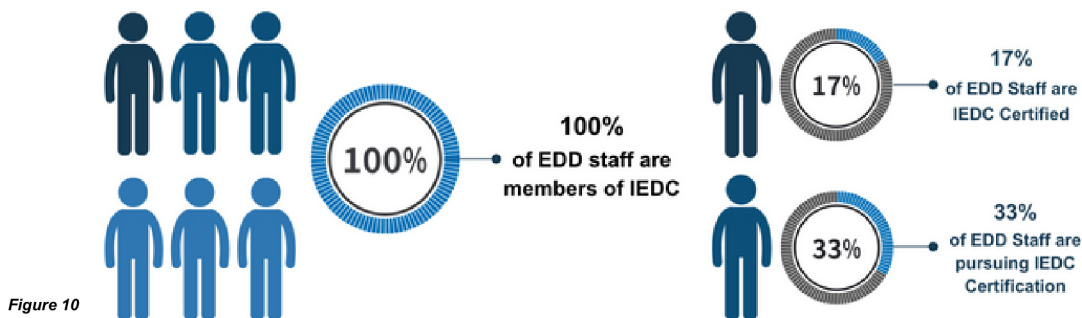


Figure 10

Performance Analysis

The performance review of the Economic Development Department yielded the following points of significance:

- Communication among staff is evident, particular the director's interaction with each of the coordinators, and coordinators seem to be aware of their own assigned responsibilities
- While the responsibility for coordinating Visioning meetings was previously housed in EDD, it was temporarily assigned to the Planning Department during a vacancy in EDD. That position has since been filled, and it seems to be currently unresolved as to who should coordinate the Visioning meetings
- OA Staff observed that Economic Development staff are relatively new to their positions, with only one staff member having more than five years of experience within the department. This metric is not indicative of staff ability or time with ACCGov as a whole.
- Cross-training and succession planning among staff does not appear to be proactively addressed.
- If an EDD Staff member is unavailable for meetings or other events, it was observed that meetings were cancelled, rescheduled or held without an anyone from Economic Development present.

Compliance Review

A portion of the activities of the Economic Development Department are accurately described in the department's mission "...to be the primary point of contact for large industries, large commercial developments, site location consultants, and state economic development organizations interested in developing, expanding, or locating new or expanded businesses in Athens-Clarke County".

Since the Economic Development Department's original establishment, the department's scope has expanded further when compared with its original design, specifically, to include Workforce Development and Small Business and Entrepreneurship. These initiatives are reflected in the self-stated department's Mission, Goals and Objectives. With regard to their Departmental Strategic Plan, as of January 2024, EDD showed completion of 33.3%, which is above the organization wide completion rate, and worth noting that many milestones are indefinite in nature.

The Georgia Economic Development Association (GEDA) tracks legislative changes that occur and are passed throughout the Georgia General Assembly's legislative session. If any changes do occur, GEDA shares those changes with the Economic Development Department to ensure the department is still in compliance with state law.



As of January 2024, Economic Development has completed

33.3%

of their Departmental Strategic Plan milestones

Figure 11

During the fieldwork stage of the audit, OA staff was able to verify there are Standard Operating Procedures (SOPs) for the department and departmental information put in place to help when onboarding a new staff member. Currently, that information is only updated when there is a transition of a staff member to ensure the job description accurately describes their position and useful knowledge can be passed onto whoever is in that position next.

Economic Development staff both serves as a liaison and manages numerous BACs for the county. Some of those being the Joint Development Authority of ACCGov & Winterville, six Tax Allocation District (TAD) Advisory Committees, the Athens-Clarke County Industrial Development Authority, and the Development Authority of Athens-Clarke County.

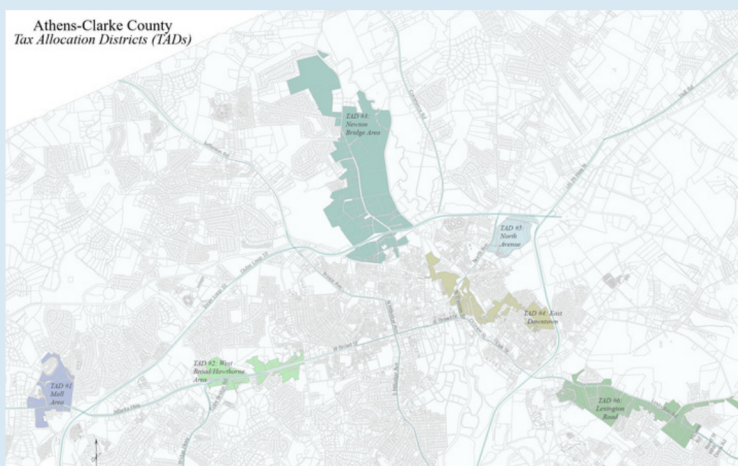


Figure 12-Map of ACCGov TAD Districts

Within Athens-Clarke County, TADs are governed by both state and local laws and ordinance. Municipalities across the state were able to create Tax Allocation Districts following the passage of Official Code of Georgia (OCGA) § 36-44-8. The TAD Advisory Committees were created and are now governed by Chapter 1-28 of the Athens-Clarke County Code of Ordinance, which set the guidelines of these advisory committees. (See Appendix A for a more detailed version of the TAD Map)

Each of these BAC's have different rules and bylaws, TAD Advisory Committees included, along with varied numbers of members needed to reach a quorum. Attendance at regular meetings fluctuates, either per member commitment or delays in vacancy appointments, especially in regards to the TAD Advisory Committees.

Compliance Analysis

The compliance review of the Economic Development Department yielded the following points of significance:

- The departments Mission, Goals and Objectives, while within scope of the EDD's purpose, do not necessarily prioritize the specific initiatives of the M&C Strategic plan
- Standard operating procedures, while in place for each coordinator's position upon training, should be consistently updated and readily available department-wide
- On more than one occasion BAC members seemed to be uninformed regarding compliance with procedures, including the need for a quorum to vote on business and other guidelines found in Robert's Rules of Order, which is the standard for conducting business within ACCGov.
- OA staff has not been able to confirm that TAD or JDA members have completed the BAC Ethics training. (While training is not specifically mandated for all JDA members, it is recommended, and it is mandatory for TAD advisory board members.) An independent investigation conducted by OA staff found that seven of the approximately 35, or about 20%, TAD Advisory Committee members have even started their BAC Ethics trainings. As liaisons for these entities, it is incumbent upon EDD staff to assure compliance with these standards.

Internal Controls Review

Due to the fact that the department does not have designated office space, the Economic Development Department does not have a traditional control environment that Operational Analysis staff was able to observe. All staff members work 100% remotely, and have their own control environment established at their place of residence. Because of this arrangement, which is unique to EDD, OA staff was unable to verify the security and other control measures at each of these locations.

In assessing the potential risks that can occur within such environments, the lack of an office that can serve as the department's centralized control environment was an area of concern. At the time of this report, Economic Development staff has to keep all technology, equipment, office supplies and paperwork within personal home offices. It should also be noted that Operational Analysis staff was unable to verify who has access and permissions to these spaces, and how resources could be recovered in the event a situation arises. While each member of the staff has signed ACCGov's telework agreement, there are no control measures in place to regularly verify compliance.

Following a thorough review of permissions in the Munis Financial System, general departmental internal controls have been implemented and are practiced. Nearly all purchases are made through one purchase card, which is held in confidence with one staff member. There is also a department credit card that is used when hosting potential businesses and industry professionals that is assigned to the department director and one staff member; but the department is in the process of adjustment so that only the director has access to the credit card.

Additionally, the Economic Development Office does not accept or disburse payment as a part of its departmental function, which does help maintain the department's financial controls. Departmental leadership has also reminded staff to be mindful and observant in situations where gratuity limits for government employees must be followed, given the nature of their work in fostering business relationships.

The Economic Development Department noted their frequent use of the ACCGov shared drive which is secured and backed-up by the Information Technology (IT) Department. Staff also has data file and project management software to ensure the secure and efficient organization and completion of tasks.

Figure 13



It was shared that they always avoid public wireless internet connections and use the Virtual Private Network (VPN) provided by the IT department when they are not within an ACCGov facility that has internet access.

With regard to ACCGov training requirements, one staff member monitors and tracks the IT security and Performance Professional training requirements, monitoring completion rates for the department and shares that information with the department director. Similarly, a primary point of contact has been designated internally for general website and data management.

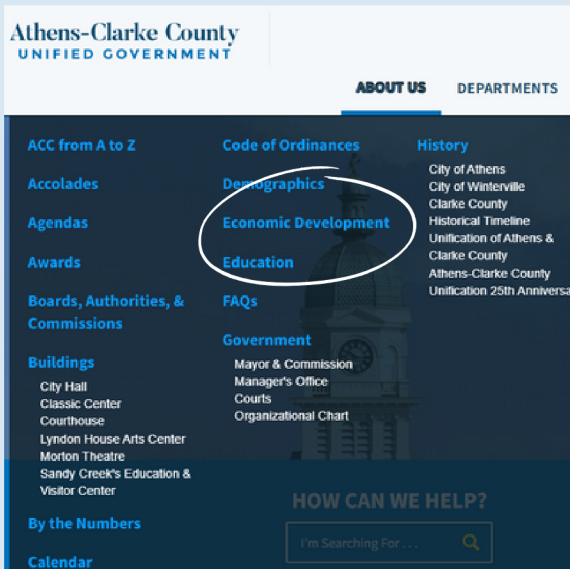


Figure 14-Economic Development links directly from “About Us” navigation on accgov.com site

EDD is one of a handful of ACCGov departments which has both a webpage on the accgov.com website, as well as managing its own external website, investathensga.com. They are also the only department with a direct link to their webpage from the “About Us” menu on the accgov.com home page.

In navigating the accgov.com website, EDD is most readily found to be using the department listings on the home page. This EDD page gives readily available options for subscribing to a news feed and completing a Wage & Benefits survey. Links to TAD information, JDA information and the website are featured. The telephone number listed seems to reach a voicemail box, with options to reach each of the staff members using a dial-by-name directory.

A directory link leads to a page listing the same telephone number as the main number and the director’s number. Three other employees are listed with different telephone numbers, which are individual county cell phone numbers. One of those staff listed is no longer working at EDD, and three of the current staff are not listed. (See Appendix C.1 and C.2 for a more in depth image of the EDD webpage and staff directory from the ACCGov website).

The external investathensga.com website’s homepage features a view of the city hall clocktower and the title BUILDING A STRONGER ATHENS. The top navigation bar includes “Covid-19 Information & Resources,” a search bar, language choice tool, an “About Us” dropdown menu and a “Contact Us” link. The contact information lists a telephone number different from the primary one on the accgov.com page, and does not match any of the contact numbers on the accgov.com EDD directory. There is an accessibility widget on the righthand side of the page.

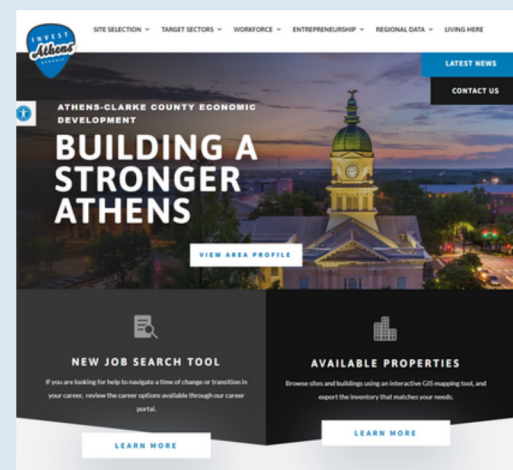


Figure 15-Home page of investathensga.com, the external website for ACCGov Economic Development Department

Findings & Recommendations

Chapter Three

After careful research and analysis of the objective(s), as through consideration of the defined scope, the Office of Operational Analysis believes there are (3) findings of significant note that should be addressed in reasonable time. The issues observed are described and accompanied by a potential recommendation to resolve. Subsequently, any response to the findings and recommendation is listed, as provided by the department head and/or county management.



Finding One

Departmental Functions are Position-Specific



Observation

The staffing of the Department of Economic Development is structured with a director overseeing its operation and five coordinators who perform specific functions with relation to different aspects of economic development for Athens-Clarke County. By its very nature, the work of attracting and expanding job-creating industry requires a degree of specialization, as demonstrated by the different titles held by the five economic development coordinators. For example, Tax Allocation Districts are a complex format for encouraging business and industry to develop in certain areas of the county. The staff liaison needs to have knowledge of the legal structure of the TAD mechanisms and the ability to guide citizens through the advisory board mechanisms. Likewise, there is certain knowledge, skills and abilities that guide a professional in the capability to foster small business and entrepreneurship. While it's reasonable to have coordinators focus on specific duties where their training and background gives them the greatest strength, lack of continuity is a risk if there is not some level of cross-training so that coordinators can step up to fill in should a staff member be unavailable at any given time. Although it was observed that the director is knowledgeable of each position, this skillset should not just flow vertically, but also horizontally between coordinators.



Recommendation

Develop and Implement a Cross Training Plan.

In order to assure activities of the Economic Development Department function seamlessly, and to ensure continuity of operations, the department should develop and implement a well-defined cross training program. The program should be structured to assure that each coordinator has an appointed "back-up" person, other than the department director, who can step in and fulfill all duties should that coordinator be absent from work for any reason.



Response

DEPARTMENT RESPONSE: Partially Agree

The idea of cross training is a good one. We currently have 3 team members who have been in their roles less than 16 months and are still developing key relationships and expertise needed for their own roles.

The Invest Athens team will identify ways to continue with our existing cross-training efforts. Over the past 12 months, we have completed the following cross-training:

1. Site Development Services Coordinator and Business Development & Incentives Coordinator cross-trained on purchasing in MUNIS.
2. Manufacturing & Industry Coordinator and Workforce Development Coordinator cross-trained on payroll preparation.
3. Business Development & Incentives Coordinator and Manufacturing & Industry Coordinator cross-trained with previous Workforce Development Coordinator to learn our bi-annual Employer Wage & Benefit Survey, learning how to manage the survey process and prepare the findings report.



Finding One



Response
Cont.

Departmental Functions are Position-Specific

4. Small Business & Entrepreneurship Coordinator and Workforce Development Coordinator cross-trained with the Manufacturing & Industry Coordinator on WordPress for editing our www.investathensga.com website.
5. Small Business & Entrepreneurship Coordinator cross-trained with the Manufacturing & Industry Coordinator on how to use our new CRM system for event invites and analytics.
6. Small Business & Entrepreneurship Coordinator and Workforce Development Coordinator cross-trained on the contracting process.
7. Business Development & Incentives Coordinator participated in the FY25 department budget process to learn the steps.
8. Site Development Services Coordinator and Business Development & Incentives Coordinator participated in this Internal Audit of our Department to learn the process.
9. Site Development Services Coordinator and Business Development & Incentives Coordinator are cross-training with the Manufacturing & Industry Coordinator and the Economic Development Department Director to learn how to find needed data to complete RFIs for large recruitment projects.

IMPLEMENTATION TIMELINE: No response submitted.

DESCRIPTION OF ACTION(S) TO BE TAKEN:

We will continue with our internal cross-training efforts to cover our ongoing workload of administrative tasks (payroll, purchasing, contracts, website/database maintenance, CRM, annual budget, audit), as documented above.

We will also continue to offer position-specific cross-training opportunities as documented above (wage & benefit study, completing RFIs, etc.) once team members have developed the network of relationships and expertise needed for their own specialized roles.



Finding Two

BAC Compliance



Observation

ACCGov has a well-defined training program to assure each appointed member of a board, authority or committee (BAC) is educated in matters such as ethics, parliamentary procedure, cyber security and open meetings/records laws. During the audit period, OA staff were unable to verify that members of certain committees for which Economic Development staff serve as liaison had completed the appropriate training. In turn, OA also observed occasional lapses in meeting decorum, such as procedural adherence surrounding quorum, motions and recognizing speakers. Most meetings were solely staffed by one EDD coordinator, with only select gatherings attended by legal counsel, who was external to ACCGov and hired for special advice and professional opinion.



Recommendation

Facilitate and Monitor BAC Training

In order to complete the recommended training for BAC members, ACCGov email addresses must be issued to board members so that they can access the online learning management system (LMS) administered by ACCGov's Organizational Development (OD) division of the Manager's Office. To assure that all committees for whom EDD serves as the staff liaison have the proper training to conduct effective meetings in compliance with BAC policy, EDD staff should coordinate with ACCGov's IT and OD departments to secure email addresses for BAC members and assure they complete all training modules. Furthermore, strong consideration should be given to assigning more than one staff member to be present for meetings, potentially with an ACCGov attorney who can provide on-site counsel and/or parliamentary order.

DEPARTMENT RESPONSE: Partially Agree



Response

Names	Email Address Requested from IT	Initial Request: Email Address & Training Requirement Info Shared	Date of 1st Follow-Up	Date of 2nd Follow-Up	Has Logged Into Take Aim	% of Trainings Completed (2.5 hours)
Lexington Rd. TAD						
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	Waiting on IT for email address			Not yet	0%
	YES	Waiting on IT for email address			Not yet	0%
Mall Area TAD						
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Yes	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Yes	0%
	YES	Waiting on IT for email address			Yes	0%
Newton Bridge TAD						
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	Waiting on IT for email address			Not yet	0%
East Downtown Area TAD						
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	Waiting on IT for email address			Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
W. Broad/Hawthorne TAD						
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Yes	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Yes	20%
	YES	Waiting on IT for email address			Yes	0%
North Ave. TAD						
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Yes	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%
	YES	11/14/2023	12/20/2023	4/19/2024	Not yet	0%

Note: Operational Analysis Staff redacted names of TAD Advisory Committee members for privacy purposes



Finding Two



Response
Cont.

BAC Compliance

Above is a table documenting progress towards completing the 2.5 hours of online training by the 37 unpaid, volunteer TAD Advisory Committee members.

We do not have the staff capacity to assign 2 staff members to attend each monthly regular meeting for 6 TAD Advisory Committees and the Mall Area Redevelopment Committee, plus special called meetings that can be as frequent as weekly when a TAD funding application is under discussion/consideration.

Per the ACCGov Managers Office, the Development Authority of the Unified Government of Athens-Clarke County, the Industrial Development Authority of Athens-Clarke County, and the Joint Development Authority of the Unified Government of Athens-Clarke County are **not** subject to the BAC online training requirements. The members of development authorities are required to meet and complete training required by GA Code § 36-62A-21 (2022).

IMPLEMENTATION TIMELINE: No response submitted.

DESCRIPTION OF ACTION(S) TO BE TAKEN:

Staff will continue following up with TAD Advisory Committee members to encourage them to complete the 2.5 hours of training videos.

We will continue to include the outside TAD counsel when the meeting agenda includes items requiring TAD-related legal counsel.

If the County Attorney's Office has available counsel to attend each TAD Advisory Committee to monitor parliamentary order, we will welcome their participation.



Finding Three

Establishment of Specialized Performance Metrics



Observation

The structure and functions of the Economic Development Department make it unique among ACCGov organizational units. With a director and five coordinators, all of whom exclusively work remotely, it can be difficult for the public as well as other ACCGov departments to understand the work and impact of EDD. Given that each of the coordinators works in a specialized area of economic development, it would be helpful to have solid, detailed performance metrics in place for each position so that progress toward the departmental mission and goals can be regularly monitored. To be clear, the general departmental performance metrics stated annually in the budget are different from job-specific analytics.



Recommendation

Develop and Monitor Specific, Quantitative Performance Metrics for Each Coordinator Position

Perhaps more so than staff in a traditional work environment, it is vital for supervision in a virtual setting, and appropriate given coordinator status and classification, that performance metrics be measured and tracked. In order to create a more transparent and informative view of the Economic Development Department, the director and staff should develop, track and publish quantitative measures of performance for each coordinator position. For example, if workshops are sponsored by EDD, the number of attendees, length of session(s) and other basic data such as location, or whether the workshop is held virtually or in-person should be recorded and tracked. Similarly, site visits, meetings, website traffic, and other data can be collected, analyzed, and published on the department's ACCGov website. Being able to quantify the work of the department not only assures it is compliant with the purpose for which it was established, but also helps lay the groundwork for individual staff members to set and meet specific, measurable goals which in turn can be incorporated into the biannual employee evaluation.



Response

MANAGEMENT RESPONSE: Agree

I agree that the ACCGov's Economic Development Department (EDD) is unique. For example, this is arguably one of the only departments that requires its own separate webpage due to its marketing function and potential of attracting business prospects. Further, they are one of the few departments who interact on a consistent basis with a diverse range of groups (internal and external), despite not having an office space which then leads to a potentially misleading label of "100% remote." While the employees may not have an office space to work in presently, they are very much present in the government, in the community, and at the State level. I anticipate that the Costa Building renovation will be complete later this fall, and the Economic Development Department will move into office space in that building as directed by the Property Committee of the Mayor and Commission and will further adhere to the tenets of the ACCGov Remote Work Policy.

I appreciate the observation of the Auditor regarding departmental presence and visibility as a criterion by which the public may evaluate their local government. Also, I agree that visibly displayed performance metrics of the department could help answer questions related to what exactly the role and responsibility of the EDD is. Moreover, I believe that the departments metrics should be tied to the organizational and departmental strategic plan. I do appreciate that EDD does not have the advantage of doing work that is consistently measured in a quantitative manner, unlike other departments more suited to such work, such as Transportation and Public Works as well as the Public Utilities Department. I believe the metrics set forth by the EDD in their response to this finding are

a good mix of qualitative and quantitative measures, but certainly, there are always other ideas that are useful. I am encouraged by the EDD's use of the CRM they have developed, and both Assistant Manager Jones and I will review potential reporting metrics that may be derived from the CRM and through the suggestion of EDD staff. When we revisit this issue in the months to come during the Audit follow up, I hope that we will have further refined the reporting metrics.

DEPARTMENT RESPONSE: Disagree Strongly

The statements regarding remote work are antiquated thinking that is not supported by reviewing the research on job performance. Several literature review articles are provided below as a resource.

Our team does not work exclusively remotely. The team spends hours each week meeting and interacting in-person with community stakeholders, customers, fellow ACCGov employees, and each other.

Location of employees is spurious, as the public and other ACCGov departments/employees are unaware of the work/achievements of ACCGov departments, regardless of the location where they serve the public. Among ACCGov departments, our team is unique for the broad scope of collaboration and ongoing interactions within ACCGov and with a number of community organizations. For example, within ACCGov, we regularly work with:

- Tax Assessor (TADs, Large Employer Attraction)
- Tax Commissioner (TADs)
- County Attorney (TADs, ongoing legal questions/reviews)
- Planning (Site Development Services, Land Use Planning)
- TPW (Site Development Services, utility coordination questions)
- Public Utilities (Site Development Services, Large Employer Attraction, Purple Pipe Development)
- Fire Marshal (Site Development Services)
- Building Inspections (Site Development Services & assistance with Clariti software implementation)
- Leisure Services - Lyndon House (Creative Entrepreneur Art WORK workshop series)
- PIO (information sharing/press releases, outreach coordinators for public input, film)
- Finance (purchasing, managing TAD funds, occupation tax)
- Inclusion Office (Inclusion liaison to Economic Development, ISO process, HRC committee)
- Diversion Center (second chance workgroup)
- GIO (TAD maps, strategic planning progress tracking & goal teams, opportunity zones)

A focus on quantitative performance measures may be appropriate for employees that perform the same set of activities over and over, but less so for a team with specialized professional roles like ours that does not engage in repetitive activities. The vast majority of the work that we do is qualitative rather than quantitative or repetitive. Our focus is relationship-building, and working with many internal and external stakeholders towards collaborative goals. Most of these interactions do not have a repetitive, trackable outcome other than the meeting or conversation. The importance of these ongoing interactions is qualitative. Our team's regular strategic reporting in ClearPoint tracks the results of our performance and efforts.



Establishment of Specialized Performance Metrics



The Departmental performance metrics stated in our budget are absolutely tied to each position's efforts, as shown below and as focused upon ongoing by our team. We have designed and implemented a new CRM over the past 6 months to consolidate/count each team member's partner/stakeholder contact info and meeting data from Outlook that correspond to the performance metrics below. We have been developing a reporting mechanism within the CRM for the metrics so we can easily track progress periodically throughout the year to assist with performance evaluations and for the annual budget document. They reflect our team's core focus on qualitative, relationship-building activities we must engage in to achieve the Mayor & Commission's strategic plan and our department's strategic plan and operational goals.

- # Existing Business Retention Visits: Small Business & Entrepreneurship Coordinator, Workforce Development Coordinator, Director
- # Visits with State Project Partners: Director, Business Development - Data Coordinator, Site Development Services Coordinator, Small Business & Entrepreneurship Coordinator, Workforce Development Coordinator, Business Development & Incentives Coordinator
- # Presentations to Community Groups & Stakeholders: Site Development Services Coordinator, Small Business & Entrepreneurship Coordinator, Workforce Development Coordinator, Business Development & Incentives Coordinator, Director
- # Visits with Workforce-Related Community Stakeholders: Workforce Development Coordinator, Director
- # Visioning Meetings Facilitated: Site Development Services Coordinator

These benchmarks are the responsibility of the entire team, working together on recruitment/expansion projects:

- # New Projects: Recruitments or Expansions
- # State Announcements of Recruitments or Expansions in ACC
- # Jobs Created from Incentivized Projects
- Avg. Annual Wage of Incentivized Projects

Below are links to several literature reviews of research on job performance of teleworking employees as a resource. In short, the findings are very mixed (both positive and negative). Job performance is heavily dependent not just on work location, but on multiple overlapping factors including the role of the employee, individual employee characteristics, how employees are managed, types of management support provided to employees, opportunities for in-person meet-ups, whether the telework is voluntary, and gender. All of these factors contribute to office-tied job performance as well.

- The Relationship Between Telework, Job Performance, Work–Life Balance and Family Supportive Supervisor Behaviours in the Context of COVID-19:
<https://journals.sagepub.com/doi/10.1177/09721509211049918>
- Here's What We Do and Don't Know About the Effects of Remote Work:
https://www.nytimes.com/2023/10/10/business/remote-work-effects.html?unlocked_article_code=1.IU0.mBSQ.U5CKZWnMpwB&smid=nytcore-ios-share&referringSource=articleShare&ugrp=m
- A Systematic Review of the Research on Telework and Organizational Economic Performance Indicators:
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9812566/>
- Telework: systematic literature review and future research agenda:
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8526776/>

IMPLEMENTATION TIMELINE: No response submitted.

DESCRIPTION OF ACTION(S) TO BE TAKEN: No response submitted.

Conclusion

Chapter Four

In alignment with the primary topics of focus for a periodic audit, the Office of Operational Analysis offers the following closing remarks based upon points of interest or concern which, although do not warrant immediate attention, are worthy of consideration, potential follow-up, or future investigation. These highlights are in addition to, and not in place of, the formal findings and recommendations previously announced.

The director and staff of the Economic Development Department display a high level of knowledge and expertise in fulfilling not only its original purpose as established by ordinance, but also in adjusting to additional duties assigned as strategic planning of the county's leadership has evolved. Half of the staff members either hold, or are in the processes of completing Master of Public Administration degrees, and the director holds a doctorate degree.

Among certifications held by staff are Main Street 101 Certification, Certified Economic Developer, and JobsEQ FIT Certification. Over the past three years, staff has engaged in at least 50 professional development opportunities through ACCGov, professional organizations, private partners and educational institutions.

Research indicates that the structure which Athens-Clarke County has set up, with an internally managed economic development department, is not a format widely used throughout the state. This presents some unique challenges as well as opportunities for the department to fulfill its purpose as established by ordinance sec. 1-22-2, "...to be the primary point of contact for industries, large commercial developments, site location consultants, and state economic development organizations interested in developing, expanding, or locating new or expanded businesses in Athens-Clarke County."

EDD's current duties, while still within the scope of its purpose according to ordinance, seem to have been adjusted somewhat over the decade since its establishment in 2013. It could be worthwhile to revisit the specific duties outlined in the ordinance to assure they align with the job descriptions of the current director and coordinator positions. Furthermore, if the department is to be the "primary point of contact for industries, [etc.] ...", management should assure that all departments and other stakeholders understand this function and are keeping EDD staff informed from the outset of all communications regarding economic development-related activities.

EDD initially occupied offices leased from the Chamber of Commerce, but has had no designated physical workspace since 2019-2020. The director and all coordinators currently have a 100% telework schedule. While this arrangement does not necessarily impede the ability of EDD staff to perform duties efficiently and effectively, it does raise some concerns regarding staff's ability to maximize collaboration.

Furthermore, without designated storage space, it is difficult to assure documents are held securely and can be retrieved by ACCGov entities as necessary. It is the professional opinion of OA staff that it would be in the best interest of the department to have a designated space for storage of documents and equipment, as well as a meeting place to use for internal department meetings and meetings with visitors. While the department's physical location is outside the purview of its director and staff, it is recommended that county management prioritize finding adequate space for storage and meetings for EDD staff, and/or dedicated office space.

As mentioned in recommendation #1, cross training should be formalized and put into practice among the EDD coordinators. In order to enhance this effort, OA recommends that the director and

staff meet more frequently than the current structure of bi-weekly departmental meetings. Whether it be meeting in pairs to shadow each other's work, or meeting more frequently as a group, OA believes the effectiveness of the department would be enhanced through more intentional collaboration as a staff.

To further expand on recommendation #2 insofar as BAC compliance, OA staff has found in research and observation that this matter perhaps speaks to larger, organization-wide issue regarding boards, authorities and committees. Staff has identified an abundance of such entities which have been formed under the purview of ACCGov. Some were inherited from the former city or county governments, while many have been formed since consolidation.

While TAD advisory boards were pointed out in the Findings and Recommendations section of this report as committees that could be enhanced in effectiveness with more defined guidance regarding structure, OA staff finds it important to note that both anecdotally and through research as time has allowed, it is important for uniform guidelines to be established and monitored across all ACCGov BACs. Therefore, inference can be drawn that EDD is not unique to this respect, and may in fact be following "the norm" as learned from other BAC practices.

OA staff finds that the Economic Development Department is a highly qualified group of professionals who function well as a unit. The primary concerns regarding internal controls and performance reasonably stem from its lack of dedicated physical space and need for cross-training among staff, respectively.

As noted in the Comparative Analysis section of this report, economic development entities' structures vary widely across local governments. This is understandable given the state's diverse geography, mixture of rural and urban areas, and wide range of county and consolidated government structures. It is noteworthy that Georgia comprises 159 counties, which is second only to Texas in the most county jurisdictions for any one state. This is significant in that it naturally follows that there can be a high degree of competition among jurisdictions, and therefore the economic development entities which are sponsored by those jurisdictions. Given those circumstances, it is the professional opinion of OA staff that ACCGov EDD is to be commended for its agility in finding ways to tailor its activities to the specific needs of Athens-Clarke County.

However, it follows as indicated in Finding and Recommendation #3, that the uniqueness of the EDD's efforts should be documented by means of specific performance metrics. Because of the importance that ACCGov places on transparency, it would be in line with the Mayor and Commission Strategic Plan to assure that quantitative measures of performance be established and provided for public information. Naturally some activities involved in economic development, such as real estate negotiations, must remain confidential, but this does not preclude the establishment of specific, trackable performance metrics.

While the financial analysis of EDD did not raise any concerns of fraudulent activity or misuse of funds, it did raise questions regarding the intentionality of the budget development. Budgeting is a strong indicator of priorities. Acknowledging that economic development strategies and priorities can shift with both micro- and macro-economic disruptions, such as the COVID-19 pandemic and its repercussions, it remains prudent to have specific strategies and return-on-investment goals in place during the budget development process. In order to be able to budget appropriately and with a degree of agility, it is strongly recommended that all offices of ACCGov communicate fully and transparently with the EDD on matters which can have impact on the department's budget.

Follow-Up

In an effort to gauge the effectiveness and emphasize the purpose of conducting a periodic audit, the Office of Operational Analysis intends to follow-up with the Economic Development Department within a year's time and report on the status of any resolution to the findings and recommendations made. The exact schedule will also be considerate of the implementation timelines put forth by the department and/or county management as indicated in this report.

A summary response will be requested at the appropriate time from the subject department, and if necessary, staff from OOA will conduct inspections to confirm appropriate actions taken. It is recommended that the Economic Development Department be allotted physical space within an ACCGov facility by a foreseeable future date, in which case follow-up will be planned to include inspection of that location.

Any unresolved issues will be brought to the attention of the department and/or county management for further discussion.

It is expected that brief memorandum describing the degree of compliance will be forwarded to the M&C for informational purposes.

GENERAL DEPARTMENT / MANAGEMENT RESPONSE:

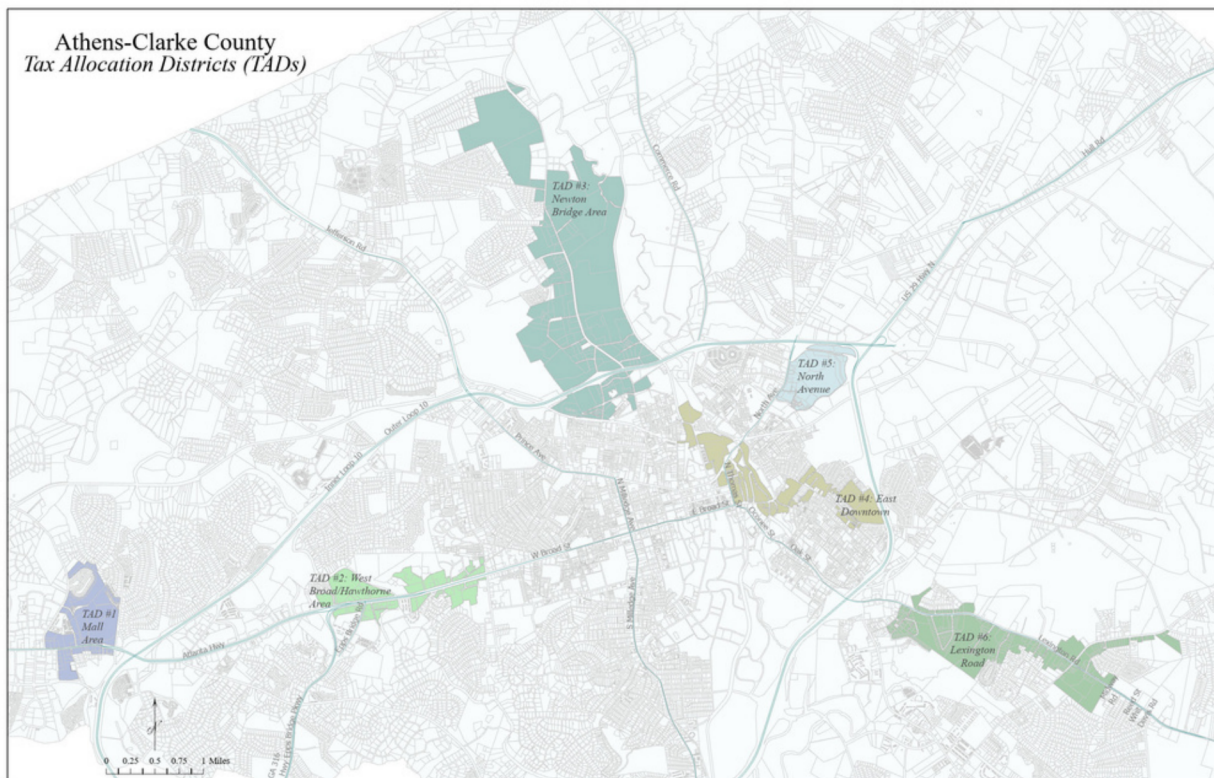
"We worked with HR to add coordination of visioning meetings back into the Site Development Services Coordinator job description as of 4/11/24."

"We worked with PIO to update phone numbers on the ACCGov web site, and updated contact information on our web site as of 4/9/24."

Appendix

Chapter Five

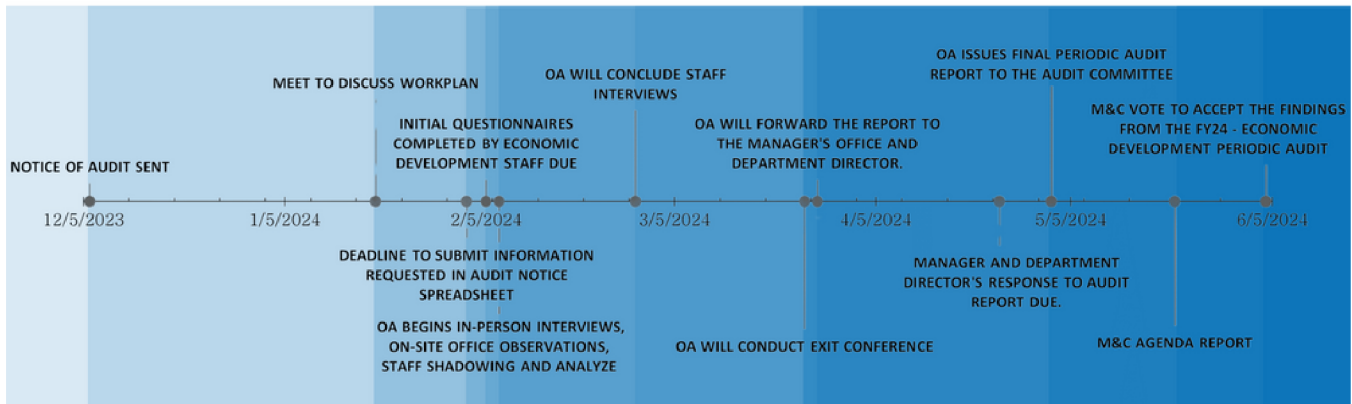
Appendix A




ECONOMIC DEVELOPMENT AUDIT TIMELINE

Date	Event
6-Dec	Notice of Audit Sent
19-Jan	Meet to discuss workplan
2-Feb	Deadline to submit information requested in Audit Notice Spreadsheet
5-Feb	Initial questionnaires completed by Economic Development staff due
7-Feb	OA begins in-person interviews, on-site office observations, staff shadowing and analyze collected information/data
28-Feb	OA will conclude staff interviews
25-Mar	OA will conduct exit conference
27-Mar	OA will forward the report to the Manager's Office and Department Director.
24-Apr	Manager and Department Director's response to Audit Report due.
2-May	OA issues final Periodic Audit report to the Audit Committee
21-May	M&C Agenda Report
4-Jun	M&C Vote to accept the findings from the FY24 - Economic Development Periodic Audit

ECONOMIC DEVELOPMENT AUDIT TIMELINE





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Economic Development

Tax Allocation Districts

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Economic Development Department

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Economic Development News

JDA Turntable Revolving Loan Fund for Small Business Growth Joint Development Authority (JDA) Turntable Revolving Loan Fund for Small Business Growth. Joint Development Authority of the Unified Government of Athens-Clarke County and the City of Winterville [Read on...](#)

Lexington Road Tax Allocation District (TAD) Public Meetings and Survey in March ACCGov and the Lexington Road TAD Advisory Committee will host two open houses (March 14 & March 21) and an online survey through March 31 for residents to provide input on community improvements. [Read on...](#)

VIEW ALL

The Athens-Clarke County Economic Development Department was established by ordinance of the Mayor and Commission on February 5, 2013.

The purpose is to be the primary point of contact for industries, large commercial developments, site location consultants, and state economic development organizations interested in developing, expanding, or locating new or expanded businesses in Athens-Clarke County.

External website: investathensga.com/.

Contact Us

Economic Development
investathens@accgov.com

Phone: [706-613-3233](tel:706-613-3233)

Hours
Monday - Friday
8:00 AM - 5:00 PM

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Economic Development

Phone:

[706-613-3233](tel:706-613-3233)

investathens@accgov.com

Hours

Monday - Friday

8:00 AM - 5:00 PM

Staff	
Name	
Title	Director
Email	
Phone	
Name	
Title	Business Development & Incentives Coordinator
Email	
Phone	
Name	
Title	Site Development Services Coordinator
Email	
Phone	
Name	
Title	Business Development Coordinator
Email	
Phone	

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Performance Measures

Performance Measure	Annual Goal	FY17	FY18	FY19	FY20	FY21	FY22	FY23 YTD
Attract, Create, Expand, and Retain Businesses through Support & Assistance								
New Projects: Recruitments or Expansions	20	18	20	20	X	9	63	21
# State Announcements of Recruitments or Expansions in ACC	2	3	2	2	2	1	1	N/A
# Jobs Created from Incentivized Projects	N/A	/	/	/	/	New	55	N/A
Avg Annual Wage of Incentivized Projects	\$60,000 (excluding benefits)	/	/	/	/	New	\$136,000 (excluding benefits)	N/A
# Visioning Meetings Facilitated, in Collaboration with ACC Plans Review Depts.	12	/	/	/	/	New	44	25
Outreach & Relationship-Building								
# Existing Business Retention Visits	30	18	25	25	X	6	48	28
# Visits with State Project Partners: GDEd Project Managers, Utility Providers, GA DCA, GDOL	20	/	/	/	/	New	17	18
# Presentations to Community Groups & Stakeholders	24	/	/	/	/	New	26	24
# Visits with Workforce-Related Community Stakeholders / Organizations	48	/	/	/	/	New	90	110