Performance Audit:
Moving Atlanta Forward 2024 Annual Review

December 2024

City Auditor's Office

City of Atlanta

File #24.05

CITY OF ATLANTA
City Auditor's Office
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Performance Audit:

Moving Atlanta Forward 2024 Annual Review

Why We Did This Audit

We undertook this audit as required by Ordinance No. 22-O-1369, which established increased oversight and accountability to improve project delivery for the program.

What We Recommended

To maintain project budgets and schedule, we recommend that the chief operating officer:

- develop decision criteria to determine how projects will be prioritized if funding is limited
- ensure departments complete required documentation
- assist departments to develop written procedures to track soft costs
- designate a central oversight position for the Moving Atlanta Forward program
- develop data verification procedures to ensure dashboard accuracy, uniformity, and useability
- define a threshold that suggests a project is at risk

To monitor project budgets and maintain program transparency, we recommend that the commissioner of the Department of Parks and Recreation:

- create separate purchase orders for different Moving Atlanta Forward Projects
- ensure that the department uses the Oracle PnG module to manage program

For more information regarding this report, please use the "contact" link on our website at www.atlaudit.org

What We Found

The three project delivery departments—Transportation, Parks, and Enterprise Asset Management—are required to operate within the framework of the Strategic Delivery Plan to manage Moving Atlanta Forward Infrastructure Program projects. The plan establishes monitoring and control measures across each project's life cycle to ensure adherence to baseline schedules and budgets.

As of August 2024, $47 million had been spent on Moving Atlanta Forward projects, less than 10% of project funds. We noted slow project progress and potential inequities, as the districts with the least spending have higher poverty levels. The chief operating officer should develop criteria to prioritize spending to ensure equity if funds run short.

Transportation, Enterprise Asset Management, and Parks and Recreation did not document completion of Strategic Delivery Plan requirements. The plan requires departments to complete project management plans, RACI matrixes, risk registers, monthly schedule variance reports, notices to proceed, and construction daily reports. Failure to implement these controls early in a project results in lost opportunities to correct budget or schedule overruns.

Central oversight may improve consistency across the three project delivery departments. Departments do not have standardized procedures to track soft costs, placing the program at risk of budget overruns. Also, as of August 2024, the Moving Atlanta Forward dashboard, which provides an overview of project, schedule, and financial statuses, had inaccurate data.

Parks and Recreation is manually tracking and monitoring all financial data via an Excel spreadsheet and creating shared purchase orders for separate projects, potentially posing risks of error. Using Oracle's PnG module to individually parse projects and assign purchase orders to each project will improve financial monitoring and transparency.

Management Responses to Audit Recommendations

Summary of Management Responses		
Recommendation #1: We recommend that the chief operating officer develop decision criteria, including equity across council districts, to determine how projects will be prioritized if funding is limited.		
Response: Agree	**Status:** Started	**Estimated Completion Date (M/Y):** 06/2025
Recommendation #2: We recommend that the chief operating officer ensure that departments are completing project management plans, RACI matrixes, risk registers, monthly schedule variance reports, Notices to Proceed, and daily construction reports as required by the Strategic Delivery Plan, and that ongoing training is provided to departmental staff on those procedures.		
Response: Agree	**Status:** Started	**Estimated Completion Date (M/Y):** 03/2025
Recommendation #3: We recommend that the chief operating officer assist the departments in developing a system and written procedures for tracking soft costs.		
Response: Agree	**Status:** Started	**Estimated Completion Date (M/Y):** 05/2025
Recommendation #4: We recommend that the chief operating officer designate a central oversight position, such as a program manager, to oversee the Moving Atlanta Forward program and ensure all departments comply with controls established in the Strategic Delivery Plan.		
Response: Agree	**Status:** Started	**Estimated Completion Date (M/Y):** 03/2025
Recommendation #5: We recommend that the chief operating officer ensure that the Department of Transportation develops and documents data verification procedures to ensure dashboard accuracy and uniformity.		
Response: Agree	**Status:** Not Started	**Estimated Completion Date (M/Y):** 06/2025

Recommendation #6: We recommend that the chief operating officer ensure that the program adjust the “Available” metric to reflect the projected funds minus the amount of paid and committed funds.		
Response: Partially Agree	**Status:** Not Started	**Estimated Completion Date (M/Y):** 06/2025
Recommendation #7: We recommend that the chief operating officer ensure that the program adds project-level spending information to the project reports in the dashboard.		
Response: Partially Agree	**Status:** Not Started	**Estimated Completion Date (M/Y):** 06/2025
Recommendation #8: We recommend that the chief operating officer assist departments to define a threshold that suggests a project is at risk based on either cost and/or schedule and communicate the at-risk status on the dashboard.		
Response: Agree	**Status:** Not Started	**Estimated Completion Date (M/Y):** 06/2025
Recommendation #9: We recommend that the Commissioner of the Department of Parks and Recreation create separate purchase orders for different Moving Atlanta Forward Projects and avoid using one purchase order for multiple projects, to improve financial management and transparency.		
Response: Agree	**Status:** Implemented	**Estimated Completion Date (M/Y):** November 2024
Recommendation #10: We recommend that the Commissioner of the Department of Parks and Recreation ensure that the department uses the Oracle PnG module to manage program finances at a project level when starting new projects going forward.		
Response: Partially Agree	**Status:** Not Started	**Estimated Completion Date (M/Y):** To be determined

CITY OF ATLANTA

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December 5, 2024

Honorable Mayor and Members of the City Council:

We conducted this audit as the second of five annual reviews of the Moving Atlanta Forward Infrastructure Program, as required by Ordinance No. 22-O-1369. The ordinance requires the city auditor to review the program's financials and project delivery.

Our audit found that the risks identified in the first annual review regarding compliance with the Strategic Delivery Plan, tracking soft costs, and dashboard accuracy have not been addressed in full. Our current recommendations focus on developing criteria to prioritize funding, implementing project monitoring controls consistently, establishing central oversight to ensure compliance, developing procedures to ensure dashboard accuracy, and implementing proper financial management and monitoring practices. Management agreed with seven of the recommendations, and partially agreed with three recommendations that will require further guidance from other departments regarding implementation.

The Audit Committee has reviewed this report and is releasing it in accordance with Article 2, Chapter 6 of the City Charter. We sent a draft report to management on October 25, 2024 and received their response on November 25, 2024. We appreciate the courtesy and cooperation of city staff throughout the audit. The team for this project was Ijegayehu Jones, Michaela James, and Chris Shefelton.

Amanda Noble
City Auditor

Danielle Hampton
Chair, Audit Committee

Moving Atlanta Forward 2024 Review

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Introduction

We undertook this audit as required by Ordinance No. 22-O-1369, adopted by the City Council in May 2022. The ordinance established increased oversight, accountability, and resident participation with the intent of improving project delivery for the Moving Atlanta Forward Infrastructure Program. City Council noted in the legislation that "both the Renew Atlanta and TSPLOST programs have seen project costs that are significantly higher than original estimates, experienced a significant increase in construction costs, and faced real challenges around project management and unacceptable delays in project delivery." In addition to requiring quarterly reports from four city departments on project status, City Council also required the city auditor to conduct an annual review of financials and project delivery for the program and present findings to the Transportation and Finance-Executive Committees. This is the second of those required reports.

Background

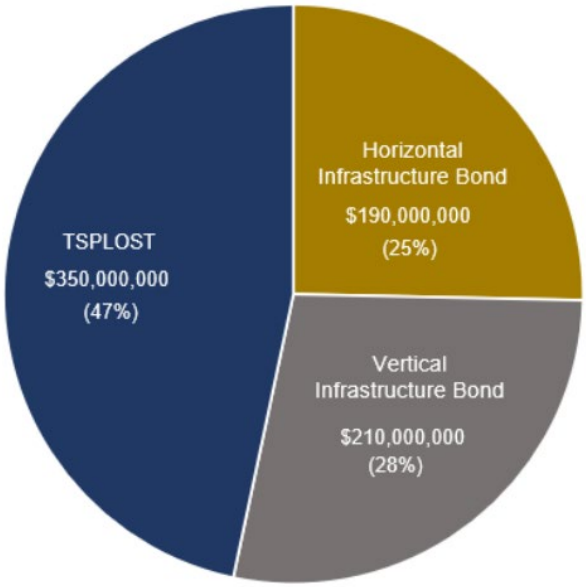
Atlanta voters approved the Moving Atlanta Forward Infrastructure Program in 2022, to provide funds over the next five years for improving the city's streets, sidewalks, parks, recreation centers, and public safety facilities. In May 2022, voters approved Public Improvement Bonds for the Moving Atlanta Forward Infrastructure Program. The city had already begun addressing its estimated $3 billion in infrastructure needs through Renew Atlanta, a bond program approved by voters in March 2015, and the (TSPLOST) Transportation Special Purpose Local Option Sales Tax—a 0.4-cent sales tax approved by voters in November 2016 and renewed in 2021 for the next five years.

Moving Atlanta Forward Is Funded by Tax Revenue and Bonds

The $750 million Moving Atlanta Forward Infrastructure Program is funded in part (47%) by TSPLOST, the renewed sales tax. The city anticipates the sales tax to generate $350 million in funding. The revenue must be used for transportation capital projects that will include streets, sidewalks, and bridges. Voters also approved two general obligation bonds totaling approximately $400 million, which represent a combined 53% of the funding. A bond totaling $190 million for horizontal infrastructure will be used for parks, trails, and transportation projects. A bond totaling $210 million will fund vertical

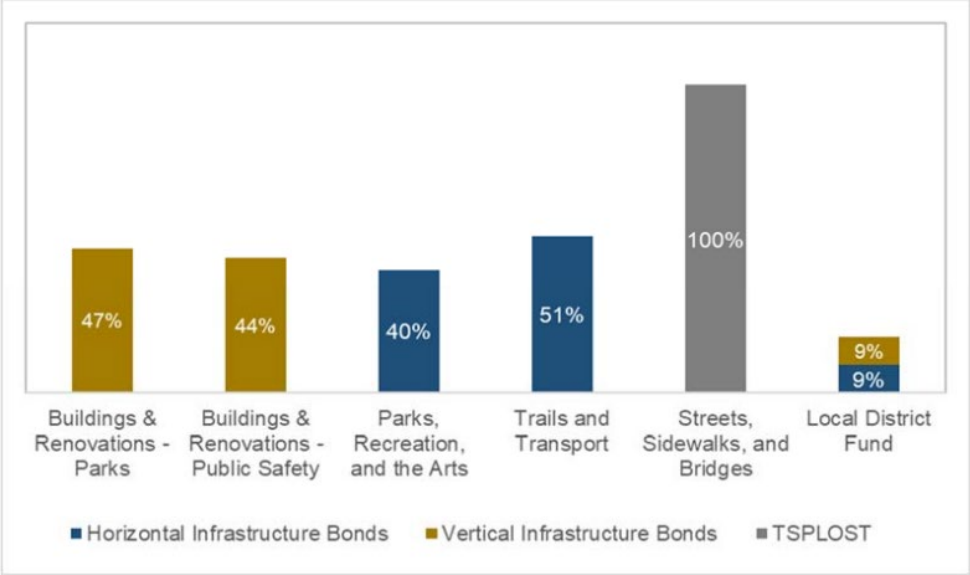
infrastructure, including new buildings and building renovations for public safety (police facilities and fire stations), and parks and recreation facilities. The funding allocation for the program and use of funds is shown in Exhibits 1 and 2.

Exhibit 1: Moving Atlanta Forward is Funded by Two Bonds and TSPLOST



Source: Ordinance No. 22-O-1369; Resolution No. 21-R-3928; City of Atlanta website: Moving Atlanta Forward: 2022 Infrastructure Package (atlantaga.gov)

Exhibit 2: Funds Will Be Used for Horizontal and Vertical Infrastructure



Source: Ordinance No. 22-O-1369; Resolution No. 21-R-3928; City of Atlanta website: Moving Atlanta Forward: 2022 Infrastructure Package (atlantaga.gov)

The bonds also include $36 million in local district discretionary funds, allowing the councilmember in each district to use $3 million for neighborhood projects that are not already funded by the program. At-large councilmembers did not receive discretionary funds; the funds were only allocated to the districts. Ordinance No. 22-O-1369 requires City Council to adopt a preliminary plan for the 12 discretionary accounts consisting of $1.5 million for horizontal projects and $1.5 million for vertical projects per district. The plan is not binding, but all projects must fall within the categories or subcategories identified in the ballot language for use of the bonds. Although the date the plan is due has been extended several times, the latest extension, adopted by Ordinance No. 23-O-1366 on August 7, 2023, set the plan deadline to August 31, 2023. Enterprise Asset Management staff told us all twelve district councilmembers have discussed preliminary plans for the vertical discretionary funds. City Council staff said that all but two councilmembers have discussed preliminary plans for the horizontal discretionary funds. Councilmembers have begun approving donations for specific projects using these discretionary funds. Councilmembers must approve a binding plan encumbering discretionary dollars by December 31, 2025.

The city used two series of bonds to fund the $400 million allocated for horizontal and vertical projects. The Series 2022A-1 and 2022A-2 bonds are general obligation public improvement bonds. These are municipal bonds that are issued to fund public improvement projects. The 2022A-1 bond is a general obligation bond that is also a social bond, to be used to fund a variety of capital projects, including transportation, recreation, public safety and public arts projects across the city. Projects under a social bond must provide clear social benefits. These include: (a) socioeconomic advancement and empowerment, (b) affordable basic infrastructure, and (c) access to essential services. The projects are intended to serve “equity neighborhoods,” defined as a neighborhood where the racial composition is predominantly minority; median household income is lower than that of the city average; households below the poverty line; concentration of women or sexual and gender minorities is substantial; median property value is lower than that of the city average; percentage of non-US citizens is substantial; and/or homeownership rate is lower than that of the city average.

The overall Moving Atlanta Forward Infrastructure Program is administered through the Mayor’s Office, but three departments directly manage projects under the program. The Departments of Transportation and Parks and Recreation both manage parks, trails, and transportation under the horizontal infrastructure bond. The Department of Enterprise Asset Management manages projects funded

by the vertical infrastructure bond for new buildings and building renovations.

The three departments chose different goals to ensure their projects aligned with the social bond goals, as shown in Exhibit 3.

Exhibit 3: Departments Used Different Metrics to Fulfill the Social Bond Goals

Department	Social Bond Project Goals
Department of Transportation	• Connecting equity neighborhoods with MARTA • Improving roadways where there are no bus routes currently running • Providing sustainable transportation and promote road safety by offering safe alternatives for pedestrians and cyclists to avoid high-crash major streets
Department of Enterprise Asset Management	• Evaluating and renovating current Atlanta Fire Rescue Department Facilities based on asset management principles and age and condition of the existing buildings • The facilities that were selected for replacement passed the critical needs analysis • Building facilities that are energy efficient, reduce utility costs, and lower maintenance costs
Department of Parks and Recreation	• Selecting project locations based on: o Racial composition that is predominantly minority o Median household income below the poverty line o Concentration of women or sexual and gender minorities is substantial o Median property value lower than city average o Percentage of non-United States citizens o Homeownership rate lower than city average

Source: Developed by auditors based on City of Atlanta Social Bond Framework

Parks and Recreation also uses an ArcGIS Equity Data Tool, which shows all of the city's park infrastructure and calculates a total park need score based on four metrics—park conditions and funding, level of service, community perception, and community need—to determine the state of an individual park.

The bonds were issued November 3, 2022. The bond document states that the city does not have a binding deadline by which to spend the funds but if the city executes 85% of the bond funds within three years, the city can retain certain funds. This mechanism is referred to as the spend down rebate, which states that if the funds are spent within the three-year period, the city can retain interest earnings on the bonds; if the city does not meet that target, the interest earnings must be returned to the U.S. Treasury. According to the city's debt and

investment chief, it is unlikely that the city will fulfill the requirements of the spend down rebate, and he estimated that the city stands to lose at least several million dollars as a result. He did clarify that Atlanta is not unique in not being able to fulfill the requirements of bond's spend down rebate and said that most municipalities cannot build infrastructure within three years because of bureaucratic processes and procedures.

City Council Put Guardrails in Place for Oversight and Accountability

City Council acknowledged in the ordinance creating the Moving Atlanta Forward Infrastructure Program that the previous Renew Atlanta and TSPLOST infrastructure programs were over budget, did not meet deadlines, experienced project management challenges, and funding allocation and project lists were not transparent to citizens, undermining public trust. City officials intended to implement changes to address these issues in the new infrastructure program.

To improve oversight and transparency, City Council authorized creation of the Department of Transportation in 2019 to take the lead on managing transportation initiatives for the city; this function was previously under the Department of Public Works. Ordinance No. 22-O-1369 requires the Departments of Transportation, Parks and Recreation, Enterprise Asset Management, and Procurement to provide quarterly project status reports to their respective City Council committees, and that the city auditor conduct an annual review of financial and project delivery and report findings to the Finance-Executive and Transportation committees. At the beginning of our first audit of the program, the former deputy chief operating officer told us that the Executive Office staff had plans to conduct routine reviews of the program to ensure that departments are retaining required documentation and complying with project controls.

Councilmembers are encouraged to hold community advisory meetings to solicit feedback from residents on projects within their districts. Unlike the Renew and earlier TSPLOST funded projects, the projects listed in Resolution Nos. 21-R-3927 and 21-R-3928 for the Moving Atlanta Forward Infrastructure Program are binding, although the legislation states that per state law, City Council may, by a two-thirds vote, declare any project unnecessary and reallocate the funds to underfunded projects.

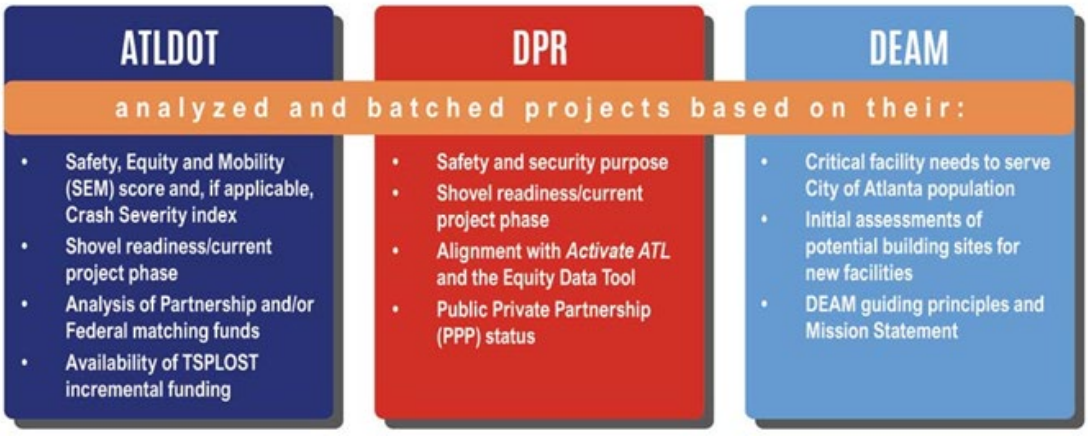
Ordinance No. 22-O-1369 established a 15-member Stakeholder Advisory Committee. The committee is intended to represent the interests of residents by ensuring the program is implemented in an "expedient, organized, and accountable manner." Committee members are to focus

on budget status, project scope and schedule, construction management practices, stakeholder satisfaction, environmental stewardship, safety, and risk. Advisory committee members are appointed by the Mayor and City Council districts, and should have construction, law, accounting, real estate, engineering, planning, auditing, finance, or project management experience. Members are expected to provide advice and recommendations to the public, the mayor, chief operating officer, and councilmembers on spending, budgeting, projects, and legislation related to the Moving Atlanta Forward Infrastructure Program. Members are to be appointed to two-year terms and are required to meet quarterly. As of August, 2024, all but one mayoral appointee member had been selected and approved.

City Council adopted a Strategic Delivery Plan for the program in Resolution No. 22-R-4827 in January 2023, intended to function as a guide for "increased oversight, accountability, resident participation, and a commitment to improved project delivery." The Strategic Delivery Plan establishes a project management framework and identifies the role of each city department in delivering projects under the program and includes monitoring and control measures to ensure projects comply with schedule, budget, and scope.

The plan also outlines a prioritization schedule for the departments to queue projects under the program. As shown in Exhibit 4, projects implemented by the three departments are batched based on different criteria, but include the citizens' needs, shovel readiness, and availability of funding.

Exhibit 4: Departments Used Various Criteria to Prioritize Moving Atlanta Forward Projects

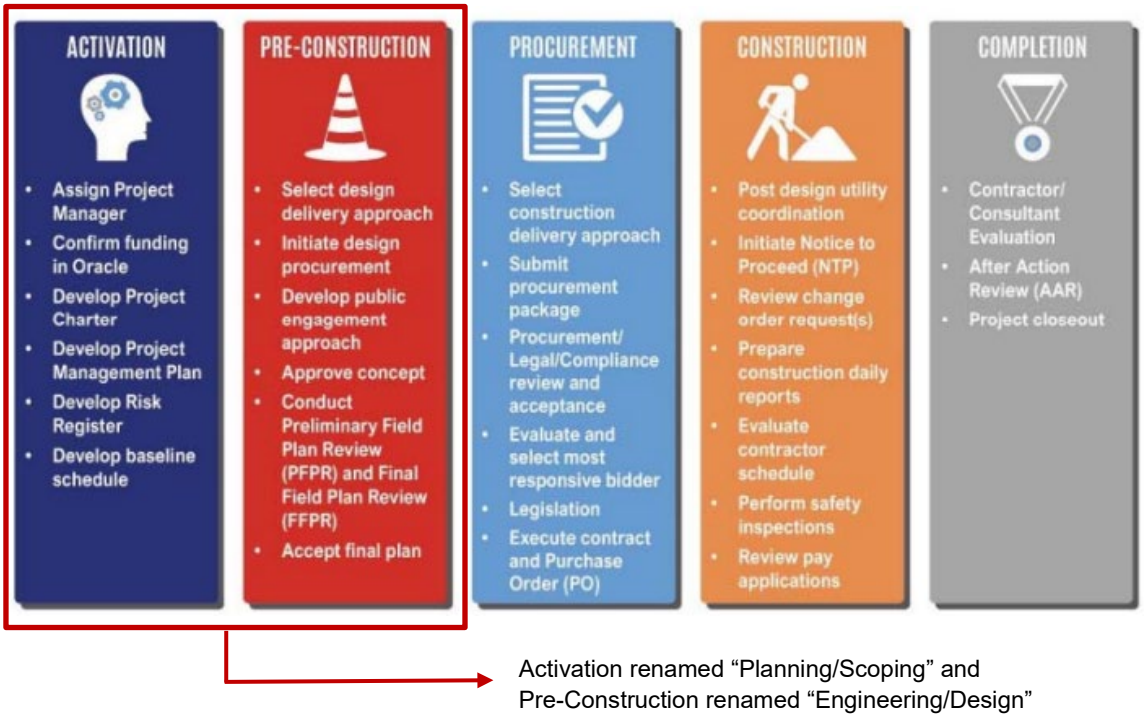


Source: Strategic Delivery Plan

The Strategic Delivery Plan also describes the project life cycle, with five phases and necessary steps for completion in each phase:

activation, pre-construction, procurement, construction, and completion. However, due to confusion regarding the activation and pre-construction phases, program leadership renamed the first two phases as "planning/scoping" and "engineering/design," respectively (see Exhibit 5).

Exhibit 5: Project Life Cycle as Developed in Strategic Delivery Plan



Source: Strategic Delivery Plan, p.9; interviews with program leadership.

Departments Are Still Hiring Personnel to Manage Projects

Previously, all three departments faced challenges hiring project managers due to non-competitive salaries for the positions and a limited candidate pool, but they have all implemented various measures to address this concern, including employee salary adjustments, above entry positions, and reclassification of positions in the last three rounds of personnel ordinances. Department staff told us that some projects were delayed because it has been difficult to hire project managers, which is a requirement of the Strategic Delivery Plan. The plan requires departments to designate project managers during the planning/scoping phase of individual projects. Project managers are responsible for ensuring that all of the internal and external requirements are incorporated into the planning, design, and construction of projects within the program. Project managers should be assigned to projects based on their years of experience and qualifications.

As of July 17th, 2024, departments reported the following vacancies for project managers:

- Parks and Recreation has 4 project manager positions; 2 positions are vacant
- Transportation has 18 project manager positions; 7 positions are vacant
- Enterprise Asset Management has 4 project manager positions: with a plan to hire 1-2 more project managers.

The Strategic Delivery Plan identifies three classes of project manager: project manager I, project manager II, and project manager III. The salaries set forth in the plan range from a minimum of $50,900 for project manager I position to a maximum of $98,000 for a project manager III; staff told us that these salaries are not competitive given the minimum qualifications for the positions.

Because departments have struggled to fill vacant project manager positions and current staff have other obligations, projects may fall behind schedule and lack adequate oversight.

Project Managers Have Varying Project Workloads

The Strategic Delivery Plan does not specify how many project managers each department should have or how many projects each project manager should be overseeing. Transportation's deputy commissioner of capital delivery stated that when Moving Atlanta Forward first started, project managers were overseeing 10-15 projects at once, and now that number has dropped to 6-8 projects. Enterprise Asset Management's program management leader said that project managers for their department are overseeing two to three projects at once. The park design director with Parks and Recreation told us that project managers are currently overseeing around 12 projects at a time.

Exhibit 6: Project Managers Oversee Varying Numbers of Projects

Batch	Department		
	Transportation	Enterprise Asset Management	Parks and Recreation
	Number of Projects Overseen by Each Project Manager Based on Current Staffing		
Batch 1	7-12	2-3	4-7
Batch 2	4-5	2-3	4-6
Batch 3	5-6	0	3-4
Batch 4	3-5	0	0
Batch 5	1	0	0

Note: Some departments do not have projects in later batches, shown as "0." Project durations that extend beyond the batch in which they start will increase the daily workload for project managers.
Source: Auditor analysis based on interviews with program managers from each department.

An article[1] in an engineering journal suggests using the metric "percent of time on value-adding tasks" versus the number of projects a project manager is overseeing, to assess whether a project manager's workload is appropriately balanced. Value-added tasks are those that increase efficiencies by having a project manager overseeing different aspects of a project. The article suggests that for a project manager to create value on a project, management should limit the number of active projects overseen by that project manager so that projects can be implemented more effectively. The researchers also found that once a project manager is working concurrently on four projects, their value-added time diminishes to less than 50% as more time is dedicated to administrative tasks and "catching up to speed."

The article suggests an optimal standard of two projects per project manager, while more than four projects each could be problematic, depending on the projects. Some factors that should be taken into account when determining the number of projects for each project manager are the skills of the project manager; type, scope and complexity of the project; and the amount of non-project work in which the individual is involved.

[1] Concurrent Projects: How Many Can You Handle? H. Steyn & R. Schnetler, *South African Journal of Industrial Engineering*, November 2015 Vol 26 (3) pp 96-109.

Our Previous Recommendations Sought to Mitigate the Risk of Budget and Schedule Overruns

We released our first annual review of the Moving Atlanta Forward infrastructure program in December 2023. In that report, we assessed whether controls were in place to ensure that Moving Atlanta Forward projects adhere to established budget, scope, and schedule requirements. To maintain project budgets and schedules, we recommended that the deputy chief operating officer:

- ensure that departments are completing project management plans, monthly variance reports, and the RACI matrix during the activation phase and that ongoing training is provided to departmental staff on those procedures,
- assist the departments in developing written procedures to ensure dashboard completeness and accuracy, and
- assist the departments in developing a system and written procedures for tracking soft costs.

We address the current status of these recommendations throughout this report.

Audit Objectives

This report addresses the following objectives:

- What is the status of previous recommendations?
- Are controls in place to ensure that Moving Atlanta Forward projects adhere to established budget, scope, and schedule requirements?
- Has project work progressed equitably across City Council districts?

Scope and Methodology

We conducted this audit in accordance with generally accepted government auditing standards. We focused on the Moving Atlanta Forward Infrastructure Program project delivery framework and progress on projects scheduled to start in 2023 or 2024.

Our audit methods included:

- reviewing legislation related to the program to understand program governance and approved projects
- reviewing Series 2022A-1 and 2022A-2 bond documents to understand requirements
- interviewing Parks and Recreation, Enterprise Asset Management, and Transportation staff to understand program operations
- assessing the program's dashboard data for project status and accuracy
- analyzing program budgets, encumbrances, and paid amounts in ATLCloud
- reviewing program documentation included in SharePoint for compliance with the Strategic Delivery Plan and to review project status, budget, and expenditures
- reviewing the Strategic Delivery Plan to identify program controls
- reviewing a random sample of 20% of the Department of Transportation projects in the planning/scoping and engineering/design phases for compliance with the Strategic Delivery Plan
- reviewing a random sample of 20% of the Department of Parks and Recreation projects in the construction phase for compliance with the Strategic Delivery Plan
- reviewing all active projects of the Department of Enterprise Asset Management for compliance with the Strategic Delivery Plan

Generally accepted government auditing standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Findings and Analysis

City Has Not Established Criteria to Prioritize Projects if Funding Runs Low

In the Moving Atlanta Forward batch schedule, 91 projects were in batch 1, set to start in calendar year 2023, and 47 projects were in batch 2, set to start in 2024. All projects in the first batch have begun, and two-thirds of the second batch had started as of August 2024. However, many projects were still in the first project life cycle phase. Program progress varies by department; most of Transportation's projects have not entered the second project phase, while most of Enterprise Asset Management's projects are in planning/scoping or engineering/design, and half of Parks and Recreation's projects are in construction or closeout.

As of August 2024, about $47M had been spent on Moving Atlanta Forward projects—only 7% of the $660M in planned project funds While projects have been started, actual work progress has been slow. Due to the allocation process for TSPLOST funds, some TSPLOST-funded projects were not yet broken out in Oracle, the city's financial management system, but all other program funds are shown in Oracle. Project spending is not equal across council districts. Among Moving Atlanta Forward projects that fall within a single council district, the program budgets were split somewhat equally, but the actual spending as of August 2024 was greater in some council districts than others, and the districts with the least spending have populations experiencing higher levels of poverty. If slow program progress continues in this pattern and earlier projects incur budget overruns, later projects may be reduced in scope or canceled entirely, more heavily impacting certain districts facing higher rates of poverty. We recommend that the chief operating officer develop criteria, including the consideration of equity across council districts, for determining which projects to prioritize if funding is limited.

Of the Projects that Have Started, Half Are Still in the First Phase

The Strategic Delivery Plan outlines a schedule for the Moving Atlanta Forward Infrastructure Program. Projects are slated for activation in five batches, and the schedule includes a five-phase process that all projects should follow. The first phase, planning/scoping, involves assigning a project manager, and preparing initial planning documentation that identifies an initial project budget, scope,

schedule, risks, and responsibilities. All projects in batch 1, expected to start in calendar year 2023, have begun. Most projects expected to start in 2024 have begun as well, but the 16 projects that have yet to start may not begin within the calendar year. Overall, most of the projects that have begun are still in the first project phase, although progress varies by department. If projects don't start as scheduled, costs will likely increase, and citizens may lose confidence in the program.

All batch 1 projects and the majority of batch 2 projects have started. The Strategic Delivery Plan has 202 projects slated, and the projects are scheduled to begin in different calendar years, organized in five batches (see Exhibit 7). Overall, of the 202 projects planned, 134 have begun, as of August 2024. All projects in batch 1 and all but 16 of the batch 2 projects have started. The Strategic Delivery Plan separates the projects into five batches using criteria such as needs assessments, shovel readiness, and funding availability. As shown in Exhibit 7, Enterprise Asset Management's projects are in the first two batches, and Parks and Recreation has projects in the first three batches. Batches 4 and 5 include only projects managed by Transportation. The three departments have a total of 136 projects that were scheduled to start by the end of calendar year 2024 as part of batches 1 and 2; of these, 120 have begun. The longer these projects are delayed, the more likely costs are to increase, and citizens may lose confidence in the program.

Exhibit 7: Projects Are Batched to Start in Different Years

Batch/Year Scheduled to Start	Department							
	DOT	DEAM	DPR		DOT	DEAM	DPR	
	Number of Projects Scheduled to Start			**Total Scheduled**	Number of Projects Started			**Total Started**
Batch 1 (2023)	52	6	31	**89**	52	6	31	**89**
Batch 2 (2024)	20	5	22	**47**	20	3	8	**31**
Batch 3 (2025)	26	0	18	**44**	5	0	7	**12**
Batch 4 (2026)	21	0	0	**21**	1	0	0	**1**
Batch 5 (2028)	1	0	0	**1**	1	0	0	**1**
Total	**120**	**11**	**71**	**202**	**79**	**9**	**46**	**134**

Note: The Strategic Delivery Plan also contains three additional "projects," but these are funding buckets, not projects, to be used to cover program overhead, state costs, and inflation; therefore, these projects, as well as the council discretionary funds, are excluded from our analysis.

Source: Auditor analysis based on the Strategic Delivery Plan and Moving Atlanta Forward dashboard data, as of August 2024

Most projects in batches 1 and 2 have not progressed beyond the planning/scoping phase. As of August 2024, 68 (34%) of all 202 projects had not started, and 62 (31%) were still in the planning/scoping phase. Program progress varies by department, as shown in Exhibit 8. Of the batch 1 projects—those that were slated to start in 2023—across all three departments, 45% are still in the first phase.

The Strategic Delivery Plan describes the activities required during the planning/scoping phase. During this initial phase, a project manager is assigned. The project manager develops a project charter with a high-level overview of the project scope, funding sources, budget, milestone dates, project risks, and approval to start the project. The project manager must also prepare a project management plan to kick off the project; this document describes the planning, monitoring, and implementation for the project, as well as a quality assurance/quality control plan. Lastly, the project manager must identify project risks and develop a baseline schedule.

All of Transportation's batch 1 and batch 2 projects have started, but most have not progressed beyond the planning/scoping phase. Transportation's only batch 5 project, the Cheshire Bridge Road Emergency Bridge Repair, is the only project in the closeout phase.

Of the 11 projects managed by Enterprise Asset Management, 9 have started; 7 are in the planning/scoping or engineering/design phases, and 2 are in the construction phase. Only two of Enterprise Asset Management's batch 1 and 2 projects have yet to begin. One of these projects is an arts project that staff said will be managed by the Office of Cultural Affairs in the Mayor's Office, and the other is an undefined Zone 3 public safety project.

Exhibit 8: Projects That Have Started are in the Early Phases

Phase	Department					
	DOT		DEAM		DPR	
	Batch 1	Batch 2	Batch 1	Batch 2	Batch 1	Batch 2
	Number of Projects in Each Phase					
Planning/Scoping	39	15	1	2	0	1
Engineering/Design	7	4	3	1	1	2
Procurement	2	0	0	0	0	3
Construction	2	1	2	0	21	1
Completion/Closeout	2	0	0	0	9	1
Total	52	20	6	3	31	8

Source: Auditor analysis based on the Strategic Delivery Plan and Moving Atlanta Forward dashboard data, as of August 2024

All of Parks and Recreation's projects are scheduled for the first three batches. The department's projects are farther along than the other two departments. Of the 53 projects scheduled for batches 1 and 2, 39 have begun. Of the projects that have started, most are in construction or closeout. Parks and Recreation has 14 projects in batch 2 that have not started. Staff told us that eight of these are likely to be started by the end of the year, but six may not, as the department determines the appropriate delivery method. Also, seven of the department's batch 3 projects have started, with two in construction and one in closeout.

If Funding is Not Allocated, the Scope of Future Projects May Be Impacted

The city spent over $47M on non-discretionary Moving Atlanta Forward projects, as of August 2024. The Strategic Delivery Plan establishes budgets for each of the 207 projects in the program; however, some of the projects are not broken out in Oracle, the city's financial system and are not yet allocated funds. Departments have not yet established criteria with which to prioritize projects if sufficient funding is not available for all projects. We reviewed current program spending and found that actual project spending varies by City Council district. Some districts receive more paid and committed funds, although the intended budgets are spread somewhat equally across the districts. If earlier projects incur budget overruns, the city may have to decrease the scope

or cancel later projects, and if program spending does not progress equitably across districts, the districts receiving the later projects will be more heavily impacted. We recommend that the chief operating officer develop decision criteria, including equity across council districts, to determine how projects will be prioritized if funding is limited.

As of mid-August 2024, $47.2M in planned program funds have been spent; however, some TSPLOST projects do not have allocated funds in the city's financial system. One of the necessary steps that occurs during the planning/scoping phase is the confirmation of funding for the project in Oracle. Some Transportation TSPLOST projects are not currently in Oracle, the city's financial system; 16 of these projects are in batches 1 and 2. A senior director of Transportation's finance team said that because the TSPLOST funds are collected annually, the department anticipates the funds annually and allocates funds for TSPLOST projects each year, and a former deputy commissioner requested that the department wait to allocate more funds until he could reassess the batching, but this hold has now been removed. All projects managed by Enterprise Asset Management are in Oracle, with allocated funds. The funds for all Parks and Recreation's projects are in Oracle but are not divided by project. They are divided only by project type—horizontal, vertical, and land acquisition.

Exhibit 9: As of August 2024, $47M In Planned Program Funds Was Spent

Funding Source	ATLDOT	DEAM	DPR
TSPLOST	$9,424,539	$0	$0
Horizontal Bond	$8,719,163	$35,751	$18,845,626
Vertical Bond	$0	$7,033,059	$3,104,388
Subtotal	$18,143,702	$7,068,810	$21,950,015
Total	$ 47,162,526		

Note: Data excludes the council discretionary accounts and non-project funds
Source: Developed by auditors with Oracle financial data, as of August 2024

Budget shortfall risks have not been mitigated. Staff in both the Enterprise Asset Management and Parks and Recreation departments expressed concerns about the estimated budgets in the Strategic Delivery Plan and said that some projects are likely to be or already are underfunded. The program management officer for Enterprise Asset Management said the 911 Call Center Project, originally budgeted at $15M, is underfunded; the COO stated that they anticipated this shortfall and plan to use funds from the city's Emergency 911 fund to cover some furniture, fixtures, and equipment costs. Additionally, the

four fire station projects are somewhat underfunded. Parks and Recreation's design director does not consider most of the department's projects underfunded but did say that one of the recreation center projects was originally estimated at $17 million in the Strategic Delivery Plan, but a similar project the department completed years ago cost about $25 million and would likely cost more now. If the earlier projects begin to overrun their budgets, later projects may also be underfunded, and the departments will likely have to reduce project scopes or cancel projects entirely.

Neither the Strategic Delivery Plan nor executing departments developed criteria for how the program will cut or re-prioritize projects if funding issues arise. Department staff state that the intent is to deliver all projects, so they have not defined criteria with which to cut or adjust underfunded projects. Transportation staff said they intend to adjust designs to stay within scope and allotted budget, and do not expect funding shortfalls for projects. The Enterprise Asset Management program management officer reported that certain projects, such as fire stations, cannot be scoped down, so they are seeking additional funding for those projects. The Parks and Recreation's design director expects that projects with insufficient funding will have to undergo "value engineering" to maximize scope while reducing cost. The chief operating officer said the office is exploring additional funding options and looking to shift funds from overfunded projects or bond premium, and said TSPLOST collections have exceeded expectations and may cover some cost increases due to inflation.

Project spending is progressing more in some districts than in others. The pace at which spending on Moving Atlanta Forward projects is progressing may introduce inequality, particularly considering poverty as a key indicator for assessing equitability. We used 2020 data from the U.S. Census Bureau to identify the poverty rates for each City Council district to use as a metric for assessing equity in project spending throughout the city.

As shown in Exhibit 10, the City Council districts receiving the most paid and committed funds from the Moving Atlanta Forward program, as of August 2024, are City Council districts 6, 9, and 8. These districts have poverty rates of 9%, 6%, and 6% respectively. The City Council districts receiving the least amount of spending are City Council districts 2,1, and 12, with poverty rates of 9%, 22%, and 28% respectively.

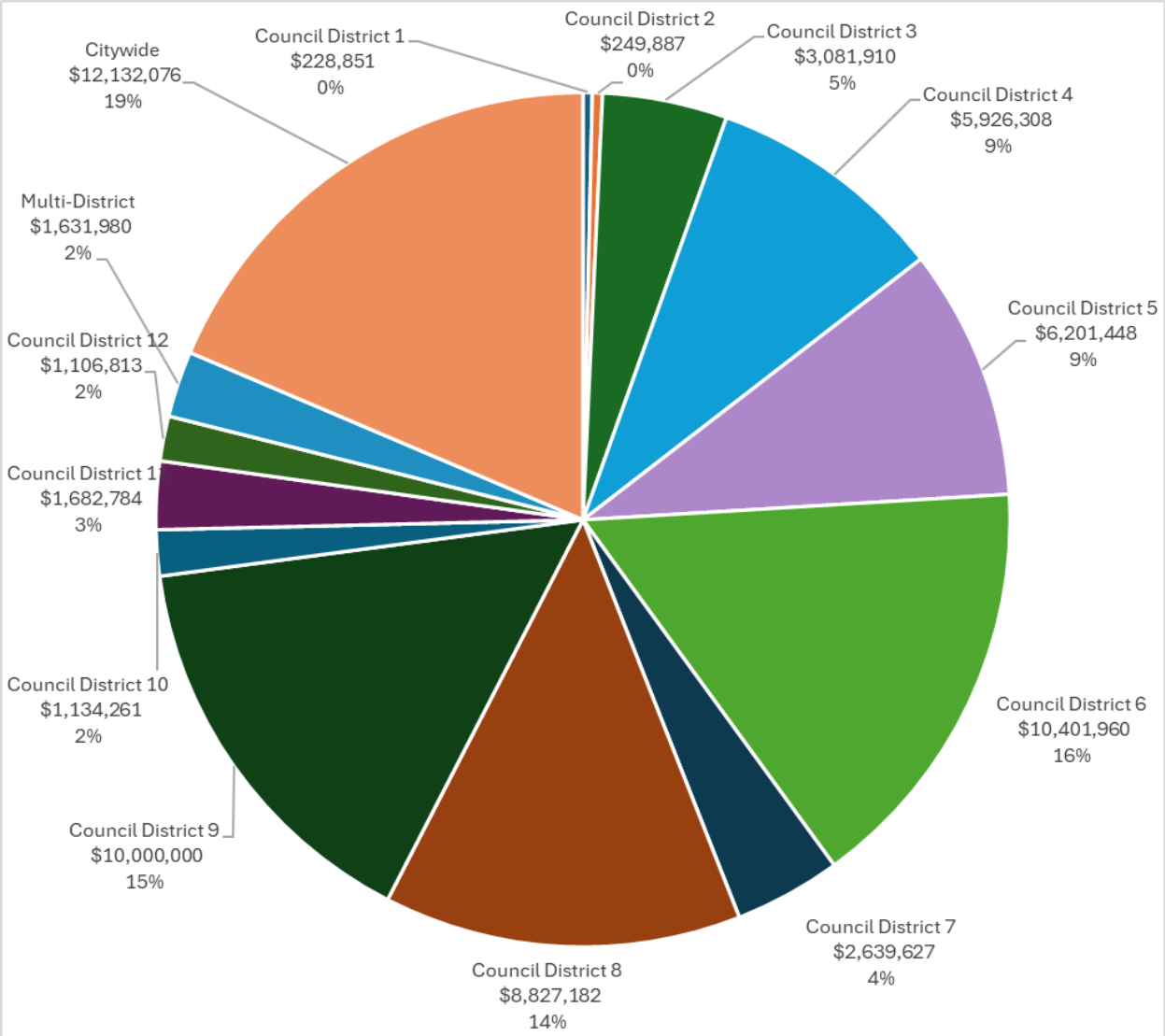
Exhibit 10: Projects in The Different City Council Districts Are Progressing at Different Rates

Council District	Poverty Rate	Current Budget (Oracle)	SDP Budget	Paid	Committed	Total Cost
1	22%	$12,361,226	$14,765,158	$ 208,293	$20,559	$228,851
2	9%	$6,268,250	$14,704,383	$133,657	$116,230	$249,887
3	22%	$17,727,509	$24,925,075	$1,786,365	$1,295,545	$3,081,910
4	30%	$19,977,415	$25,439,905	$4,607,396	$1,318,911	$5,926,308
5	13%	$18,847,814	$22,489,200	$4,195,955	$2,005,493	$6,201,448
6	9%	$18,989,322	$29,688,418	$8,336,923	$ 2,065,038	$10,401,960
7	8%	$13,746,160	$19,841,410	$1,250,410	$1,389,217	$2,639,627
8	6%	$31,493,361	$35,842,311	$6,870,156	$1,957,026	$8,827,182
9	6%	$43,068,142	$51,129,884	$10,000,000	$0	$10,000,000
10	27%	$23,922,840	$28,027,274	$823,643	$310,618	$1,134,261
11	25%	$42,250,000	$52,463,656	$1,216,921	$465,863	$1,682,784
12	28%	$24,602,767	$33,230,165	$974,043	$132,770	$1,106,813
Citywide	N/A	$33,552,417	$176,950,553	$6,232,828	$5,899,247	$12,132,076
Multi-District	N/A	$78,708,830	$130,502,608	$525,935	$1,106,045	$1,631,980
Total	N/A	$ 385,516,053	$660,000,000	$47,162,526	$18,082,562	$65,245,088

Source: Auditor analysis using 2020 Census, Oracle (08/07/2024), and Strategic Delivery Plan data.

The program includes some projects that could not be attributed to one district. There are several citywide projects, which include Bus Shelters and Bus Rider Experience Improvements, the 911 Center, and Citywide Parks American with Disabilities Act Ramps. We categorized these projects as "citywide" in our analysis. There are also 29 projects managed by Transportation and 1 project managed by Parks and Recreation that span multiple districts, totaling over $130 million. We categorized these projects as "multi-district" and listed these separately because we could not determine the specific allocation for each district. There are also three purchase orders for Parks & Recreation projects that are shared between multiple projects that fall within different council districts; we included these in the "multi-district" category, because we could not determine the amounts of each purchase order paid and committed to each district.

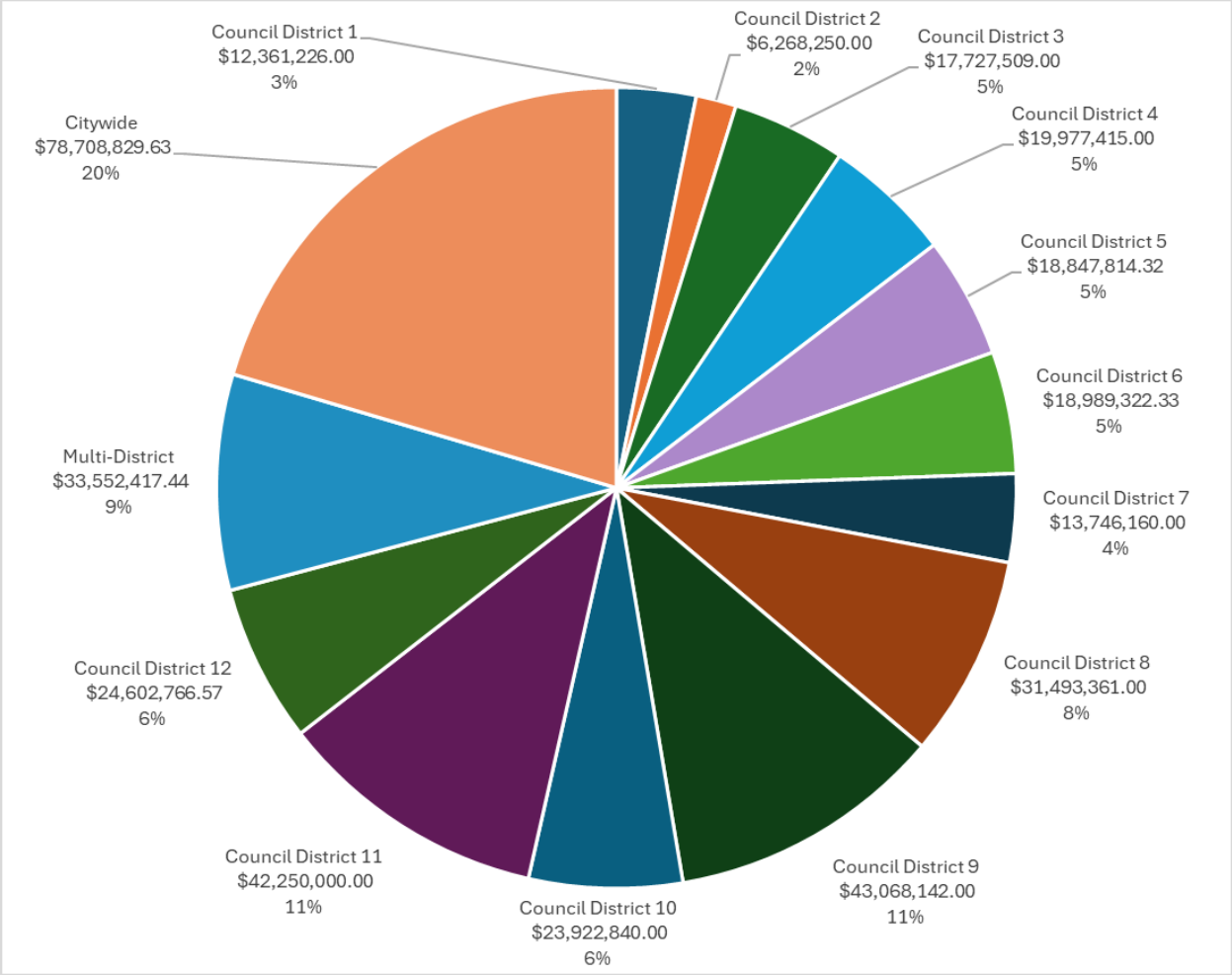
Exhibit 11: As of August 2024, 45% of All Spending Was in Districts 6, 8, and 9



Source: Oracle data as of August 2024 and Strategic Delivery Plan data

The budgets established in the Strategic Delivery Plan by the three departments appear more equal and equitable than the paid and committed costs for these projects. As shown in Exhibit 12, the City Council districts with the highest amounts allocated in the plan are City Council district 8 (poverty rate of 6%), City Council district 9 (poverty rate of 6%), and City Council district 11 (poverty rate of 25%). The council districts with the smallest budgets in the program are City Council districts 2 (poverty rate of 9%), City Council district 1 (poverty rate of 22%), and City Council district 7(poverty rate of 8%).

Exhibit 12: Budgeted Funds Are Spread Across the Council Districts Per the Strategic Delivery Plan



Source: Auditor analysis using the Strategic Delivery Plan data

Departments remain concerned about equity. The Transportation commissioner said the department uses baseline equity, mobility, and safety criteria and considers council districts. Some projects under Enterprise Asset Management are prioritized by other criteria; for example, the fire station projects were prioritized by the Atlanta Fire Rescue Department. Although the departments were allocated funds per the Strategic Delivery Plan in an equal and equitable manner, projects in City Council districts with lower poverty rates have progressed faster in terms of spending and dollars committed than districts with higher rates of poverty. If this trend continues, and departments incur cost overruns as projects progress, projects in higher poverty districts may be scoped down or cancelled entirely. The Renew Atlanta program was unable to deliver all projects originally promised and underwent a prioritization and re-baselining process to adjust the

project list. In anticipation of any budget shortfalls, we recommend that the chief operating officer develop criteria, including the consideration of equity across council districts to determine how projects will be prioritized if funding is limited.

Centralized Program Oversight Would Improve Project Delivery

City Council approved the Strategic Delivery Plan, which provides a detailed framework for managing projects, including controls to track whether projects are within budget and on schedule, whether project deliverables are met, and whether proper financial management is applied. However, the three executing departments have not fully implemented all controls in the Strategic Delivery Plan. Many of the projects we sampled, across all departments, were missing project management plans, RACI matrices, risk registers, monthly schedule variance reports, notices to proceed, and construction daily reports. In our 2023 review of the program, we recommended that the chief operating officer ensure that departments complete documentation as required by the Strategic Delivery Plan and receive ongoing training on these procedures. As of August 2024, this recommendation has not been implemented. We recommend that all departments complete documentation as required by the Strategic Delivery Plan.

Accurate financial tracking and monitoring is important for financial transparency. The Strategic Delivery Plan requires that all three departments use Oracle as their financial management system. Oracle is used to confirm available funding and allocation of funding to approved budgets. Transportation and Enterprise Asset Management manage financials in accordance with the Strategic Delivery Plan, including breaking out program funding into individual projects, or tasks. The Department of Parks and Recreation, however, created three large funding sources in Oracle rather than parsing out individual projects, then one employee tracks project-level spending manually. We recommend that the Department of Parks and Recreation use separate purchase orders for each Moving Atlanta Forward project and parse out individual projects in Oracle and manage, track, and monitor in Oracle.

In our 2023 audit of the program, we recommended that the chief operating officer assist the departments in developing a system and written procedures for tracking softs costs. As of August 2024, soft cost tracking remains inconsistent among departments. Although the Strategic Delivery Plan does not explicitly outline requirements for soft-cost tracking, previous Renew audits showed that failure to document soft costs may contribute to projects going over budget. We recommend that all departments develop a standardized method for

capturing soft costs. The Moving Atlanta Forward Infrastructure Program would also benefit from centralized oversight to ensure standardized collaboration for proper documentation, financial management, and tracking soft costs.

Strategic Delivery Plan Controls Are Not Consistently Implemented

The Strategic Delivery Plan, approved by City Council, establishes controls for project execution that are consistent with best practices. We tested a random sample of Moving Atlanta Forward projects from each department and found that the Departments of Transportation, Enterprise Asset Management, and Parks and Recreation are not maintaining documentation in a centralized information system, as required by the Strategic Delivery Plan. Our previous audit of the program recommended that the chief operating officer ensure that, at minimum, departments are completing project management plans, monthly variance reports, and the RACI matrix during the planning/scoping phase and that ongoing training is provided to departmental staff on those procedures. In addition to not implementing consistent recordkeeping with that documentation, departments are not consistently completing risk registers, notices to proceed, or construction daily reports. The documents required by the Strategic Delivery Plan are intended to ensure the program and its projects adhere to a baseline schedule, budget, and project scope.

We recommend that the chief operating officer ensure that departments are completing project management plans, RACI matrixes, risk registers, monthly variance reports, notices to proceed, and construction daily reports.

Departments are not consistently completing or storing required documentation for Planning/Scoping and Construction phases. The Strategic Delivery Plan provides guidelines and controls for the Moving Atlanta Forward Infrastructure Program, including required documentation intended to ensure that projects are within budget and scope and proceed on schedule. We tested six controls from the Strategic Delivery Plan, as shown in Exhibit 13. Project managers are required to document project management plans, develop RACI matrices and risk registers during the planning/scoping phase, and generate monthly schedule variance reports throughout a project. The Strategic Delivery Plan requires all projects to have a RACI matrix in the planning/scoping phase. We reviewed documentation for a sample of the projects overseen by the Departments of Transportation, Parks and Recreation, and Enterprise Asset Management in the planning/scoping

phase to verify implementation of the key controls outlined in the Strategic Delivery Plan.

Exhibit 13: Strategic Delivery Plan Outlines Project Management Controls

Strategic Delivery Plan Control	Purpose/Risk Mitigation
1. Project Management Plan	Project management plans detail the planning, monitoring, and implementation of a project. They should be prepared by the project manager and are a tool to help start the project and assist in establishing a baseline for future decision making.
2. RACI Matrix	RACI matrices (Responsibility, Accountable, Consulted, Informed) is used to assign roles and responsibilities for projects. RACI matrices include project monitoring, control, and accountability measures. The measures should be incorporated into departmental policies and standard operating procedures.
3. Risk Register	Risk registers are created during the planning/scoping phase. In addition to risks identified in the project charter, risk registers identify potential risks for projects. Risk registers should be reviewed monthly by program directors.
4. Monthly Schedule Variance Report	Monthly schedule variance reports identify changes in deadlines and reasons for change, allowing management to be aware of potential delays.
5. Notices to Proceed	When starting construction, the city issues an official Notice to Proceed, to indicate that contracts or vendors should begin work under the construction contract. Notices to proceed are important for ensuring projects are carried out legally and adhere to expectation.
6. Construction Daily Reports	Throughout construction, contractors should generate construction daily reports to accurately gauge project progress by consistently analyzing daily reports to determine whether they are ahead or behind schedule.

Source: Strategic Delivery Plan

Department of Transportation: We reviewed a random sample of Transportation projects that were in the planning/scoping or engineering/design phases and a random sample of Transportation projects that were in the construction phase to assess implementation of the controls described in the Strategic Delivery Plan. We sampled 14 projects in the planning/scoping or engineering/design phases. Of those, we found that:

- eight had a completed RACI matrix
- two had risk registers
- two had project management plans

Transportation Projects Sampled in Planning/Scoping or Engineering/Design Phases:

1. Proctor Creek Greenway Segment 4
2. Northside Resurfacing & Concrete Street Repairs
3. Citywide ADA Curb Ramps
4. Memorial Dr Sidewalk Installation
5. Cascade Rd Safe Street - PH II
6. Edgewood Ave Safe Streets
7. D.L. Hollowell Pkwy Sidewalk Installation
8. Browns Mill Rd Sidewalk Installation
9. Lenox Rd Safe Street & Multipurpose Path
10. Metropolitan Pkwy Sidewalk Installation
11. Whitehall St Safe Street
12. Courtland St & Piedmont Ave Safe Streets
13. Glen Iris Dr Safe Street
14. 17th St. Sidewalk Installation

We also sampled 2 projects in the construction phase:

1. PATH Westside Paper Spur Trail & Safety Improvements
2. Mt Paran Rd Resurfacing & Safety Improvements

We were unable to locate a Notice to Proceed or daily construction reports for either project. The Department of Transportation created monthly schedule variances in compliance with the Strategic Delivery Plan for all projects through June 2024.

Enterprise Asset Management: We tested all Enterprise Asset Management projects that had begun to assess the implementation of the controls described in the Strategic Delivery Plan. We tested eight Moving Atlanta Forward projects for Enterprise Asset Management.

Enterprise Asset Management Projects Tested:

1. Fire Station 25 Replacement
2. Fire Station 26 Replacement
3. Fire Station 30
4. Fire Station 31
5. Zone 4 Police Precinct Replacement
6. Diversion Center
7. 911 Call Center
8. District 7 EMS Station

Of the eight projects we reviewed, seven had completed RACI matrices; we were unable to locate a RACI matrix for the 911 Call Center project. We were also unable to locate risk registers for any Enterprise Asset Management project. We found eight project management plans, but three of the eight did not have a completed risk section. We were also unable to locate a SharePoint

folder for the District 7 EMS Station, which is in the planning/scoping phase, and the department did not provide the requested documentation. One Enterprise Asset Management project, the Diversion Center, is in the construction phase, but it did not have a Notice to Proceed in the project documentation. We were able to locate 68 daily construction reports for the Diversion Center, but those reports do not cover the full construction period. We did not find daily reports beyond July 2023, a full year before the scheduled ending of the construction phase for the Diversion Center.

We also reviewed Enterprise Asset Management project folders for monthly schedule variance reports. We located schedule variance report templates for the Diversion Center and Fire Stations 25, 26, 30, and 31; however, templates had not been updated monthly or signed. Based on dashboard data, we confirmed that the Zone 4 Police Precinct project had a schedule variance that changed the dates for its procurement, construction, and closeout phases, but we were unable to locate a schedule variance report notating these changes.

Parks and Recreation: We reviewed a random sample of six Parks and Recreation projects in the construction phase. We sampled four subprojects for Cameras in Parks, and Citywide Poolhouse & Outdoor Pool Improvements. The Cameras in Parks project currently has 17 subprojects, and we selected a judgmental sample of three: the subproject with the highest budget, the subproject with the lowest budget, and the one subproject being conducted by a different contractor than the other sixteen. The Citywide Poolhouse & Outdoor Pool Improvements project only had one subproject at the time of testing.

Parks and Recreation Projects Tested in the Construction Phase:

1. Cabbagetown Park Improvements
2. Cameras in Parks
   a. Subproject: Piedmont Park New CCTV
   b. Subproject: Central Park CCTV
   c. Subproject: Rosa Burney-Dunbar Recreation Center CCTV
3. Citywide Poolhouse & Outdoor Pool Improvements
   a. Subproject: Thomasville Pool
4. South Bend Lighting and Fields
5. East Lake Park Improvements
6. Piedmont Park Dock and Road/Path

We found that Parks and Recreation completed RACI matrices for all eight projects we tested. We were unable to locate a risk register for any of the eight projects. A senior project manager created a master risk register when we requested project risk registers, but one had not been created previously. All eight projects had a project management plan, but none of the plans had a completed risk section and were therefore incomplete.

We found that Parks and Recreation had a Notice to Proceed for seven of eight projects we tested; we were unable to locate one for the Thomasville Pool project. Five of the eight projects had a daily report, but only one of the projects, Piedmont Park Dock and Mobility Improvements, had daily construction reports for most days of its construction phase. We also reviewed monthly schedule variance reports for Parks and Recreation and found reports for 10 of the 40 projects that have started. No schedule variance reports were located for sampled projects.

The Departments of Transportation, Enterprise Asset Management, and Parks and Recreation have not maintained consistent records as required by the Strategic Delivery Plan. The Strategic Delivery Plan states that in order to maintain document control, departments should implement a standardized system for file storage location and organization. A standardized file folder structure provides more consistency, potential cost savings, and greater accessibility. The departments developed and manage/ Microsoft SharePoint for all documentation related to the Moving Atlanta Forward Infrastructure Program.

The departments' inconsistent recordkeeping hinders project managers' ability to monitor and track Moving Atlanta Forward projects. Incomplete RACI matrices can lead to improperly established roles and assignments for projects; miscommunication and misunderstanding of duties may allow the project to incur budget overruns or schedule delays. Incomplete risk registers pose a risk because ineffectively capturing potential risks can lead to unexpected delays and budgetary shortfalls during the project. Projects with incomplete project management plans risk missed deadlines, misunderstandings of project scope, and overspending. Additionally, if departments do not track schedule variances, they may be unable to accurately track project milestones and may miss project deadlines.

Construction projects missing Notices to Proceed may make it difficult for the city to hold its contractors accountable for contractual obligations. Lack of daily construction reports may result in project managers not having visibility of milestones or vulnerabilities that can impact completion of the project. We recommend that the chief operating officer ensure that departments are completing project management plans, RACI matrixes, risk registers, monthly schedule variance reports, Notices to Proceed, and daily construction reports, and that ongoing training is provided to departmental staff on those procedures.

The Department of Parks and Recreation did not establish project funding in Oracle according to the Strategic Delivery Plan. All program funds are managed within Oracle, the city's financial management system. The Strategic Delivery Plan states that in order to assist with trackability within Oracle, the program should include the following Oracle funding levels:

- Oracle Fund (Program)
- Department Organization (Owner Department)
- Oracle Task (Project/Category Type)
- Expenditure Account (Cost Category)

Each department's Finance team is responsible for supporting the Program by providing Oracle reports, confirming available funding and allocating Oracle funding to approved budgets. Oversight includes Oracle maintenance and coordination with the Department of Finance. Maintenance and funding coordination involves Oracle task creation, administrative changes, and expenditure allocations.

Transportation and Enterprise Asset Management manage project-level spending directly through Oracle. Oracle provides built-in system controls for managing projects. Program funding is broken out into individual projects, where each project has its own budget, and users can view spending or budget changes for each individual project. The Department of Parks and Recreation staff, however, did not parse out program funds by individual project; instead, the department only established three large funding sources: Land Acquisition, Vertical Funds, and Horizontal funds. The department's budget director explained that they did not receive any guidance regarding how the funds should be established in Oracle. One project manager for Parks and Recreation tracks project-level spending by purchase order using an Excel spreadsheet. The spreadsheet used to manage, monitor, and track spending is not populated by financial data from Oracle, but rather updated manually by the project manager.

Entering and tracking financial data manually poses a risk of data entry and calculation errors. Accounting errors include incorrectly charging purchase orders to the wrong funds. We identified some purchase orders that were closed before the projects were complete because they were mistakenly charged to the wrong funds. We also found that some purchase orders were used across multiple projects, so we could not determine how much had been spent towards each project on these purchase orders. Because Parks and Recreation is using purchase orders as the mechanism to track individual projects, this could affect the integrity of the data. Additionally, the project manager responsible for manually entering data may input incorrect numbers and yield incorrect totals. Overall, if project-level finances are not maintained within

Oracle, monitoring project budgets and maintaining program transparency is more difficult.

We recommend that the Commissioner of the Department of Parks and Recreation ensure that the department creates separate purchase orders for different Moving Atlanta Forward Projects and avoid using a purchase order for multiple projects, to improve financial management and transparency. We also recommend that the Commissioner of the Department of Parks and Recreation ensure that the department uses the Oracle PnG module to manage program finances at project-level when starting new projects going forward.

The Moving Atlanta Forward program would benefit from central oversight to help ensure compliance with the Strategic Delivery Plan. Our 2023 audit of the program identified inconsistent processes across the three executing departments, including instances of noncompliance with the program's strategic plan, and opportunities for improvement in program management.

In the Moving Atlanta Forward Infrastructure Program 2023 Annual Review, we recommended that the chief operating officer assist the departments to develop a system and written procedures for tracking softs costs. The Strategic Delivery Plan does not outline steps for tracking soft costs, which are the administrative expenses associated with projects. In our previous audits of Renew construction projects, we found that the failure to track soft costs may have contributed to projects going over budget. Staff from Transportation, Parks and Recreation, and Enterprise Asset Management told us that they have not received direction from the Executive Office on tracking soft costs. Executive Office staff told us in October 2023 that the office is exploring systems for tracking soft costs and planned to implement one by the beginning of 2024.

The former deputy chief operating officer left the city in May 2024. When we followed up with the Executive Office in August 2024, the chief operating officer stated that the Executive Office was not aware of a commitment to developing a soft cost tracking system. In response to the past recommendation, Transportation stated it would develop a clear and concise definition of soft costs and would coordinate with the other departments to identify tools and resources to track soft costs and develop written procedures. When we asked about the status of this recommendation, the deputy commissioner of capital delivery said the finance division of the program management team was responsible for Transportation's time-keeping and soft cost tracking, but not program wide.

Enterprise Asset Management previously responded to the recommendation stating that the definitions of soft cost usually include everything that is not part of the construction and furniture, fixtures, and equipment costs and suggested it might be simpler for the department to subtract these costs from the total project budget to arrive at soft costs. When we asked the program management officer for Enterprise Asset Management about the current procedures for tracking soft costs, he said soft costs tracked currently are for contract employees working on Moving Atlanta Forward projects.

Parks and Recreation responded to the previous recommendation by stating that the department was awaiting direction from the program concerning the matter of soft costs. Parks and Recreation's budget and performance director said the department's design, budgeting, and salaries come from the Park Improvement Fund, supported by millage. The soft costs are not being tracked and are not covered by the Moving Atlanta Forward program budget, as there is no dedicated source funding for these costs. The director believed that there will be some negative impacts from not tracking softs costs because the department will need to hire consultant services for project managers and these costs will have to come out of the Park Improvement Fund.

The Parks and Recreation design director told us the soft costs associated with the Moving Atlanta Forward projects were coming out of Park's budget and that the department was in the process of working with E-Builder to track Parks and Recreation's soft costs. In response, Parks and Recreation told us it has 15 personnel involved with the delivery of bond projects, three of whom are 100% dedicated to Moving Atlanta Forward projects. The other 12 personnel dedicate varying percentages of their time to Moving Atlanta Forward projects. We recommend that the chief operating officer assist the departments in developing a system and written procedures for tracking soft costs.

Additionally, centralized oversight of the program would help to ensure consistency in use of proper documentation, financial management, and tracking of soft costs. We recommend that the chief operating officer designate a central oversight position, such as a program manager, to oversee the Moving Atlanta Forward program and ensure all department comply with controls established in the Strategic Delivery Plan.

Dashboard Improvements Are Needed to Increase Usefulness to Stakeholders

The Moving Atlanta Forward dashboard was created to provide stakeholders with information regarding scheduling, budget,

encumbered and paid amounts, and project status. The dashboard allows users to filter program data by department and includes information such as the project phase, budget and expenses, and whether projects are on schedule, at risk, or complete.
The link has not yet been made public. Each department is responsible for the data they enter into the dashboard and sends an Excel file with updated project information to Transportation's project management team for monthly dashboard updates.

In our review of the dashboard, we found several accuracy and functionality concerns, including how financial information is reported and reporting consistency across departments. We recommend that the program develop and document data verification procedures to ensure dashboard accuracy and uniformity, and we recommend that the program make adjustments to define a threshold at which a project is reported as at-risk, add project-level spending to the project reports, and change the "available" funds metric to reflect remaining funds after paid and committed amounts.

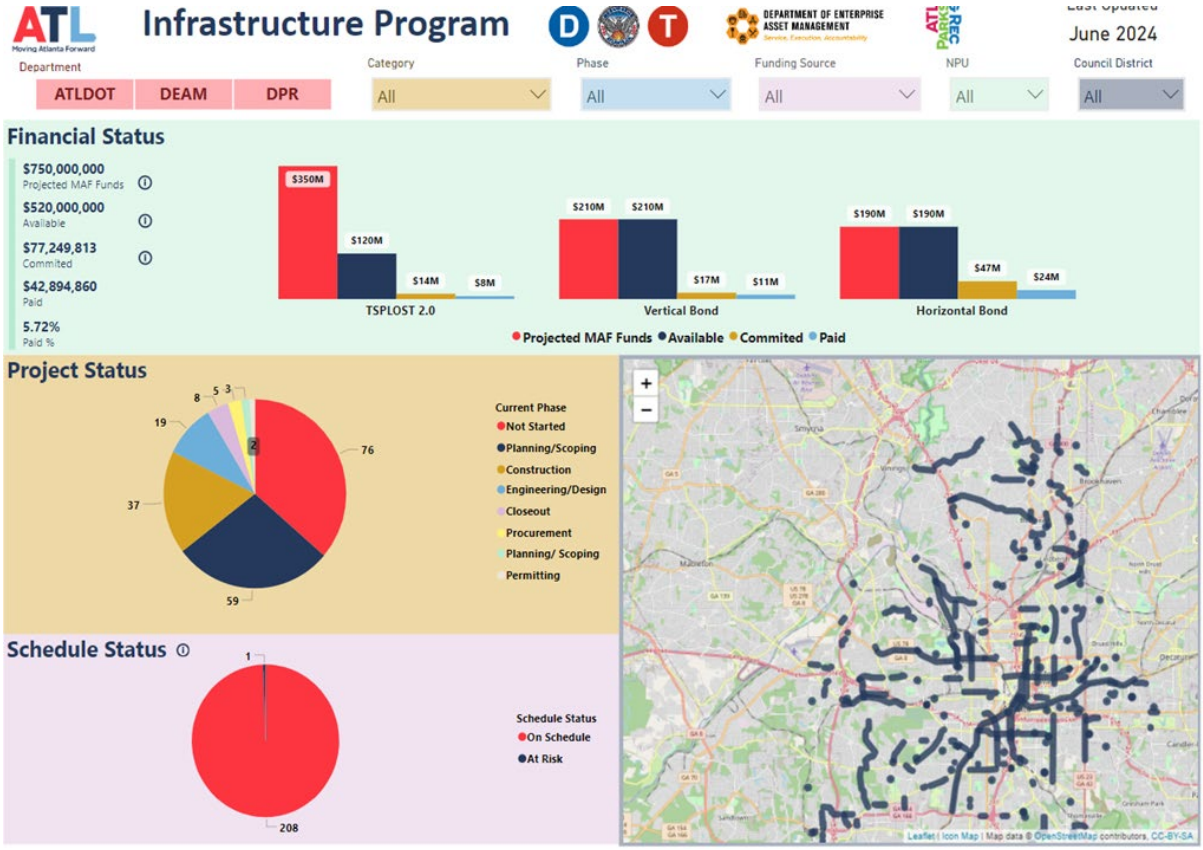
The Department of Transportation developed some guidance for updating the dashboard, but detailed verification procedures and additional metrics would improve reporting. The Strategic Delivery Plan states that the program should use a master schedule to ensure consistent delivery across all the departments. It also states that financial reporting should include budgets, as well as encumbered and paid amounts, which should be distributed to City Council members monthly to communicate project statuses, and reporting data should be maintained in a database. To accomplish this, a consultant in collaboration with Transportation staff developed a dashboard for the Moving Atlanta Forward Infrastructure Program. The dashboard includes project status, budget, encumbrances, and paid amounts as required by the Strategic Delivery Plan.

The dashboard is intended to be available to the public, but it is not currently accessible without the link. The executing departments have access to the dashboard through a link, but it is unclear how widely users have shared the link. The deputy commissioner of capital delivery for Transportation said the link has not yet been made public because of discussions regarding where to host the link, as there are three departments managing projects for the Moving Atlanta Forward program.

The Moving Atlanta Forward Infrastructure Program dashboard is created using Power BI. Users can filter the dashboard to show metrics by individual departments or all departments simultaneously. Users can filter the dashboard by different categories: project phases, NPU,

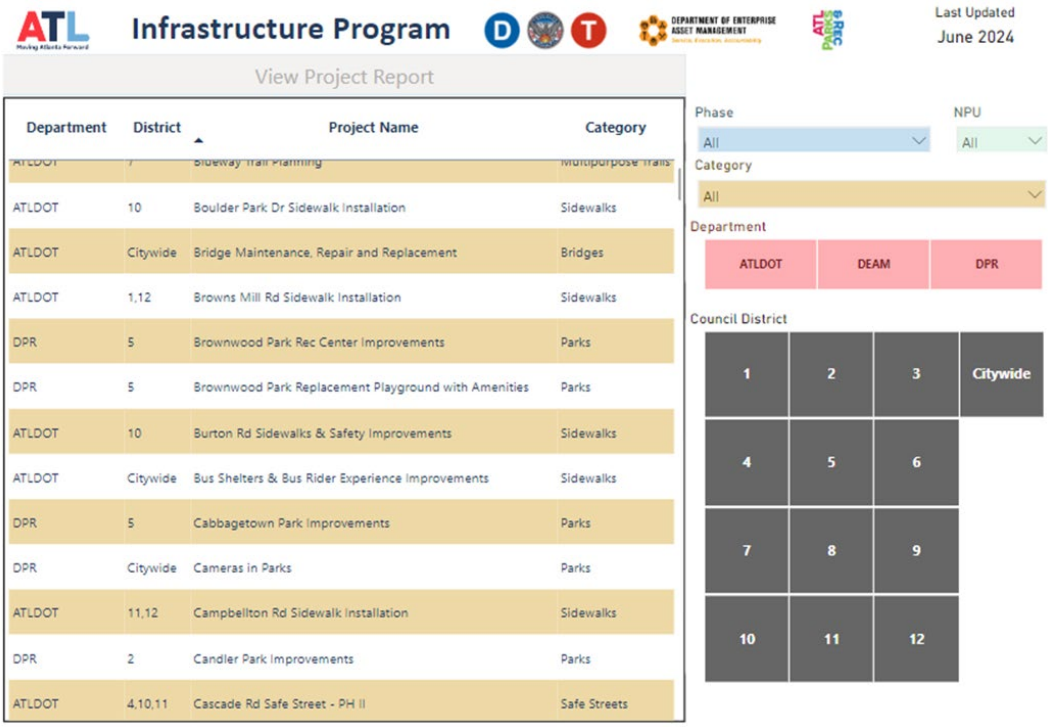
project category, department, and council districts. The main section of the dashboard includes the financial status metrics, project status metrics, and schedule status metrics for all projects in each department (see Exhibit 14). The dashboard includes a project list, from which users can see a "project report" with project information, planned schedule milestones, and original and revised budgets (see Exhibit 15).

Exhibit 14: Program Dashboard Communicates Financial, Project and Schedule Status



Source: Moving Atlanta Forward dashboard screenshot (7/25/2024)

Exhibit 15: Program Dashboard Has Individual Project Information with Several Filters



Source: Moving Atlanta Forward dashboard screenshot (7/25/2024)

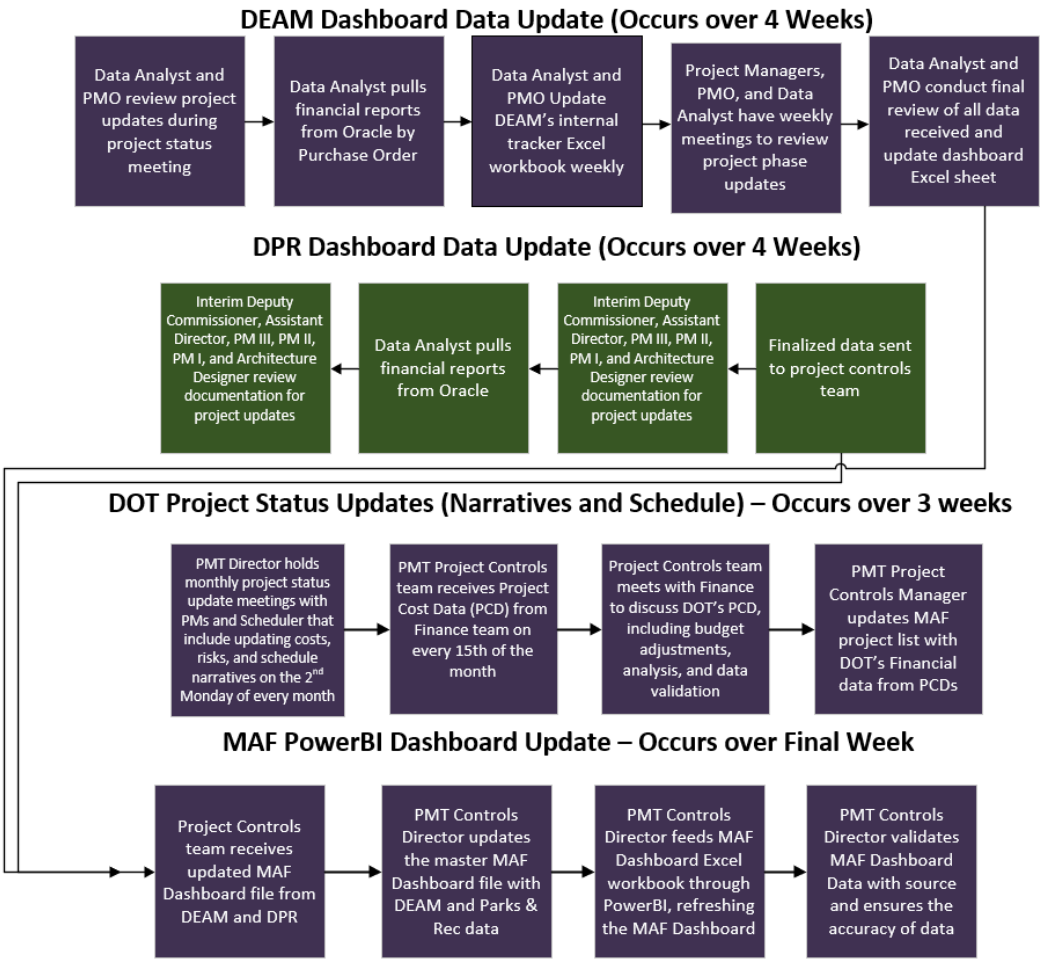
Enterprise Asset Management's program management manager and data/reporting analyst maintain a departmental Excel document monthly with project status and financial data. They then enter the data from the Excel document into the dashboard Excel template provided by Transportation's program management team and send it to the project director for the program management team.

Parks and Recreation uses its own Excel document, created by one of the department's project managers. This document is updated weekly with information from Oracle and data from the project managers. The project manager checks the status and phase of the individual projects to ensure the data in the Excel spreadsheet is correct. The processes used by each department to update the dashboard are shown in Exhibit 16.

Each department is responsible for validating data for their projects. At the end of each month, Enterprise Asset Management and Parks and Recreation staff send their financial data and project status updates to the Transportation's program's management team. The program management team then adds all three departments' data to a centralized Excel workbook which is then sent to the project controls team by the end of each month. The project controls team then

uploads the centralized Excel workbook data via Microsoft Power BI into the Moving Atlanta Forward dashboard by the beginning of the month.

Exhibit 16: Dashboard Is Updated Monthly with Data from All Three Departments



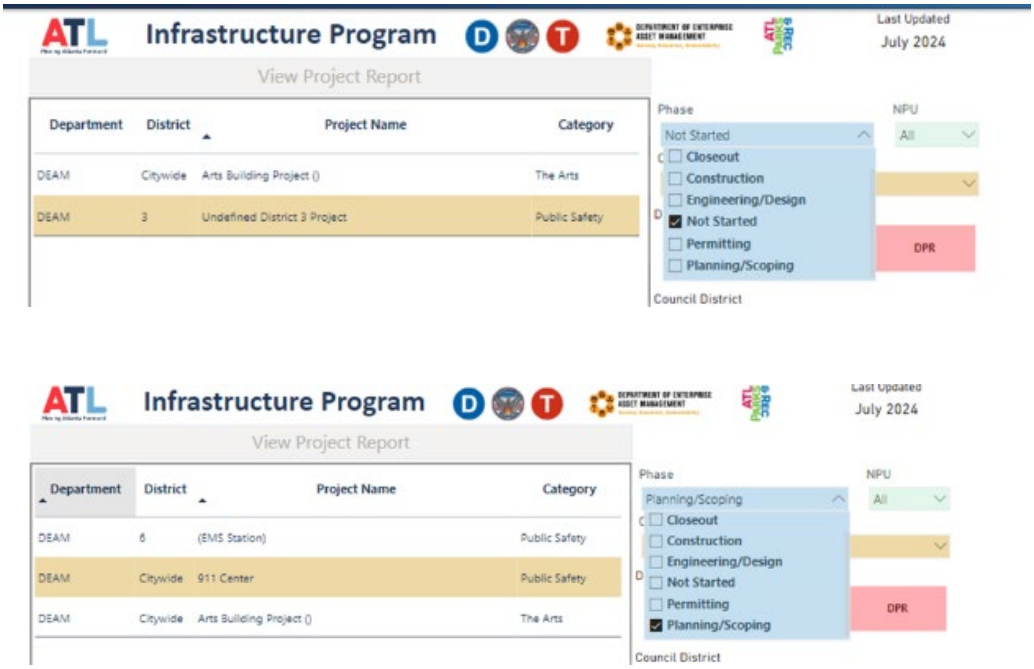
Note: DEAM and DPR send final project status updates to DOT. Updates are reflected in MAF Dashboard.

Source: Developed by auditor based on DOT dashboard procedures and interviews with staff from DOT, DEAM, and DPR.

There is no formalized process for data validation other than the program's control team validating Transportation's data and running "sanity checks" on data provided by the other two departments. In our review, we found that two arts projects, one horizontal and one vertical, originally had the same name in the dashboard data, and the Power BI dashboard platform could not differentiate between the two

projects. Due to this error, the dashboard would only list one arts project when filtering by department, but showed the same project under two different phases, both the "Not Started" phase and the "Planning/Scoping" phase (see Exhibit 17). The error was resolved after we brought it to the attention of the program management team.

Exhibit 17: The Arts Project Showed as A Single Project but Could Be Found in Two Phases



Source: Moving Atlanta Forward Dashboard Screenshots on 7/25/24

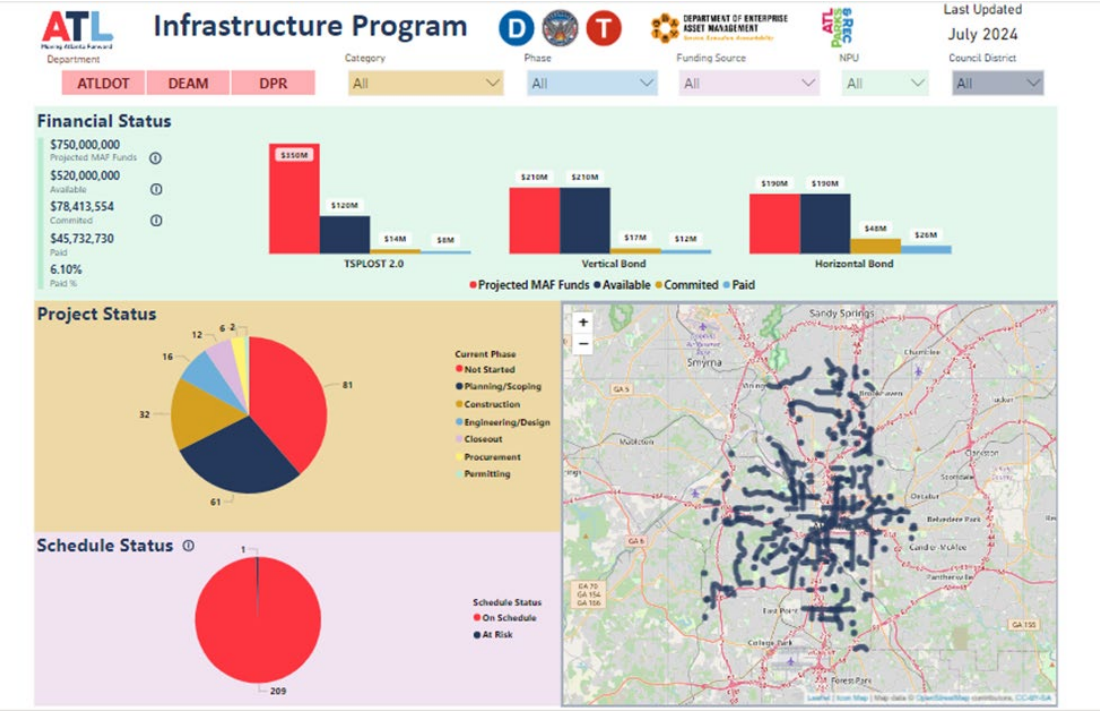
The totals for the horizontal and vertical bonds and TSPLOST 2.0 funds did not align with the original projected totals for the program. The Transportation project management team's controls director explained that when the dashboard spreadsheet was created, each project in the program only had one funding stream—either the horizontal bond, the vertical bond, or TSPLOST. But there are two Transportation projects that were originally part of the Renew Atlanta program that are now receiving some Moving Atlanta Forward funds: Howell Mill Road at Moores Mill Road Intersection Improvements and the 2021 LMIG Resurfacing (Group 1 North) projects. When these projects were added to the Moving Atlanta Forward dashboard data, the original funds from these projects were added to the overall projected Moving Atlanta Forward total, creating a discrepancy between the dashboard totals and the Strategic Delivery Plan. Once we notified the department of this issue, the project controls director addressed the problem and adjusted the TSPLOST figure to only reflect funds from the Moving Atlanta Forward Program.

Once the dashboard is made public, users will rely on the dashboard for information and decision-making purposes, so the dashboard should be kept up-to-date and accurate. We recommend that the chief operating officer assists in developing detailed written data verification procedures to ensure dashboard accuracy and uniformity.

Several improvements could be made to increase the dashboard's usefulness for stakeholders. Currently, the dashboard tracks projected and available funds for the two bonds (horizontal and vertical) and TSPLOST 2.0. The projected total is equal to the available total for the bonds, but the available total for the TSPLOST 2.0 funds were less than the projected total. The project controls director explained that the "available" metric in the dashboard reflects the funds that are immediately available (see Exhibit 18). The bond funds are immediately available for use, and therefore the available amount equals the total projected amount; however, because the TSPLOST funds are collected by a tax, the total projected amount is not actually readily available; the funds are collected annually, so the dashboard reflects a lesser figure as available.

While the "available" figure is not inaccurate, it does not communicate useful information not stakeholders, and may cause confusion, as "available" funds in financial reporting typically indicate funds that are remaining after spending or encumbrances. To provide stakeholders with a better understanding of project progress, we recommend that the program adjust the "Available" metric to reflect the projected funds minus the amount of paid and committed funds.

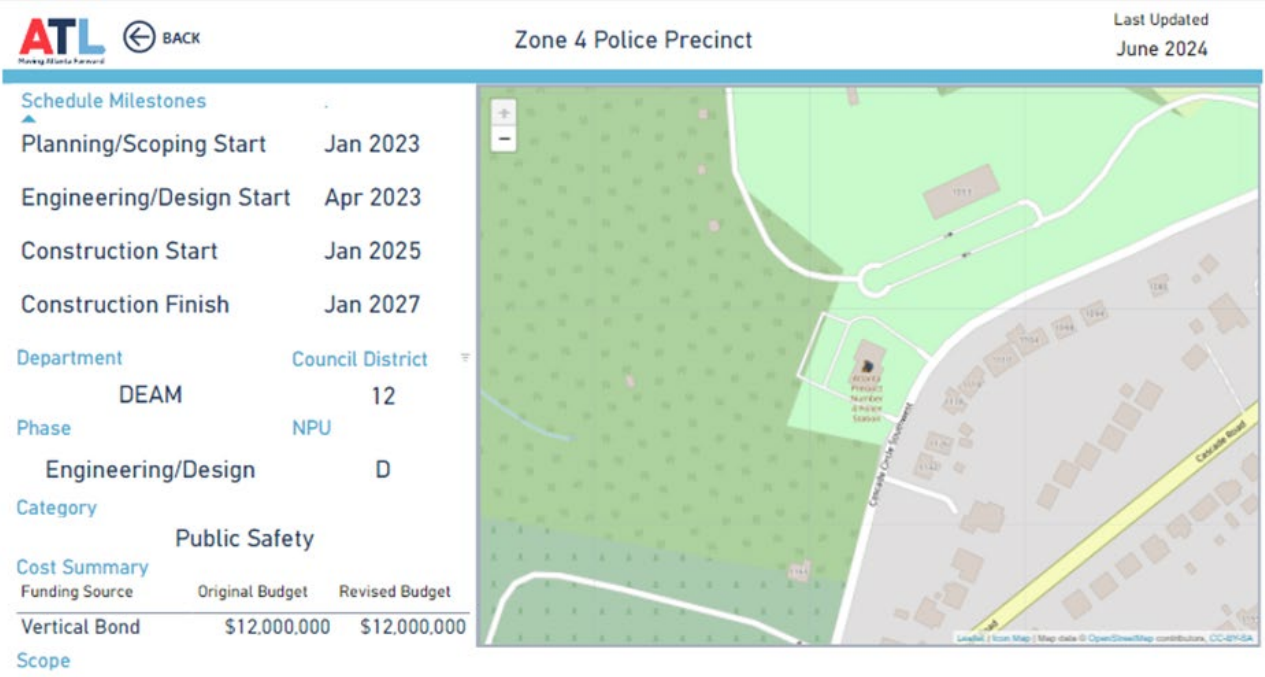
Exhibit 18: Dashboard Shows Projected and Available Funds as Equal



Source: Moving Atlanta Forward Dashboard Screenshot on 7/25/24

The dashboard's project reports do not show project expenditures; only budgets (see Exhibit 19). Departments enter project-level encumbered and paid amounts in the Excel document used to update the dashboard, but these figures are not visible to dashboard users. The dashboard shows program expenditures, which can be broken down by department, funding source, City Council district, and other characteristics, but does not show project-level spending. To provide stakeholders with more detailed information, we recommend that the program add project-level spending information to the project reports in the dashboard.

Exhibit 19: Project Reports Include Schedule Milestones, Council District, Phase, Category, and Budget Information



Source: Moving Atlanta Forward Dashboard Screenshot from 7/25/2024

The dashboard also includes a chart that reports projects "at-risk", but there is no clear definition of when a project is reported as at-risk. One project, the Zone 4 Police Precinct project managed by Enterprise Asset Management, is identified as "at-risk." Department staff said they designated the project as at-risk due to timeline; there were concerns with finding a location for the project, which will impact the ability to complete the project in a five-year time period. The Strategic Delivery Plan does not define what constitutes "at-risk," and both Parks and Recreation and Transportation staff confirmed there is no standard definition for the program regarding when a project should be considered "at-risk". Creating a standard threshold at which a project is reported as "at-risk" on the dashboard would provide valuable insight to stakeholders and flag decisionmakers about potential concerns facing a project or the program as a whole. To communicate potential issues to stakeholders, we recommend that chief operating officer assist departments to define a threshold that suggests a project is at risk based on either cost and/or schedule and communicate the at-risk status on the dashboard.

Recommendations

In order to maintain project budgets and schedule, we recommend that the chief operating officer:

1. develop decision criteria, including equity across council districts, to determine how projects will be prioritized if funding is limited
2. ensure that departments are completing project management plans, RACI matrixes, risk registers, monthly schedule variance reports, Notices to Proceed, and daily construction reports as required by the Strategic Delivery Plan, and that ongoing training is provided to departmental staff on those procedures
3. assist the departments in developing a system and written procedures for tracking soft costs
4. designate a central oversight position, such as a program manager, to oversee the Moving Atlanta Forward program and ensure all departments comply with controls established in the Strategic Delivery Plan
5. assists in developing detailed written data verification procedures to ensure dashboard accuracy and uniformity
6. ensure that the program adjust the “Available” metric to reflect the projected funds minus the amount of paid and committed funds
7. ensure that the program add project-level spending information to the project reports in the dashboard
8. assist departments to define a threshold that suggests a project is at risk based on either cost and/or schedule and communicate the at-risk status on the dashboard

In order to monitor project budgets and maintain program transparency, we recommend that the commissioner of the Department of Parks and Recreation:

9. create separate purchase orders for different Moving Atlanta Forward Projects and avoid using one purchase order for multiple projects, to improve financial management and transparency

10. ensure that the department uses the Oracle PnG module to manage program finances at project-level when starting new projects going forward

Appendices

Appendix A: Management Review and Response to Audit Recommendations

Report # 24.05	Report Title: Moving Atlanta Forward 2024 Annual Review

Recommendation #1:		
We recommend that the chief operating officer develop decision criteria, including equity across council districts, to determine how projects will be prioritized if funding is limited.		
Risk Category: Equity	**Recommendation Priority:** Medium	**Auditee Response:** Agree
Related Finding(s): 1. Neither the Strategic Delivery Plan nor executing departments established criteria for how the program will cut or re-prioritize projects if funding issues arise. 2. Project spending has not progressed equally across council districts.		
Proposed Action: The chief operating officer will work with all Departments administering Moving Atlanta Forward to implement the recommendation.		**Current Status:** Started
Business Owner: Chief Operating Officer		**Estimated Implementation Date (M/Y):** 06/25
Additional Comments: A new contract has been administered with Jacobs to serve as the project manager/consultant on Moving Atlanta Forward.		

Recommendation #2:		
We recommend that the chief operating officer ensure that departments are completing project management plans, RACI matrixes, risk registers, monthly schedule variance reports, Notices to Proceed, and daily construction reports as required by the Strategic Delivery Plan, and that ongoing training is provided to departmental staff on those procedures.		
Risk Category: Service Delivery	**Recommendation Priority:** Medium	**Auditee Response:** Agree
Related Finding(s): 1. The three executing departments have not fully implemented all controls in the Strategic Delivery Plan. We tested a random sample of Moving Atlanta Forward projects from each department and found that the Departments of Transportation, Enterprise Asset Management, and Parks and Recreation were missing project management plans, RACI matrices, risk registers, monthly schedule variance reports, notices to proceed, and construction daily reports, and are not maintaining documentation in a centralized information system, as required by the Strategic Delivery Plan.		
Proposed Action: The chief operating officer will work with all Departments administering Moving Atlanta Forward to implement the recommendation.		**Current Status:** Started
Business Owner: Chief Operating Officer		**Estimated Implementation Date (M/Y):** 03/25
Additional Comments: The Mayor has designated rapid improvement of the Move Atlanta Forward (MAF) program as a "Mayoral Special Project" of the Office of the Chief Strategy Officer (OCSO). The Chief Strategy Office staff will be supporting the COO and the Commissioners of all departments driving or supporting the MAF program to address the concerns of the Audit along with other improvements.		

Recommendation #3: We recommend that the chief operating officer assist the departments in developing a system and written procedures for tracking soft costs.		
Risk Category: Information Systems	**Recommendation Priority:** Low	**Auditee Response:** Agree
Related Finding(s): 1. As of August 2024, soft cost tracking remains inconsistent among departments. Although the Strategic Delivery Plan does not explicitly outline requirements for soft-cost tracking, previous Renew audits showed that failure to document soft costs may contribute to projects going over budget.		
Proposed Action: The chief operating officer will work with all Departments administering Moving Atlanta Forward and the Departments of Finance and Human Resources to implement the recommendation.		**Current Status:** Started
Business Owner: Chief Operating Officer		**Estimated Implementation Date (M/Y):** 05/25
Additional Comments: Meetings are currently underway with representatives from the above-mentioned departments to begin tracking soft costs in Oracle.		

Recommendation #4: We recommend that the chief operating officer designate a central oversight position, such as a program manager, to oversee the Moving Atlanta Forward program and ensure all departments comply with controls established in the Strategic Delivery Plan.		
Risk Category: Service Delivery	**Recommendation Priority:** High	**Auditee Response:** Agree
Related Finding(s): 1. The three executing departments have not consistently implemented the Strategic Delivery Plan project lifecycle and financial management controls. 2. As of August 2024, soft cost tracking remains inconsistent among departments. Although the Strategic Delivery Plan does not explicitly outline requirements for soft-cost tracking, previous Renew audits showed that failure to document soft costs may contribute to projects going over budget.		
Proposed Action: The Mayor's Office will incorporate current and new staff to serve in dedicated central oversight position(s).		**Current Status:** Started
Business Owner: Chief Operating Officer		**Estimated Implementation Date (M/Y):** 03/25
Additional Comments: Until the dedicated staff are hired, the Chief Strategy Office staff will be supporting the COO and the Commissioners of all departments driving or supporting the MAF program to address this recommendation.		

Recommendation #5: We recommend that the chief operating officer ensure that the Department of Transportation develops and documents data verification procedures to ensure dashboard accuracy and uniformity.		
Risk Category: Information Systems	**Recommendation Priority:** Low	**Auditee Response:** Agree
Related Finding(s): 1. In our review of the dashboard, we found several accuracy and functionality concerns, including how financial information is reported and reporting consistency across departments.		
Proposed Action: The Moving Atlanta Forward dedicated staff in the Mayor's Office will oversee the recommendation.		**Current Status:** Not Started
Business Owner: Chief Operating Officer		**Estimated Implementation Date (M/Y):** 06/25
Additional Comments:		

Recommendation #6: We recommend that the chief operating officer ensure that the program adjust the “Available” metric to reflect the projected funds minus the amount of paid and committed funds.		
Risk Category: Information Systems	**Recommendation Priority:** Low	**Auditee Response:** Partially Agree
Related Finding(s): 1. The “Available” funds metric on the Moving Atlanta Forward dashboard reflects the amount of funds immediately available, excluding the total projected TSPLOST funds that are not yet readily available. “Available” funds typically indicate funds that are remaining after spending or encumbrances.		
Proposed Action: The Moving Atlanta Forward dedicated staff will work with the Department of Finance on the best way to accomplish this recommendation.		**Current Status:** Not Started
Business Owner: Chief Operating Officer		**Estimated Implementation Date (M/Y):** 06/25
Additional Comments: This response is “Partially Agree” because we would like for Finance to recommend the best way to adjust this metric in collaboration with Oracle.		

Recommendation #7: We recommend that the chief operating officer ensure that the program adds project-level spending information to the project reports in the dashboard.		
Risk Category: Information Systems	**Recommendation Priority:** Low	**Auditee Response:** Partially Agree
Related Finding(s): 1. The dashboard's project reports do not show project-level expenditures, only budgets. Departments enter project-level encumbered and paid amounts in the Excel document used to update the dashboard, but these figures are not visible to dashboard users.		
Proposed Action: The dedicated Moving Atlanta Forward staff will work with AIM and the implementing departments to determine how the current dashboard can capture project-level expenditures.		**Current Status:** Not Started
Business Owner: Chief Operating Officer		**Estimated Implementation Date (M/Y):** 06/25
Additional Comments:		

Recommendation #8: We recommend that the chief operating officer assist departments to define a threshold that suggests a project is at risk based on either cost and/or schedule and communicate the at-risk status on the dashboard.		
Risk Category: Information Systems	**Recommendation Priority:** Low	**Auditee Response:** Agree
Related Finding(s): 1. The Department of Enterprise Asset Management has identified one project as “at-risk” on the program dashboard, but the executing departments confirmed there is no standard definition for when a project should be considered “at-risk”.		
Proposed Action: We will determine the definition of “at-risk” and work with AIM on how to implement the definition and tracking into the dashboard.		**Current Status:** Not Started
Business Owner: Chief Operating Officer		**Estimated Implementation Date (M/Y):** 06/25
Additional Comments:		

Recommendation #9: We recommend that the Commissioner of the Department of Parks and Recreation create separate purchase orders for different Moving Atlanta Forward Projects and avoid using one purchase order for multiple projects, to improve financial management and transparency.		
Risk Category: Service Delivery	**Recommendation Priority:** Medium	**Auditee Response:** Agree
Related Finding(s): 1. We found several purchase orders for Parks & Recreation projects that are shared between multiple Moving Atlanta Forward projects, so we could not determine how much had been spent towards each project using the purchase order.		
Proposed Action: The Department of Parks and Recreation (DPR) will create separate purchase orders for individual MAF Projects to improve financial management and transparency.		**Current Status:** Implemented
Business Owner: Department of Parks and Recreation		**Estimated Implementation Date (M/Y):** 11/24
Additional Comments: None at this time.		

Recommendation #10: We recommend that the commissioner of the Department of Parks and Recreation ensure that the department uses the Oracle PnG module to manage program finances at a project level when starting new projects going forward.		
Risk Category: Service Delivery	**Recommendation Priority:** Medium	**Auditee Response:** Partially Agree
Related Finding(s): 1. The Department of Parks and Recreation created three large funding sources in Oracle rather than parsing out individual projects, with one employee tracking project-level spending manually. If project-level finances are not maintained within Oracle, monitoring project budgets and maintaining program transparency is more difficult.		
Proposed Action: DPR will coordinate with Finance to determine feasibility of establishing new individual project numbers for each MAF Project moving forward; given currently approved legislations, project numbers and project statuses.		**Current Status:** Not Started
Business Owner: Department of Parks and Recreation		**Estimated Implementation Date (M/Y):** To be determined
Additional Comments: None at this time.		