Performance Audit

Business Enterprise Program Operations and Management Controls
Georgia Department of Labor

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Executive Summary:

Our review found that the Business Enterprise Program should take steps to improve its overall effectiveness and operate in a more efficient, business-like manner. Among our findings, we found that:

- Action should be taken to increase the number of blind persons who are referred to and served by the Program. Currently, the Program serves 93 blind vendors. While the proportion of blind persons served by the Program is slightly above the national average, it lags all but one of eight other southeastern states.
- The Program should take action to collect commissions from vending machine facilities in federal buildings. Based on information from other states, it is estimated that Georgia could potentially collect approximately $150,000 per year.
- The Program needs to establish additional controls for monitoring the accuracy of the financial information reported by the blind vendors.
- Action should be taken to better monitor the expenditures of the private, non-profit firm (the Georgia Cooperative Services for the Blind, Inc.) that provides management and accounting services for the vendors. We found, for example, that two of the firm’s employees were allowed to earn 270 hours of compensatory time for attending a 3-day conference.
- The need for the Program to have 1 counselor for every 9.3 blind vendors should be reconsidered, especially since the vendors have, on average, 16 years’ experience.
- The Program spends about $26,000 per year for each licensed blind vendor provided a job (including the 12% of net proceeds paid by the vendors for management, accounting, and other services).

Audit Purpose

The purpose of this performance audit was to evaluate the effectiveness and efficiency of the Business Enterprise Program administered by the Georgia Department of Labor. The primary objectives of the audit were to determine if the Program was:

- achieving its objective of helping blind persons in Georgia become self-supporting; and
- operating in an efficient, business-like manner.

Purpose of the Business Enterprise Program

The Business Enterprise Program was established in Georgia in 1944 in response to the federal Randolph-Sheppard Act. The purpose of the Program is to provide blind persons with remunerative (gainful) employment, increase their economic opportunities, and help them become self-supporting. The Act gives ***priority*** for the operation of vending facilities on federal property to blind vendors licensed by a state licensing agency. The Business Enterprise Program was created to operate as Georgia’s state licensing agency.

Background

The Business Enterprise Program is administered by the Georgia Department of Labor's Division of Rehabilitation Services. Prior to 2001, the Division of Rehabilitation Services (including the Business Enterprise Program) was part of the Department of Human Resources.

The Business Enterprise Program is responsible for helping blind persons in Georgia achieve economic self-sufficiency by operating vending facilities (snack bars, cafeterias, and vending machines) located primarily in government office buildings. Under the federal Randolph-Sheppard Act, blind persons must be given ***priority*** to operate vending facilities on federal property. Under state law, blind persons must be given ***preference*** to operate vending facilities on state property.

As of June 2005, the Program had 93 licensed blind vendors and 106 facilities (some vendors have more than one facility and some facilities are staffed by more than one vendor). As shown in **Exhibit 1**, the 106 vending facilities include 63 snack bars, 22 vending machine operations, 17 highway vending operations, and 4 cafeteria contracts (operated by subcontractors) to provide services at large federal facilities such as Fort Benning. (It should be noted that these cafeteria contracts were specifically addressed in a previous performance audit released in December 2005.) A map showing the locations of the Program's various types of facilities is provided in **Appendix A** on page 27; a detailed listing of the individual facilities is provided in **Appendix B** on pages 28 and 29.

Program Operations

All of the blind persons served by the Program are referred by counselors in the Department's Division of Rehabilitation Services' Vocational Rehabilitation (VR) Program. To be eligible for the Program, persons must be certified as "blind" by a physician or optometrist; that is, the person must have visual acuity of not more than 20/200 in the better eye with correcting lenses and/or have a field of vision of not more than 20°. Persons must also be a U.S. citizen, a resident of Georgia, be at least 18 years of age, have a high school diploma or GED, pass a background check, and be screened for tuberculosis.

Prior to being licensed by the Program, persons receive two to eight weeks of training (depending on their ability level) at the Roosevelt Warm Springs Institute of Rehabilitation. This training is followed by eight weeks of on-the-job training at different vending locations and by supplemental classroom training provided by the Program. After successfully completing the training program, licensee candidates are given a six-month working test under provisional license status, after which time they can be awarded a facility and become licensed as a blind vendor.

Exhibit 1
Business Enterprise Program Vendors and Facilities [1]
As of June, 2005

Facility Type	Description	Number of Facilities[2]	Number of Blind Vendors
Snack Bars	Facilities are typically located in government owned buildings with a blind vendor or helper working as cashier. Items sold in snack bars range from prepackaged, cold food to hot food prepared on-site.	63	59
Vending	Machines are placed in locations that will not support a snack bar. In some cases the Program will string vending sites together to form a vending route. Blind vendors with the assistance of helpers are responsible for stocking and keeping the machines in working order.	22	15
Highway Vending	Machines are placed at interstate highway rest areas and welcome centers. Blind vendors with the assistance of helpers are responsible for stocking and keeping the machines in working order.	17	14
Cafeteria Contracts	The Program subcontracts with commercial food service operations to provide services at large federal facilities such as military bases. Blind vendors operate as "contract managers" and are responsible for administering the contracts.	4	5
Total		106	93

[1] The number of vendors does not equal the number of facilities because some facilities have more than one vendor and some vendors have more than one facility.
[2] Vendor-run facilities.

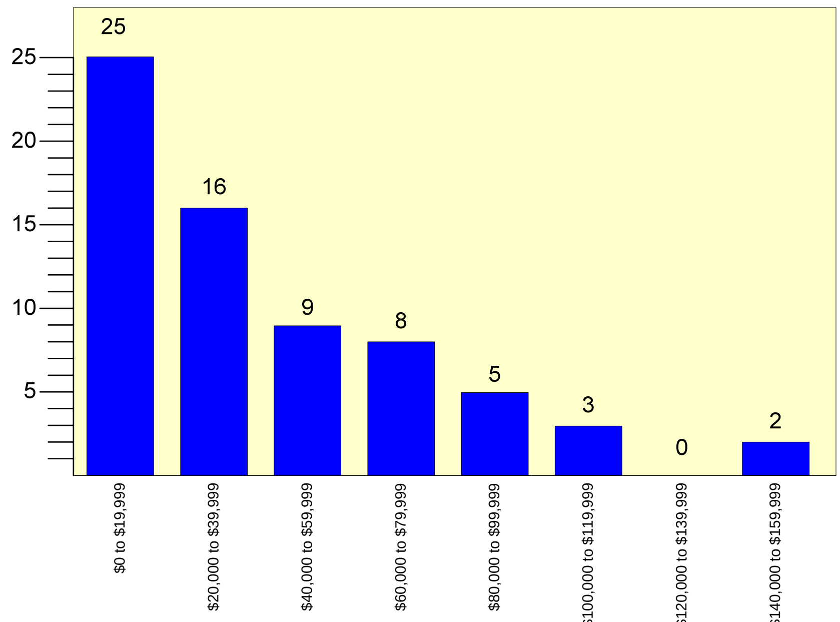
Source: Program Records

To provide opportunities for vendors to have their own vending operations, Program personnel are responsible for identifying new locations and, if necessary, for installing any equipment that may be needed (such as refrigerators, display cases, and microwave ovens). The Program will also pay for any remodeling that may be necessary to accommodate the facility.

Facilities are awarded to applicants based on the results of a competitive interview process. The interviews, which typically consist of 10 questions, are conducted by a three-person panel consisting of a Program counselor and two blind vendors. A Program employee is responsible for serving as a moderator for the interview. The applicant who receives the highest aggregate score is offered the facility; if there is a tie, the applicant with the most seniority is selected. Once a vendor is established in a location, Program personnel conduct periodic on-site visits to provide advice and assistance as needed and to evaluate the vendor's performance.

In fiscal year 2004, the average income for the 68 vendors who worked at one location (excluding contract managers) for the entire year was $42,852 (based on self-reported financial information) and ranged from $5,845 to $153,634. See **Exhibit 2** for the number of vendors at various income levels. Department personnel indicated that some vendors may have other income sources such as Social Security income or disability income. The Program considers all vendors to be self-supporting (regardless income level) since each vendor accepted his or her location knowing its income limitations and potential.

Exhibit 2
Number of Vendors By Reported Income Level
Fiscal Year 2004



Source: Program Records

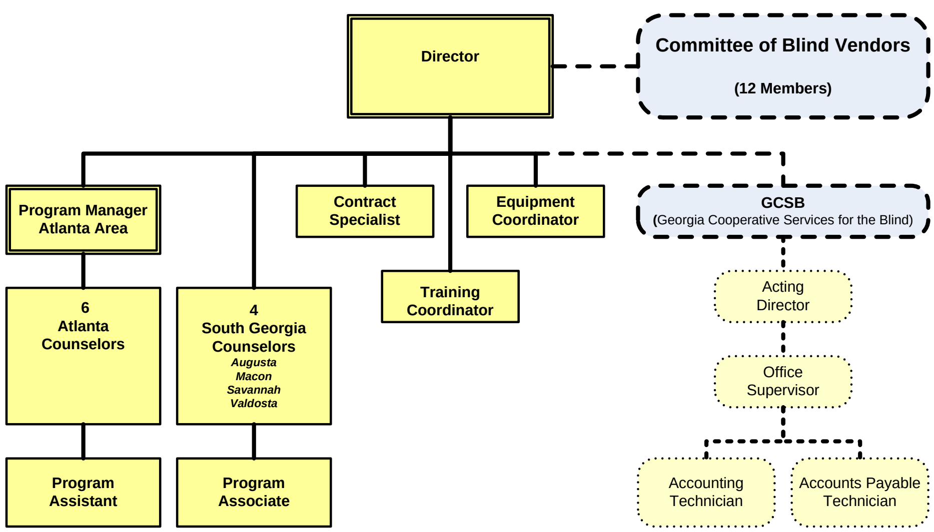
Organization and Staffing

The Business Enterprise Program has a staff of 17 employees, including a director, a program manager, 10 counselors, and five administrative support personnel. (See **Exhibit 3.**) As shown in the **Exhibit**, the Program works with two other entities to provide services to blind vendors: **the Committee of Blind Vendors** and the **Georgia Cooperative Services for the Blind, Inc.**

The Program consults with the 12-member Committee of Blind Vendors regarding such issues as fringe benefits, training, and Program policies and procedures. The Committee's members are elected for two-year terms and are limited to serving three consecutive terms. The Committee's chairperson is elected by a vote of all licensed blind vendors statewide for a two-year term and is also restricted to serving three consecutive terms.

The Program contracts with the Georgia Cooperative Services for the Blind, Inc. (GCSB) to handle accounting, vendor payroll, procurement, and certain reporting activities for the blind vendors. The GCSB was created in 1944 as a non-profit organization to meet the specific needs of the Program. The Program is GCSB's only client.

Exhibit 3
Business Enterprise Program Organization



Source: Program Records

Financial Information

The operations of the Business Enterprise Program are funded with state and federal funds. The operations of the Georgia Cooperative Services for the Blind, Inc. (GCSB) are primarily funded through a "set-aside" paid by the Program's blind vendors (equal to 12% of their net proceeds). The Randolph-Sheppard Act specifies that the set-aside funds can only be used for the maintenance and replacement of equipment, purchase of new equipment, management services, assuring a fair minimum return to vendors, establishment or maintenance of retirement or pension funds, health insurance contributions, and/or provision for paid sick leave and vacation time for vendors.

As shown in **Exhibit 4**, the Program (not including GCSB) expended about $1.6 million in fiscal year 2005, of which about $1.3 million were federal funds and approximately $300,000 were state funds. Of the $1.3 million in federal funds, approximately $556,000 was used to purchase equipment for the vending facilities; the remainder was used for general Program operations, including personal services and regular operating expenses. While not reflected in **Exhibit 4**, the Program also received goods and services in fiscal year 2004 (that included supplies, communications, computer systems and software) costing $51,953 that were paid for by the GCSB with vendor set-aside funds (shown on **Exhibit 5** as *Expenses Paid for BEP*).

Exhibit 4
Business Enterprise Program - Fund Sources and Expenditures
Fiscal Years 2004 and 2005

	FY 2004 (Actual)	FY 2005 (Actual)
Source of Funds		
Federal	$ 1,110,503	$ 1,278,438
State	300,555	306,640
Total Available Funds	**$ 1,411,058**	**$ 1,585,078**
Expenditures		
Personal Services	$ 664,674	$ 672,580
Case Service[1]	550,000	695,454
Other Expenditures[2]	196,384	217,044
Total Expenditures	**$1,411,058**	**$1,585,078**

[1] Funds for purchase of equipment and initial stock for facilities

[2] Includes travel, real estate rentals, telecommunications and computer charges

Source: Unaudited Program Budget Records

Exhibit 5 summarizes the revenues and expenses of the Georgia Cooperative Services for the Blind (GCSB). In fiscal year 2004, the GCSB collected approximately $881,000 in set-aside funds. The GCSB also received approximately $108,000 in payments from the 25 facilities that were operated under contract by sighted persons (referred to as commissions from unassigned vending[1]), and $64,000 in other income.

Any funds remaining at the end of the year after expenses have been paid become part of the GCSB's net assets (or reserves). At the end of fiscal year 2004, approximately $156,000 was available to add to GCSB's reserves; GCSB ended the year with net assets of $971,714.

Overall, the Program expended about $26,000 per blind vendor provided a job (based on 2004 total expenditures of the Program and the GCSB and the number of employed licensed blind vendors).

Exhibit 5
Georgia Cooperative Services for the Blind – Revenues and Expenses
Fiscal Years 2004 and 2005

	FY 2004 (Actual)	FY 2005 (Actual)
Revenue		NA[4]
Set-Aside from Blind Vendors	$ 426,720	
Set-Aside from Ft. Benning Subcontract	454,065	
Commissions From Unassigned Facilities[1]	107,592	
Other [2]	63,976	
Total Revenue	**$1,052,353**	
Expenses		
Personal Services for GCSB Personnel	$ 315,502	
Other GCSB Expenses[3]	141,030	
Blind Vendor General Expenses	387,523	
Expenses Paid for BEP	51,953	
Vendor Retirement Plan Payments	0	
Total Expenses	**$ 896,008**	
Available for Reserves	**$ 156,345**	

[1] Portion of set-aside from commissions per GCSB personnel
[2] Includes interest of $4,230 and donations of $100
[3] Includes rent, supplies, professional fees, computer charges and software, etc.
[4] Audit report for fiscal year 2005 not yet available
Source: Fiscal Year 2004 Audit for the GCSB

[1] Program personnel indicated that facilities will be contracted out to sighted persons for various reasons, such as if the facility is too small to support a blind vendor, the facility is newly acquired and no expected income information is available, or if a blind vendor cannot operate the site.

Objectives, Scope, and Methodology

The objectives of this audit were to evaluate the Program's effectiveness in achieving the goal of helping the state's blind persons become self-supporting[2] and to evaluate the Program's overall efficiency in managing its operations. This audit was conducted in accordance with generally accepted government auditing standards for performance audits.

In conducting this project, the audit team researched applicable laws and regulations and reviewed available Program files and records. Interviews were conducted with key personnel of the Business Enterprise Program, the Georgia Cooperative Services for the Blind, and the Committee of Blind Vendors. Twelve blind vendors were also interviewed to obtain their input on Program operations and site visits were conducted at seven facilities. In addition, 14 Vocational Rehabilitation Counselors were interviewed regarding their referrals to the Program. Representatives of state agencies providing services to blind vendors in the five contiguous states (Alabama, Florida, North Carolina, South Carolina, and Tennessee) were contacted as well as representatives in agencies in other states who were familiar with the use of a Cooperative similar to the Program's GCSB (Illinois, Missouri, Virginia, West Virginia, Wisconsin, and Washington, D.C.). The audit team also requested unofficial advice from the Office of the Attorney General of Georgia regarding concerns about the confidentiality of Program information and how information should be included in this report.

The audit focused financially on fiscal year 2004, the most recent year for which complete financial information was available, and operationally on fiscal years 2004 and 2005 **with additional reviews conducted as necessary**. It should be noted that a previous Performance Audit of the Program was released in 1982.

This report has been discussed with appropriate personnel representing the Department of Labor. A draft copy was provided for their review and they were invited to provide a written response, including any areas in which they plan to take corrective action. In their written response to the audit, Program personnel disagreed with the audit's overall conclusions and noted that they thought that the "Program is well-organized, efficient, and has measurable

[2] O.C.G.A. 34-15-42 states regarding the Program's purpose - "For the purpose of providing blind persons or other persons with disabilities with remunerative employment, enlarging their economic opportunities, and stimulating them to greater effort in striving to make themselves self-supporting…."

goals and objectives." Program personnel also noted that they felt that Program operations had "appropriate management oversight and accountability as described in later responses to more specific recommendations." Pertinent responses have been included in the report as appropriate.

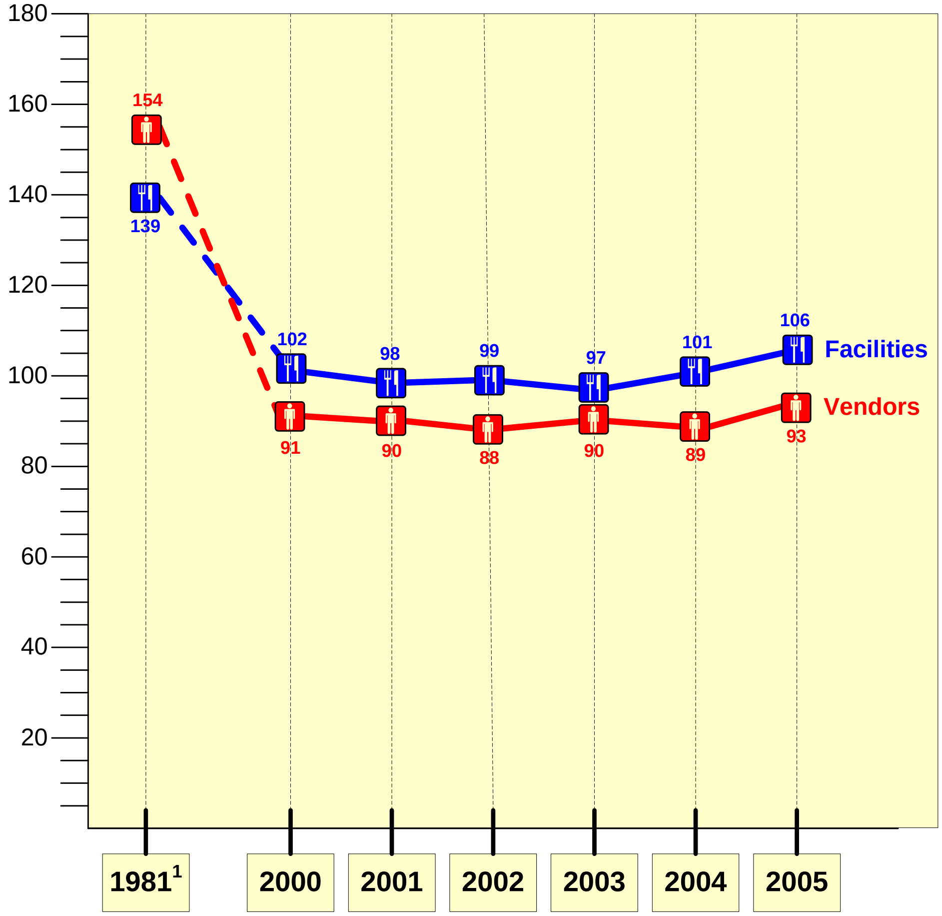
Recommendations and Agency Responses

Recommendation No. 1

Actions should be taken to increase the number of blind persons who are referred to and served by the Program.

At the time of our 1982 Performance Audit, the Program had 139 facilities and served 154 blind persons. By 2000, the number of facilities had declined 27% (to 102) and the number of persons served by the Program had declined 41% (to 91). From fiscal year 2000 through fiscal year 2005, the number of facilities and the number of persons served remained virtually unchanged. Currently, the Program has 106 vending facilities operated by 93 blind persons. (See **Exhibit 6**.)

Exhibit 6
Number of Blind Vendors and Facilities
Fiscal Years 1981 and 2000 - 2005



[1] From 1982 Performance Audit on the Business Enterprise Program

Source: Program Records and 1982 Performance Audit on the Business Enterprise Program

In comparison with other states, the proportion of blind persons (not in the workforce) who are served by Georgia's Program slightly exceeds the national average but lags behind 21 other states, including all but one of eight other southeastern states. **Exhibit 7** below provides comparative data using information from the 2002 Annual Report on the Randolph-Sheppard Vending Facility Program (the most recent information at the time of our audit) and Census Bureau data regarding the estimated number of blind persons ages 18-64 who are not in the workforce. It should be noted that the number of blind persons (18-64) not in the workforce was calculated using metrics provided by the American Foundation for the Blind. It should also be noted that not all of these persons may be actively seeking employment.

Exhibit 7
Comparison of Blind Vendors to Blind Persons (18-64) Not In the Workforce in the Southeastern States

State	Blind Vendors	Blind Persons (18-64) Not in the Workforce	Vendors per 1,000 Blind persons Not in the Workforce
Alabama	126	5,351	23.55
Tennessee	164	6,996	23.44
South Carolina	109	4,908	22.21
Louisiana	98	5,328	18.39
Kentucky	61	4,957	12.31
Mississippi	38	3,366	11.29
Arkansas	30	3,157	9.50
Georgia	**92**	**10,202**	**9.02**
Florida	148	18,580	7.97
National	**2,636**	**338,212**	**7.79**

Sources: 2002 Annual Report on the Randolph-Sheppard Vending Facility Program and 2000 Census Bureau Data

Department personnel felt that the Program was serving "100% of its population" (i.e., the number of persons referred to the Program by VR counselors). Our review of the Program and telephone interviews with 14 VR counselors, however, found that the lack of available vending locations, especially outside metropolitan Atlanta, impacts the number of persons referred to the Program.

- As indicated by the map on page 27, 44 (42%) of the current vending operations are located in the metropolitan Atlanta area.[3] No vending facilities are located in 130 of the state's 159 counties, including 26 of

[3] Excludes facilities with contracted sighted operators.

the 29 counties north of metropolitan Atlanta. These 130 counties comprise about 50% of the state's blind population (ages 18-64).

- Seven of the 14 counselors we interviewed indicated that the need for the Program to have more vending locations had a negative impact on the number of individuals referred to the Program. One of the VR counselors, for example, noted that the Program was a great program but it needed to grow, expand, and become more visible. Another counselor noted that after a client completed training, there was no guarantee of a job. A third counselor specifically cited the need for vending facility locations in Cobb, Douglas, and Cherokee counties.

The Program should take steps to increase the number of vending locations available to the state's blind citizens, especially in areas outside metropolitan Atlanta. Specific actions the Program should take are discussed in the following recommendation.

Program personnel have indicated that they felt the decline in the number of vending locations (and the number of persons served) is a result of such factors as: a decline in the number of textile mills and other manufacturing facilities in which vending operations were located; the Program's decision to close/combine unprofitable vending operations; the fact that blind persons have more options today; and the lack of available transportation, especially in rural areas. Program personnel also noted that the minimum qualifications for licensed blind vendors as well as the job descriptions for managing the various facilities were revised in 2000.

Recommendation No. 2

The Program should take a more proactive approach to identifying and developing additional vending facilities for the blind.

Our interviews with Program personnel found that they did not have a comprehensive, structured approach to identifying new vending locations. We also found that the Program did not have a formal business plan that outlines its short- and long-term objectives and includes a financial strategy for meeting these objectives. Each of these areas is addressed below.

- Program personnel indicated that they had not conducted a comprehensive, statewide evaluation of potential sites and they do not utilize listings of federal, state, and local government buildings to identify new locations. The Program relies on its counselors to identify potential vending locations in their assigned territories – each of the 10 counselors is supposed to evaluate two potential new locations per year. Although the Program reported that 14 locations were evaluated in fiscal year 2004, summary information was not available to identify all of the potential locations that have been evaluated by the counselors over time. Program personnel noted that many times individuals seeking vending services will approach the Program and a counselor will be assigned to evaluate the potential site. They also noted that most of the sites evaluated in 2004 were ones that approached the Program.

Lists of federal and state buildings obtained by the audit team identified numerous buildings that could potentially have a snack bar or that could be part of a vending route. It should be noted that the Program currently has snack bars in only 30 federal buildings, 16 state buildings, 10 local government buildings, and 5 privately owned buildings (all of which are located in only 16 counties).

- Program personnel noted that they have not placed identifying new sites in the forefront because they felt that they did not have sufficient funds to handle additional sites. Overall, Program personnel indicated that the development of new locations was hampered by a lack of funds. (Information provided by the Program indicates that in fiscal year 2005, the average cost of establishing a new site was approximately $61,000.) Our review found, however, that the Program has not developed a financial plan for addressing this issue.

  We found that the Program needs to: establish a financial strategy for identifying new sites so it can serve additional persons; routinely evaluate its current sources of revenue; and develop an overall plan for making optimal use of the reserves of blind vendors' set-aside funds held by the Georgia Cooperative Services for the Blind, Inc. (GCSB). The Program could, for example, use additional set-aside funds or existing GCSB reserves to purchase equipment. (As of June 30, 2004, GCSB had net assets of $971,714; however, in fiscal year 2005, a total of $612,000 was transferred from GCSB to an uninsured account for the purpose of creating a retirement fund for the blind vendors.) We found no documentation indicating that the Program had considered using the reserves to fund new sites.

  Another source of funding for new sites would be for the Program to establish a revolving loan fund through which vendors could borrow the money for initial stock and possibly new equipment and then repay the loan over time, thereby replenishing the fund for additional vendors. It should be noted that the Program already provides loans of petty cash funds to vendors. A third alternative source of funding new sites would be collecting commissions from vending machines located in federal buildings, as discussed in the next recommendation.

The Program should take a more proactive approach to identifying and developing additional vending facilities for the blind. The Program should also take steps to develop a formal business plan to address the need for additional funding to establish more new facilities.

In its response, the Department of Labor stated that it was committed to continue to identify and establish more opportunities for individuals who are blind to become licensed vendors. The Department of Labor also indicated it has worked with the CBV to get approval to use additional set-aside funds to purchase equipment and would continue to work with the CBV to identify additional funds that the Program could use to establish more facilities. Finally, the Department noted that federal regulations prevent the Program from using set-aside funds to establish a vendor loan program. [It should be noted that the report does not specify the use of set-aside funds for the proposed vendor loan program. The federal officials contacted by the audit team indicated that the Program may be able to use federal funds (subject to approval by the Rehabilitation Services Administration) or state funds for a vendor loan program. In addition, as noted above, the Program already makes loans of petty cash funds to vendors.]

Recommendation No. 3

The Program should take steps to collect commissions from vending machine facilities in federal buildings in which there is no Program-assigned vendor.

Under the federal Randolph-Sheppard Act, the Program is eligible to receive a portion of the vending machine income from vending machines on federal property. As specified in the Act, the Program is eligible to receive 50% of the income if the machines are not in direct competition with a facility operated by a blind vendor and 30% if at least 50% of the total hours worked on the premises occur during a period other than normal working hours. Per the Act, federal property officials are responsible for collecting the funds and remitting them to the Program. Currently, the Program does not receive any funds from these sources.

In comparison, we found that another state's program reported that it collects approximately $125,000 annually in commissions from vending machine facilities on federal property. The officials stated that the federal agencies automatically send the funds and that they only actively pursue commissions in instances when a payment is late, or if they believe there may be a discrepancy in the amount remitted. Another state we contacted indicated that it collected $314,747 in these commissions in fiscal year 2005. Based on the number of federal employees in these states, we estimate that the Georgia's Program could potentially collect approximately $150,000 per year in commissions from vending machine facilities on federal property.

By collecting commissions from vending machine facilities on federal property, the Program could potentially obtain additional resources to establish more new vending locations. The additional revenue could also be used to reduce the amount of the set-aside the Program currently collects from the blind vendors.

In its written response to this report, the Program noted that it is the position of the Rehabilitation Services Administration that the federal locations have the responsibility to notify the Program of the income. Department personnel indicated that they thought it would be impossible for the Program to monitor the federal agencies' compliance with this law without additional staff. Department personnel also noted their belief that most of these locations do not have potential commissions. However, they indicated that they would contact federal officials at the Rehabilitation Services Administration to report that commissions were not being remitted by federal agencies and ask for assistance.

Recommendation No. 4

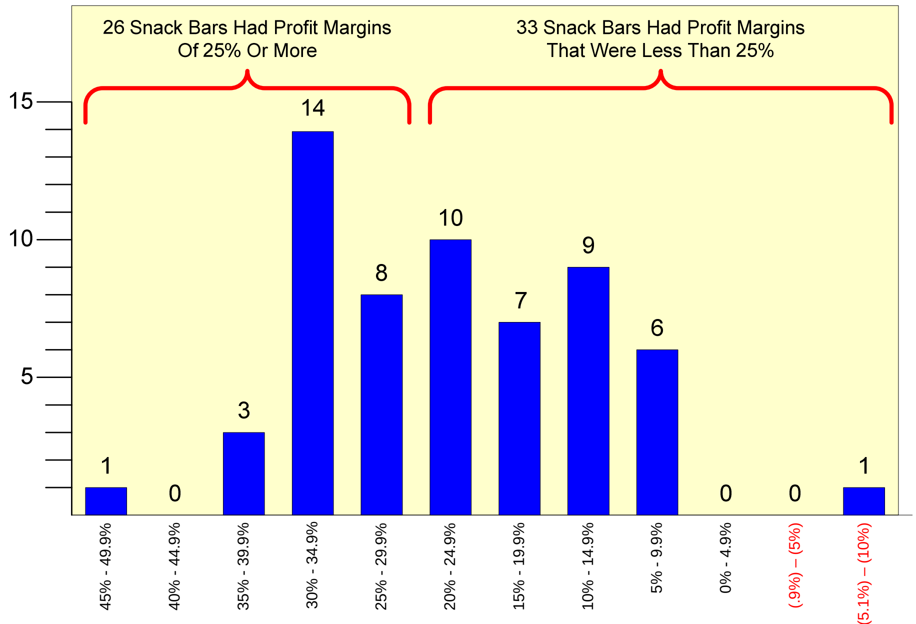
The Program needs to establish additional controls for monitoring the accuracy of the financial information reported by the blind vendors.

Currently, the Program has no assurance that the revenue and expenditure data reported by the vendors is accurate. As a result, the Program has no means of ensuring that the 12% set-aside collected from every vendor is computed based on their actual net proceeds.

- The amount of revenue reported by each vendor cannot be audited or otherwise verified by the Program. Vendors are not required to maintain cash register tapes to document their revenues. Similarly, vendors normally pay cash for their purchases and there is no assurance that all of the purchases were for the operation of the vending facilities. (Although the Program indicated that the counselors review the invoices that are submitted by vendors, there are no controls to ensure that all purchases are reflected in the submitted invoices.)

- Our review found that despite the management control weaknesses, the Program does not have a formal policy for determining which vendors' financial reports are out-of-line and warrant closer scrutiny. Our review of the Program's 59 snack bars' reported profitability in fiscal year 2004 (not including commissions and rebates) found that the reported net profits ranged from -5.16% to +46.97%. (See **Exhibit 8** for the number of snack bars at various profit margin levels for fiscal year 2004.) By under-reporting sales and/or over-reporting expenditures, a vendor would be able to reduce his reported net proceeds and thereby reduce the amount of set-aside that is paid to GCSB.

Exhibit 8
Number of Snack Bars With Various Profit Margins
(Not Including Commissions and Rebates)
Fiscal Year 2004



Source: Program Records

Our review of the financial data reported by the Program's snack bars in fiscal year 2004 identified a number of cases in which the reported sales and/or expenditures (and the resultant net proceeds) are questionable. For example:

- One snack bar reported sales of $42,655 and paid only $1,357 in set-side based on reported net proceeds of $11,301. Another snack bar with about the same sales ($42,303) paid set-aside of $2,116 on net proceeds of $17,635.

- One snack bar that paid a set-aside of $963 had reported sales of $15,036; another snack bar that paid a set-aside of $1,163 (only 21% more) had reported sales of $108,594 (622% more).

- Two snack bars that had similar purchases of goods for sale had very different sales amounts. One snack bar had purchases of $54,819 and reported sales of $108,418 while the other snack bar had purchases of $52,585 and reported sales of only $82,581.

The Program should implement procedures for providing reasonable assurance that the vendors' reported revenues and expenditures are accurate.

In addition to conducting periodic on-site monitoring of the vendors' actual revenues and expenditures, the Program should compile statistical data for identifying those vendors whose reported net proceeds are out-of-line with historical data and with similar vending operations.

In its response to the audit, the Program reported that it evaluates profit margins for facilities on a monthly basis, identifies any facilities that have a profit margin of less than 25%, investigates surrounding issues, and takes appropriate action. [Based on additional information, however, the audit team found that this reported action has not resulted in improvements to facility profitability. For example, in fiscal year 2001, a total of 35 (54%) of the Program's snack bars had a net profit of less than 25%, while in fiscal year 2004, 33 (56%) of the snack bars had a net profit less than 25%. It should be noted that of these 33 snack bars, 24 (73%) also had a net profit of less than 25% in fiscal year 2001.]

Recommendation No. 5

Action should be taken to formally reevaluate the continued need to utilize a contract firm to provide management and accounting services for the blind vendors.

Currently, 12% of each vendor's net proceeds is collected by the Georgia Cooperative Services for the Blind, Inc. (GCSB) to fund the cost of providing management, accounting, and other services. Although the Program has used GCSB as its nominee agency to provide these services for the last 60 years, it has not taken any action to determine the extent to which the services are needed or if they could be provided at lower cost by another firm. Program personnel expressed some dissatisfaction with the GCSB; however, no action has been taken to determine if the same services could be obtained at a lower cost through competitive bids.

Our review of other states' programs found that only three states continue to use a nominee agency to provide management, accounting, and other services. Interviews with program officials in three states that recently discontinued using a nominee agency found that in two states the vendors themselves do most of their own accounting and payroll and hire an accounting firm to do their taxes. In the remaining state, the state program has taken over the duties previously performed by the nominee agency.

The continued need to have an outside firm provide management and accounting services for the blind vendors should be formally reevaluated. If it is determined that the services of an outside firm are necessary, the firm should be selected through competitive bids.

In its response, the Department of Labor indicated that the Program will reevaluate the need for a nominee agency, and if the need exists, the Department of Labor will formally review whether the GCSB is the best provider of those management and accounting services.

Recommendation No. 6

The Program needs to more closely monitor the operations and expenditures of the Georgia Cooperative Services for the Blind, Inc. (GCSB).

Other than commissions and the interest earned on its reserve, GCSB's only source of revenue is the set-aside paid by the blind vendors for management, accounting, and other services. (GCSB was created in 1944 as a private non-profit organization to provide these services.) The Program, however, has failed to adequately monitor GCSB to ensure that it is exercising proper stewardship over the funds collected from the blind vendors. Our review found a number of questionable expenditures, including abuse of compensatory time and purchases for items that are clearly prohibited by federal statute.

- In fiscal year 2004, for example, two GCSB employees each claimed 135 hours of compensatory (comp.) time for attending a 3-day conference (ending on a Saturday) that is held annually in Las Vegas. The comp. time was computed based on the employees claiming 21 hours comp. time for each weekday claimed and 36 hours comp. time for each weekend day claimed, including time spent in travel status. In addition to earning the comp. time for attending a conference, the employees could then be paid for the amount of any comp. time they did not use as time off. (The amount they were subsequently paid could not be determined, however.)

- Overall, we found that GCSB employees had claimed a total of 1,141.75 hours of comp. time in fiscal year 2004. Of this amount, 774.25 hours were taken as time off, 35.75 hours were converted to sick leave, and 326 hours were accounted for in additional pay (the remainder was unaccounted for due to math errors).

  It should be noted that most of the comp. time claimed by the GCSB employees was primarily for attending meetings and conferences, not for actual overtime hours worked. The GCSB director, for example, granted himself 498.25 hours of comp. time, of which only 16 hours were for actual overtime hours. **Appendix C** provides detailed information regarding the comp. time claimed by GCSB employees in fiscal year 2004.

- In addition to claiming excessive amounts of compensatory time, the GCSB employees took comp. time days off in anticipation of earning the actual comp. time. In fiscal year 2004, for example, the GCSB deputy director used a total of 60 hours of comp. time before she had earned it (per GCSB records).

- Our review of GCSB records for fiscal year 2004 also identified a number of expenditures that are not allowed by federal statute. The Randolph-Sheppard Act limits the use of vendors' set-aside monies to such specific purposes as equipment purchases and maintenance, management services, and health insurance for the blind vendors. We found, for example, that GCSB reported it expended:

  - $16,785 for *vendor relations*, which included $2,941 for flowers that were reportedly sent to vendors who were ill or had a death in the family, and $194 for Christmas cards;
  - $390 on *employee relations*, which also included $134 for flowers;
  - $609 for a donation to the Atlanta Union Mission;
  - $2,145 to reimburse two GCSB employees for college tuition.

Action should be taken by the Program to establish and enforce specific guidelines regarding the circumstances under which GCSB employees can claim and utilize compensatory time. The Program should also take immediate steps to review the financial activities of GCSB and disallow any future expenditure that does not reflect proper stewardship of the set-aside monies paid by the blind vendors or that is not allowed by federal law.

In its response, the Department of Labor stated that because GCSB employees are not state employees, it would not be appropriate or possible for Program management to establish and enforce guidelines such as those covering out-of-state travel and compensatory time. However, the Program noted that it will review GCSB expenditures and work with the GCSB's Board of Directors to correct any improprieties and make recommendations for guidelines relating to personnel issues.

Recommendation No. 7

The Program should consider revising its procedures for selecting persons who have applied to obtain a new or vacant vending location.

Currently, eligible applicants are selected based primarily on the results of an interview process in which they are asked up to 10 job-related questions by a three-person panel. (A Program employee serves as the panel moderator). Our review of the process found that improvements should be made in the procedures used to establish applicants' final scores, in documenting the scores given by the panel members, and in selecting the panel members.

- The final score assigned each applicant should, per the Program's Policies and Procedures, combine the applicant's interview score with his or her performance and evaluation score (as documented on the most recent performance appraisal). Our review of 58 interview files (conducted from January 2000 through April 2005) found that the applicants' final scores only reflected their interview results in 48 cases (83%). (Three files (5%) did not contain a summary sheet showing the final scores.)

- A review of the 58 interview files identified 47 interview files that contained both a summary sheet (completed by the moderator) and sufficient individual interviewers' score sheets to determine whether scores had been changed. We found that in 37 (79%) of these 47 files, the scores on the summary sheet did not agree with the interviewers' score sheets. Although the score changes may have been the result of an interviewer's changing his or her mind about an applicant's answer to the interview questions, there was no documentation to indicate why the score had been changed on the summary sheet.

- Our review also found that the Program did not maintain documentation to verify that the blind vendors who serve on the interview panel have completed the required training. The Program's Rules and Regulations specify that the panel must include a blind vendor who has "had training in the vendor selection process including Behavioral Interviewing Techniques." Interviews with Program personnel indicated that documentation was not available to confirm that any of the vendors who served on interview panels had completed the required training.

The Program should ensure that the applicants' scores are computed in accordance with its regulations and that any changes to the scores are fully documented. Steps should also be taken to document vendors' training in Behavioral Interviewing Techniques. In addition, the Program should consider incorporating more objective criteria such as experience, prior performance, and education into a formula for selecting persons who are awarded a new or vacant vending location.

In its response to the audit, the Department of Labor indicated that it believes the selection process is fair and equitable, and noted that the Committee of Blind Vendors (CBV) approves and participates in it. However, the Department also noted that it agrees that documentation of proper scoring and interviewer training should be improved, and indicated that it will take steps to do so.

Recommendation No. 8

Action should be taken to ensure that the retirement plan created by the Program is adequately funded to ensure its long-term viability.

In fiscal year 2005, the Program established a retirement plan for the vendors based, in part, on the set-aside revenues generated by the Program's subcontract to provide food service operations at Fort Benning. Our review of the plan, however, has raised significant questions regarding its overall operation and sustainability.

- The Program is accumulating money in a traditional brokerage account and has not actually put the money into an account that is restricted for providing retirement benefits for the vendors. There is no description of how the plan will operate and no requirement to actually use the money for retirement benefits. The Program has established the fund without defining or specifying many of the details, such as how the benefits will be calculated, the requirements for vesting in the plan, the plan's rules, etc. For example, while the set-aside is being used to fund the retirement plan, there are no provisions for vendors (other than vendors who opted out) who leave the Program during the first five years of the plan to receive any refund of contributions.

- The plan was created based on the assumption that it would be funded, in large part, using the set-aside generated by the Fort Benning subcontract. The Fort Benning set-aside, however, was not sufficient. At the end of fiscal year 2004 only $156,345 of excess set-aside funds was available for retirement payments; however in fiscal year 2005 a total of $662,000 was transferred to the plan by the GCSB. Our review projected that based on funding levels in 2004 and 2005, the continued funding of the plan may not be sustainable after fiscal year 2007 in that available reserves will be exhausted. Long-term sustainability of the plan cannot be evaluated until the plan's benefit provisions are defined.

- In creating the retirement plan, the Program required those vendors over the age of 65 to opt out of the plan and allowed vendors ages 62-64 to opt out at their discretion (with the understanding that each of the vendors would receive a share of the money that was to be deposited into the retirement fund). The Program set the opt-out payments based on assumed annual deposits of $260,000 and indicated that payments were guaranteed, regardless of the amount deposited into the fund. In fiscal year 2004 and 2005, more than $260,000 was contributed to the retirement fund. We found that each of the 14 vendors who opted not to participate in the plan was not paid any part of the excess contributions (an average of $682 for fiscal year 2004). If the same methodology were used for fiscal year 2005, we project that these vendors would be underpaid an average of $1,939 for fiscal year 2005. (At the time of our review, complete information was not available.)

Action should be taken to reexamine the fundamentals of the Program's retirement plan for blind vendors to ensure that the plan is viable over the long-term. Action should also be taken to ensure that the 14 blind vendors who are not participating in the plan receive their fair share of the deposits made to the fund.

The Department of Labor indicated that it believes the Program and CBV "should be commended for establishing this very important retirement benefit for licensed blind vendors." The Department noted that it felt the investment portfolio is well diversified, that the CBV receives monthly reports on investments, and that the CBV Retirement Committee meets quarterly. The Department felt that since the money invested into the retirement benefit plan will be in a five-year moratorium (so that the funding level can be more appropriately determined), the plan will be sustainable after 2007. The Department reported that it would work with the CBV to ensure that the plan continues to be viable over the long-term. The Department also noted that if at the end of five years the evaluations reflect that the fund and the plan are not feasible, the accumulated investments will be returned to the set-aside pool for program expansion. [It is unclear how the Program will address this issue since it has already made distributions to the vendors who opted out, and has also guaranteed these vendors annual payments for the remainder of the time they are in the Program.]

Recommendation No. 9

The Program should be commended for taking steps to improve its documentation procedures for ensuring that all of the vendors meet the Program's eligibility requirements.

Although the Program requires blind vendors to submit documentation every five years that they meet the Program's definition of blindness, we found that the form used by the Program did not provide reasonable assurance that the person's blindness was certified by a physician *skilled in diseases of the eye* or an optometrist. The form only required the physician to indicate that the person had a visual acuity of not more than 20/200 with correcting lenses or had a field of vision of not more than 20°. The form did not require the physician to provide detailed information regarding the person's eyesight (including the person's actual visual acuity or field of vision). The form also did not require the physician to indicate his or her license number or business address.

A comparison of licensed vendors with the state's driving records identified two persons who had had submitted the required form but had obtained a driver's license after entering the Program and prior to submitting the form.

It could not be determined from available records if these two persons were eligible for a driver's license (and therefore not eligible for the Program) or vice versa.

In response to a draft of this report, the Program developed a revised form that, when implemented, will require the examining physician (or optometrist) to provide more detailed information regarding the person's visual acuity and field of vision as well as more detailed information for verifying that the form was actually prepared by a licensed physician (or optometrist). Program officials also indicated that they would follow up on the two persons we found that had driver's licenses.

Recommendation No. 10

The Program should continue its efforts to ensure that the blind vendors are aware of their right to participate in the State Health Benefit Plan.

During the course of this audit, Program personnel indicated they were unaware that state law was revised in the mid-1990's authorizing blind vendors to obtain health insurance through the State Health Benefit Plan (SHBP) at rates comparable to those paid by state employees. The blind vendors would currently, however, have to pay both the employee and the employer portion of the coverage. As a result of the audit team's efforts, the Program began to take action to make vendors aware of their right to participate in the SHBP and to evaluate the feasibility of paying the employer portion of the vendor's health insurance coverage with vendor set-aside funds.

In its response to the audit, the Department of Labor stated that vendors are aware of their right to participate in the State Health Benefit Plan (SHBP). It was reported that in 1990, the CBV determined that it was not feasible or cost effective for vendors to continue to participate in the SHBP as they had done for four previous years. In addition, the CBV confirmed this decision at a 2005 meeting. The Department of Labor stated that the Program cannot use state or federal funds to pay any portion of health benefits for vendors. Finally, the Program indicated that it would continue to inform the vendors of their right to individually participate in the SHBP and that each October, at its annual conference, all new vendors will also be made aware of this option.

Recommendation No. 11

Action should be taken to formally reconsider the number of full-time counselors employed by the Program.

Currently, the Program has 10 full-time counselors, or about 1 counselor for every 9 blind vendors. Our review, however, found that there was no activity data or other documentation to support the need for 10 counselors, especially since the Program's blind vendors have, on average, 16 years' experience. Our review also found that the number of counselors was out of line with the number employed by the Program in 1982 as well as the number employed by similar programs in contiguous states.

- Although the Program's counselors prepare site visit reports, the Program does not maintain summary information indicating which facilities were visited by the counselors, the amount of time spent at each facility, or the reason for the visit. The 1982 Performance Audit questioned the need for the number of Program counselors and recommended that the Program implement an activity report to more closely monitor the counselors' activities. It should be noted that in 1981 the Program had 11 counselors, or about 1 counselor for every 14 vendors. Applying the same 1:14 ratio, today's Program would only need 7 counselors (for an estimated annual savings of about $120,000).

- A review of blind vendor programs in the five contiguous states found that Georgia has a lower counselor:vendor ratio than any of the other states. As shown in **Exhibit 9**, the counselor:vendor ratio in the five contiguous states ranges from 1:9.5 to 1:26.6; the counselor:vendor ratio in Georgia is 1:9.3.

Exhibit 9
Comparison of Counselor Workloads
As of August 2005

State	Number of Counselors	Number of Vendors	Vendors Per Counselor	Number of Sites [1]	Sites Per Counselor
Florida	5	133	26.6	148	29.6
North Carolina	6	84	14.0	84	14.0
South Carolina	7	115	16.4	115	16.4
Tennessee	11	155	14.1	151	13.7
Alabama	13	124	9.5	130	10.0
Average	8.40	122.20	16.13	126.60	16.75
Georgia	10	93	9.3	106	10.6

[1] Vendor run sites only
Source: Program Records and Audit Team Surveys of Other States

The Program should take steps to more fully document its counselors' activities. This activity data should then be used in formally analyzing the number of counselors actually needed to meet the needs of the blind vendors.

In its response to the report, the Department of Labor stated that it believes that the Program needs more staff rather than less, particularly in light of the preceding audit recommendations. Department personnel also indicated they thought it was difficult to "accurately compare ratios of counselors to vendors from state-to-state."

Legislative Issues

Recommendation No. 1

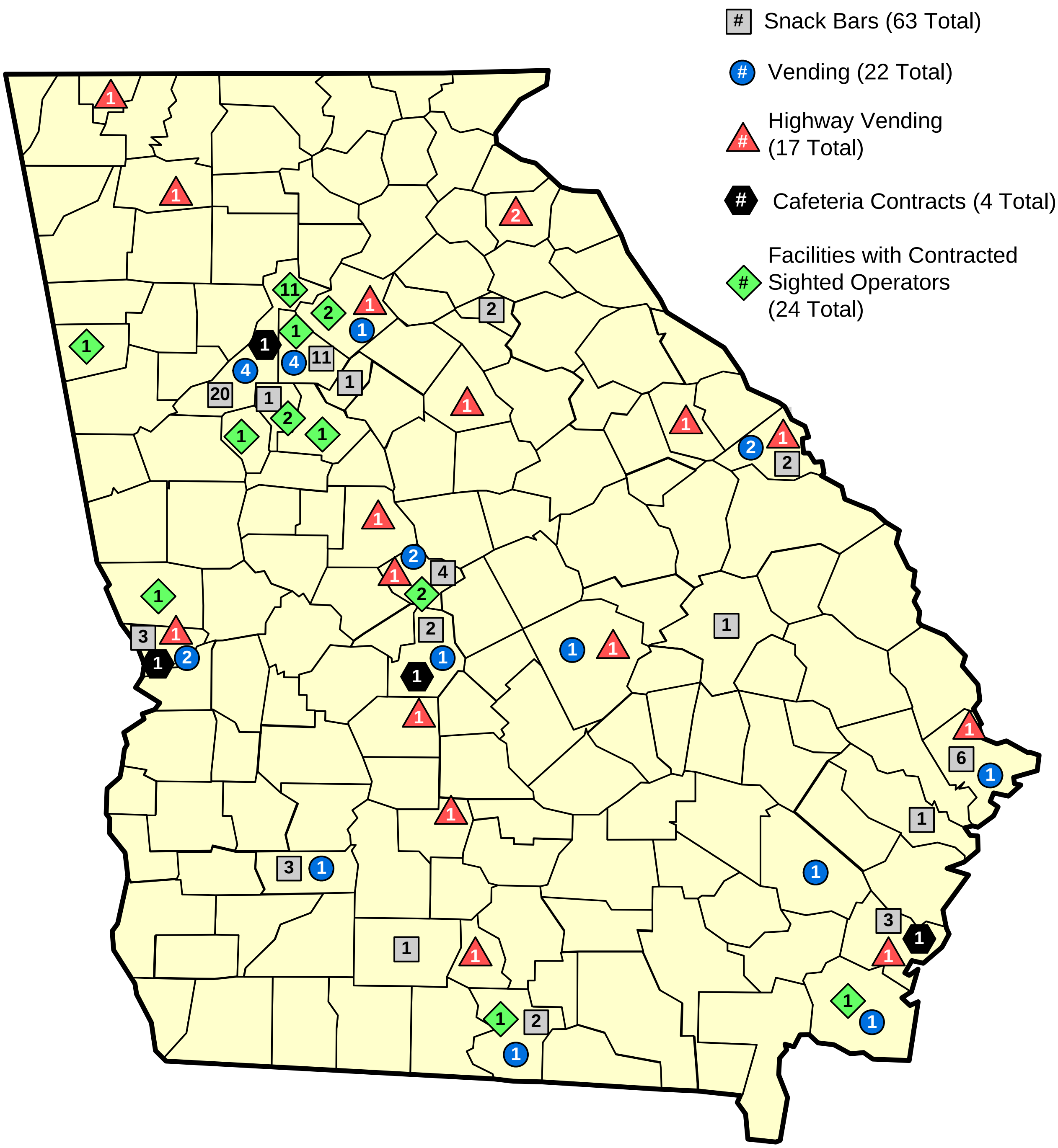
Action should be taken to formally consider the potential need to establish a program for licensing persons who are disabled (but not blind) to operate vending facilities.

State law enacted in 1956 authorizes the Department to license blind persons or **other persons with disabilities** [emphasis added] to operate vending facilities on state property, county or municipal property, federal property, and private property. The Business Enterprise Program, which was established pursuant to the Randolph-Sheppard Act only serves blind persons. Per Program personnel, the Program cannot serve persons with other disabilities due to the requirements of the Randolph-Sheppard Act.

In its response to the report, the Program noted that no state funding is provided to establish a separate vending program for people who are disabled (but not blind). The Department also noted that it would take changes to the Randolph-Sheppard Act to allow the Department to serve persons with other disabilities through the Business Enterprise Program.

Appendix A
Location of Business Enterprise Program Facilities

As of June 2005



Source: Agency Records

Appendix B
Vendor-Run BEP Facilities

	Facility Type				Location			
	Cafeteria Contracts	Highway Vending	Vending	Snack Bars	County	City	FY 2004 Sales (Self-Reported)	FY 2004 Net Profit [1] (Self-Reported)
1	✓ [2]				Muscogee	Columbus	$29,407,120.00 [3]	$3,999,416.28 [3]
2	✓				Houston	Warner Robins	$2,297,229.94 [4]	$314,500.94 [4]
3		✓			Gordon	Adairsville	$360,347.37	$148,339.39
4			✓		DeKalb	Chamblee	$316,071.11	$117,390.35
5			✓		Gwinnett	Duluth	$340,298.08	$104,371.59
6				✓ [2]	Fulton	Atlanta	$365,441.63	$103,647.92
7	✓				Glynn	Glynco	$7,393,118.11 [5]	$101,982.08 [5]
8		✓			Monroe	Forsyth	$250,614.96	$100,644.46
9		✓			Dooly	Thomaston	$262,539.06	$100,238.14
10		✓			Morgan	Rutledge	$203,223.25	$95,458.92
11				✓	Fulton	Atlanta	$275,057.57	$93,938.67
12			✓		Wayne	Jesup	$166,718.56	$88,774.75
13	✓				Fulton	Atlanta	$1,003,732.65 [5]	$83,716.61 [5]
14				✓	Glynn	Glynco	$259,767.17	$83,084.22
15		✓			Glynn	Brunswick	$158,691.95	$79,345.82
16		✓			Cook	Lenox	$198,327.30	$77,129.26
17		✓			Turner	Ashburn	$177,705.88	$76,062.88
18				✓	Houston	Warner Robins	$135,198.86	$70,034.92
19		✓			Gwinnett	Suwanee	$185,764.00	$68,295.01
20				✓	Glynn	Glynco	$283,535.44	$67,600.60
21		✓			Laurens	Dublin	$186,629.00	$64,814.75
22				✓	Fulton	East Point	$233,606.09	$64,519.20
23		✓			Catoosa	Ringold	$168,907.21	$62,818.80
24				✓	DeKalb	Chamblee	$175,003.71	$58,620.86
25		✓			McDuffie	Thomson	$155,567.86	$55,760.49
26				✓	Glynn	Glynco	$172,678.28	$55,541.51
27		✓			Bibb	Macon	$130,922.17	$52,989.32
28			✓		Fulton	Atlanta	$150,917.96	$52,120.82
29		✓			Franklin	Lavonia	$138,247.43	$50,953.04
30				✓ [2]	Fulton	Atlanta	$349,376.68	$50,677.90
31				✓	Fulton	Atlanta	$376,518.41	$47,471.73
32		✓			Calhoun	Port Wentworth	$112,680.19	$47,128.45
33				✓	DeKalb	Atlanta	$264,568.03	$47,021.08
34				✓	Fulton	Atlanta	$160,554.12	$46,096.21
35				✓	DeKalb	Atlanta	$127,810.97	$37,764.61
36				✓	Chatham	Savannah	$176,252.43	$37,521.97
37				✓	Fulton	Atlanta	$142,303.83	$32,504.05
38				✓	Bibb	Macon	$97,140.01	$31,662.95
39				✓	Lowndes	Valdosta	$217,148.35	$30,931.04
40				✓	Fulton	College Park	$316,096.57	$30,251.10
41				✓	Fulton	Atlanta	$300,234.26	$29,840.05
42				✓	Liberty	Hinesville	$142,255.17	$28,911.84
43				✓	DeKalb	Decatur	$108,171.69	$28,701.60
44		✓			Richmond	Augusta	$76,149.25	$28,016.54
45				✓	Clayton	Atlanta	$138,699.04	$27,909.22
46		✓			Franklin	Carnesville	$67,366.97	$27,483.90
47				✓	Fulton	Atlanta	$127,016.94	$26,919.54
48				✓	DeKalb	Stone Mountain	$108,418.01	$26,647.04
49				✓	Fulton	Atlanta	$138,681.93	$25,028.50
50				✓	DeKalb	Decatur	$216,072.77	$24,632.00
51			✓		DeKalb	Atlanta	$101,063.94	$24,575.61
52				✓	Bibb	Macon	$66,829.04	$24,265.77
53				✓	Houston	Warner Robins	$25,492.30	$24,265.09
54			✓		Fulton	Atlanta	$102,739.45	$23,941.04
55				✓	Dougherty	Albany	$137,964.81	$21,536.72
56				✓	Muscogee	Columbus	$57,132.77	$20,318.24
57				✓	Fulton	Atlanta	$82,581.02	$19,862.74

Appendix B
Continued

	Facility Type				Location			
	Cafeteria Contracts	Highway Vending	Vending	Snack Bars	County	City	FY 2004 Sales (Self-Reported)	FY 2004 Net Profit [1] (Self-Reported)
58				✓	Fulton	Atlanta	$59,301.91	$19,687.36
59				✓	Colquitt	Moultrie	$89,494.68	$18,677.07
60				✓	Rockdale	Conyers	$47,687.26	$18,655.68
61			✓		Fulton	Atlanta	$50,296.73	$18,035.02
62				✓	Bibb	Macon	$66,150.27	$17,736.26
63				✓	Fulton	Atlanta	$102,399.61	$17,691.64
64				✓	Fulton	Atlanta	$63,831.64	$17,620.89
65			✓		Muscogee	Columbus	$41,145.04	$17,532.11
66			✓		DeKalb	Decatur	$37,090.36	$17,384.21
67				✓	Chatham	Savannah	$52,798.43	$17,040.57
68				✓	Emanuel	Swainsboro	$54,191.44	$16,464.23
69				✓	Dougherty	Albany	$42,303.25	$15,518.57
70				✓[6]	Fulton	Atlanta	$204,211.45	$14,468.76
71				✓	Chatham	Savannah	$39,796.63	$13,246.07
72				✓	Muscogee	Columbus	$32,699.32	$12,757.83
73				✓	Fulton	Atlanta	$46,972.98	$12,668.36
74			✓		Dougherty	Albany	$34,965.89	$12,017.96
75			✓		Richmond	Augusta	$60,225.22	$10,355.04
76				✓[6]	Chatham	Savannah	$59,184.57	$10,269.94
77			✓		Chatham	Savannah	$56,662.89	$10,087.23
78				✓	Fulton	Atlanta	$42,654.66	$9,949.90
79				✓[6]	Richmond	Augusta	$36,791.27	$9,865.21
80			✓		Laurens	Dublin	$21,331.44	$9,682.02
81			✓		Muscogee	Columbus	$24,491.17	$9,220.72
82				✓	Clarke	Athens	$24,132.23	$8,648.69
83				✓	DeKalb	Chamblee	$108,593.68	$8,531.42
84				✓	Lowndes	Valdosta	$25,126.05	$8,277.98
85			✓		Richmond	Augusta	$19,104.38	$8,061.72
86				✓	Dougherty	Albany	$31,824.57	$7,701.58
87				✓	DeKalb	Decatur	$21,540.10	$7,358.18
88				✓	Bibb	Macon	$15,035.73	$7,062.12
89				✓	Richmond	Augusta	$21,614.30	$6,834.41
90			✓		DeKalb	Decatur	$42,526.45	$6,394.83
91			✓		Camden	Kings Bay	$19,333.33	$5,847.23
92				✓	Fulton	Atlanta	$35,198.46	$5,844.85
93				✓	Chatham	Savannah	$34,142.04	$4,988.26
94				✓	DeKalb	Decatur	$41,297.30	$4,576.05
95				✓	Clarke	Athens	$11,586.00	$3,756.83
96				✓	DeKalb	Decatur	$32,195.19	$2,456.20
97			✓		Houston	Savannah	$6,272.70	$1,941.84
98			✓		Bibb	Macon	$4,246.31	$1,640.22
99		✓			Muscogee	Columbus	$2,735.30	$959.65
100			✓[6]		Fulton	Hapeville	$2,168.22	$77.55
101				✓	Fulton	Atlanta	Added in FY 2005	Added in FY 2005
102			✓		Lowndes	Valdosta	Added in FY 2005	Added in FY 2005
103				✓	Muscogee	Columbus	Added in FY 2005	Added in FY 2005
104				✓	Chatham	Savannah	Added in FY 2005	Added in FY 2005
105			✓		Bibb	Macon	Added in FY 2005	Added in FY 2005
106				✓	Fulton	Atlanta	Added in FY 2005	Added in FY 2005

[1] The net profit for each facility after the 12% set-aside has been remitted.
[2] Multiple vendors at facility.
[3] Figures are from the 2004 calendar year. The net profit figure includes vendor income.
[4] Figures based on a fiscal year that runs April to March. The net profit figure includes vendor income.
[5] Figures based on the federal fiscal year. The net profit figure includes vendor income.
[6] There was no manager for this facility at the end of FY 2004.

Source: Program Financial Records

Appendix C
Analysis of GCSB Comp. Time
Fiscal Year 2004

Employee	Comp. Time Granted			Time Taken Off			Time Paid			Hours Converted to Sick Leave
	Hours	Weeks	Value	Hours	Weeks	Value	Hours	Weeks	Value	
Director	498.25	12.46	$14,514.02	301.75	7.54	$8,789.98	176.00	4.40	$5,126.88	21.00
Deputy Director	386.00	9.65	$8,986.08	228.00	5.70	$5,307.84	150.00	3.75	$3,492.00	3.25
Office Supervisor	105.75	2.64	$2,053.67	105.50	2.64	$2,048.81	0.00	0.00	$0.00	0.25
Accounting Technician	76.75	1.92	$1,059.92	67.00	1.68	$925.27	0.00	0.00	$0.00	8.25
Accounts Payable Specialist	75.00	1.88	$982.50	72.00	1.80	$943.20	0.00	0.00	$0.00	3.00
Total [1]	**1,141.75**	**28.55**	**$27,596.19**	**774.25**	**19.36**	**$18,015.10**	**326.00**	**8.15**	**$8,618.88**	**35.75**

[1] Differences due to GCSB math errors.

Source: GCSB Employee Benefit Records

Performance Audit Operations Division

Established in 1971 as part of the Department of Audits and Accounts, the Performance Audit Operations Division conducts in-depth reviews of state programs. The purpose of these reviews is to determine the degree to which state programs are accomplishing their goals and objectives; provide measurements of program results and effectiveness; identify other means of achieving goals and objectives; evaluate efficiency in the allocation of resources; and assess compliance with laws and regulations.

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