APPALACHIAN REGIONAL COMMISSION
OFFICE OF INSPECTOR GENERAL
AUDIT OF GRANT AWARD

Athens Technical College, Bridge to Success – Accelerated Opportunity Hart Program
Athens, Georgia

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Appalachian Regional Commission
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Bonadio & Co., LLP completed an audit of grant number GA-18661-16 awarded by the Appalachian Regional Commission (ARC) to Athens Technical College (grantee) for the Bridge to Success – Accelerated Opportunity Hart program (Bridge to Success). The audit was performed to assist the Office of Inspector General in carrying out its oversight of ARC grant funds.

The audit objectives were to determine whether: (1) program funds were managed in accordance with the ARC and Federal grant requirements; (2) grant funds were expended as provided for in the approved grant budget; (3) internal grant guidelines, including program (internal) controls, were appropriate and operating effectively; (4) accounting and reporting requirements were implemented in accordance with generally accepted accounting principles (or other applicable accounting and reporting requirements); (5) the performance measures were met or likely to be met; and (6) matching requirements of the grant were satisfied.

Overall, the grantee’s financial management and administrative procedures, including related internal controls, were adequate to manage the funds provided under the ARC grant reviewed. The expenditures tested were supported and considered reasonable. The grant performance measures were delayed due to unanticipated delays in obtaining the mobile welding lab and the fifteen-passenger van used to transport students to the program.

Bonadio & Co., LLP appreciated the cooperation and assistance received from the grantee and the ARC staff during the audit.

Bonadio & Co., LLP
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BACKGROUND

Bonadio & Co., LLP completed an audit of grant number GA-18661-16 awarded by the Appalachian Regional Commission (ARC) to Athens Technical College (grantee) for the Bridge to Success – Accelerated Opportunity Hart program (Bridge to Success). The audit was conducted at the request of the ARC, Office of Inspector General, to assist the office in its oversight of the ARC grant funds.

The grant provided $500,000 in ARC funds and required a match of $276,364 in non-ARC funds to provide technical training designed to meet the needs of local automotive supply and aviation employers as well as provide services to address the barriers to participation in training often faced by low-income individuals. The original grant period was January 1, 2017 to December 31, 2017 and was amended to extend the period of performance to June 30, 2018. Major components of the Bridge to Success program includes technical training in the areas of Diesel Equipment Technology, Welding Technology, Industrial Systems Technology, Auto Collision Repair and Manufacturing Operations designed. These services include accelerated GED training, educational training for industry recognized credentials and support services including career guidance that leads to internships or apprenticeships with local companies. The program offers students the opportunity to dual enroll in GED classes and college credit classes. The grantee was one of seven colleges selected to serve as a pilot allowing students who did not graduate from high school or earn their GED to enroll concurrently in technical certificate programs in which basic skills are included in the technical certificate curriculum. The program is a two-week intensive soft skill training GA BEST (Business ethics Student Training) program certification program developed by the Georgia Department of Labor, following the model of Washington Integrated Basic Education and Skills Training (I-Best) program. A mobile welding laboratory and a fifteen-passenger van were purchased and tuition assistance was provided to help low-income students overcome the ability to pay. The majority of the approved total budget was for personnel and equipment.

OBJECTIVES, SCOPE, AND METHODOLOGY

The audit objectives were to determine whether: (1) program funds were managed in accordance with the ARC and Federal grant requirements; (2) grant funds were expended as provided for in the approved grant budget; (3) internal grant guidelines, including program (internal) controls, were appropriate and operating effectively; (4) accounting and reporting requirements were implemented in accordance with generally accepted accounting principles (or other applicable accounting and reporting requirements); (5) the performance measures were met or likely to be met; and (6) matching requirements of the grant were satisfied.

We reviewed the documentation provided and interviewed grantee personnel to obtain an overall understanding of the grant activities, the accounting system, and operating procedures. We evaluated internal controls to determine whether they were adequate to administer the grant funds. We examined financial and other required reports to determine if they were supported and submitted in accordance with the grant requirements. We also obtained the most recent Single Audit report to determine whether there were any reported issues that affected the ARC grant.

Of the $587,280 in expenditures charged to the grant, we selected a sample of $406,352, in expenditures for testing to determine whether the charges were properly supported and allowable. We also reviewed the grantee’s procedures for allocating administrative costs to the grant.
The criteria used in performing the audit were ARC grant documents, the grant approval, the grant agreement, the ARC code, other ARC requirements, and 2 CFR Part 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”. The audit was performed in accordance with the Government Auditing Standards. The fieldwork was completed during the period of November 12, 2018 through November 14, 2018, which included on-site work at the grantee’s office in Athens, Georgia. The audit results were discussed with grantee representatives at the conclusion of the on-site visit. The grantee’s representative agreed with the audit results.

SUMMARY OF AUDIT RESULTS

Overall, the grantee’s financial management and administrative procedures were adequate to manage the grant funds reviewed. Although the total approved project budget was $776,324, the grantee only expended $587,280 including $310,434 of ARC funds and $276,846 of non-ARC funds. Based on test work results, we did not question any costs incurred. The expenses tested were supported and considered reasonable. We found that the grantee had an adequate process in place for obtaining and recording data related to the goals of the grant. However, the records and reports indicated that the tasks required by the grant objectives were generally not accomplished due to delays related to obtaining the mobile welding lab and the fifteen-passenger van.

The grant program was designed to meet the needs of local automobile and aviation employers by providing technical training and overcome potential student barriers related to transportation and financial ability. The planned output was to have 100 students enrolled. The anticipated outcome was to have 95 students obtain employment or enhance their current employment. A critical component of the program was soft skill training GA BEST (Business Ethics Student Training) certification program developed by the Georgia Department of Labor. The delay in being able to utilize the welding lab and the van until August of 2017 was a major impediment to meeting the program’s goals since a lack of available transportation is a barrier to many potential students. The van transports students to the classes, job interviews and workshops helping to overcome a significant barrier to the program’s success. Another issue was the lack of a dedicated person to focus on recruitment. Sixteen students earned the Georgia Best Certification. Only 16 students were enrolled in the college degree program. Four had graduated and received jobs, while the others are continuing their education at the college.

Although the grant has expired, the school plans to continue the program despite the challenges encountered during the grant period. The grantee has adopted a sustainability plan to continue the program’s efforts. The grantee plans to continue utilizing the mobile lab and to continue using the van to transport students to and from classes, interviews and workshops. As part of expanding the welding certification program, training will be offered to women transitioning from a local corrections facility into the workplace. In addition, an outreach coordinator has been hired with a primary function recruiting of students. This is a new position that was not previously funded by the original grant. Subsequent to the grant period, 60 students have completed the program orientation, 20 students have started the career pathways program and 16 students have started the Georgia Best (Business Ethics Student Training). The grantee believes that they will meet the original program objectives by June of 2019.