



Performance Audit: Tree Trust Fund October 2020

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Audit Objectives

- How much has been collected in the Tree Trust Fund?
- How much should have been collected in the Tree Trust Fund?
- How were Tree Trust Fund revenues spent?
- Were Tree Trust Fund expenditures consistent with city code requirements?

Scope and Methodology

- Reviewing federal, state, and city code provisions regarding the tree trust fund and urban forestry
- Reviewing proposed tree protection ordinance revisions
- Reviewing relevant media articles
- Reviewing city planning, arborist division, and finance policies and procedures related to the trust fund
- Interviewing city planning, parks, finance, and human resources staff
- Interviewing councilmembers and a citizen group
- Analyzing data from Oracle cloud, Oracle 11i, and Accela

Findings Overview

- City Planning Exceeded Administrative Expenses By Almost \$2.5 Million Over 11 Fiscal Years
- Enforcement Limitations Resulted in Over \$2 Million In Unpaid Fees and Fines
- Additional Revenues Due to the City Are Unknown
- Tree Canopy Loss Suggests Illegal Destruction Without City's Knowledge

City Planning Exceeded Allowable Salary and Benefits Amounts

Exhibit 9: Planning Overspent on Salaries and Benefits Charged to the Tree Trust Fund in Over Half of Fiscal Years from 2009 to 2019

Fiscal Year	Total Permitted Salaries and Benefits	Loan Amount from Tree Trust Fund (unused)	Total Salaries and Benefits	Variance
FY09	\$170,000	\$700,000	\$157,437	\$12,563
FY10	\$170,000	\$700,000	\$191,494	(\$21,494)
FY11	\$447,785	-	\$164,902	\$282,883
FY12	\$170,000	-	\$240,923	(\$70,923)
FY13	\$170,000	-	\$258,252	(\$88,252)
FY14*	\$170,000	-	\$1,981,069	(\$1,811,069)
FY15*	\$170,000	-	(\$25,043)	\$195,043
FY16	\$170,000	-	\$324,474	(\$154,474)
FY17	\$170,000	-	\$386,458	(\$216,458)
FY18	\$170,000	-	\$393,178	(\$223,178)
FY19	\$170,000	-	\$318,786	(\$148,786)
Total	\$2,147,785	\$1,400,000	\$4,391,928	(\$2,244,143)

Note: An unexplained increase of salaries charged to the Tree Trust Fund in fiscal year 2014 was partially offset by a credit to benefits in fiscal year 2015.

Source: Prepared by auditors based on Oracle data and Section 158-66(a) of city code.

City Planning Exceeded Allowable Operational Expense Amounts

Exhibit 11: Operational Expenses Charged the Tree Trust Fund Exceeded the Total Allowable Amount from FY 2009- 2019

Fiscal Year	Total Allowable Operational Expenses	Total Operational Expenses	Variance
FY09	\$50,000	\$77,514	(\$27,514)
FY10	\$50,000	\$54,664	(\$4,664)
FY11	\$50,000	\$37,463	\$12,537
FY12	\$50,000	\$71,000	(\$21,000)
FY13	\$50,000	\$44,281	\$5,719
FY14	\$50,000	\$167,781	(\$117,781)
FY15	\$50,000	\$23,449	26,551
FY16	\$50,000	\$64,810	(\$14,810)
FY17	\$50,000	\$52,014	(\$2,014)
FY18	\$50,000	\$152,101	(\$102,101)
FY19	\$50,000	\$43,786	\$6,214
Total	\$550,000	\$788,862	(\$238,862)

Note: The operational expenses exclude grants, refunds, and board member compensation.

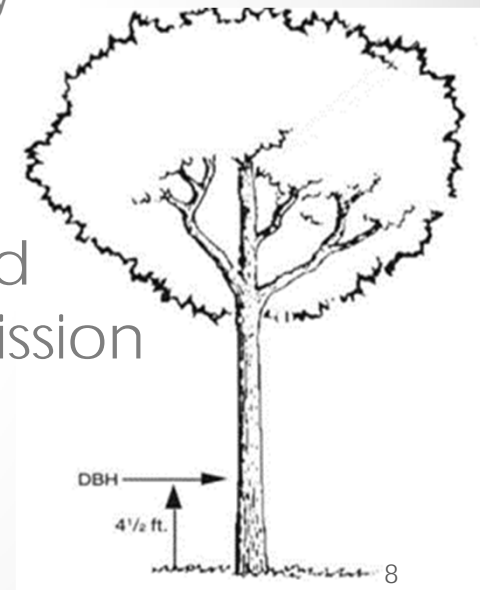
Source: Prepared by auditors using Oracle 11i and Oracle Cloud data from July 1, 2008 through June 30, 2019 and city code.

Enforcement Limitations Resulted in Over \$2 Million In Unpaid Fees and Fines

- Between fiscal year 2009 and fiscal year 2019, City Planning failed to collect over \$2 million in illegal cutting fees and fines
- Section 158-66(c) of city code states that developers, homeowners, and others who violate the criteria for tree removal or destruction shall contribute the replacement value of the trees to the Tree Trust Fund

Additional Revenues Due to the City Are Unknown

- The amount of revenue that should have been collected is unclear due to the following:
 - the lack of reconciliation between Oracle and Accela accounts
 - manual adjustments of Accela data affecting reporting accuracy
 - missing revenue account strings in the Tree Protection Ordinance
- The city arborist failed to provide code-mandated quarterly reports to the Tree Conservation Commission



Tree Canopy Loss Suggests Illegal Destruction Without City's Knowledge

- The total number of trees removed from fiscal year 2010 through 2019 recorded in Accela records was 114,698
- The 2014 Georgia Tech tree canopy study estimated a 0.08% canopy loss between 2008 and 2014, amounting to nearly 7,000 acres
- Assuming a continued trend in canopy loss, 600,000 additional trees may have been removed without City Planning's knowledge

Recommendations

The commissioner of City Planning should:

- establish budgetary controls to prevent overspending
- document allowable expenses
- use specific general ledger account ranges in the new Tree Protection Ordinance
- develop a quarterly budget analysis to assist in tracking expenditures and work with Finance for guidance in following expense categories in Oracle

Recommendations (cont.)

- consult with Law to strengthen fee and fine collection procedures
- delineate revenue accounts in Tree Protection Ordinance revisions and work with Finance to reconcile Accela and Oracle revenue accounts
- provide required quarterly reports in the designated format to the Tree Conservation Commission
- modify Accela data entry capabilities to ensure accurate reporting

Questions?

Full Report:

<http://www.atlaudit.org/audit-reports.html>

