



**DEPARTMENT OF PLANNING**

**BIENNIAL PERFORMANCE AUDIT REPORT**

**Fiscal Years Ended June 30, 2019 and 2018**

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## CITY OF BALTIMORE

JOAN M. PRATT, CPA  
Comptroller



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Honorable Joan M. Pratt, Comptroller  
and Other Members  
of the Board of Estimates  
City of Baltimore, Maryland

### Executive Summary

We conducted a Biennial Performance Audit of selected performance measures of the Department of Planning (Planning) for the fiscal years (FYs) ended June 30, 2019 and 2018. The objectives of our performance audit were to determine whether Planning: (1) met its performance measure targets; (2) has adequately designed internal controls related to the selected performance measures; and (3) implemented corrective actions associated with findings and recommendations included in Planning's previous performance audit report, dated November 23, 2018.

According to the FYs 2018, 2019, 2020, 2021 Agency Detail Board of Estimates Recommendations (Budget Books), all three selected performance measures met their targets for FY 2019 and FY 2018. However, our validation of actual results indicates that two of three selected performance measures for review were not correctly reported. Also, our evaluation of the processes and the design of internal controls for the selected performance measures indicates that Planning's needs to improve the accuracy of the performance measures and data security controls as discussed below.

- **Service 763 – Average Number of Days for Basic Permit Review:** Planning's methodology for calculating the average number of days for basic permit review (i.e. approval) resulted in understating FY 2018 and FY 2019 actual results reported in the Budget Book. Specifically, Planning used the assigned date (permit purchase date), in lieu of, the permit approval date to capture, calculate and report the metric. Therefore, permits that were assigned in one FY and approved in a subsequent FY were not correctly captured and reported. Also, Planning did not ensure the report used to calculate the metric included all transactions processed during the period. The report excluded 69 transactions associated with Urban Renewal zone R44. Also, the current system access allows Planners to revise (back date) the permit approval date which understates the actual number of days for permit approval, increasing the risk of inaccurate reporting.
- **Service 765 – Percent of Climate Action Plan Recommendations Completed:** The Budget Books are issued annually and include annual performance metrics for the current and five preceding FYs. However, Climate Action Plan (CAP) target and actual calculations reported in the Budget Books represent project to date activity, in lieu of, annual performance activity. The current presentation gives the appearance that presented targets and actuals for each of the fiscal years are larger than they actually are. Thus, the current presentation does not allow the reader to easily determine the progress that has been made annually towards goal completion. Additionally, CAP recommendations noted as complete excluded

measurable and verifiable pre-established targets to permit validation of actual completion. Finally, documentation is not available to determine whether the overall strategic goals associated with greenhouse gas reduction were achieved or impacted by the recommendations.

Of the 15 recommendations that were followed up during this Biennial Performance Audit, two recommendations or 13 percent were implemented; eight recommendations or 53 percent were partially implemented; and five recommendations or 33 percent were not implemented. (See tables in Section II, pages 12 - 22).

To improve the accountability of the performance measures, we recommend the Director of Planning implement recommendations made in this report.

Management responses are included in Appendix I (See pages 23 to 25).

We wish to acknowledge Planning's cooperation extended to us during our audit.

Respectfully,

A handwritten signature in cursive script that reads "Josh Pasch".

Josh Pasch, CPA  
City Auditor  
Baltimore, Maryland  
October 07, 2020

## **Background Information**

### **I. Department of Planning**

Planning's mission is to build Baltimore City (City) as a diverse, sustainable and thriving city of neighborhoods and as the economic and cultural driver for the region. Planning staffs three Mayoral - appointed City commissions: Planning Commission, Commission for Historical & Architectural Preservation, and Sustainability Commission. Facilitating Planning's mission are the following offices and divisions:

- Office of the Director provides overall direction and administration for Planning.
- The Office of Sustainability prepares the City for aging infrastructure, a growing population, changing climate, and a progressing economy. They focus on energy efficiency, renewable energy, waste and recycling, clean air and water, local food systems, education, outreach, alternative transportation, and social equity.
- Community Planning and Revitalization Division focuses on: (1) developing neighborhood plans; (2) coordinating community review of development plans, zoning appeals, and Planning related City Council bills; (3) develops, amends, and administers Urban Renewal Plans; (4) leads the City's INSPIRE Planning program; (5) provides planning and policy expertise to communities, developers and City officials; (6) staffs the Pimlico Community Development Authority; and (7) maintains the Community Association Directory.
- The Land Use and Urban Design Division ensures that development proposals are in line with the Comprehensive Master Plan, aesthetically pleasing, within the charter of the respective neighborhood, and fiscally beneficial to the City.
- The Policy and Data Analysis Division provides information, research, analysis and evaluation of planning practices to inform Planning's policymaking and neighborhood revitalization activities.
- The Historical and Architectural Preservation Division reviews applications for Authorization to Proceed, building permits, and Historic Tax Credit Applications.

### **II. Services**

The following services are responsible for the selected performance measures for review (see Table I, page 5).

- **Development Oversight and Project Support (Service 761):** This service provides direct support to applicants who wish to build and invest in the City, providing them with technical assistance and professional advice on how best to

achieve development goals for their property, while conforming with zoning and land use regulations and meeting City Comprehensive Plan objectives.

- **Comprehensive Planning and Resource Management (Service 763):** This service is a core function of the Planning Department, leading the City's neighborhood based planning initiatives, building community capacity and promoting collaboration to improve the quality of life for city residents. Using data analysis Geographic Information System, research, and community engagement, planning is accomplished at varied scales from small neighborhood plan to multi-year citywide comprehensive plan. This service includes drafting policy statements, analyzing legislation, conducting community outreach, building capacity and partnerships, developing housing and transit- oriented development strategies, drafting comprehensive rezoning, and developing the six-year Capital Improvement Plan, as required by City Charter.
- **Planning for a Sustainable Baltimore (Service 765):** This service funds the Baltimore Office of Sustainability, which was created by ordinance and is guided by the Baltimore Sustainability Plan (2019) that lays out broad, inclusive, and community responsive sustainability agenda. The service enforces State and Federal mandated regulations of Floodplain Management, Critical Area Management Program and the Forest Conservation Act, as well as the City's new landscape regulations and disaster planning.

**III. Selected Performance Measures**

We judgmentally selected three Planning performance measures which are summarized as follows:

Table I

**Summary of Selected Performance Measures' Targets and Actuals as Reported in the Budget Books for Fiscal Years 2019 and 2018**

Service	Performance Measure	2019		2018	
		Target	Actual	Target	Actual
761	Average number of site plan review committee meetings required for plan approval	1.2	1.14	1.2	1.2
763	Average number of days for basic permit review	3	2	3	2
765	Percent of Climate Action Plan recommendations completed	21	21	19	21

Source: FY 2018, 2019, 2020, 2021 Budget Books

## **Objectives, Scope, and Methodology**

We conducted our biennial performance audit in accordance with *Generally Accepted Government Auditing Standards*, except for peer review requirements. Those 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.

The objectives of our performance audit were to:

- Determine whether Planning: (1) met its FYs 2019 and 2018 performance measure targets; and (2) has adequately designed internal controls related to the selected performance measures.
- Follow-up on prior findings and recommendations included in Planning's previous performance audit report, dated November 23, 2018.

The scope of our audit includes three performance measures (see Table I on page 5) reported for the periods of FYs 2019 and 2018.

To accomplish our objectives, we interviewed key individuals to obtain an understanding of internal controls such as input, processing, output, and monitoring of selected performance measures. Additionally, we obtained reports from the Code Construction Enforcement System (CCE) and other supporting documentation for the audit period and re-performed the metric calculations to determine accuracy.

Management responses are included in Appendix I.



**SECTION 1**  
**Current Findings and Recommendations**

**Finding #1: Service 763 – Comprehensive Planning and Resource Management, Average Number of Days for Basic Permit Review - The incorrect calculation methodology and the data reliability controls impact the performance measure reporting.**

Planning’s methodology for calculating the average number of days for basic permit review (i.e. approval) resulted in understating FY 2018 and FY 2019 actual results reported in the Budget Book.

Specifically, Planning used the assigned date (permit purchase date), in lieu of, the permit approval date to capture, calculate and report the metric. Therefore, permits that were assigned in one FY and approved in a subsequent FY were not correctly captured and reported. Specifically, eight permits assigned in FY 2018 that averaged 230 business days to approve were incorrectly reported in FY 2018 as negative one day to approve, which understated the metric calculation. For example, as shown in Table II, the permit number USE2018-51775, was assigned on April 4, 2018 (FY 2018) and approved on November 29, 2018 (FY 2019). This transaction was counted as negative one day to approve in the FY 2018 report and should have been reported as 164 days to approve in the FY 2019 report. Selecting the methodology that captures the FY transactions by approved date results in calculating the accurate number of days and the correct period of performance.

Table II

**Comparison of Two Methodologies for Permit # USE2018-51775**

Methodology	No. of days to approve	Assigned date	Approved Date
Planning <sup>1</sup>	-1	4/4/2018	null
Department of Audit (DOA) <sup>2</sup>	164	4/4/2018	11/29/2018

**Notes:** <sup>1</sup> Planning’s methodology is based on the assigned date.

<sup>2</sup> DOA’s methodology is based on the approved date.

Also, the FY2018 and FY2019 reports utilized by Planning to calculate the performance measure excluded urban renewal zone R44 which included 69 permits that averaged 26 days to approve.

Additionally, the risk for inaccurate reporting is increased because:

- **Access Rights:** Planning's planners have editing access rights to the Construction Enforcement (CCE) system (see textbox). The access rights allow the permit date to be revised (backdated) by Planning planners. This can be minimized by reviewing, transaction logs and / or exception reports; however, this control currently is not in place.
- **Data security:** The spreadsheet, which details the output of assigned and approved permits provided by the Department (DHCD), is maintained in Planning's share drive and is not restricted or password protected. As a result, Planning employees who have access to the share drive can access the spreadsheet and make intentional or unintentional changes.

**Code Construction Enforcement System**

The review and approval of basic permits, those that do not require plans, is fully automated through use of the DHCD online permit system called CCE. Permits may be submitted by citizens, City personnel, or external developers. Within the City, there are designated Urban Renewal Zones, each which have a plan established by Planning. Planning planners are responsible for ensuring submitted permits conform to the requirements of the particular Urban Renewal Zones the property is located in. Once Planners complete their review, they select an action in the CCE system to approve, approve with conditions, disapprove, or place on hold the permit. The selected action triggers the recording of the data in the CCE system. However, CCE allows the user to modify the approval date.

**Sources:** DHCD and Planning

Management used the incorrect parameters in acquiring the data. For planners' editing access rights in CCE, Planning management was not aware of the ability to revise approval dates.

According to the Standards for *Internal Control in the Federal Government* issued by the Comptroller General of the United States (Green Book):

- Management may design a variety of transaction control activities for operational processes, which may include verifications, reconciliations, authorizations and approvals, physical control activities, and supervisory control activities; and
- Security management includes the information processes and control activities related to access rights in an entity's information technology, including who has the ability to execute transactions. Security management includes access rights across various levels of data, operating system (system software), network, application, and physical layers. Management designs control activities over access to protect an entity from inappropriate access and unauthorized use of the system. By preventing unauthorized use of and changes to the system, data and program integrity are protected from malicious intent (e.g., someone breaking into the technology to commit fraud, vandalism, or terrorism) or error.

**Recommendation #1:** We recommend that the Director of Planning:

- Revise the *Performance Measure Validation Form* (Form) to require the utilization of the approve date in the calculation and reporting of the average number of days for basic permit review;
- Establish and document a management or independent review of performance calculations in the Form to ensure accuracy and completion;
- Submit a service request to the DHCD to eliminate the ability to change approval dates within CCE. The date of decision should represent the date of approval; and
- Limit access to the spreadsheet by implementing password security.

**Finding #2: Service 765 - Planning for Sustainable Baltimore, Percent of Climate Action Plan Recommendations Completed - Targets and goals are reported on a project-to-date basis and exclude measurable and verifiable deliverables.**

The Budget Book is issued annually and includes annual performance metrics for the current and five preceding FYs. However, CAP target and actual calculations reported in the Budget Book represent project to date activity, in lieu of, annual performance activity. The current presentation gives the appearance that annual performance targets are larger than they are. Table III below is an illustrative example of how reporting the metric on an annual basis clearly reflects the progress made during the FY.

Table III

**Comparison of Two Methodologies for the Performance Measure Calculation**

Methods	FY 2019		FY 2018		FY 2017	
	Target	Actual	Target	Actual	Target	Actual
Budget Book Presentation (cumulative percent)	21	21	19	21	13 <sup>1</sup>	18
Annual Performance Activity (percent)	2	0	6	3	3	7

**Source:** FY 2021, FY 2020, and FY 2019 Budget Books

**Note:** <sup>1</sup> The Planning's record indicates that the FY 2017 target was increased to 13%; however, the FY 2019 Budget Book shows 11 percent for the FY 2017 target.

Additionally, CAP recommendations noted as complete excluded measurable and verifiable pre-established targets. As a result, the completion of recommendations cannot be validated.

Also, documentation is not available to determine whether the overall strategic goals associated with greenhouse gas reduction were achieved or impacted by completed recommendations.

According to the Green Book, "Management designs controls aimed at validating the propriety and integrity of both entity and individual performance measures and indicators."

**Recommendation #2:** We recommend the Director of Planning:

- Develop annual targets and report annual activity for the respective period;
- Include measurable and quantifiable outcomes within the CAP recommendations; and
- Prepare and maintain data that supports the impact of recommendations on the strategic goals associated with reduction of greenhouse gases and the aggregate outcome of the plan.

## Section II Implementation Status of Prior Audit Findings and Recommendations

Table IV

**Summary of Implementation Status of Audit Findings and Recommendations from the Performance Audit Report for Fiscal Years Ending 2017 and 2016 for Service 761 – Development Oversight and Project Support<sup>1</sup>**

No.	Finding	Prior Recommendation	Management's Self-reported Implementation Status	Auditor's Assessment
1	The Planning did not maintain supporting documentation for the performance measure "percent of assigned building permits reviewed within 48 hours" during FYs 2017 and 2016. Therefore, actual amounts reported could not be verified. Also, the reports were not generated by Planning but rather by another agency.	Implement procedures to ensure that records and supporting documentation are properly maintained and readily available for examination.	Implemented  Files are now saved	<b>Partially Implemented</b>  Planning has policies and procedures for the measure. However, no supporting document or schedules were available to support the actuals.
2	Due to various reasons outside of their control, Planning did not meet its target for the number of assigned building permits reviewed within 48 hours during FY2016. This can cause impairment of effectiveness or efficiency of operations.	Continue operating accordingly since it met its target in FY 2017	Implemented	<b>Not Implemented</b>  Planning did not meet the targets for FY2019 and FY2018. No supporting document or schedules were available to support the actuals.

<sup>1</sup> The selected performance measure is Percent of Assigned Building Permits Reviewed Within 48 Hours

Table V

**Summary of Implementation Status of Audit Findings and Recommendations from the Performance Audit Report for Fiscal Years Ending 2011 through 2014 for Service 761 – Development Oversight and Project Support<sup>2</sup>**

No.	Finding	Prior Recommendation	Management's Self-reported Implementation Status	Auditor's Assessment
1	Planning does not have documented procedures for the data collection, calculation, and validation methods used. They also have not established controls for recording, reviewing and reporting of the target and actual performance measure.	Document the policies and procedures including, but not limited to: (1) frequencies and methods of data collection, calculation, and validation, including any limitations in the data and controls; (2) how the target is set based on budget, methods planned to improve performance and implementation time frame, how performance is monitored and evaluated against targets, and evaluation that the measure remains relevant to the service; and (3) staff responsible for the measurement, recording, reporting, and approval of target and actual performance to include segregation of duties, and the information and support (data) required to be retained to validate the reported amounts.	Implemented	<p><b>Partially Implemented</b></p> <p>Planning provided guidance for the first part of the recommendation pertaining to frequencies and methods of data collection, calculation, and validation. Planning can further enhance their policy, as recommended in the second part of the prior recommendation by adding guidance to document how often the department will review and reset targets, document it, and include an explanation in the budget books if the targets are to change. Regarding the third part of the prior recommendation, Planning is a small office and cannot do a full segregation of duties. As a result, we recommend that Planning perform an independent review of the calculation.</p>

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<sup>2</sup> The selected performance measure is Percent of Subdivision Reviews Receiving Planning Commission Approval < 30 days

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No.	Finding	Prior Recommendation	Management's Self-reported Implementation Status	Auditor's Assessment
2	The FY 2011 supporting details were not archived and could not be verified.	Same as above.	Partially Implemented	<p><b>Partially Implemented</b></p> <p>Planning provided support for FY 2018 and FY2019. However, the reports provided did not have all Final Plans In and PC<sup>1</sup> Meeting Dates. We noted several instances where we could not agree the final plans in date on the report to the electronic support. These instances reveal the controls over recording, reviewing, and reporting of the Subdivision data are not functioning.</p>

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**Note:** <sup>1</sup> PC stands for Planning Commission



**Biennial Performance Audit Report on Department of Planning**

Table VI

**Summary of Implementation Status of Audit Findings and Recommendations from the Performance Audit Report for Fiscal Years Ending 2011 through 2014 for Service 761 – Development Oversight and Project Support<sup>3</sup>**

No.	Finding	Prior Recommendation	Management's Self-reported Implementation Status	Auditor's Assessment
1	Planning does not have documented procedures for the data collection, calculation, and validation method used. They also have not established controls for recording, reviewing and reporting of the target and actual performance measure	Same as above	Implemented FY18 and forward	<p><b>Partially Implemented</b></p> <p>Planning provided guidance for the first part of the recommendation pertaining to frequencies and methods of data collection, calculation, and validation. Planning can further enhance their policy, as recommended in the second part of the prior recommendation by adding guidance to document how often the department will review and reset targets, document it, and include an explanation in the budget books if the targets are to change. Regarding the third part of the prior recommendation, Planning is a small office and cannot do a full segregation of duty. As a result, we recommend that Planning perform an independent review of the calculation.</p>
2	There were no supporting schedules or data available to audit to determine if the reported numbers were accurate.	Same as above	Partially implemented	<b>Implemented</b>

<sup>3</sup> The selected performance measure is the Average Number of Site Plan Review Committee Meetings Required for Plan Approval.

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Table VII

**Summary of Implementation Status of Audit Findings and Recommendations from the Performance Audit Report for Fiscal Years Ending 2017 and 2016 for Service 762 – Historic Preservation<sup>4</sup>**

No.	Finding	Prior Recommendation	Management's Self-reported implementation status	Auditor's Assessment
1	Administrative errors or oversight may have contributed to the targets during FY's 2017 and 2016 for the performance "number of preliminary reviews completed for tax credit applications within 30 days" being inconsistently reported in the FY's 2019, 2018, 2017, and 2016 Budget Books resulting in misleading information.	BBMR disclose any changes made in subsequent years' Budget Books to that FY performance measure targets or actual amounts when a FY performance measure targets are already established and included in the City's Budget Book in order to avoid misleading results.	Implemented  Bureau of the Management and Research error	<b>Implemented</b>
2	The FY's 2019 and 2018 Budget Books were not consistent with the reports supporting the actual results we obtained from Planning. Administrative errors and / or oversight could have caused the inconsistent reporting of the FY's 2017 and 2016 performance measure "actual" results in the City's Budget Books resulting in misleading information.	Implement procedures to review the information included in the Budget Book, compare to the report submitted, and communicate with BBMR or Budget Analyst assigned to Planning to ensure reliability, completeness and accuracy of information.	Implemented	<b>Not Implemented</b>  The Planning does not have procedures to review the information included in the Budget Book, compare to the report submitted, and communicate with BBMR or Budget Analyst assigned to Planning to ensure reliability, completeness and accuracy of information. The actual reported for FY 2018 agrees to the support provided. For FY 2019, the Planning overstated the actuals. The reported actual of 314 includes those applications processed in greater than 30 days and those noted as the review not being completed. We recommend that the Director of

<sup>4</sup> The selected performance measure is the Number of Preliminary Reviews Completed for Tax Credit Applications Within 30 Days.

**Biennial Performance Audit Report on Department of Planning**

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No.	Finding	Prior Recommendation	Management's Self-reported implementation status	Auditor's Assessment
3	<p>Planning did not meet its targets for the “number of preliminary reviews completed for tax credit applications within 30 days” during FY’s 2017 and 2016. The number of applications reviewed is dependent on the number of applications received over which Planning has no control.</p>	<p>Re-evaluate the methodology for establishing its target to reflect the true meaning of the actual performance or expected results and consider performance measures for which the agency has control.</p>	<p>Implemented</p>	<p>Planning draft a policy to require a review of the calculation used to report the actual, compare the report to the budget book, and communicate any discrepancies to the BBMR analyst.</p> <p><b>Not Implemented.</b></p> <p>Planning acknowledges there was an oversight in making the change with BBMR to report the measure as a percentage and will work with BBMR to make the change.</p>

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**Biennial Performance Audit Report on Department of Planning**

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Table VIII

**Summary of Implementation Status of Audit Findings and Recommendations from the Performance Audit Report for Fiscal Years Ending 2011 through 2014 for Service 762 – Development Oversight and Project Support<sup>5</sup>**

No.	Finding	Prior Recommendation	Management's Self-reported implementation status	Auditor's Assessment
1	Planning does not have documented procedures for the data collection, calculation, and validation methods used. They also have not established controls for recording, reviewing and reporting of the target and actual performance measure.	Document the policies and procedures including, but not limited to: (1) frequencies and methods of data collection, calculation, and validation, including any limitations in the data and controls; (2) how the target is set based on budget, methods planned to improve performance and implementation time frame, how performance is monitored and evaluated against targets, and evaluation that the measure remains relevant to the service; and (3) staff responsible for the measurement, recording, reporting, and approval of target and actual performance to include segregation of duties, and the information and support (data) required to be retained to validate the reported amounts.	Implemented	<b>Partially Implemented</b>  Planning provided guidance for the first part of the recommendation pertaining to frequencies and methods of data collection, calculation, and validation. Planning can further enhance their policy, as recommended in the second part of the prior recommendation by adding guidance to document how often the department will review and reset targets, document it, and include an explanation in the budget books if the targets are to change. Regarding the third part of the prior recommendation, Planning is a small office and cannot do a full segregation of duty. As a result, we recommend that Planning perform an independent review of the calculation.

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<sup>5</sup> The selected performance measure is the Percent Completed Notice to Proceed Permit Applications Reviewed Within 48 Hours.

**Biennial Performance Audit Report on Department of Planning**

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<b>No.</b>	<b>Finding</b>	<b>Prior Recommendation</b>	<b>Management's Self-reported implementation status</b>	<b>Auditor's Assessment</b>
2	The FY2011 supporting details were not archived and could not be verified	Same as above	Implemented	<b>Not Implemented</b>  Supporting documentation was not available to validate the FY 2019 and FY 2018 actual results reported in the Budget Book. The FY 2018 support was not available due to ransom ware.

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**Biennial Performance Audit Report on Department of Planning**

Table IX

**Summary of Implementation Status of Audit Findings and Recommendations from the Performance Audit Report for Fiscal Years Ending 2011 through 2014 for Service 763 –Comprehensive Planning and Resource Management<sup>6</sup>**

No.	Finding	Prior Recommendation	Management's Self-reported implementation status	Auditor's Assessment
1	The original documentation supporting the amounts reported was not archived.	Same as above	Implemented FY18 and Forward	<p><b>Partially Implemented</b></p> <p>Planning provided guidance for the first part of the recommendation pertaining to frequencies and methods of data collection, calculation, and validation. Planning can further enhance their policy, as recommended in the second part of the prior recommendation by adding guidance to document how often the department will review and reset targets, document it, and include an explanation in the budget books if the targets are to change. Regarding the third part of the prior recommendation, Planning is a small office and cannot do a full segregation of duty. As a result, we recommend that Planning perform an independent review of the calculation.</p>
2	The actual performance measure for FY 2012 could not be validated from the supporting schedule provided by Planning.	Same as above	Implemented FY 2018 and Forward	<p><b>Partially Implemented</b></p> <p>Planning support agreed to the budget book reported actuals. However, we recommend the Director of Planning revise the methodology used to calculate the performance measure (see Finding 1).</p>

<sup>6</sup> The selected performance measure is the Average Number of Days for Basic Permit Review

**Table X**

**Summary of Implementation Status of Audit Findings and Recommendations from the Performance Audit Report for Fiscal Years Ending 2011 through 2014 for Service 765 –Planning for a Sustainable Baltimore<sup>7</sup>**

No.	Finding	Prior Recommendation	Management's Self-reported implementation status	Auditor's Assessment
1	<p>Planning does not have documented procedures for the data collection, calculation, and validation methods used. Also, it has not established controls for the recording, reviewing and reporting of the target and actual performance measures.</p>	<p>Document the policies and procedures including, but not limited to: (1) frequencies and methods of data collection, calculation, and validation, including any limitations in the data and controls (2) how the target is set based on budget, methods planned to improve performance and implementation time frame, how performance is monitored and evaluated against targets, and evaluation that the measure remains relevant to the service (3) staff responsible for the measurement, recording, reporting, and approval of target and actual performance to include segregation of duties, and the information and support (data) required to be retained to validate the reported amounts.</p>	Partially Implemented	<p><b>Partially Implemented</b></p> <p>Planning provided guidance for the first part of the recommendation pertaining to frequencies and methods of data collection, calculation, and validation. Planning can further enhance their policy, as recommended in the second part of the prior recommendation by adding guidance to document how often the department will review and reset targets, document it, and include an explanation in the budget books if the targets are to change. Regarding the third part of the prior recommendation, Planning is a small office and cannot do a full segregation of duty. As a result, we recommend that Planning perform an independent review of the calculation.</p>

<sup>7</sup> The selected performance measure is the Percent of Baltimore Sustainability Plan Strategies Initiated

**Biennial Performance Audit Report on Department of Planning**

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<b>No.</b>	<b>Finding</b>	<b>Prior Recommendation</b>	<b>Management's Self-reported implementation status</b>	<b>Auditor's Assessment</b>
2	There were no supporting schedules or data for us to audit to determine if the numbers reported were correctly stated.	Same as above	Partially Implemented	<b>Not Implemented</b>  Planning has begun development of a database to capture, record and report outcomes. The development of the database is still in process. However, quantifiable measurable, and verifiable targets were not established to support the determination of completed recommendations.

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## Appendix I

### Management's Response

Date: September 28, 2020  
To: Josh Pasch, City Auditor

Subject: Management Response to Audit Report:  
Biennial Performance Audit of the Department of Planning for the Fiscal Years  
Ended June 30, 2019 and 2018

Our response to the audit report finding and recommendation is as follows:

#### **Recommendation # 1**

We recommend that the Director of Planning:

- Revise the *Performance Measure Validation Form* (Form) to require the utilization of the approve date in the calculation and reporting of the average number of days for basic permit review;
- Establish and document a management or independent review of performance calculations in the Form to ensure accuracy and completion;
- Submit a service request to the DHCD to eliminate the ability to change approval dates within CCE. The date of decision should represent the date of approval; and
- Limit access to the spreadsheet by implementing password security.

#### **Management Response/Corrective Action Plan**

**Agree**

**Disagree**

- We are willing to make the request to BBMR to change the performance measure for FY 2022. Given the budget cycle that would not be in time for the next audit but the following. (The budget cycle for FY 2022 is currently in process and runs from approximately October of 2020 to February of 2021)
- We will establish a management review for all measures similar to this one. It will likely be compiled by City Planner Supervisor and approved by Division Chief. This will be put in place by the end of FY 2021.

## **Biennial Performance Audit Report on Department of Planning**

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- This was something we were not aware of, we requested the change and DHCD completed this.
- We can put this in place for FY 2021 reports.

### **Implementation Date**

See above

### **Responsible Personnel**

Cheryl Casciani, Division Chief Comprehensive Planning

### **Recommendation # 2**

We recommend that the Director of Planning:

- Develop annual targets and report actual activity for the respective period;
- Include measurable and quantifiable outcomes within the CAP recommendations; and
- Prepare and maintain data that supports the impact of recommendations on the strategic goals associated with reduction of greenhouse gases and the aggregate outcome of the plan.

### **Management Response/Corrective Action Plan**

**Agree**

**Disagree**

In the “Condition/Effect” section, it was stated that “Climate Action Plan (CAP) target and actual calculations reported in the Budget Book represent project to date activity, in lieu of, annual performance activity. The current presentation gives the appearance that annual performance targets are larger than they actually are.” We would like to note that there was no intent to mislead, since our annual reports to BBMR clearly state that targets and actuals have been calculated as project to date activity, which is in line with how performance toward the overall strategic goal (reducing greenhouse gas emissions) is reported (i.e., total emissions are shared, not just the change in the previous year).

Proposed Action: We will work with BBMR during the development of the FY 2022 budget to update our annual targets and to submit actual activity that are annual rather than cumulative. Completion of action will be dependent on BBMR allowing a change in the targets. Estimated Implementation Date: Will submit with FY 2022

budget. (The budget cycle for FY 2022 runs October of 2020 through January or February of 2021.)

- The CAP requires approval by the Planning Commission and the Sustainability Commission, and cannot be edited by DOP staff to change the recommended outcomes.

Proposed action: None at this time as we cannot change the adopted plan. We will take this into consideration in developing future plans.

We will also include the CAP strategies in our new tracking database and use it to document how we have measured progress toward completion of the strategies. Depending on discussion about whether DOP should have qualitative or quantitative targets, we will also discuss with BBMR the possibility of selecting an entirely different performance measure, like GHG emissions (although we do not currently measure this annually due to the high cost).

- The City does not calculate its greenhouse gas inventory every year, due to the cost. Instead, every three years, the Office of Sustainability receives \$30,000 for the analysis. It is not expected that funding or staff resources are available to change to annual inventories.

Proposed action: Starting with the submittal of the FY 2022 budget, we will include what information is available on the greenhouse gas inventory. Estimated implementation date: Will submit with the FY 2022 budget. (The budget cycle for FY 2022 runs October of 2020 through January or February of 2021.)

**Implementation Date**

See above

**Responsible Personnel**

Lisa McNeilly, Director of Office of Sustainability