



**BALTIMORE CITY DEPARTMENT OF LAW**  
**BIENNIAL PERFORMANCE AUDIT REPORT**

**Fiscal Years Ended**  
**June 30, 2017 and 2016**

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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 functions within the Baltimore City Law Department (BCLD) for fiscal years ended June 30, 2017 and 2016 (the stated period). The purpose of our performance audit was to determine whether BCLD met its performance measure targets, and to determine whether its internal controls and the related policies and procedures were effectively designed and placed in operation to monitor, control, and report valid and reliable information that is significant to selected performance measures or functions for the stated period. Our performance audit also included functions of the BCLD that were recommended by the Chairman of the Biennial Audit Oversight Commission (BAOC).

As a result of our audit, we determined that the targets for the selected performance measures were not met. We did not perform audit testing on the reliability of information or supporting documentation of the actual amounts reported for the performance measures that did not meet the performance target. We also noted information regarding performance measure actual amounts was not consistently reported in the Agency Detail Board of Estimates Recommendations (Budget Book) from one fiscal year to another.

In addition, we noted certain areas where the effectiveness of the control procedures could be improved, and we recommend that:

- BCLD establish procedures for reviewing the data submitted to the Bureau of the Budget and Management Research (BBMR) for agreement to agency records to ensure reliability, completeness and accuracy of data for the number of lawsuits handled.
- The performance measure for the number of lawsuits handled be adjusted to reflect an attribute that is within the control of BCLD.
- The Minority and Women's Business Opportunity Office (MWBOO), which is part of the BCLD, establish procedures for reviewing the data submitted to BBMR for agreement to agency records to ensure reliability, completeness and accuracy of data for the number of applications approved.

- BCLD's MWBOO change its performance measure for the number of applications approved to the number of new applications approved.
- BBMR establish procedures for reviewing the data submitted for agreement to agency records to ensure reliability, completeness and accuracy of data.
- MWBOO establish procedures for recording and monitoring waiver requests and approvals.



Audrey Askew, CPA  
City Auditor  
December 14, 2018

**Baltimore City Department of Law**  
**Biennial Performance Audit**  
**Background Information**  
**Fiscal Years Ended June 30, 2017 and 2016**

The Baltimore City Law Department (BCLD) is an agency of the City established by the City Charter. The City Solicitor is the head of the Department, appointed by the Mayor, and confirmed by the City Council. Under the City Charter, the City Solicitor is the legal adviser and representative of the City and its departments, officers, commissions, boards and authorities and has general supervision and direction of the legal business of the City. In addition to overseeing the Department of Law, the City Solicitor is a member of the Board of Estimates.

Under the City Solicitor's leadership, BCLD functions as the City's full service law firm. Its core Charter-mandated duties include: (1) representing the City in litigation matters, (2) protecting the City's corporate and financial interests in contractual, financial and real estate transactions, (3) collecting debts owed to the City, and (4) providing legal advice and counsel to the Mayor, City Council and City agencies.

In performing these duties, BCLD's attorneys are mindful of the City's specific financial and operational needs. Thus, BCLD's attorneys focus upon innovation, as well as revenue collection, generation, and preservation. They engage in preventive lawyering designed to anticipate and limit the City's work.

The following is a summary of the various services provided by the Law Department that were included as part of our Performance Audit:

1. **Controversies (Service 861)** This service provides the general litigation, labor and employment, land use, collections and pre-litigation claims investigation services for the City. According to BCLD, this service has been steadily increasing City revenue streams while avoiding or limiting liability payouts despite mounting numbers of claims against the City.
2. **Minority and Women's Business Opportunity Office (Service 869)** This service is responsible for the certification of Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs). It maintains a directory of certified businesses; investigates alleged violations of the MWBE ordinance; retains statistics on availability and utilization of MBEs and WBEs; sets annual contract participation goals; and provides assistance to bidders and developers in identifying MBE/WBE firms.

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**Audit Scope, Objectives and Methodology**  
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We conducted a Biennial Performance Audit of selected functions within the Baltimore City Law Department (BCLD) for the stated period. The purpose of our performance audit was to determine: a) whether BCLD met its performance measure targets, and b) whether its internal controls and the related policies and procedures were effectively designed and placed in operation to monitor, control, and report valid and reliable information that is significant to selected performance measures or functions for the stated period. We conducted our performance audit in accordance with *Generally Accepted Government Auditing Standards*. Our performance audit included follow-ups of prior findings and recommendations included in BCLD's previous performance audit report, dated November 29, 2016. 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 audit were to determine whether BCLD met its targets for selected performance measures and functions in the stated period and to assess whether BCLD's internal controls and related policies, processes, and procedures were effectively designed and placed in operation to monitor, control, and report valid and reliable information related to those performance measures. In addition to our follow-up on the findings and recommendations contained in the previous performance audit, our audit included selected performance measures within the following BCLD Service Areas, including functions recommended by the Biennial Audit Oversight Commission (BAOC):

- a. **Controversies – Service 861.** We conducted our audit of the BCLD's Service 861 to determine the number of lawsuits handled during fiscal years 2017 and 2016. (Priority Outcome: Accountability and Transparency) In addition, the BAOC recommended that we review the following:
  - i. What type of law suits are handled?
  - ii. How are they tracked?
  - iii. What is the number of suits won, lost or settled?
  
- b. **Minority and Women's Business Opportunity Office (MWBOO) – Service 869.** We conducted our audit of the Minority and Women's Business Opportunity Office's (MWBOO) efforts to meet its targets for number of applications approved. (Priority Outcome: Economic Development and Jobs)

To accomplish our objectives, we conducted inquiries of key individuals to obtain an understanding of the internal controls and related policies, processes and procedures, and systems, established by BCLD for the selected performance measures and functions. Where possible, we also utilized the systems' documentation obtained as part of our audit of the City's Comprehensive Annual Financial Report (CAFR). We also performed tests, as necessary, to verify our understanding of the applicable policies and procedures; reviewed applicable records and reports utilized to process, record, monitor, and control BCLD's functions pertaining to the selected performance measures; assessed the efficiency and effectiveness of those policies and

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procedures; and determined whether the BCLD met its performance measure targets. We did not perform audit testing on the reliability of information or supporting documentation of the actual amounts reported for the performance measures that did not meet the performance target.

The findings and recommendations are detailed in the Findings and Recommendations section of this report. The responses of BCLD are included as part of each finding.

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*Controversies – Service 861. Number of lawsuits handled.*

**Finding # 1 – Inaccurate Fiscal Year 2017 and 2016 Performance Measure Actual Amounts**

**Condition:**

The Baltimore City Law Department’s (BCLD) fiscal year 2017 and fiscal year 2016 actual performance measure data for the number of lawsuits handled did not agree to the supporting documents provided by BCLD. However, the inaccurate reporting did not change the fact that BCLD did not meet its target for fiscal year 2016 and did exceed its target for fiscal year 2017.

<b>Number of Lawsuits Handled</b>			
	<b>Per Budget Book</b>		<b>Per BCLD Supporting Documents</b>
	<b>Target</b>	<b>Actual</b>	<b>Actual</b>
<b>FY2017</b>	400	411	424
<b>FY2016</b>	500	389	428

**Criteria:**

COSO requires proper control processes should be designed to provide reasonable assurance regarding the effectiveness and efficiency of operations and reliability of reported amounts.

**Cause:**

Administrative error could have caused the inconsistent reporting of fiscal year 2017 and fiscal year 2016 actual performance measure data.

**Effect:**

Providing incorrect data causes performance measure results to be misleading.

**Recommendation:**

We recommend that BCLD establish procedures for reviewing the data submitted to the Bureau of the Budget and Management Research (BBMR) for agreement to agency records to ensure reliability, completeness and accuracy of data.

**Agency Response:**

The Law Department has no control over the number of lawsuits filed in any given fiscal year. However, the Law Department has complete control over how such lawsuits are responded to. The Law Department responds to all filed matters by providing excellent legal representation to the Mayor, City Council and the City’s many agencies, boards and commissions. The Law Department also provides sound legal advice that may help its clients avoid litigation and, by vigorous defense, discourage attorneys from filing suit for less than meritorious claims. The Law Department is aware that new legal theories and facts related to local governments give rise to an ever expanding pool of potential legal matters.

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**Finding # 1 – Inaccurate Fiscal Year 2017 and 2016 Performance Measure Actual Amounts  
(Continued)**

**Agency Response (continued):**

Thus, the Law Department is forward thinking in its efforts to respond to and minimize the impact of new litigation against the City of Baltimore. Already, the Law Department is preparing to respond to litigation arising from the actions of the Gun Trace Task Force. Again, while the Law Department cannot predict the number of such lawsuits that will be filed, it can prepare to defend all of those lawsuits, and is.

**Finding # 2 – Fiscal Year 2016 Performance Measure Target Not Met**

**Condition:**

BCLD did not meet its fiscal year 2016 performance measure target for the number of lawsuits handled. BCLD has no control over the number of lawsuits filed against the City and must consider the current legal environment as well as events impacting the City to estimate the number of claims and suits that will be filed against the City.

**Criteria:**

The City's Budget Book includes the performance targets for agencies to achieve.

**Cause:**

The performance target is structured in a fashion that evaluates reactive rather than proactive actions.

**Effect:**

BCLD is unable to take any action that would allow them to meet the performance measure in years where outside parties have filed less suits against the City than anticipated. In addition, the measure does not allow for adequate evaluation of agency performance.

**Recommendation:**

We recommend the performance measure be adjusted to reflect an attribute that is within the control of BCLD.

**Agency Response:**

The Law Department has no control over the number of lawsuits filed in any given fiscal year. However, the Law Department has complete control over how such lawsuits are responded to. The Law Department responds to all filed matters by providing excellent legal representation to the Mayor, City Council and the City's many agencies, boards and commissions. The Law Department also provides sound legal advice that may help its clients avoid litigation and, by vigorous defense, discourage attorneys from filing suit for less than meritorious claims.

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**Finding # 2 – Fiscal Year 2016 Performance Measure Target Not Met (Continued)**

**Agency Response (Continued):**

The Law Department is pleased that fewer cases were filed in fiscal year 2017 than had been “targeted” as this translates to fewer claims against the Mayor and City Council and so, fewer opportunities for fiscal losses to the City.

With respect to the performance measure, the word “Target” is a misnomer in that the Law Department does not aim to hit a target of any specific lawsuits in a given fiscal year. Rather, because the Law Department is largely reactive with respect to the handling of lawsuits, a better performance measure would be one that assesses whether the Law Department addresses every lawsuit that is filed or, some other performance measure that is reflective of the service that the Law Department provides. Accordingly, the Law Department agrees that the performance measure should be changed.

***Minority and Women’s Business Opportunity Office – Service 869. Number of Applications Approved***

**Finding # 3 – Inaccurate Fiscal Year 2017 Performance Measure Actual Amounts**

**Condition:**

BCLD’s Minority and Women’s Business Opportunity Office (MWBOO) fiscal year 2017 actual performance measure data for the number of applications approved did not agree to the supporting list of fiscal year 2017 New Application Approvals provided by MWBOO. In addition, after reviewing the list of fiscal year 2017 New Applications Approvals, we found the following errors: one firm had duplicate certifications and another firm had an incorrect certification date. This last certification is part of fiscal year 2018 New Applications Approved. However, the inaccurate reporting did not change the fact that MWBOO exceeded its target for fiscal year 2017.

<b>Number of Applications Approved</b>			
	<b>Per Budget Book</b>		<b>Per BCLD’s MWBOO Supporting Documents</b>
	<b>Target</b>	<b>Actual</b>	<b>Actual</b>
<b>FY2017</b>	125	160	139

**Criteria:**

Proper control processes should be designed to provide reasonable assurance regarding the effectiveness and efficiency of operations and reliability of reported amounts.

**Cause:**

Administrative error could have caused the inconsistent reporting of fiscal year 2017 actual performance measure data.

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**Finding # 3 – Inaccurate Fiscal Year 2017 Performance Measure Actual Amounts  
(Continued)**

**Effect:**

Providing incorrect data would lead to misleading performance measure results.

**Recommendation:**

We recommend that BCLD’s MWBOO establish procedures for reviewing the data submitted to BBMR for agreement to agency records to ensure reliability, completeness and accuracy of data.

**Agency Response:**

MWBOO acknowledges and concurs in this finding and plans to establish new procedures for reviewing and recording the data submitted to BBMR to ensure the reliability, completeness and accuracy of data.

**Finding # 4 – Fiscal Year 2016 Performance Measure Target Not Met**

**Condition:**

BCLD’s MWBOO did not meet its fiscal year 2016 target for the number of applications approved.

<i>Number of MWBOO applications approved</i>		
	<b>TARGET</b>	<b>ACTUAL</b>
<b>FY 2016</b>	300	106

**Criteria:**

Proper control processes should be designed to provide reasonable assurance regarding the effectiveness and efficiency of operations.

**Cause:**

According to MWBOO, fiscal year 2016 actual amounts consist of 106 new applications approved. Based on fiscal year 2018 “Story Behind the Curve” for fiscal year 2016, MWBOO received a total of 486 applications. Of those, 267 were new applications, and a total of 106 new applications were approved. Renewal applications are no longer counted in the performance measurement analysis.

**Effect:**

Lack of information would lead to misleading performance measure results.

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**Finding # 4 – Fiscal Year 2016 Performance Measure Target Not Met (Continued)**

**Recommendation:**

We recommend that BCLD’s MWBOO change its performance measure to the number of new applications approved. We also recommend BCLD’s MWBOO establish procedures for reviewing the data submitted to BBMR for agreement to agency records to ensure reliability, completeness and accuracy of data.

**Agency Response:**

MWBOO acknowledges and concurs in this finding. It plans to adjust the performance measure to read “Number of New Applications Approved” and it plans to establish new procedures for reviewing and recording the data submitted to BBMR to ensure the reliability, completeness and accuracy of data.

**Finding # 5 – Inconsistent Fiscal Year 2017 Performance Measure Target**

**Condition:**

Fiscal year 2017 target was inconsistently reported in the fiscal year 2019 and 2018 Budget Books for the number of applications approved.

<i>Number of applications approved</i>	
	<b>FY 2017 TARGET</b>
<b>Budget Book FY 2019</b>	125
<b>Budget Book FY 2018</b>	125
<b>Budget Book FY 2017</b>	325

**Criteria:**

Relevance and reliability of performance information included in the City’s Budget Books.

**Cause:**

According to MWBOO, the target was inconsistent because the renewal applications were included. Based on MWBOO’s supporting documentation (fiscal year 2018 “Story behind the Curve”), renewal applications are no longer counted in the performance measurement analysis. This change was not disclosed in the fiscal year 2018 and 2019 Budget Books.

**Effect:**

Lack of adequate information in the Budget Books would cause misleading performance measure results.

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**Finding # 5 – Inconsistent Fiscal Year 2017 Performance Measure Target (Continued)**

**Recommendation:**

We recommend that BBMR establish procedures for reviewing the data submitted for agreement to agency records to ensure reliability, completeness and accuracy of data.

**Agency Response:**

MWBOO acknowledges and concurs in this finding and it plans to establish new procedures for reviewing and recording the data submitted to BBMR to ensure the reliability, completeness and accuracy of data.

**Finding #6 – Fiscal Year 2017 and Fiscal Year 2016 List of Waivers Requested Not Provided**

**Condition:**

Although BCLD's MWBOO maintains files which contain copies of all waiver requests, fiscal year 2017 and 2016 List of Waiver requests were not provided for our audit testing.

**Criteria:**

Baltimore City Code, Article 5 Subtitle 28-10(b)(6) establishes that the Office duties include maintaining statistics on, and reviewing regularly, the progress of agencies towards achieving the annual goals for the utilization of minority business enterprises, women's business enterprises, small business enterprises, and local business enterprises.

**Cause:**

MWBOO does not maintain a list of waivers requests and approvals.

**Effect:**

Lack of monitoring could create mishandling of contracts for the Minority Business Enterprise and Women's Business Enterprise.

**Recommendation:**

We recommend that MWBOO establish procedures for recording and monitoring waiver requests and approvals.

**Agency Response:**

MWBOO acknowledges and concurs in this finding. The MWBOO Acting Director has established and is now following new procedures for monitoring, reviewing and recording the waiver request data submitted to BBMR. These new procedures will ensure the reliability, completeness and accuracy of the data.

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***Others Issues/Concerns of the Biennial Audit Oversight Commission***

At the request of the Biennial Audit Oversight Commission, our audit included obtaining information for the following:

**Service 861 - Controversies**

- a) What type of law suits are handled?
- b) How are they tracked?
- c) What is the number of suits won, lost or settled?

**Audit Results:**

There are three distinct practice groups housed in the Law Department's Controversies Division that handle law suits; the Litigation practice group, the Labor & Employment practice group, and the Land Use practice group.

The Litigation Practice Group handles general cases, civil rights cases, and auto accident related cases. The Litigation Practice Group uses the STARS software exclusively for recording and tracking of case information. Audits recalculated numerical data presented in the various STARS reports of the Litigation Practice Group and found no mathematical errors or inconsistencies in the reports.

The Labor & Employment Practice Group (L&E) oversees court cases, arbitrations. Equal Employment Opportunity Commission (EEOC) and civil service cases. The L&E Practice Group uses an Excel file for the tracking of their case detail. When questioned why the L&E Practice Group did not use STARS as well, the department responded that the L&E Division was scheduled at one time to begin training on the use of the STARS software. However, the training did not occur and L&E cases were never entered into STARS. The handouts provided by the L&E Division that detailed their fiscal year 2017 & 2016 activity contained several mathematical errors in the total of cases by type and amount requested columns. Audits recommends that the L&E Division be trained on the use of the STARS software and start recording all case data in STARS going forward. The STARS software appears to record and compute data without error. In addition, the use of STARS by the L&E group would help centralize Law Department data.

The Land Use Practice Group participates in judicial review and other types of cases. Judicial review action is filed by a party who is asking the Circuit Court to reverse a decision made either by the Board of Municipal and Zoning Appeals, the City Council, or the Commission for Historical and Architectural Preservation either by approving or rejecting some kind of development project. The other types of cases the Land Use Practice Group participates in is a broad range of cases which includes real property litigation involving the City, which is not a petition for judicial review. This would include matters where the City has some interest in a piece of property that is the subject of a dispute; the City is sued for owning a piece of property that, due to its condition, is alleged to be causing damage to the neighborhood property; or the City is sued for undertaking some kind of code enforcement with regard to private property and

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**Audit Results (continued):**

the owner alleges the City’s actions were unlawful. The Land Use Practice Group uses STARS to record case data. In addition, the Chief of Land Use Practice Group keeps his own Word document with the status of cases handled by his division.

The tables below present case outcome data and amounts the City paid for lost and settled cases during fiscal years 2017 and 2016 attributable to the Litigation, L&E, and Land Use Practice Groups.

<b>Total of All Practice Group</b>				
<i>Case Outcome</i>				
	<i>FY17</i>		<i>FY16</i>	
Pending	129		66	
Won	138		183	
Lost	15		26	
Settled	139		152	
Total	421		427	

<b>Total Paid Out by the City</b>				
<i>Case Outcome</i>				
	<i>FY17</i>		<i>FY16</i>	
Lost	175,201.85		328,964.18	
Settled	2,113,185.08		1,844,191.94	
Total	\$2,288,386.93		\$2,173,156.12	

Note: The Law Department does not handle police misconduct law suits brought against the Baltimore City Police Officers. Those cases are handled by the “Police Legal Affairs Practice Group” of the Law Department or, by outside counsel retained by the Baltimore City Solicitor.

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**Status of Prior Findings and Recommendations**  
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The following is a summary of the status of the prior findings and recommendations included as part of prior performance audit report by the previous auditor of the Law Department, dated November 29, 2016.

**Previous Finding #1**

The measure does not truly reflect the efficiency or the effectiveness of the Division's collection efforts per se, because the Division has no obligation to follow up and pursue Agreements that default payment. Additionally, payment agreements' collections is only one of several collection activities carried out by the Division. Reporting solely on this activity underrepresents the effort and contributions of this area of service.

**Previous Recommendation #1**

The previous auditor recommended, the Department should use the data currently being collected to generate measures with enhanced performance reporting and analysis, and broader representation of all of the collections activity. Recognizing that the most important services that the Law Department provides are intangible intellectual efforts, the previous auditor recommends that management review the current metrics and identify any additional services or business processes that could be meaningfully represented in the performance measurement system. We recommend that the Department reach out to internal experts in either the Department of Finance or CitiStat to create a performance measure that captures more of the activities of the Collections Division.

**Follow-up Status # 1**

**Not Implemented** – The Law Department plans to reach out to internal experts in either the Department of Finance or CitiStat to create a performance measure that captures more of the activities of the Collections Division.

**Previous Finding #2**

A valid target for this measure cannot be reasonably established because such target and its achievement are beyond the Department's control. Therefore, the performance measure target itself may not reasonably represent Department performance.

**Previous Recommendation #2**

See recommendation #1

**Follow-up Status #2**

**Not Implemented** – see response in Follow-up Status #1

**Previous Finding #3**

The collection activity is not supported by a specific system or application. The activity is maintained in Excel worksheets, which can cause inefficiency and human error. Although the Department is making efforts to enhance business processes through automation, the collections activity is not specifically included in this initiative.

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**Previous Recommendation #3**

The previous auditor recommended increasing the use of technology to support the collections activity. Additionally, update the Collections Division Performance statistics summary to accurately reflect the activity.

**Follow-up Status #3**

**Not Implemented – In Progress** - According to the Law Department, it has and is continuing to evaluate case management software options for the Collections Practice Group that include a financial component. Attempts to utilize the CLIO software for the Collections Practice Group failed because the software does not offer a module with a financial component.

**Previous Finding #4**

The actual value reported in the budget in fiscal year 2013 is higher than the actual value recalculated by the previous auditor. The percent of bills analyzed that were submitted 5 days in advance of the Hearing Date was approximately 81%, not 95% as reported in the budget.

**Previous Recommendation #4**

The previous auditor recommended the Department revise the mechanism used to report the actual results of the performance measure “percent of bills reviewed on time”, and adjust as necessary. Additionally, revise the process for reviewing the changes in target values from year to year based on actual performance results and desired improvement goal. Also, consider renaming the performance measure to “percent of bills submitted on time (5 days prior) for the scheduled public hearing to make it more specific.

**Follow-up Status #4**

**Not Implemented** – According to the Law Department, it neither concurs with nor disputes this finding. The measure for “percent of bills reviewed on time” is determined by whether the Department files a bill report by the legal deadline of at least five days prior to the City Council hearing on the bill. It appears the audit report confuses this measure.

**Previous Finding #5**

Considered to be addressed with Finding #4

**Previous Finding #6**

The bill review process is currently supported with a Word document that does facilitate data analysis.

**Previous Recommendation #6**

The previous auditor recommended increasing the use of technology to support the bill review activity. Consider the use of Excel to track dates and facilitate data summarization and reporting.

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**Follow-up Status #6**

**Partially Implemented** - According to the Law Department, it has trained most attorneys and staff within the Litigation Practice Group on the use of the CLIO case management software. The Labor & Employment Practice Group will be trained on the use of CLIO within the next 90 days.

**Previous Finding #7**

The performance measure target established for fiscal year 2013 and 2014 does not reasonably represent past performance or the expectation that 100% of the Public Information Act (PIA) request are reviewed and submitted by the established due date.

**Previous Recommendation #7**

The previous auditor recommended establish the target at 100% of PIA's reviewed and submitted by the established due date, as expected.

**Follow-up Status #7**

**Not Implemented** – The Law Department concurs with the finding but disagrees with the recommendation. As the Audit Report notes, “The legal deadline for responding to the PIA request is triggered by submission to the agency, so the Law Department’s ability to respond to the request on time is heavily dependent upon the particular agency’s promptness in forwarding the request to Law. Therefore, Law’s ability to formulate timely response is dependent upon factors outside the Law Department. Also, the Law Department does not “oversee and facilitate the City’s compliance with the Maryland Public Information Act”; it only assists with requests that agencies and quasi-governmental entities forward to them, which during fiscal year 2013 was approximately 500 requests. Several agencies never request assistance and most agencies handle the majority of their requests without the assistance of the Law Department.

**Previous Finding #8**

The actual performance measure values reported in the budget were inaccurate during the period evaluated.

**Previous Recommendation #8**

The previous auditor recommended development of a mechanism to report actual performance measure results in an accurate manner.

**Follow-up Status #8**

**Implemented** - The application tracking data is now entered into an Excel spreadsheet in real time. Currently, MWBOO’s administrative assistant is only responsible for the initial log in. Previously, she was responsible for all data entry after the application had been through the approval process. After that, whoever “touches” the file is responsible for entering the action that was taken during the application process (i.e., initial review, request for required documentation, request for a site visit, request for an interview, and final determination). Additionally, application turnaround time is now computed on a monthly basis and provided monthly to the City Solicitor along with MWBOO’s other performance measures.

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**Previous Finding #9**

The actual number of calendar days to review/process applications (average) was greater than the established target in all four fiscal years reviewed.

**Previous Recommendation #9**

The previous auditor recommended the Department establish a process for supporting and reviewing the changes in target values from year to year based on actual performance results. Additionally, develop targets that reasonably represent a goal for improving performance.

**Follow-up Status #9**

**Implemented** - According to Law, it has identified a historic backlog of approximately 75 applications which prevented new applications from being initially reviewed by the MWBOO Division Chief within the prior 30 day target. The prior system was an Access data base where data was entered by the administrative assistant, after the application had went through the entire approval process creating a delay in capturing data in a timely manner. Law has updated its procedures by implementing the use of an Excel file, which is updated in real time starting with receipt of the files. The attorney assigned to the application updates the Excel file as milestones or action items are reached. The Excel file reflected new files received in November of 2018 that were already reviewed. This indicates that the issue of the backlog has been resolved. In addition, the Chief of MBWOO reports to the City Solicitor on a monthly basis the number of applications approved. According to Law they have adjusted their performance target to 28 days.

**Previous Finding #10**

The Access database currently used to support the application review process does not have sufficient fields to allow straightforward reporting. Consequently, in order to produce the data necessary to assess the review/turn-around time for new applications, the Department has to follow a time-consuming and cumbersome process. Further, the process is manually intensive, which creates room for human error. The previous auditor also noted that the MBE/WBE applications are paper-based, not automated through an electronic form available for on-line completion. This creates inefficiency.

**Previous Recommendation #10**

The previous auditor recommended increasing the use of technology in processing MBE and WBE applications. At minimum, incorporate business data analytics by adding data fields to the database used currently to track application milestones to facilitate review and performance reporting. Additionally, take measures to create an on-line application process for MBE/WBE certifications.

**Follow-up Status #10**

**Implemented** - The Access database is no longer being utilized. Application tracking is now performed with an Excel spreadsheet that is on MWBOO's shared drive. The spreadsheet that MWBOO is currently utilizing has been expanded to ten (10) fields which allow for recording of

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**Follow-up Status #10 (continued)**

milestones. MWBOO is also currently evaluating a web-based on-line certification software application.

**Previous Finding #11**

It is not clear which of the survey questions is used to report on this measure. The Law Department calculates an average of all the questions. Further, the target states “rating good or excellent” but the actual survey uses a different rating scale (strongly agree to disagree).

**Previous Recommendation #11**

The previous auditor recommended developing and documenting a procedure that clearly defines and describes the methodology used to calculate the target value.

**Follow-up Status #11**

**Not Implemented - In Progress** - According to the Law Department, it is working on adjusting the survey tool settings to more closely mirror the language in this performance measure.

**Previous Finding #12**

The survey results are not analyzed in such way that it allows a linkage between survey responses and specific Law Department areas.

**Previous Recommendation #12**

The previous auditor recommended using data already being gathered to connect responses to individual Law Department groups being evaluated. Change the survey tool settings in which the survey results are compiled in a manner that allows leadership to link survey responses to the specific Law Department Division or attorney that is the subject of the survey participant’s evaluation. Additionally, consider the cost-benefit of changing the frequency of the survey from annual to continual whereby the Customer Satisfaction Survey is administered to clients upon conclusion of significant cases or projects. This would allow the Department to correct issues in a more timely and effective manner.

**Follow-up Status #12**

**Not Implemented – In Progress** - According to the Law Department, it is working on adjusting the survey tool settings so survey results are compiled in a manner that allows leadership to link survey responses to the specific Law Department Division or attorney that is the subject of the survey participant’s evaluation.

**Previous Finding #13**

The Law Department’s litigation defense services performance metric “amount of pay-outs to plaintiffs who sue the City” does not appropriately reflect effectiveness or efficiency.

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**Previous Recommendation #13**

The previous auditor recommended continuing efforts to increase and expand the use of technology to all areas of litigation, thus creating more effective mechanisms to track activity in a centralized and systematic manner. Further, consider the development of performance measures that address the group's effectiveness or efficiency, such as a performance metric (ratio) that compares total legal staff personnel expense to the cost of outsourcing legal services to private counsel.

**Follow-up Status #13**

**Partially Implemented** – The Law Department continues its efforts to increase and expand the use of technology to all areas of the Litigation Practice Group in order to create more effective mechanisms to track activity in a centralized and systematic manner through use of the software. The Law Department is in the process of implementing a new software program, Exterro, which will help to track activities, reduce costs, and better prepare the City in defending litigation matters. The Law Department expects this software to be fully implemented before the end of fiscal year 2020.