



BIENNIAL AUDITS OVERSIGHT COMMITTEE BRIEFING

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CITY AUDITOR

DECEMBER 18, 2023

OUTLINE

1. Status of Group A and Group B Biennial Audits
2. Follow-up Audit Results on Prior Findings
3. Audit Plan for Group B Biennial Audits
(Calendar Year 2024 Audit Plan)

STATUS OF GROUP A AND B AUDITS

Group A: Scope is FY 2021 and FY 2022
 Group B: Scope is FY 2020 and FY 2021

Group	Agencies	Report Issued Date
B	Baltimore City Police Department (BPD)	February 3, 2023
B	Department of Transportation (DOT)	July 18, 2023
A	Mayor’s Office of Homeless Services (MOHS)	July 18, 2023
B	Mayor’s Office of Employment Development (MOED)	August 23, 2023
A	Mayor’s Office of Children and Family Success (MOCFS)	August 23, 2023
A	Department of General Services (DGS)	December 6, 2023
A	Baltimore City Development Corporation (BDC)	December 20, 2023 (Committed)
A	Department of Housing and Community Development (DHCD)	January 24, 2024 (Estimated)
A	Baltimore City Fire Department (BCFD)	January 24, 2024 (Estimated)
A	Department of Finance (DOF)	January 24, 2024 (Estimated)
A	Department of Public Water (DPW)	February 7, 2024 (Estimated)
A	Baltimore City Information Technology (BCIT)	The BAOC granted BCIT a waiver to defer the Biennial Audit to 2024.

BALTIMORE POLICE DEPARTMENT

Objective: To evaluate whether the BPD Crime Laboratory and Evidence Control has effective and efficient processes and controls over receiving, processing, and sending results for items they receive for analysis in a timely manner.

Finding	Recommendation
<p>I. Delays in the procurement of critical laboratory products and maintenance agreements for sensitive machinery negatively impacted evidence processing.</p> <ul style="list-style-type: none">• There were extensive lag times of requisitions in procurement processing.• Bureau of Procurement (BOP) required changes in the requisition method months after original submission.• BOP awarded a vendor that did not meet technical requirements specified by BPD.	<ol style="list-style-type: none">1. The Acting City Purchasing Agent: (i) follow requirements and specifications provided by BPD for procurements at the onset; (ii) fill all vacant positions and reassess operations to determine if BOP has the appropriate staffing level to support City procurement activities; and (iii) monitor aging reports to identify outstanding procurements and work with BPD to prioritize critical procurements.2. The BPD Commissioner: (i) establish formal escalation policy and procedures that include timeframes to complete next steps; and (ii) consider other procurement methods, such as multi-year contracts.3. In the interim, we recommend the BPD Commissioner, or his designee meet with the Director of Department of Finance and City Purchasing Agent to discuss the prioritization and finalization of critical procurements.

DEPARTMENT OF TRANSPORTATION

Objective: To determine whether the DOT's Federal Project Closeout process is efficient and effective.

Finding	Recommendation
<p>I. Inefficiencies in the DOT Close Out process result in delayed revenues to the City.</p> <ul style="list-style-type: none">• Of 18 samples for review, DOT was not able to provide documentation for seven (39%) of samples selected for testing.• Of the remaining 11, we identified delays ranging from 16 months to 235 months (approximately 19.6 years) from the completion of construction to the reimbursement voucher sent to the State Highway Administration.	<p>Establish policies and procedures to:</p> <ol style="list-style-type: none">(1) Establish timeframes to complete one key task to another;(2) Grant authority to Contract Administration to track and monitor key tasks for completion within the established timeframes; and(3) Maintain documentation to track and monitor the key dates.

MAYOR'S OFFICE OF EMPLOYMENT DEVELOPMENT

Objective: To determine whether MOED has effective processes, controls, and monitoring over local hiring contracts and reporting.

Findings	Recommendations
I. Enforcement of the 51 Percent local hiring requirement is restricted by the Baltimore City Code Article 5, Subtitle 27, Local Hiring (Law).	The Local Hiring Review Committee: (1) review and follow up with vendors on deficiencies in meeting the 51 percent hiring requirement; (2) report deficient vendors to the Board of Estimates; and (3) evaluate other methods to improve compliance with the Law.
II. Although MOED is tracking BOE's minutes to identify City contract awards that are subject to the Law , MOED's identification and enforcement of contractor / subcontractor compliance is limited.	The Interim Director of MOED: (1) monitor to make sure meetings are conducted with contractors and subcontractors within two weeks of the contract award date and document efforts taken to establish the meeting when it exceeds two weeks; and (2) review and follow-up with contractor / subcontractor submission of late monthly reports.

MAYOR'S OFFICE OF CHILDREN AND FAMILY SUCCESS

Objective: To evaluate the effectiveness of controls over the Rental Assistance - Eviction Prevention Program

Finding	Recommendation
None	None

DEPARTMENT OF GENERAL SERVICES

Objective: To evaluate the effectiveness of monitoring controls over fuel inventory and distribution.

Findings	Recommendations
I. The DGS has not established a system of monitoring fuel usage and identifying anomalies.	<ul style="list-style-type: none">• Work with agencies to identify key monitoring controls for fuel usage and identifying anomalies;• Establish those identified controls in the E.J. Ward system; and• Develop uniform guidance and training for Fleet Coordinators.

DEPARTMENT OF GENERAL SERVICES

Findings	Recommendations
<p>II. Key controls to identify inventory shrinkage are not effective at certain fueling sites.</p>	<ul style="list-style-type: none">• Train Site Supervisors and Fuel Attendants in charge of tracking daily fuel inventory to clarify the Standard Operating Procedures for daily and monthly inventory control; and• Establish and implement Standard Operating Procedures for periodic independent DGS visits to fueling sites to verify fuel inventory and compliance with standard procedures.

DEPARTMENT OF GENERAL SERVICES

Findings	Recommendations
<p>III. Authorization, deactivation, and emergency card inventory controls are not working effectively to restrict use to City employees for City business.</p>	<ul style="list-style-type: none">• Provide detail card activity reports to agencies for review;• Periodically have agencies validate users assigned fuel cards;• Establish and implement a formal process where agencies notify DGS of employee separations to deactivate their Personal Identification Numbers (PINs);• Establish and implement a periodic independent review for emergency WEX cards.

DEPARTMENT OF GENERAL SERVICES

Findings	Recommendations
IV. Security cameras are not deployed at all manual sites.	<ul style="list-style-type: none">• Consistently deploy cameras at all fueling sites.
V. The City paid for the fuel of two municipal golf courses that are independently operated and managed by a non-profit organization. <ul style="list-style-type: none">• Approximately \$ 49,458 (18,591 gallons) between FY 2017 and 2023.	<ul style="list-style-type: none">• Improve monitoring of fuel invoices to verify DGS pays only for fuel purchases applicable to the City.

SUMMARY OF FOLLOW-UP AUDIT RESULTS ON PRIOR FINDINGS

No.	Agencies	Group	No. of Prior Findings	Implemented	Partially Implemented	Not Implemented
1	BPD	B	9	7	1	1
2	DOT	B	4	4	0	0
3	MOHS	A	5	0	3	2
4	MOED	B	2 (including one confidential finding)	2	0	0
5	MOCFS	A	N/A	N/A	N/A	N/A

BALTIMORE POLICE DEPARTMENT

Finding	Auditor's Assessment
<p>Performance Measure - Percent of Priority One Calls for Service Dispatched to Officers in Less Than 60 Seconds</p> <ul style="list-style-type: none">Criteria and target need to be reevaluated.	<p>Partially Implemented</p> <p>The BPD:</p> <ul style="list-style-type: none">Developed performance measure policies and procedures;Did not correctly calculate the actuals for FYs 2021 and 2020.
<p>Performance Measure - Percent of Time Patrol Officers Spend on Proactive Policing</p> <ul style="list-style-type: none">Supporting documentation for the actual amounts reported in the Budget Books was not provided	<p>Not Implemented</p> <ul style="list-style-type: none">The BPD did not correctly calculate the actuals for FYs 2021 and 2020 in the Budget Book.

MAYOR'S OFFICE OF HOMELESS SERVICES

Objective: To determine the implementation status of management action plans for the prior recommendations

Finding

1. The current process takes 158 median days or 248 average days to transition individuals into permanent housing.
2. The absence of adequate and available housing inventory, time it takes to obtain necessary personal documentation, and lack of monitoring contributed to delays in the process.
3. Lack of review of financial and housing utilization data throughout the year did not allow MOHS to service the homeless community efficiently or effectively.
4. Detailed ad hoc reports of the time required to complete key activities / milestones are not produced and utilized.
5. There are no processes and controls to validate client submitted information for permanent housing services.

MAYOR'S OFFICE OF HOMELESS SERVICES (CONTINUED...)

Recommendation 1	Auditor's Assessment
<p>Form a work group with the Journey Home, Department of Housing and Community Development (DHCD), and other stakeholders to obtain a listing of City landlords and initiate an outreach program to develop an inventory of permanent housing.</p>	<p>Partially Implemented</p> <p>MOHS created two housing identification specialist positions to cultivate relationships with landlords, property owners, and management companies to help increase the supply of affordable housing. Additionally, meetings were conducted with relevant parties, which led to the identification of 2,500 affordable housing properties. However, an inventory of permanent housing directly allocated to MOHS was not established.</p>

MAYOR'S OFFICE OF HOMELESS SERVICES (CONTINUED...)

Recommendation 2	Auditor's Assessment
<p>Analyze:</p> <ol style="list-style-type: none"> <li data-bbox="249 658 988 739">1. Affordable housing projects and developments for including the inventory. <li data-bbox="249 882 1031 1139">2. Subrecipient permanent housing performance, throughout the year, to determine underperforming projects (high decline rate and administrative cost without providing full capacity housing) and reallocate those funds to new projects. 	<p>Partially Implemented</p> <ol style="list-style-type: none"> <li data-bbox="1070 658 2275 825">1. MOHS provided evidence of the submission of the Home-America Rescue Plan in conjunction with DHCD, which is intended to be used to increase the supply of affordable housing. Affordable housing is addressed above in number one. <li data-bbox="1070 882 2308 1186">2. The ranking and scoring process used to evaluate administrative costs, utilization / occupancy rates and the performance of subrecipients is applied by the Resource Allocation Committee to all housing projects excluding single room occupancy (SRO) units, which have low utilization and high decline rates. Discussions are under way to determine the future of the SRO units within the permanent housing program.

MAYOR'S OFFICE OF HOMELESS SERVICES (CONTINUED...)

Recommendation 3	Auditor's Assessment
<p>Continue to work with Maryland Department of Health and Social Security Administration to improve current process of client information validation and obtaining necessary documentation in a timely manner.</p>	<p>Partially Implemented</p> <p>MOHS has formed a partnership with Identity Access Project (IAP) to assist in obtaining birth certificates and photo ID. However, IAP does not assist in obtaining Social Security documentation. In addition, MOHS has not formed a partnership, or secured an alternative method, to expedite the process of obtaining clients' Social Security information.</p>

MAYOR'S OFFICE OF HOMELESS SERVICES (CONTINUED...)

Recommendations 4 and 5	Auditor's Assessment
<p>Develop ad hoc reporting of client activities from application through housing that included specific dates and the number of days for key activities / milestones in the administration of permanent housing.</p>	<p>Not Implemented</p> <p>There is no report currently in place to report and analyze identified key milestones for client activity.</p>
<p>Monitor those specific dates addressed in the bullet above to:</p> <ol style="list-style-type: none"> 1. Identify time lags and performance gaps in the housing placement process; 2. Resolve the issues; and 3. Revise performance base lines. 	<p>Not Implemented</p> <p>There is no report currently in place to report and analyze identified key milestones for client activity.</p>

GROUP B / CALENDAR YEAR 2024 AUDIT PLAN

- Conducted risk discussion with agencies
- Considered prior audits
- Proposed objectives are summarized in the following slides

GROUP B / CALENDAR YEAR 2024 AUDIT PLAN (CONTINUED)

No.	Agencies	Proposed Audit Objectives
	Mayor's Office of Neighborhood Safety and Engagement	Alternative to Department of Law or Department of Planning
1	Baltimore City Health Department	Effectiveness of controls over contracting process <ul style="list-style-type: none"> • Professional services • Grant subrecipients
2	Baltimore Police Department	Effectiveness of staff scheduling
3	Department of Human Resources	Effectiveness of hiring process
4	Department of Law	Effectiveness of controls over collections - general damage to City property
5	Department of Planning	Effectiveness of controls over Baltimore City Historic Tax Credit for Historic Rehabilitations and Restorations (CHAP Tax Credit)
6	Department of Recreation and Parks	Effectiveness of controls over resource management and payroll
7	Department of Transportation	Effectiveness of minor privileges processes
8	Mayor's Office of Employment Development	Effectiveness of control structure over non-recurring grants



Questions?