

**MEMORANDUM**

July 21, 2011

TO: Planning, Housing, and Economic Development (PHED) Committee

FROM: Marlene Michaelson, <sup>MM</sup> Senior Legislative Analyst

SUBJECT: Update on Actions to Implement the Recommendations in the Study of Central Administrative Services (CAS) of the Maryland-National Capital Park and Planning Commission

Two years ago, the Montgomery County and Prince George's County Councils requested a study of the Maryland-National Capital Park and Planning Commission's Central Administrative Services (CAS). That study was presented last year. The recommendations and future work suggestions from the report are attached at © 1 to 11. CAS was prepared to update the Committee on their progress in implementing the Report during review of the FY12 Operating Budget but, given time constraints, the Committee decided to defer this until summer. Attached on © 12 to 30 are the PowerPoint slides they will present to the Committee at the worksession that summarize the status of their efforts to implement the 32 suggested tasks in the Report.

The PowerPoint presentation indicates that many of the Report's recommended tasks have been completed. Tasks still in progress include the following:

1. Create targets for CAS performance and performance metrics.
2. More clearly define the goals of the MFD program and determine whether changes are needed.
3. Improve communication of internal structures, incentives, and work targets of CAS personnel.
4. Conduct ongoing evaluations to solicit feedback from user departments of CAS practices and performances and present them to the Boards.
5. Assess which services can be provided on-demand.
6. Plan, develop/launch a model of core and on-demand services through a pilot effort.
7. Develop an Enterprise Technology Strategic Plan.
8. Create Service Level Agreements (SLA's) between user departments and CAS to monitor and improve performance over time, and indicate how they will be evaluated (start with pilots).
9. Reassess which training programs should be provided by CAS and/or the departments.
10. Perform Classification reviews on a 5 year cycle.

While Staff believes that significant progress has been made, some of the remaining tasks are critical. In particular, Staff notes that the recommendation to distinguish between core and on-demand services would allow each County to determine the level of service they require for services that can be provided at different levels of intensity or by different providers (“on-demand” services). Since the Prince George’s County Departments of Planning and Parks and Recreation have always expressed an interest in a greater level of services than Montgomery County’s Commission Departments, following the Report’s recommendation is likely to lead to a greater level of services and charges being allocated to Prince George’s County. It would also provide the Montgomery Planning Department and Department of Parks the opportunity to obtain on-demand services from a provider other than CAS (e.g., County Government) if they believe an alternative provider would better serve their needs. In addition, service level agreements and performance metrics are critical to ensure CAS is providing the user departments with the quality of services they need in a timely manner.

Staff also notes that further work needs to be done to enable the Council to understand the cost allocation between counties and chargebacks from CAS to the Planning Department and Department of Parks. This is an issue the Committee may want to take up in further detail before the FY13 budget.

# Excerpts from the Review of The Central Administrative Services of the Maryland-National Park And Planning Commission

April 2010

## H. RECOMMENDATIONS

The following recommendations cover each of the major issues addressed in this report.

### GOVERNANCE

To strengthen governance within the Commission, the Planning Board should develop and implement written policies and procedures related to the decision-making process, including:

- Defining the roles and responsibilities of the seven department directors and clarifying the relationship between the Executive Director and the other six directors;
- Defining the structure of the Executive Committee (including who can participate, who can vote, how the agenda will be set, and how meeting actions will be documented; the user departments attend meetings of the Committee but are not members, and the Commission should consider whether they should be members);
- Ensuring that significant decisions of the Executive Committee are conveyed to the full Planning Boards and relevant staff;
- Establishing and maintaining a system of monitoring to ensure Commission-wide decisions are implemented (including a follow-up process and measures to ensure individual accountability);
- Establishing and maintaining a process of ensuring that stakeholder (i.e., user departments, the Commissioners, etc.) input is obtained prior to decisions that may impact the Commission and the community as a whole; and
- Establishing a protocol that maximizes communication between both of the Planning Boards and the County Councils, as it relates to pending state legislation. By establishing such a protocol, it is hoped that this will end or greatly diminish the prospect of confusing or conflicting legislative positions on proposed or pending legislation.

The Planning Boards should decide who will be responsible for determining that all Commission-wide administrative policies and procedures are followed and monitoring future compliance. The roles of CAS, the Executive Committee, and the Planning Boards in this task should be clarified.

### PERFORMANCE MANAGEMENT

- Performance Metrics should be established to create targets for performance and indicate how they will be evaluated. The performance metrics should reflect how CAS will meet its own internal objectives and meet the needs of the user departments.
- Service Level Agreements should be established that indicate the services to be provided by CAS for the departments (types of services as well as quantity and quality of services). It may

be appropriate to establish a small number of pilots in the coming year. (A sample SLA is attached at **Appendix 5**.)

- Once SLAs are developed, the Commission also needs to develop a process to monitor and evaluate their success. Incentives (and/or penalties) may be necessary to ensure the creation and adherence to SLAs.
- The Commission should examine further opportunities to embed CAS staff in the user departments, since this appears to be linked to increased satisfaction on the part of user departments.
- CAS management needs to create a new focus on customer service for user departments in its employees. Ongoing evaluations by user departments should be solicited and presented to the Planning Boards to determine if they are successful.

## **SERVICE DELIVERY**

The Study Team identified three major potential strategies to consider as a result of this CAS overview:

1. Keep the current model of CAS providing all services, but strengthen user department ability to improve service quality through Service Level Agreement system deployment and through stronger governance models.
2. Modify the current model by differentiating between “core” and “on-demand” (or non-core) services that are offered by CAS to departments. Under this model, each department would be obligated to accept the core services but free to determine the level of on-demand services it requires and whether to obtain the on-demand services from CAS or in another manner. The departments could obtain these services from one or more of the following sources:

- CAS
- Its own staff
- Staff from County departments able and willing to provide it
- Partnerships with other organizations
- Contract services with private providers

This model not only allows the two counties to select different levels of on-demand services to reflect its needs and priorities, but could also mean that departments with the counties could select different levels of on-demand services. (For example, the Montgomery County Department of Parks may prefer to have CAS provide recruitment services for the park maintenance workers they hire each year, while the Montgomery County Planning Department may prefer to do its own recruitment for specialized planning positions.) It also creates the incentive for CAS to tailor its services to user department needs so that it is the selected provider for on-demand services.

CAS charges to the departments would vary depending on the level of services each department selects. Such a model requires advance planning so that CAS would be able to budget and deploy resources in an equitable manner. In addition, the departments would not be able to significantly vary the level and types of services every year, since this would present staffing continuity problems for CAS. CAS should consider how best to staff on-demand services and whether contractual staff may be a better alternative to permanent staff if the staff support needed will vary from year to year.

3. Have all CAS services (both core and non-core) provided independently for each County by an alternative provider of its choice (e.g., County Government). Under this scenario, CAS would only retain a small core of staff required by Article 28 (or the counties would seek an amendment to Article 28 to eliminate these requirements).

The Study Team does not recommend the third option and believes that the high level of satisfaction with many CAS services, combined with the logistical and legal issues involved in any option to have a majority of CAS functions provided by another entity, indicate that this option should not be pursued. Moreover, the Study Team was not able to conclude that transferring CAS functions to another entity would result in greater efficiencies or reduced costs. Instead, the Study Team recommends a combination of options one and two above to ensure the greatest quality of services and ability to better tailor the services to meet the departments' needs.

### SERVICE DEFINITION

As previously stated, the analysis framework for this study used a service definition model provided by CAS itself. CAS is organized into three departments (Human Resources and Management, Finance, and Legal) and they have identified 46 explicit functions performed by these departments (with each office being responsible for 15, 20, and 11 respectively). This service definition was accepted with no external validation of scrutiny, and user departments provided quality assessments for each.

Within these 46 functions, it is possible to define certain functions as "core" and necessary to be provided by a centralized service delivery agent (most likely CAS staff or contractors). Others, defined by the degree of uniqueness tying it to specific departmental mandates, could be defined as "non-core" or "on-demand" and assigned to the user departments to deploy using service models best suited to their work environments. Some departments could choose to have their non-core services provided entirely by CAS, while other may choose other providers.

The determination as to which services are non-core deserves additional attention. CAS is likely to consider all functions to be core functions, while the departments may want a greater number of services to be non-core than may be optimal and, therefore, the Planning Boards will play an important role in the final determination. To **begin** this analysis, the study team reviewed all CAS functions and has come up with a preliminary allocation to each type. Most of the functions identified below as being non-core will have at least some component that must be performed by CAS. For example, while departments may choose to do their own records management, CAS would still maintain certain records such as payroll records.

Service	Core	Non-core
<b>1. HUMAN RESOURCES AND MANAGEMENT</b>		
Classification and Compensation	X	
Training		X
Benefits Management	X	
Risk Management	X	
Employee Records Management	X	
Employee Labor Relations	X	
Recruitment		X

Corporate Communications	X	
Corporate Records Management		X
MDF/Fair Practices	X	
Budget		X
Management Analysis		X
Executive Management	X	
Employee Retirement System	X	
Non-Departmental	X	
<b>2. FINANCE DEPARTMENT</b>		
Debt Management	X	
Corporate Financial Management/Analysis	X	
Financial Systems Administration & Training	X	
Department Management & Administration	X	
Accounting	X	
Accounts Payable	X	
Payroll	X	
Fraud, Waste and Abuse Audits	X	
Bank Reconciliation	X	
Facility and Program Audits	X	
Risk Assessments	X	
Investment Management	X	
Revenue Processing and Bank Management	X	
Taxes and Other Analysis	X	
Applications		X
Network Security	X	
Computer Operations		X
Procurement of Goods and Services		X
Vendor Relations	X	
Records and Policy	X	
<b>3. LEGAL DEPARTMENT</b>		
Advice	X	
Support for Planning Board/Commission Hearings	X	
Civil Trial Litigation	X	
Judicial Review Litigation	X	
Administrative Litigation	X	
Appellate Litigation	X	
Legislative Advocacy	X	
Business Transactions	X	
Property Management Transactions	X	
Procurement Transactions	X	
Regulatory Transactions	X	

Note: The Legal Department should continue the core provision of services while the embedded model is in place

The Commission may want to initiate a pilot to determine how non-core services can be shifted to the user department or another entity the department designates. The pilot would enable the user

department to establish an evaluation process to determine whether they prefer the services of CAS versus alternative providers and would establish a process for determining how CAS will reduce resources when a non-core function is shifted to another entity.

The distribution of services into core and on-demand services will necessitate a new approach to calculating the payment each County makes for CAS services. For on-demand services, each County will pay according to the level of services they require. Core services will be provided for the entire Commission, but the Study Team believes it is appropriate to reexamine how the costs for the core services are allocated. The Planning Boards and user departments need to understand the costs of each service, and CAS should develop an acceptable algorithm that distributes those costs to user departments and the Commission in a meaningful way, rather than continuing to assume an equal split for each County. In addition, work should be done to determine when CAS chargebacks to user departments are appropriate and to make those chargebacks transparent and understandable for the departments.

## **Audit**

To strengthen the internal audit function, the Planning Board should consider the following:

1. External peer reviews should be performed at least once every 3 years (as required by GAGAS); otherwise, the internal audit function should make reference to performing audits in accordance with some other audit standards, such as the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. The reviews should be presented to the Audit Committee and Planning Boards so that they can ensure that recommendations are implemented.
2. The external peer auditors should be asked to directly comment on how CAS can better minimize the perception of a lack of independence and whether the existing reporting structure serves this purpose. Options that should be considered are whether the internal audit manager should report directly to the Audit Committee or Planning Board Chairs regarding all audit-related matters, rather than reporting to the Secretary-Treasurer and/or the Executive Director. The external peer auditors should also be asked to consider whether the Secretary Treasurer should serve on the Audit Committee and whether it is appropriate for CAS to audit a department's role in the function that CAS also provides (such as IT).
3. It is critical for the Commission to strengthen the Audit Committee by providing the resources and expertise it needs to function properly. The Planning Board members that serve on that Committee are part-time Board members and devote a significant amount of time to other issues before the Planning Boards. The resources of the outside expert are critical if there is to be more than a cursory review of materials presented to the Audit Committee. This member should be appointed as soon as possible and the Planning Boards may want to consider whether to also appoint an auditing expert from each County Government to provide additional expertise. (The selection of the outside expert must be done in a manner that guarantees his or her independence.)
4. CAS should continue their practice of (1) preparing risk-based audit plans to determine audit priorities and (2) submitting the audit plans to the Audit Committee for approval. CAS should evaluate whether the audit plans are detailed enough to solicit meaningful input.

5. When preparing audit plans, the internal audit function should take into consideration audit requests made by the various departments within the Commission, and should request additional resources to perform more frequent audits, if necessary.
6. The Commission should evaluate who should receive each audit report and how it can better assure that there is appropriate follow-up for each audit. In particular, the Planning Boards should determine whether the Audit Committee, Chairs, and/or Planning Board should be briefed on each audit and provided information on a routine basis on the follow-up for each audit.

## IT

The Study Team believes that Commission IT applications should be up to date, reasonably priced, and meet the user department needs. In order to do this, greater flexibility for user departments to meet their individual needs should be provided. Enterprise-wide requirements can be accomplished in a way that takes advantage of Commission-wide economies of scale, while allowing departmental needs to be accommodated in the most direct and efficient manner.

In order to strengthen the provision and use of IT services within the Commission, the Planning Board should consider the following range of recommendations.

1. Direct that an Enterprise Technology Strategic plan be developed; such a plan should look at least 5 years in the future, incorporate the latest technology developments, and lay out a vision for the use of IT within the Commission. The term "Enterprise" should be interpreted to include both County needs and the needs of the departments and the central Commission functions in an integrated manner and, therefore, include all stakeholders in its development.

2. Establish clear roles and responsibilities for the Senior Management Technology Group and the Senior Technology Group or their successors. Included in the responsibilities should be approval processes for deployment and interoperability standards, and that would promote a single, citizen-centric view of information.
3. Establish a Core Services cluster of services that are to be performed by CAS in a centralized manner for all users; an early definition of such services might include infrastructure, security, email, and web services under a strong Content Management System that allows each user department to contribute to contribute its own information through their staff actions.
4. There are two groups intended to provide input from users into the CAS IT function: the Senior Technology Group (STG) and the Senior Management Technology Group (SMTG). It appears to be the appropriate function to allow a mix of core and on-demand services, since the user departments have very different opinions regarding CAS's role in providing IT services. Use the various Steering groups to define each non-core service and define a mechanism through which the current CAS delivery model will transition to a non-core framework for those departments who opt into such a service arrangement. The provider of non-core services might be another governmental entity or a private service provider.
5. Along with the recommendations made by the Study Team, the Commission should consider the recommendations made in the separate studies performed by Clifton Gunderson and Public Technology Institute.

## **Procurement**

In order to move the procurement recommendations forward, it would be helpful to consider an implementation group made up of procurement experts as well as departmental stakeholders who understand what is to be procured and under what conditions. This group should be tasked with the responsibility to develop and robustly disseminate, both to CAS employees and user departments, a set of "Procurement Guiding Principles" within 3 months of their work. These Principles would be based on the existing Purchasing Manual, but would incorporate user input through a methodical process. Subsequent work should review and endorse the recommended policy changes to the procurement code, and organize its rapid deployment and use.

Guiding principles for M-NCPPC might include:

1. Well documented procedures, rules, and template
2. Use of SLAs to clarify expectations and timeframes
3. A system that permits CAS' level of involvement based on the size and complexity of the procurement
4. Departments/CAS should be encouraged to achieve efficiencies through bulk purchases/riding other contracts, etc.
5. Timelines for procurement with incentives for CAS to meet deadlines.

6. The Commission should work with both Montgomery and Prince George's Counties to reexamine its MFD program and better define its justification, goals and mandate. It should further determine whether economic incentives and a more rigorous certification process are necessary to achieve these goals.

In addition, following the Legal Department's model of embedding staff may work well for procurement and should be explored.

### **Training**

CAS and departments should collaboratively identify which training should be provided by CAS and which should be provided at the department level, with final determinations to be made by the Planning Boards.

### **Human Resources**

1. CAS should work more closely with departments to develop appropriate job descriptions and identify the appropriate means and target audience for soliciting new employees (particularly for those jobs that require specialized skills).
2. By allowing this service to be provided on-demand, those departments content with CAS recruitment efforts can continue to use their services, while those departments not content can choose other options.
3. We recommend that CAS undertake an entire classification review every five years.

## **I. Future Work Suggestions**

The Planning Boards should determine which of the recommendations in the report they support, and assign a Commission Implementation Task Force to implement those recommendations. The results and actions of this Task Force should be reported to both Prince George's and Montgomery County Councils within 12 months of this report's release. This group should include both CAS and department staff. Upon formation, the Task Force should immediately develop a work plan with scheduled targets and deadlines. At a minimum, the Study Team recommends that the Commission establish its Task Force within one month after receipt of this report and revise the Executive Committee standard operating procedures within 3 months after the receipt of this Report. The Table below can be used as a starting point for the work items of the Task Force.

More in-depth analysis in specific areas may well be justified. The Study Team did not have the time nor the resources to explore the actual productivity of CAS services at a detailed level, and the high priority problem areas identified should be scoped for an additional analysis. Already, the IT function is being reviewed by the non-profit Public Technology Institute, and a report with recommendations as to a more productive provision of IT services should provide sharper insight. Similar analyses could be performed for other important functions where users have identified major concerns.

The establishment of a Service Level Agreement system under which CAS establishes explicit agreements with users as to the expected levels of service for each provided function is a complex, yet important, undertaking. An effort to develop SLAs for a small number of pilot services could be undertaken in the future and expanded to all services as experiences, outcomes, and resources permit.

Finally, an effort that could be helpful on a periodic basis is a management audit to be undertaken by an external, independent organization such as an accounting firm or a general management consulting firm. The results of such an audit should be distributed to all users, and would go a long way towards communicating the improvements made and challenges still in existence for the CAS organization.

	Action	Page reference	Time Frame
1	Establish a Commission Implementation Task Force for CAS Report recommendations and report results to Councils within 12 months	30	S
2	Clarify roles of Department Directors and Executive Director	14, 22	S
3	Clarify and implement Executive Committee procedures (departmental inclusion in Agenda setting and participation, development and posting of minutes, decisions conveyed to Boards and staff)	9,14, 22	S
4	Develop, vet and launch policy of user involvement for all commission-wide policies and procedures	9, 22	S
5	Develop a system to monitor the implementation of	22	

	Commission-wide decisions		
6	Strengthen coordination between Legal and two Counties through the development of a Protocol, with advance communication of positions before they are publicly taken	8,9,14,22	S
7	Create targets for CAS performance and performance metrics	15, 22-23	
8	Appoint the third, external member of the Audit Committee and ensure the Committee has the access to the necessary expertise and resources.	17, 27	S
9	Immediately arrange a peer review of the audit function and conduct peer reviews every three years.	18,26	S
10	Determine who should receive and be briefed on audit reports and how to ensure follow-up to audit recommendations.	27	S
11	Identify strategies to ensure independence of the audit function.	26	M
12	More clearly define the goals of the MFD program update and determine whether changes are needed	29	M
13	Improve communication of internal structures, incentives and work targets of CAS personnel to users	8	M
14	Conduct ongoing evaluations to solicit feedback from user departments of CAS practices and performance and present them to the Boards	8,23	M
15	Develop transparent and accurate costing algorithms that can serve as the foundation of improved charge back of on-demand and core services	9	M
16	Develop an IT service model which emphasizes user involvement in applications	9	M
17	Clarify IT procurement and Management responsibilities	9,10	M
18	Emphasize major procurement support through bulk purchasing	10, 28	M
19	Assess which services can be provided On-Demand	30,31	M
20	Plan, develop and launch a model of Core and On-Demand services through a pilot effort	16, 26	M
21	Ensure that Statements of Compliance be included in each audit	17	M
22	Continue to develop and submit annual audit plans for approval (and determine whether the contents of the plan can be improved).	17, 27	M
23	Develop an Enterprise Technology Strategic Plan	19, 27	M
24	Continue to identify efficiencies in CAS operations	7	M
25	Increase use of automation in recruitment	11	M
26	Create Service Level Agreements between user departments and CAS to monitor and improve performance over time, and indicate how they will be evaluated (start with pilots)	15,22	L
27	Expand the use of embedded personnel in departments	23	L
28	Develop and implement transparent chargeback model	26	L
29	Clarify Roles and Responsibilities of two steering mechanisms for IT (SMTG and STG)	27,28	L

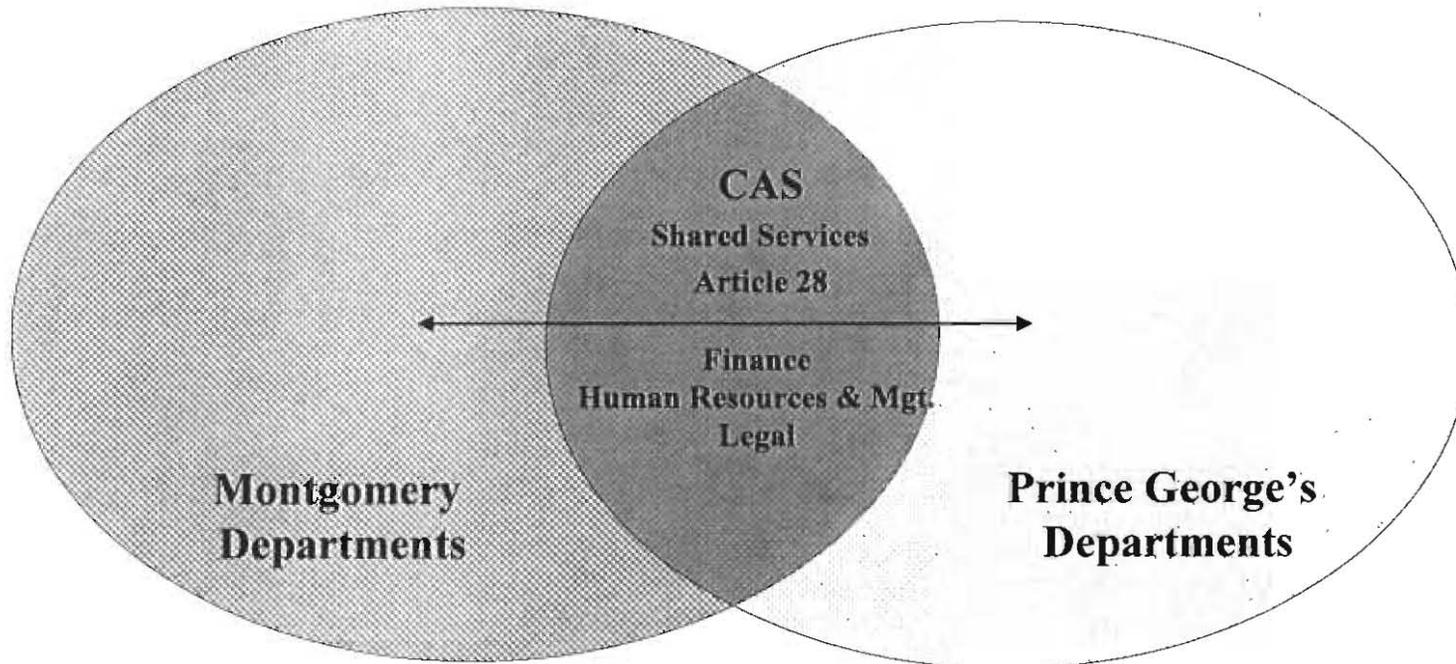
30	Establish a user group to develop and disseminate a set of procurement guiding principles (to address procedures, use of SLAs, bulk purchasing, timelines, etc.)	28	L
31	Reassess which training programs should be provided by CAS and which should be provided by departments.	29	L
32	Perform classification review on a five year cycle	29	L

Key:       **S** Short term – within the next 6 months  
              **M** Medium term – within 18 months  
              **L** Long Term – within 3 years

***Status Update on  
M-NCPPC CAS Review***

***July  
2011***

# CAS Corporate Functions



## Shared (Bi-County) Services

Corporate Governance, Corporate Financial Management, Fiduciary Responsibility, Regulatory Compliance, Financial Systems, Debt Management, Procurement, Audit, Accounting, Payroll, Budget, Employee Services, Group Insurance, Legislative Oversight, Legal Defense, Procurement, Organizational Policy, Risk Management, Merit System Administration, Community Advocacy.

# *Study Findings/Response*

## *Joint Council Final Report (April 2010)*

- Indicated new CAS management (Executive Director) had already addressed numerous issues initially identified during study.
- Did not recommend major restructuring of CAS.
- Included recommendations for service delivery; however the report also recognized that the current fiscal situation may impact implementation of some recommendations.

# *Study Recommendations*

## *Study Team made 32 work suggestions:*

- *Short term goals (6 months)*
- *Medium term goals (18 months)*
- *Long term goals (36 months)*

## *CAS Management team agreed with many report recommendations*

- *A significant number of suggestions had been implemented prior to the study or during the study process.*
- *In October 2010, CAS presented a 6 month status report on implementation of recommendations.*

# *Primary Areas of Recommendation*

- ***Governance***

- *Clarify Leadership Roles/Responsibilities*
- *Enhance Stakeholder Input*
- *Legislative Protocol*

- ***Performance Management***

- *Understanding the needs of user departments*

- ***Service Delivery***

- *Core vs. on-demand*

- ***Service Definitions***

- *Focus Areas*

- Audit
- Procurement
- Classification/Recruitment
- Enterprise IT
- Training

## ***10 Short Term Recommendations (6 months)***

*Fully implemented 9 recommendations completed within  
6-month time frame; one partially completed*

	Recommendation	Status
1	Establish an implementation task force for CAS Report recommendations; Report results to Councils within 12 months	<u>Completed</u> <ul style="list-style-type: none"> <li>➤ Established task force of Department Directors.</li> <li>➤ Requested input from Department Directors and executive management on the identification of specific concerns, needed improvements and priorities.</li> </ul>
2	Clarify roles of Department Directors and Executive Director	<u>Completed</u> <ul style="list-style-type: none"> <li>➤ Commissioners clarified collaborative roles for agency operations. Implemented with appointment of Executive Director.</li> </ul>
3	Clarify and implement Executive Committee procedures	<u>Completed</u> <ul style="list-style-type: none"> <li>➤ Commission meeting packets/process redesigned for greater consistency, accuracy and clearer documentation of meeting decisions.</li> <li>➤ Department Directors included in agenda review and establishment.</li> <li>➤ Executive Committee minutes distributed in Commission packets.</li> </ul>

	Recommendation	Status
4	Develop, vet and launch policy of user involvement for all Commission-wide policies and procedures	<u>Completed</u> <ul style="list-style-type: none"> <li>➤ The review process for agency policies was already in existence to include extensive input by Departments/Executive Committee/Commission and as applicable, the Merit System Board/Unions.</li> <li>➤ Process re-communicated to management and employees and currently being used in the comprehensive review/revision of policies.</li> </ul>
5	Develop a system to monitor the implementation of Commission-wide decisions	<u>Completed- Ongoing Process</u> <ul style="list-style-type: none"> <li>➤ Commission decisions are documented via formal policy documents which outline specific responsibilities for implementation and administration.</li> <li>➤ Rolling agenda implemented to ensure tracking and follow up of decisions.</li> </ul>
6	Strengthen coordination between Legal Department and two counties (specifically limited to state legislation)	<u>Completed</u> <ul style="list-style-type: none"> <li>➤ Planning Board chairs have assumed role for discussions with county leadership.</li> <li>➤ Legal Dept. has implemented weekly status discussions w/county legislative staff.</li> </ul>

	Recommendation	Status
7	Create targets for CAS performance and performance metrics	<p><u>Some Developed - Ongoing Process</u></p> <ul style="list-style-type: none"> <li>➤ Performance metrics are regularly established through budget process and monthly performance indicator reports to Commission/Senior Management/public. Additional measures to be developed.</li> <li>➤ Restructured departmental functions for better alignment of service delivery and updated staff performance standards.</li> </ul>
8	Appoint the 3rd, external member of the Audit Committee.	<p><u>Completed</u></p> <ul style="list-style-type: none"> <li>➤ External member of Audit Committee appointed.</li> </ul>
9	Arrange a peer review of the audit and conduct reviews every 3 yrs.	<ul style="list-style-type: none"> <li>➤ Completed independent peer review through Association of Local Government Auditors. Review found Audit function operating effectively in most regards. Some improvements suggested.</li> </ul>
10	Determine who should be briefed and the required follow-up on audit recommendations.	<ul style="list-style-type: none"> <li>➤ Adopted revised Audit Committee policy in June 2011 to conform to best practices and address areas identified in study.</li> </ul>

# ***15 Medium Term Recommendations***

***(To be Implemented in 18 months by October 2011)***

*6 Completed (some require continuous efforts )*

*9 In Progress*

	Recommendation	Status
11	Identify strategies to ensure independence of the audit function	<p><u>Completed</u></p> <ul style="list-style-type: none"> <li>➤ New governance model put in place to assure greater independence of Audit Committee, internal auditors, and external auditors. Internal Audit now reports to Commission chairs.</li> <li>➤ All audit reports submitted for review by Audit Committee which is comprised of Commissioners and an external appointee.</li> </ul>
12	More clearly define the goals of the MFD program, update and determine whether changes are needed.	<p><u>In Process</u></p> <ul style="list-style-type: none"> <li>➤ Adopted new MFD and Anti-Discrimination policies in June 2010. Included extensive input from Directors and procurement users, industry standards/best practices.</li> <li>➤ MFD statistical analysis completed monthly with quarterly reports to Commission. Analysis/ reports track utilization and determine recommendations for ongoing improvements.</li> <li>➤ Analysis of MFD Program underway; findings and recommendations to be presented to Commission in the fall.</li> </ul>

	Recommendation	Status
13	Improve communication of internal structures, incentives and work targets of CAS personnel	<p><u>Partially Completed – Continuous Process In Place</u></p> <ul style="list-style-type: none"> <li>➤ Restructured CAS operations in fall 2010 to address budget cuts and focus on core services. Incentives and targets to be developed along with expanding surveys.</li> </ul>
14	Conduct ongoing evaluations to solicit feedback from user departments of CAS practices and performance and present them to the Boards	<ul style="list-style-type: none"> <li>➤ Collaborative monthly reviews to be implemented on CAS proposed programs/directives. (Will include formal work sessions with departmental management and Commissioners, comment periods, and informational employee forums).</li> <li>➤ Redesigned internal procedures for greater access to adopted CAS communications/corporate directives. (Completed March 2011)</li> <li>➤ Access to user surveys included in electronic communications. Implemented additional online intranet tools January 2011 to allow employees/management to provide input on workplace programs/policies.</li> </ul>

	Recommendation	Status
15	Develop transparent/accurate costing for charge backs (on-demand/core services)	<p><u>Ongoing Process</u></p> <ul style="list-style-type: none"> <li>➤ Labor tracking implemented to capture work efforts/level of services to user departments including bi-county allocation.</li> <li>➤ New chargeback, allocation, and labor costing methodology was studied. Results were similar to existing allocation. Presented findings to both Boards and departments.</li> <li>➤ Labor distribution and cost driver results to be analyzed annually to assure transparency and validate cost share based on services rendered.</li> </ul>
16  17	<p>Develop an IT service model which emphasizes user involvement in applications</p> <p>Clarify IT procurement and Management responsibilities</p>	<p><u>Completed</u></p> <ul style="list-style-type: none"> <li>➤ Completed independent analysis of IT service model in collaboration w/departments/sr. mgmt.</li> <li>➤ New IT governance with CIO reporting to Executive Committee and establishment of IT Council: <ul style="list-style-type: none"> <li>➤ CIO to lead enterprise-wide initiatives/planning, improve technology effectiveness and achieve cost containment.</li> <li>➤ Clarified Commission-wide enterprise IT and departmental roles.</li> </ul> </li> </ul>

	Recommendation	Status
18	Emphasize major procurement support through bulk purchasing	<u>Completed – Continuous Process</u> ➤ Updated procurement standards to streamline bidding limits/process and allow greater use of inter agency contracts to take advantage of economies of scale.
19	Assess which services can be provided on-demand	<u>In Process:</u> ➤ Due to reduced funding and staffing, work programs have been redirected to meet regulatory and critical operational priorities. ➤ Increased specific county funding for some positions to assist in maintaining service levels to mitigate CAS FY11 & FY 12 budget reductions.
20	Plan, develop/launch a model of core and on-demand services through a pilot effort	
21	Ensure Statements of Compliance are included in each audit	<u>Completed</u>
22	Continue to develop and submit annual audit plans for approval (determine whether the contents of the plan can be improved)	<u>Completed</u> ➤ Annual Audit Plans continue to be developed. ➤ Peer review included assessment of audit process including annual plans. Review found function operating effectively.

	Recommendation	Status
23	Develop an Enterprise Technology Strategic Plan	<u>In Process</u> <ul style="list-style-type: none"> <li>➤ Implemented new governance model with CIO position reporting to Executive Committee.</li> <li>➤ IT Strategic Plan being developed based on collaboration with departmental Chief Technology Officers of each department and IT Council.</li> </ul>
24	Continue to identify efficiencies in CAS operations	<u>Substantial Progress– Continuous Process In Place</u> <ul style="list-style-type: none"> <li>➤ User surveys implemented for feedback/suggestions.</li> <li>➤ Services/programs reviewed for cross functional staffing and programmatic effectiveness. Restructured operations resulted in merged functions/realigned service delivery.</li> <li>➤ CAS resources reduced by nearly 20%.</li> </ul>
25	Increase use of automation in recruitment	<u>Completed</u> <ul style="list-style-type: none"> <li>➤ Implemented integrated and online recruitment and selection model which can be accessed by hiring managers. (NEOGOV)</li> </ul>

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## **7 Long Term Recommendations (36 months-April 2013)**

- 2 Already Completed
- 5 In Process/Deferred

	Recommendation	Status
26	Create Service Level Agreements (SLA's) between user departments and CAS to monitor and improve performance over time, and indicate how they will be evaluated (start with pilots)	<u>In Process/Ongoing</u> <ul style="list-style-type: none"> <li>➤ Research best practices/industry standards for SLA's to complete.</li> <li>➤ Departmental feedback on critical priorities sought through monthly meetings with specific timeframes/outcomes on priorities.</li> </ul>
27	Expand the use of embedded personnel in Departments	<u>Completed Based on Available Resources</u> <ul style="list-style-type: none"> <li>➤ Pilot model implemented for Purchasing.</li> <li>➤ Limited staffing restricts ability to use embedded model equally among user departments.</li> <li>➤ Additional outreach conducted through information forums/employee sessions.</li> </ul>
28	Develop and implement transparent chargeback model	<u>Annual</u> <ul style="list-style-type: none"> <li>➤ Annual chargeback review integrated within budget policy and submission process.</li> <li>➤ Labor distribution data utilized.</li> <li>➤ FY12 Budget reflects results of comprehensive review and discussion with Boards and departments.</li> </ul>

	Recommendation	Status
29	Clarify roles/responsibilities of 2 steering mechanisms for IT (SMTG and STG)	<u>Completed</u> <ul style="list-style-type: none"> <li>➤ New IT governance model implemented with IT Council and Chief Technology Officers. Roles and responsibilities developed and adopted by Commission.</li> </ul>
30	Establish a user group to develop and disseminate a set of procurement guiding principles	<u>Substantially Completed</u> <ul style="list-style-type: none"> <li>➤ Modified procurement model to expand role of departmental representatives in procurement transactions.</li> <li>➤ Updated procurement procedures for best practices. Distributed to departments for review/input.</li> </ul>
31	Reassess which training programs should be provided by CAS and/or the departments	<u>In Process</u> <ul style="list-style-type: none"> <li>➤ Budget reductions resulted in the elimination of DHRM organizational development office.</li> <li>➤ Training requiring subject matter experts for core areas such as legal /finance/ employment/ policy/regulatory compliance/workplace safety, risk management delivered by CAS.</li> </ul>
32	Perform Classification review on a 5 year cycle	<u>In Process</u> <ul style="list-style-type: none"> <li>➤ Current standard establishes 5-year cycle.</li> <li>➤ Budget constraints further limited resources for meeting demands; Departments asked to identify priority reviews.</li> </ul>

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# Current Focus

- *Continue to implement recommendations within recommended timeframes*
- *Integrate collaborative process for continuous improvement methods*
- *Continue utilizing project tracking tool to manage and assess progress within CAS and accomplishment of enterprise programs.*