

MEMORANDUM

April 23, 2010

TO: Montgomery County Council
Prince George's County Council

CC: Royce Hanson, Chairman, M-NCPPC
Samuel J. Parker, Jr., AICP, Vice-Chairman

FROM: Stephen McGibbon, Deputy County Auditor, Prince George's County Council
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SUBJECT: Central Administrative Services Report

We are pleased to submit our report on the Maryland-National Capital Park and Planning Commission (M-NCPPC) Central Administrative Services (CAS) Departments to the Prince George's and Montgomery County Councils. Last year, during its Bi-County meeting, both Councils agreed to undertake a study of CAS that would examine whether a restructuring of CAS was necessary to achieve greater efficiencies in service delivery. Our report recommends several changes to CAS related to governance, performance management, and differential service provision, and provides comments on the audit, information technology, procurement, training, and human resources functions. We have not recommended a major restructuring of CAS, but have included recommendations that could lead to the service delivery of certain functions either by the Planning or Parks and Recreation Departments or outside entities.

We present the report with two important caveats. First, much of our research was completed in the fall of 2009 when there was different management at CAS. The Executive Director has changed, and the new Director has implemented numerous changes, including several of the recommendations in the report. Some of our observations of organizational problems have already been corrected. Given the limited staff time associated with this project and our desire to complete it, we did not believe it was worthwhile to update the report based on changes that have been implemented over the past few months. Second, we note that the current fiscal situation may make it difficult to implement some of the recommendations in the report. Potential reductions in staffing or other resources could have a significant impact on CAS and M-NCPPC.

There are, however, several recommendations that could be implemented regardless of the budget situation.

We thank the staff at M-NCPPC, particularly CAS, and the respective County Governments for their assistance in preparing this report. Comments from CAS and the Study Teams' response are provided after the report.

We would also like to acknowledge the contributions of Turkessa Massiah of the Prince George's County Council staff for her assistance during our study and in compiling the report.

We recommend that the two County Councils endorse the report recommendations at the Bi-County meeting and then require periodic updates on CAS's efforts to implement the report recommendations.

REVIEW OF THE CENTRAL ADMINISTRATIVE SERVICES OF
THE MARYLAND-NATIONAL PARK AND PLANNING
COMMISSION

April 2010

For Montgomery County: Marlene Michaelson and Dr. Costis Toregas
For Prince George's County: Stephen McGibbon and Howard Stone

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A. Mandate

During their review of the FY10 Operating budget for the Maryland-National Capital Park and Planning Commission (M-NCPPC), the County Councils for Prince George's and Montgomery Counties requested a study that would address the following mandate: determine if efficiencies can be obtained within the current structure of the CAS, or if restructuring may be necessary to achieve these efficiencies. The study focused on the **impact** of organizational form on efficiency rather than efficiency itself; rather than probe deeply and with detailed analysis into the actual efficiencies of CAS operations, staff interpreted the mandate as a request to understand the organizational barriers to productivity, and attempted to identify and propose organizational changes bound to enhance this efficiency of operations.

To carry out this mandate, a Working Group was formed consisting of representatives of M-NCPPC and of each County's Legislative and Executive branches of government (see **Appendix 4** for Participants in Working Group). The four representatives of the Legislative Branch (the Study Team) had the primary responsibility for collecting and analyzing data, developing recommendations, and writing a report to the two Councils. This report is the draft report of this Study Team.

B. Methodology

In order to achieve the objectives established by this mandate, the Study Team met with members of the Working Group, including representatives from M-NCPPC and County government departments, to obtain an understanding of the Central Administrative Services (CAS) structure and to determine the feasibility of acquiring some of these functions in the respective County governments. The Study Team also reviewed formative documents, including Article 28, Planning Board reports by CAS, and Montgomery County and Prince George's County departmental documents.

CAS identified its core functions and formally presented this information, including the cost, staffing levels, and workload of each function, to the Working Group. (See the "Framework for Analysis" section of this report for further discussion.)

In addition, the Study Team conducted interviews with representatives of the Montgomery and Prince George's County Planning Boards, user departments in the Commission, and other stakeholders to determine their levels of satisfaction with the services provided by CAS. (See the "Summary of Interviews" section of this report for further discussion.)

C. Background

Authority and Purpose

The Maryland-National Capital Park and Planning Commission (the Commission) was established by the Maryland General Assembly in 1927. The Commission serves the bi-county area of Montgomery and Prince George's Counties. This area has a population of close to 1.8 million citizens and extends over 1,000 square miles adjacent to the Nation's Capital. The purpose, powers and duties of the Commission are found in Article 28 of the Annotated Code of Maryland. Pursuant to this Article, the Commission is empowered to:

- Acquire, develop, maintain and administer a regional system of parks defined as the Metropolitan District;
- Prepare and administer a general plan for the physical development in the areas of the two counties defined as the Regional District; and
- Conduct a comprehensive recreation program for Prince George's County. (The Montgomery County Department of Recreation is in the County Government, not M-NCPPC.)

Montgomery County contains 496 square miles (or 317,000 acres) of land area, with the Commission providing over 33,000 acres of parkland (over 10% of total acreage) within the County. The County's population is estimated to be 968,000. The Commission operates many parks and facilities in Montgomery County, including:

- 5 Regional Parks
- 94 Neighborhood Parks
- 3 Event Centers
- 5 Equestrian Centers
- 4 Golf Courses (currently managed by the Montgomery County Revenue Authority)
- 2 Indoor Tennis Centers

Prince George's County contains 487 square miles (311,680 acres) of land area and has an estimated population of 833,862. The Commission provides over 25,000 acres of parkland within the County (8% of the total land area in the County) and operates a variety of parks and facilities in the County, including:

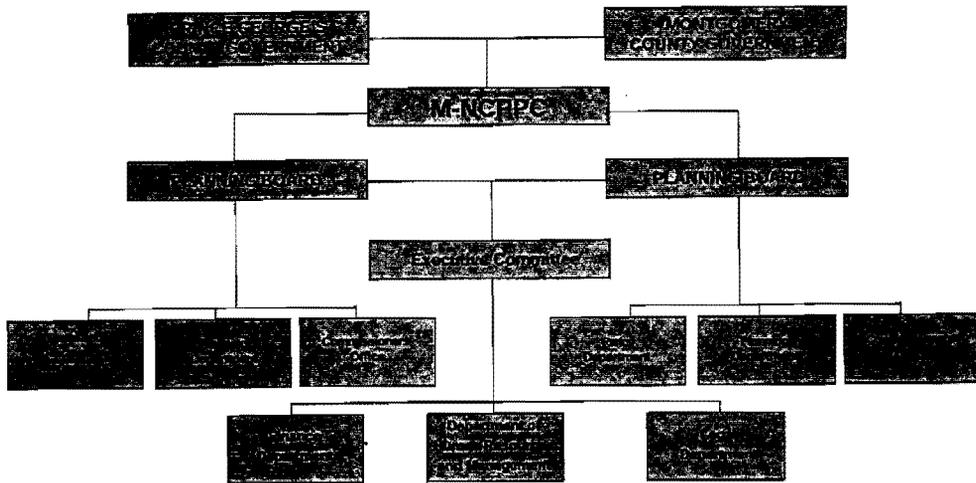
- 4 Regional Parks
- 83 Community Parks
- 11 Aquatic Facilities
- Sports and Learning Center
- 40 Community Recreation Centers
- 3 Indoor Tennis Facilities
- Equestrian Center & Showplace Arena
- 5 Golf Courses

Organization

The Commission consists of ten members – five from each county. A Commissioner from each county serves as chair and vice-chair of the Commission, and the chairmanship rotates annually between counties. The Commission coordinates and acts collectively on regional and administrative issues, and divides into the two respective County Planning Boards to conduct all other matters. Respective County Councils have final approval of the Commission’s budget. Any issues affecting both counties must be jointly concurred upon by the County Councils.

Organizationally, there are seven departments in the Commission (See M-NCPPC Organizational Chart below). In Prince George’s County, these are the Department of Planning and the Department of Parks and Recreation; in Montgomery County, these are the Department of Planning and the Department of Parks (these four departments are referred to in this Report as the “user departments”). The Human Resources and Management, Finance, and Legal departments comprise the Central Administrative Services (CAS), which supports operations in both counties. The budget for the CAS staff functions is generally divided evenly between the two counties, and the budget for these units must be approved jointly by both counties.

**THE MARYLAND-NATIONAL CAPITAL
PARK AND PLANNING COMMISSION
ORGANIZATIONAL CHART**



Under Article 28 §2-106 of the Annotated Code of Maryland, the Commission appoints an Executive Director, a Secretary-Treasurer, and a General Counsel to oversee the Human Resources and Management, the Finance, and the Legal departments, respectively. Refer to **Appendix 1** for the organizational charts of the individual departments within CAS.

The Executive Committee – consisting of the Chairman, Vice-Chairman, and the Executive Director of the Commission – was established to supervise the activities of the Executive Director and the bi-county departments. The Executive Committee performs functions delegated

by the Commission or the Planning Boards and has the authority to approve administrative practices for the Commission.

D. Framework for Analysis

The Central Administrative Services departments provide the institutional base and administration support for the Commission’s user departments and is involved in virtually every transaction performed by the Commission affecting both internal and external customers. It is the responsibility of CAS to ensure that the Commission’s business is carried out in an efficient and effective fashion.

CAS management identified a total of 46 functions currently performed in support of the user departments and the Commission as a whole, and this became the foundation for the analysis. The 46 functions were accepted as presented, together with information regarding the cost allocation (both in terms of dollars and personnel work years) and internal performance indicators and other descriptors. This information had not been previously compiled or shared with user departments in this succinct and comprehensive manner. The distribution of this material proved valuable to the departments, and began an information/update dialogue with CAS that will have lasting effect as well. The 46 functions are as follows:

1. HUMAN RESOURCES AND MANAGEMENT	15
Classification and Compensation	
Training	
Benefits Management	
Risk Management	
Employee Records Management	
Employee Labor Relations	
Recruitment	
Corporate Communications	
Corporate Records Management	
MDF/Fair Practices	
Budget	
Management Analysis	
Executive Management	
Employee Retirement System	
Non-Departmental	
2. FINANCE DEPARTMENT	20
Debt Management	
Corporate Financial Management/Analysis	
Financial Systems Administration & Training	
Department Management & Administration	
Accounting	
Accounts Payable	
Payroll	
Fraud, Waste and Abuse Audits	

Bank Reconciliation	
Facility and Program Audits	
Risk Assessments	
Investment Management	
Revenue Processing and Bank Management	
Taxes and Other Analysis	
Applications	
Network Security	
Computer Operations	
Procurement of Goods and Services	
Vendor Relations	
Records and Policy	
3. LEGAL DEPARTMENT	11
Advice	
Support for Planning Board/Commission Hearings	
Civil Trial Litigation	
Judicial Review Litigation	
Administrative Litigation	
Appellate Litigation	
Legislative Advocacy	
Business Transactions	
Property Management Transactions	
Procurement Transactions	
Regulatory Transactions	

The detailed information provided by CAS for each function is included as **Appendix 2** to this report.

These 46 functions establish the performance environment for the study. While there may be ways in which each of these functions could be performed in a more cost-effective manner without changing the service delivery model, this was not explored in detail for this study. CAS and the Planning Boards should continue to identify such opportunities. The Study Team focused on whether there are ways to improve performance for one or more functions by changing the service delivery model. The Study Team, using its own background in county government, considered alternative models of service delivery as well as options for improving the existing service delivery approach.

E. Summary of Interviews

Interviews were conducted during the months of July, August, and September 2009 with members of the two Planning Boards and senior management in the following departments (CAS management was not interviewed about the services provided by other CAS departments):

Montgomery County Planning Department
Montgomery County Department of Parks
Montgomery County Executive Branch Departments

Prince George's Department of Parks & Recreation
Prince George's County Department of Planning
Prince George's County Executive Branch Departments

The interviews yielded insights into how CAS services were perceived and identified areas where the user departments saw opportunities for improvement. **There have been changes in CAS management and certain CAS policies and procedures since these interviews were conducted, and the Study Team believes that some perceptions of CAS have changed.** Nonetheless, this Report summarizes information gathered in interviews prior to the implementation of these changes. The comments presented reflect the opinions of those interviewed. The Study Team did not conduct empirical research to validate these comments.

Comments Relevant to Both Counties:

Overall, discussions with the user departments in Montgomery County and Prince George's County yielded very different results. However, there was a general consensus on some key functions performed by CAS.

User departments in both counties were extremely satisfied with the embedded staff model utilized by the Legal Department. Under this model, legal staff is designated to work within the user departments on issues specific to each County. In addition, user departments agreed that the hiring process is more streamlined and less cumbersome with the implementation of the NEOGOV system, compared to the process of several years ago. As a result most departments have seen an improvement in the average number of days required to hire new staff. User departments were also pleased with the presentation of the specific functions performed by each CAS department in support of the Commission. As previously mentioned, this information had not been compiled and shared with the user departments in this manner, and the information proved to be valuable to the departments, as well as to the Working Group of this study, in understanding the services provided by CAS.

On the other hand, the user departments also agreed that there is a lack of coordination between the Legal Department and the county governments and that the relationship between them should be strengthened. There was also agreement between the user departments of both counties on the need to improve the services provided by CAS in several other areas. User departments in both counties raised concerns regarding the use of information technology (IT) within the

Commission, the internal audit process, and the level of service provided in the area of human resources.

The specific issues identified by the Montgomery County and Prince George's County users of CAS services, including the areas mentioned above, are discussed in more detail below.

Montgomery County Comments

General Comments

- Both user departments expressed concern about the lack of customer service (except in the Legal Department) and felt that the relationship between CAS and the user departments was more dictatorial than collaborative, and that CAS sometimes hinders, rather than helps, user departments in their efforts to provide the best possible services for the public.
- CAS does not seek input from the user departments regarding their needs and often does not follow up on user department requests or recommendations. Commission-wide policies and procedures should be developed with the input of user departments.
- Many CAS staff do not fully understand the daily functions and objectives of the user departments (except the Legal staff, who are embedded in the user departments).
- The Executive Committee does not function properly to solicit input from user departments (e.g., for items that should be on the agenda), and the lack of minutes means decisions are not recorded and are therefore difficult to implement and track.

Legal

- Embedded staff model works very well; CAS staff, by working in the department, develop a good customer orientation and a solid information foundation for service delivery.
- Legal staff is very strong and generally provides superior quality services and products.
- Legal chargebacks are difficult to understand, especially differential charges to Montgomery County, without an explicit financial model that is understood and approved by all.
- Legislative services are spotty, and lack of coordination with Council and Executive staff sometimes leads to Commission positions that are not consistent with those of the County.

IT

- IT staff are not up to speed with new technologies, and are not sufficiently nimble to track the rapidly changing profile of IT systems.
- Outputs of financial systems are not user-oriented and do not serve user financial management needs well.
- Centralized IT services should focus on Commission-wide needs (e.g., payroll); CAS should not play a role in department-specific IT applications unless requested by the department.

- Critical systems are not properly supported.
- Linkages between Montgomery County executive branch departments and the Planning Department and Department of Parks are more numerous and more critical to maintain in the IT world than the internal M-NCPPC linkages (particularly for the Department of Parks and Department of Recreation).
- Responsibilities between CAS and the user departments for IT procurement and management should be clarified with standards and protocol.
- Website content should be managed by the user departments.

Procurement

- CAS is too involved in specialized, department specific procurements and not involved enough in efforts to secure good bulk prices for generic products.
- The thresholds for different levels of CAS involvement in the procurement process need to be reevaluated to provide the greatest focus by CAS on large or complex procurements and allow the departments to undertake small routine procurements without unnecessary reviews or delays.
- The development of standardized procedures and templates should allow user departments to process small routine procurements with very limited CAS review.
- There appears to be little incentive for CAS to meet user department timelines for procurements.
- Procedures and rules are often not documented and sometimes appear to be ad hoc or change from one procurement to the next.
- The procurement process does not provide opportunities for efficiencies (e.g., through bulk purchasing.)
- The procurement process is not transparent for user departments or vendors.

Audit

- It is unclear what criteria are used to determine when and why an audit is required or who approves the scope of the audit.
- There is no independence in the audit process and some audits appear to be retaliation against individuals who have questioned CAS decisions.
- The focus appears to be on individuals and small purchases, rather than on the larger purchases that should be audited.

Training

- Department-specific training (such as advances in IT land use applications or pesticide management) should be managed by user departments, while cross-Commission issues such as ethics, diversity, and supervisory skills should be managed through CAS.

Recruitment

- CAS does well with non-professional positions (for example, park maintenance workers), but not as well with professional positions that have unique job requirements in the competitive Metro region.
- Standard formats used by CAS do not allow for flexibility to attract the most capable professional employees.
- The Montgomery County Planning Department continues to experience problems with CAS's ability to attract and screen the optimal candidates.

Prince George's County Comments

General Comments

- Overall, user departments appear to be satisfied with the services provided by CAS.
- The growth of CAS is not proportionate to the growth of the user departments.
- The Executive Director prepares the agenda for Executive Committee meetings; however, minutes (or other written documentation) of these meetings are not maintained. (Note: M-NCPPC procedure no. 1-11 requires the Executive Committee to "furnish reports of its meetings to the Commissioners".)
- Policies are created by the Commission and are implemented by the Executive Director.
- User department input is obtained on policy issues at the Executive Director's discretion.

IT

- IT systems are antiquated.
- More automation is needed in the area of recruitment.
- Reports generated by the accounting system are not readily useful.
- Systems within the Commission do not interface/work well together.
- User departments feel there are too many people in control and that there is a need for a centralized IT authority.

Audit

- User departments are not sure how audited areas are selected or if an audit plan exists.
- Audit services are performed infrequently.
- Audit staff is sometimes unresponsive to audit requests made by the departments (due to reported staff limitation).

Human Resources

- The hiring process is more streamlined and less cumbersome. As a result, over the last 2 years, user departments have seen an improvement in the average number of days required to hire new staff.

- The classification system is outdated. Salaries do not correspond to the skills needed or to the complexity/volume of work for some positions. User departments believe that more competitive pay scales are needed.
- Reclassifications (desk audits) have become common practice rather than the exception.
- Applicant ratings are based on minimum qualifications, resulting in significant time spent by the departments narrowing down the list of eligible candidates.

Procurement

- The procurement division is generally responsive to department needs.
- Some users have reported that the procurement process can be lengthy.
- The MFD process does not have a certification component.

Legal

- User departments are well served and are kept well informed.
- The legal division is timely in providing legal advice and is always available.
- Staff is knowledgeable and has the ability to work in various areas within the legal division.
- Staff should maintain better working relations with the County Council.

SATISFACTION QUESTIONNAIRE

Beyond face-to-face interviews, the Study Team requested the Planning and Parks and Recreation Departments to review and fill out a Satisfaction questionnaire. For each of the 46 CAS services, each department was asked to express their opinion as to current level of service and other evaluative parameters of operations. Each user department was given the chance to provide a single set of satisfaction scores.

Here is a *summary* of the responses to the questionnaire. Qualitative judgments can be drawn from the statistics. The most notable observations are as follows:

- There is a significant variation in the ratings of services between the Montgomery and Prince George's County departments, particularly for Human Resources and Management and Finance, where Prince George's County rated the services significantly higher than Montgomery County does.
- Both counties appear to be highly satisfied with the services provided by the Legal Department.

	Human Resources and Management	Finance Department	Legal Department	Overall assessment
Montgomery County	0.73	0.79	1.95	1.16
Prince George's County	1.32	1.43	1.95	1.57
Average	1.03	1.13	1.95	1.37

Scoring Notes

1. The scoring scale is as follows
 - Well Satisfied 2
 - Satisfied 1
 - Not Satisfied 0
 - Not Applicable
or no answer Not included in tally or in subsequent computations

2. Prince George's County scores include the Parks & Recreation and Planning departments. Montgomery County scores reflect Parks and Planning departments.

3. Detailed scores by function are shown in **Appendix 3**.

F. COMMON THEMES

From the interviews, surveys, and other communications with stakeholders, three major themes emerged for both counties: Governance, Performance Management, and Differential Service Provision. Each of these themes is presented and discussed below.

GOVERNANCE

Governance relates to the process of making and implementing decisions. Some characteristics of good governance include clear accountability, disclosure and transparency, engaging stakeholders, and consistently following the rules of the law.

During our interviews with the user departments, many questions arose surrounding the issue of governance. Some representatives from the user departments indicated that they were unclear on the reporting relationship between the user departments and CAS departments, how decisions are made on policies and issues that impact the entire Commission, and the role of the seven department directors in these decisions. Furthermore, it was unclear to the user departments what role the Executive Committee had in addressing Commission-wide issues and whether the Planning Boards provided the appropriate level of oversight.

The CAS Study Team requested copies of the minutes of the monthly Executive Committee meetings for the last 5 years. However, CAS was not able to provide documentation of the meetings for our review. It is not evident how decisions made by the Executive Committee during these meetings were recorded and communicated to the other Commissioners. As previously mentioned, M-NCPPC administrative procedure no. 1-11 requires the Executive Committee to “furnish reports of its meetings to the Commissioners”.

The roles and responsibilities of key players in the governance process do not appear to be clearly defined and communicated, resulting in increased uncertainty as organizational changes are made over time. For a period of time, the Executive Committee meetings sometimes did not include the department directors in the meetings. The practices appear to have changed in the last months, but the appropriate procedures and protocol should be clearly documented and their implementation monitored by the Planning Boards.

During our meeting with CAS, it was also revealed that a formal process does not exist to incorporate the County Councils’ views as they relate to legislative matters. This has led to a lack of a unified voice when taking positions on pending state legislation. It is important that the county governments and the Commission strive to make decisions that are in the best interest of each County.

To have the maximum effect possible, it is important that both Planning Boards and the Councils be of one accord when taking positions on legislative matters. While each is an independent entity, a Planning Board should not take a position on a matter without communication to the relevant County Council of said position. Further, it is encouraged that the Planning Boards not take a position on legislative matters until the County Councils have taken a position. While this might prove difficult given the need for timely review of pending legislation, this issue is of

paramount importance. Communication is the key element in this process and it is important that each entity is aware of the other's position to avoid potential conflicts.

PERFORMANCE MANAGEMENT

A concern raised during some of the interviews was whether CAS properly understood the needs of the user departments and responded to those needs, implying that the voice of the user departments is not strong enough in the CAS decision-making process. As a consequence, when things are not satisfactory to the departments, there are no mechanisms in place that can identify remediation actions, and users see no practical ways to influence improvements.

CAS has to answer to many masters; as a consequence, strategies and tactics that may be responsive to one may not please another. The way to avoid constant disagreements is to establish a straightforward set of performance metrics for each function performed by CAS, and to have it endorsed and approved by each user.

The first element in managing performance is a clear understanding of the services to be provided and how delivery of the services will be judged. Service Level Agreements (SLAs) are a useful tool to specify what services are to be provided, measure the quantity and quality of services provided, and permit a dialogue between provider and user based on pre-arranged targets of performance. Lacking such SLAs or similar performance agreements, it is difficult to manage the departmental direction and outcomes. An example of an SLA used by the Montgomery County Department of Technology Services is attached as **Appendix 5**.

DIFFERENTIAL SERVICE PROVISION

Prince George's and Montgomery Counties are very different in terms of citizen demands, infrastructure and service allocations. These differences have created, over time, a very different culture of service expectations by the citizens of each county, and can lead to different requirements for services currently provided by CAS. Asking both Counties to receive the same uniform services, even though their needs and level of utilization may differ sharply, may not be optimal. To respond to this observation, the Study Team explored the notion of establishing a set of "core" services and a set of non-core or "on demand" services that could be provided according to a differential service agreement. CAS is currently testing this model on a very limited basis for records management (which they call shared services or "PAYGO" for pay-as-you-go).

The "core" services that are essential for all departments in both counties, irrespective of their unique needs and services that benefit from being provided by a single common entity, should be performed by CAS and charged to all users. In this way, economies of scale are accomplished in the most efficient manner. Examples of functions that should be included in this cluster of "core" services are accounting and revenue management services.

Some services, however, may tie directly to the unique requirements of a department or agency and be of no interest to others. Similarly, a department may have unique requirements that are best met through contracting with other entities, such as another governmental entity, a private vendor, or a non-government organization (NGO). Services such as specialized information technology (IT) needs, recruitment, and department specific training may fall in this category. Options for better distinguishing between core and non-core services and meeting department needs are described in the recommendations section of this report.

G. FUNCTIONAL TASKS

The Study Team did not have the opportunity to perform a detailed review of CAS's success in performing each of the 46 functions listed earlier in this report; however, there appears to be a high level of satisfaction with most of the legal services and little comment by the departments on many of the functions, particularly those related to financial management/accounting. (The lack of comments and the relatively high ratings of the departments appear to indicate satisfaction with many services.) While there were several comments regarding the caliber of attorneys employed by CAS, at least some part of the overall satisfaction appears to be related to the strategy of embedding CAS attorneys with the user departments where they have an enhanced level of understanding of the issues faced by the departments.

CAS provision of some services appears to be problematic, either because they do not appear to meet the user department needs or are providing services in a manner that is not consistent with generally accepted practices or standards. These functions are summarized below.

Audit

Auditing is essential to government accountability; hence, conformance with internal audit standards is necessary to ensure the responsibilities of the audit function are met. CAS reported that its audits are performed in accordance with Generally Accepted Government Auditing Standards (GAGAS). These standards, used by auditors of government entities and entities receiving government funding, provide a "framework for performing high-quality audit work with competence, integrity, objectivity, and independence".¹

Staffing of the CAS audit function includes one audit manager and four staff positions (although one of the staff positions is currently frozen). The audit manager is accountable to the Secretary-Treasurer and the Audit Committee. The Audit Committee, established by the Commission in an Administrative practice in April 2008, consists of one Commissioner from each county and a third member from outside of the Commission. The Commission's Secretary-Treasurer serves as secretary. The Administrative Practice indicates that the Audit Committee "should have access to the services of at least one independent financial expert, either a Committee member or an outside party engaged by the Committee for this purpose". The third member of the Committee

¹ Government Auditing Standards, United States Government Accountability Office, July 2007 Revision

was never appointed nor does it appear that the Audit Committee has had access to outside expertise.

This Committee is responsible for providing independent review and oversight of the Commission's financial reporting processes, internal control, and independent auditors. The Committee is supposed to meet at least quarterly and report back to the Commission, as well as provide an annual report to the Commission. No written reports have been prepared by the Audit Committee and the Study Team does not know whether the Planning Board representatives on the Audit Committee orally briefed the rest of their respective Planning Boards.

As previously mentioned in the Summary of Interviews section of this report, the following issues were raised by **some of the user departments** interviewed during this study:

- There appears to be a lack of independence in the audit process;
- The criteria used to determine the audits performed is not clear; and
- Audits are not performed frequently and staff is sometimes unresponsive to audit requests.

It was also noted during our interview with CAS that the internal audit function does not appear to be in compliance with Generally Accepted Government Auditing Standards regarding the performance of external peer reviews. **It is important to note that the Study Team has neither reviewed any of the audits prepared by CAS nor made any determination regarding the quality or independence of those audits.** GAGAS recommends a statement of compliance in each audit and the Study Team does not know whether M-NCPPC audits include such a statement.

In accordance with GAGAS, the audit function "must be free from personal, external, and organizational impairments to independence and must avoid the **appearance** of such impairments of independence" (emphasis added). The current reporting structure, with the audit manager reporting to the Secretary-Treasurer and also having direct access to the Executive Director, as well as allowing the Secretary-Treasurer to serve as secretary of the Audit Committee, could be perceived as having an effect on independence. Although CAS indicated that the internal audit manager has full and free access to the Audit Committee, we were not able to determine whether this sufficiently addresses any perceived lack of independence.

GAGAS also recommends limiting audits of services that are otherwise provided by the auditing entity as a non-audit service (GAGAS section 3.29). Further analysis should be completed by auditing experts to determine if CAS fully complies with these requirements.

Basic requirements for the professional practice of internal auditing include developing a risk-based audit plan at least annually to determine audit priorities. The annual audit plan should be submitted to senior management and the board for review and approval. Periodic reports of internal audit's performance relative to the audit plan should be made to senior management and the board. Additionally, the internal audit function must ensure that internal audit resources are sufficient to achieve the CAS's approved audit plan. CAS Standard Operating Procedures require the preparation of an annual Audit Plan, approved by the Audit Committee and subject to

their quarterly review. The FY09/FY10 Audit Plan, attached as **Appendix 6**, lists projects but does not provide any information regarding the scope of the audit, the rationale of the audit, the level of risk associated with each audit function, or the resources required to implement the audit, making it difficult for someone who reviews the Plan to determine whether they concur with the selection of potential audits. The lack of an outside expert on the Committee also limits the value of any review of the Audit Plan. Also, despite the desire by some departments to have more frequent audits performed, CAS acknowledged that it cannot always respond to audit requests from the user departments due to limited resources in the internal audit division.

During our discussion with CAS, we were informed that external peer reviews are not performed on the audit function. However, GAGAS standards state that the organization “**must** have an external peer review performed by reviewers independent of the audit organization being reviewed at least once every 3 years”. Since CAS reports that it follows GAGAS, the internal audit function should be following all applicable GAGAS requirements. GAGAS also requires each audit organization to document its quality control policies and procedures and communicate those policies and procedures to its personnel (Section 3.52). CAS indicates that they first developed a quality assurance and improvement program in March 2009.

Finally, it is unclear whether audits are disseminated to all relevant parties and whether there is adequate follow-up to determine whether recommended changes are implemented. It does not appear that the Audit staff routinely brief the Audit Committee, Planning Board Chairs and/or the Planning Boards on the findings in the audits they perform and provide only selective follow-up information on implementation.

IT

There is no question that IT services are the lifeblood of all M-NCPPC departments. However, it appears that the two counties have significantly different needs and desire different levels of service from CAS in this important area. For example, the Montgomery County Planning Department has 18 different IT links to Montgomery County Government and only 8 links to CAS at the system level:

CAS	MONTGOMERY COUNTY GOVERNMENT
Performance/Financial Systems	Home Owners Notification
HP Applications P2K	Project DOX
E-Mail	State Foreclosure Rate
Web	GIS Data Pipeline
Kronos	Video Conferencing
Faser	Fibernet
Facility Security	SDE
Purchase Card	LIDAR
	E-Mail
	Web
	Addressing
	Hansen
	CISO Firewall
	MC Police - FBI Database
	Permits
	Tax Assessor
	Desktop Support
	Single Recreation Registration

This disparity of connectivity suggests that the departmental needs in IT – at least for the Montgomery County Planning Department - may well be better served through a more decentralized IT effort that can be properly reflective to the operational needs of the agency.

The authority for making decisions for IT support at the application level appears to be diffuse. User input into the design, development, and deployment of IT systems is uneven, and many examples were cited regarding the unexpected appearance of IT systems that may have been analyzed by CAS, but enjoyed little appreciation from the departments. Well beyond a communications problem, this issue of user input and engagement is so significant that the two Board chairs have made it a priority. Two separate studies were conducted by independent firms Clifton Gunderson and Public Technology Institute, and the results of both are being reviewed for implementation. More will be said in the recommendations section of this report regarding structural changes that can alleviate the dissatisfaction and negative feelings by user departments in IT. Once again, though, it should be noted that there is a disparity of comfort levels and needs between the two counties. Prince George’s County appears to be comfortable and generally

supportive of CAS's efforts in IT, while Montgomery County questions an expanded role for CAS in IT management and service provision, highlighting the imperative for a "hybrid" solution that allows flexibility in how IT services are deployed and used.

A major weakness apparent to the Study Team is the lack of an Enterprise-wide Strategic Plan for CAS. Lacking such a plan, it is difficult to understand how individual departments, as well as vendors who do work for the Commission, are in a position to appreciate and support a long term vision for IT. Especially given the complex organizational nature of CAS, the absence of a Strategic Plan, and one that covers the entire enterprise, weakens the ability of CAS to provide reliable and strong foundations for automation and day-to-day service delivery.

PROCUREMENT

The concerns articulated by departments regarding purchasing seem to center around the perceived lack of user-involvement in the process currently in use. This in turn manifests itself in specific concerns around areas such as:

- Lack of transparency evidenced by the dearth of postings of RFPs, contract progress, and other important procurement parameters both on the intranet and internet.
- Length of time it takes for routine procurements to move through, and seeming lack of incentives to complete procurements faster.
- Lack of consistent standardized processes and templates that can be invoked for repetitive purchasing actions.
- Balancing the use of bulk purchasing for items needed commission-wide, while concentrating CAS resources on unique and complex procurements of departments.
- MFD certification is self-administered and the program goals are not clearly stated, nor is progress towards them provided to decision makers.
- Service Level Agreements are directed more towards CAS timeframes, and user departments do not have input in their articulation and target establishment.

These concerns were raised by the departments interviewed by the Study team. CAS provided some responses regarding procurement practices. It was stated that "the purchasing procedures and policies will be revised based on decisions made as a result of a recent analysis of performance measures and research of best prices". They relate to threshold changes for non-competitive and informal bids, certain delegation of activities, and approvals. These recommendations appear to address some of the concerns raised by the departments, but it is hard to evaluate their impact until they have been written out and promulgated.

Another CAS foundation for purchasing procedure is the 195-page M-NCPPC Purchasing Manual. This manual appears to have been last updated in 2005, and is presumed to be available to all internal and external (vendor) stakeholders. A comparison of this manual to industry standards and best practices was outside the scope of this study.

While there is always tension between a centralized procurement authority such as CAS and the user departments, the challenge is to discern whether there are steps that could be taken to reduce

the feeling of unresponsiveness and ensure a more productive and efficient procurement process within M-NCPPC. Such steps will be discussed in the recommendations section, and would incorporate the notion of stratifying purchasing decisions and responsibilities in a way that permit departments leeway to move quickly on minor and repetitive purchases while invoking the experienced CAS resources on more challenging procurements, or areas where collective action can lead to better results.

Training

The Departments expressed concerns regarding the allocation of training responsibilities between CAS and the departments, and it does not appear that there have been discussions between the departments and CAS to determine the appropriate allocation of responsibilities.

Human Resources

During the interview process in Prince George’s County it was stated that the classification system is outdated and that reclassifications have become more of the norm rather than the exception. The following is a breakdown of the reclassifications and series reviews (specification revisions) performed over the past 5 fiscal years:

DATE	ACTIVE CAREER EES*	RECLASSIFICATIONS	SPEC REVISIONS & AFFECTED EES		ALLOCATIONS
			SPECS	EES	
FY09	2235	69	7	160	11**
FY08	2147	62	7	6	1
FY07	2046	44	10	10	10
FY06	2005	46	5	26	26
FY05	2008	64	15	28	28

*Number of active employees was calculated on July 1st of each fiscal year.

**Number of employees allocated may be different from number of employees affected as allocations are not always required when specifications are revised.

Review of the data submitted by the Human Resources division revealed that reclassifications affect only 2-3% of the workforce annually. This appears reasonable; however classifications experts recommend that overall classification plans should be reviewed every 5 years.

The mix of department responses on this issue indicates a very high degree of satisfaction for some types of recruitment (particularly non-professional positions, such as park maintenance workers) with far less satisfaction for other types of recruitment, such as professional positions that have unique job requirements in the competitive Metro region. This appears to be the

perfect opportunity for differential services provision to satisfy the unique needs of all user departments.

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
1. HUMAN RESOURCES AND MANAGEMENT		
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	
2. FINANCE DEPARTMENT		
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	
3. LEGAL DEPARTMENT		
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,	9,14, 22	S

	decisions conveyed to Boards and staff)		
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 Commission-wide decisions	22	
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

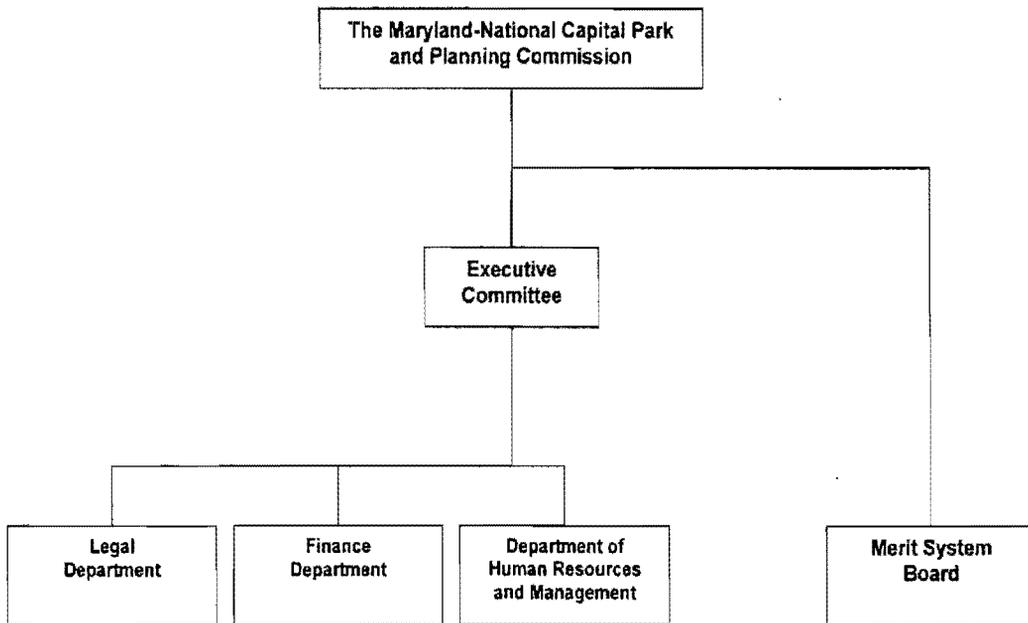
24	Continue to identify efficiencies in CAS operations	7	M
25	Increase use of automation in recruitment	11	M
26	Create Service Level Agreements between user departments and CAS to monitor and improve performance over time, and indicate how they will be evaluated (start with pilots)	15,22	L
27	Expand 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

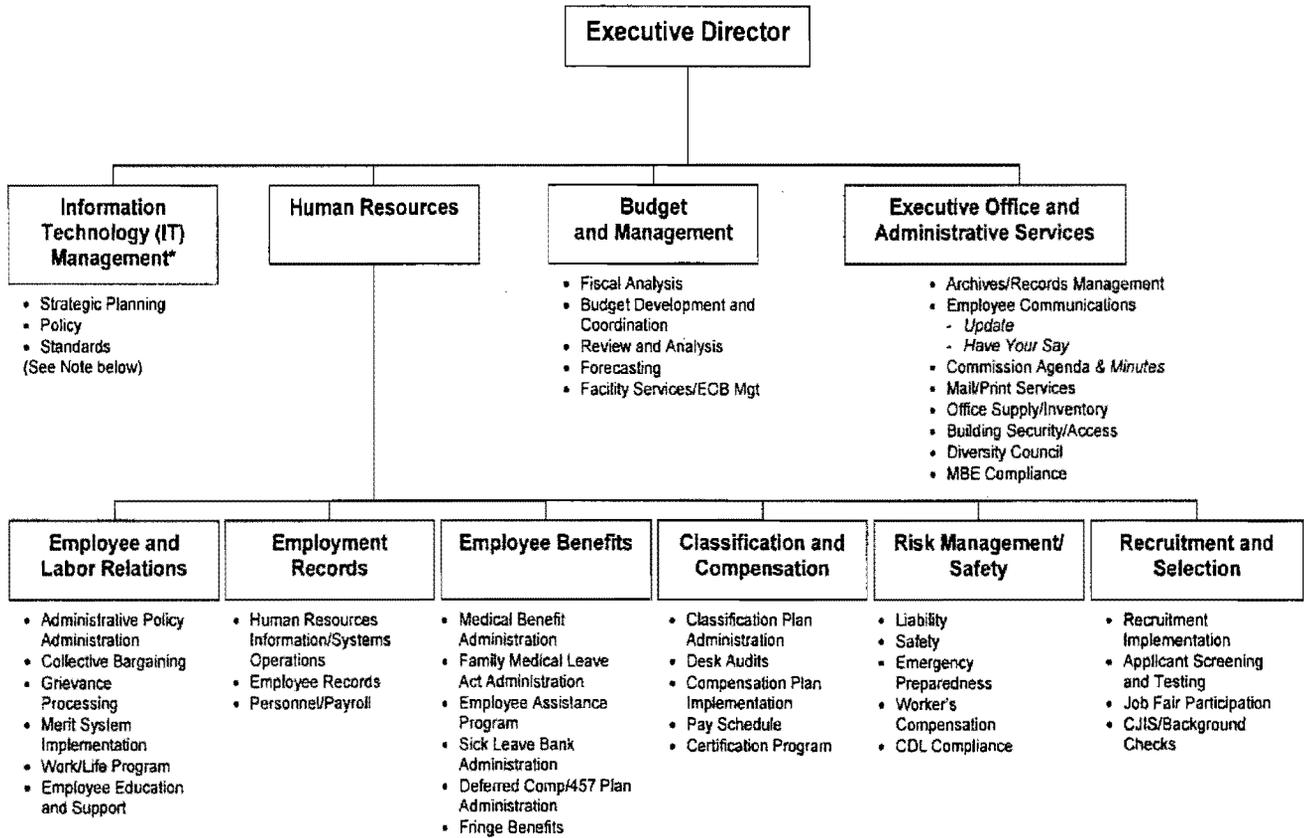
APPENDIX 1

CAS Organizational Charts

CENTRAL ADMINISTRATIVE SERVICES



DEPARTMENT of HUMAN RESOURCES and MANAGEMENT

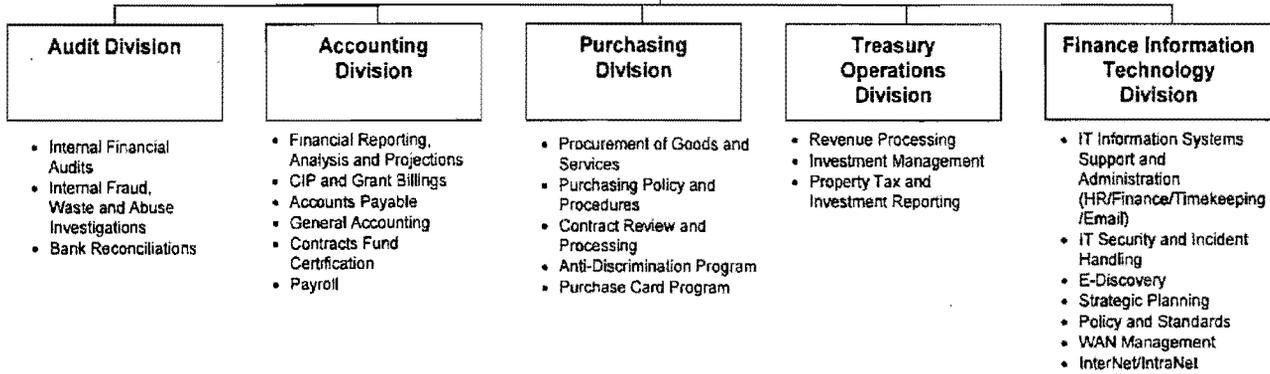


*IT Management shared with Finance.

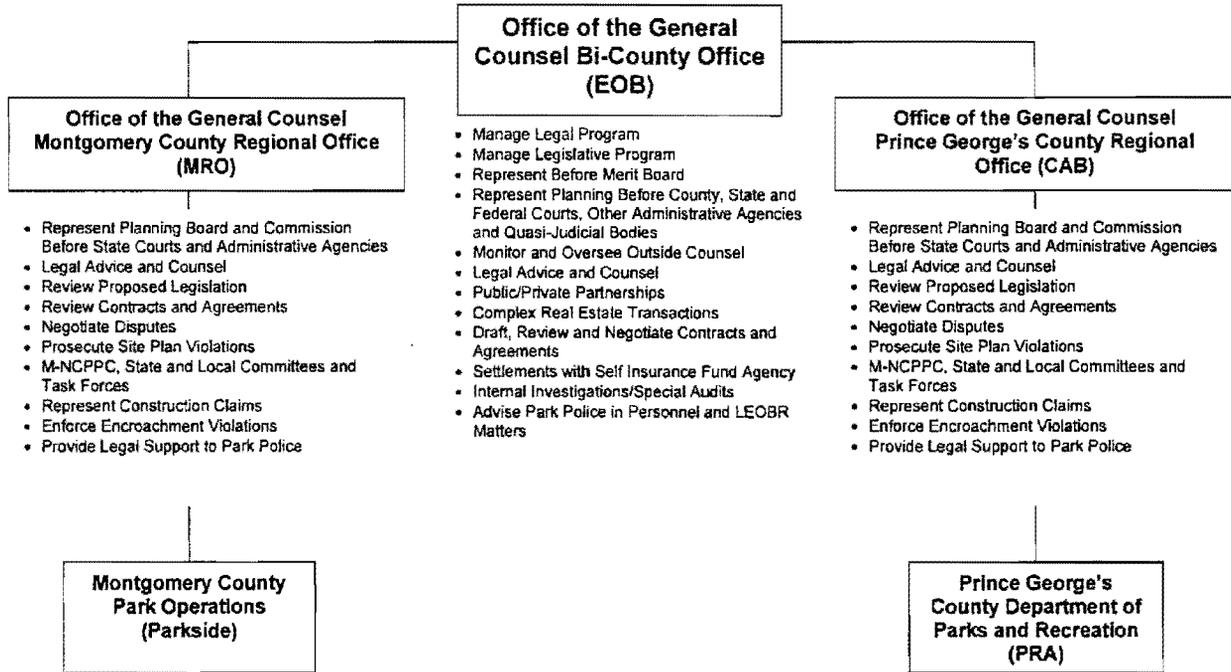
FINANCE DEPARTMENT

Office of the Secretary-Treasurer

- Corporate Financial Management
- Commission Financing, Bonds Sales
- Financial and Economic Analysis
- Public/Private Partnership Analysis
- Departmental Management & Budget
- Corporate Financial Systems Administration
- Payroll Management



LEGAL DEPARTMENT



APPENDIX 2

Detailed CAS functions, costs and performance targets

M-NCPPC CENTRAL ADMINISTRATIVE SERVICES: SURVEY OF DEPARTMENTS AND DIVISIONS

Program	Legal Mandate	Functional Role (Regulator, Consultant, Prog. Mgr., Other, or Combination)	Core Values & Operating Doctrine	Business Model	Performance Targets	Program Costs	Program Workyears	Workload Indicators	Notes
Finance Department									
Debt Management	Legal & Policy - Article 28 56-101 to 106 & 87-106, IRS '92.	Program manager	Within Code policy & legal requirements.	Centralized	Bond Rating, competitive interest rates	\$140,226	1.0	Outstanding bond and note issues, new issues and refinancings	
Corp. Fin. Mgt/Analysis	Legal & Policy - Article 28 52-105, 52-119, 53-102, 55-117 & 55-113	Program manager, regulator & adviser	Sound fiscal policies, guidance to depts.	Centralized	Sound financial position	\$343,987	1.8	Number of long term plans, number of public/private partnerships, flexible availability based on help needs.	
Financial System Admin. And Training	Policy	Program Manager & consultants	User friendly system for decision making	Centralized		\$592,001	2.0	Number of users supported	
Department Mgt & Admin	Policy	Program manager	Compliance/expense	Centralized	Budget compliance	\$408,557	4.2	Department staffing level, special project requirements	
Accounting	Legal and policy - Art. 28 52-113, 52-119, 54-102, 55-106 & 55-107	Program manager, regulator & adviser	GAAP, GASB etc., accurate financial reporting with focus on customer service	Centralized	Unqualified audit opinion, GFOA certificate of excellence	\$624,104	3.1	Number of journal entries created, number of times and sub-funds reviewed, number of contracts requiring funds certification, number of CIP contracts	
Accounts Payable	Legal and policy - Art. 28 52-201-52-204, IRS rules	Program Manager & regulator	Compliance with Rules and Regs, Accurate & Timely payment to vendors	Centralized	Target 10% Payment within 30 days, FY08 at 90%	\$285,031	8.3	Number of invoices processed, number of disbursement checks issued, number of certified checks	1 WYS process payments, 1 WYS Mgt, 1.5 WYS management/processor
Payroll	Legal and policy IRS reg	Program mgr & regulator	W-1, Rules, IRS - accurate & timely payment to employees	Centralized, with decentralized covers 9/11	Payroll deadlines	\$519,241	4.5	Number of payments issued, number of W2's issued, number of timecards processed	1 WYS process payroll, 1.5 WYS management/processor/regulatory compliance
Fraud, Waste and Abuse Audits	Legal and policy	Program Manager, Coordinator, consultant & investigator	GACAS, independence, objectivity, value added to operations	Centralized	Recommendations accepted and concided with	\$82,926	0.7	Number of investigations requested by field, number of investigations initiated due to FWA hotline reports	
Bank Reconciliations	Policy	Program Mgr	Prepare Bank Reconciliations to ensure the accuracy of Cash balance	Centralized	Accurate & timely reconciliations	\$149,170	1.4	Number of bank accounts, number of bank transactions	
Facility & Program Audits	Policy	Program Manager, Coordinator & consultant	Same as FWA	Centralized	Same as FWA	\$182,195	1.6	Number of facilities & programs to be audited	
Risk Assessments	Policy and External Auditor Recommendation, Industry Practice, OMB Circular A-133	Program Manager, Coordinator, Consultant	International Institute of Internal Auditors, GACAS independence, objectivity, value added to operations	Centralized	To ensure efficient and effective operation, reliable financial reporting, and compliance with all applicable laws and regulations.	\$188,405	1.6	New Program	
Investment Management	Legal and policy	Coordinator, program mgr and consultant	Invest, Policy, other comm, policies	Centralized	Process transactions within margin and deadlines, reasonable investment returns given cash flow and safety objectives	\$128,531	0.9	Timing of cash flow needs, size of portfolio	
Revenue Processing & Billing Management	Policy	Coordinator & program mgr	Commission policies and compliance banking contracts	Hybrid - Class Fee automated revenue reporting, central provides, online pmt, consolidated reporting and bank deposit recording	Accurate and timely revenue processing	\$178,106	2.1	Number of help deposit slips processed, number of credit card fees to reconcile and allocate	
Taxes & Other Analysis	Policy	Program manager	Analysis of revenues, explanation of deviations	Centralized	accurate financial reporting	\$65,575	0.5	County tax collections	
Applications + Finance + GAS (G/L, Budget, purchasing, fixed assets, HR/payroll etc.	Legal and policy	Program manager, coordinator, adviser	Keep system applications up-to-date and available to users	Centralized	System up time	\$1,835,881	11.0	Application support matrix	
Network Security + Finance + GAS	Legal and policy	Program manager, regulator & adviser	Ethernet viruses and desktop security	Centralized	Complete security program	\$458,975	3.0	SAH, Bandwidth, PCI compliance	
Computer Operations + Finance + GAS	Policy	Program Mgr	Keep equipment in good working order and maintenance contracts up to date	Centralized	System availability	\$1,724,437	10.0	Hardware, users	

M-NCPPC CENTRAL ADMINISTRATIVE SERVICES: SURVEY OF DEPARTMENTS AND DIVISIONS

Program	Legal Mandate	Functional Role (Regulator, Consultant, Prog. Mgr, Other, or Combination)	Core Values & Operating Doctrine	Business Model	Performance Targets	Program Costs	Program Workyears	Workload Indicators	Notes
Finance Department									
Procurement of Goods & Services	Legal & Policy, Art. 28 + S 26+15, 56 + 110, Practice 4+0	Program Manager, advisor, regulator	Code of Ethics, NIGP, compliance policy, RIS rules	Hybrid, partially decentralized	Established performance measures, 3 days to process, # of orders, GLA %	\$479,345	4.2	Number of central PO's issued, number of RFQ's and RFP's issued, number of contracts to review, surplus bids, number of purchase card transactions	
Vendor Relations	Legal & Policy, Art. 28, 26+15 + 53 + 303	Program Manager	Outreach to vendors in regard to inclusion of MFC vendors	Centralized vendor management	MPO stats	\$42,420	5.4	Number of vendors, number of new vendors per month	
Records & Policy	Legal & Policy	Program Manager, advisor	Maintain program goals	Centralized		\$250,104	2.4	Number of records required (state, research), # of contracts, # of PO's	

\$6,782,130

70

M-NCPPC CENTRAL ADMINISTRATIVE SERVICES: SURVEY OF DEPARTMENTS AND DIVISIONS

Program	Legal Mandate	Functional Role (Regulator, Consultant, Prog. Mgr, Other, or Combination)	Core Values and Operating Doctrine	Business Model: Centralized, Decentralized, Self-Serve, PAYGO, or Combo?	Performance Targets	Program Costs	Program Workyears	Workload Indicators	Notes
HUMAN RESOURCES AND MANAGEMENT									
Classification & Compensation	Art. 28, Sect. 2-112, merit system rules, sect. 900	Combination: Regulator and Consultant	Equity within the Commission pay structure, competitive within the market	Combo of Centralized w/ paygo, Departments assist with competing class requests & reviews	20% of classes reviewed/year. Within +/- 5% of market	\$837,000	4.0	Number of classes reviewed annually, Number of class audits completed, Number of market data surveys completed	
Training	No	Combination: Program Mgmt. and Quality Control	In transition	Decentralized with centralized support	In transition	\$162,400	1.0	In transition	
Benefits Management	Collective Bargaining and Individual Employment Agreements	Program Management	Healthy workforce, high customer satisfaction	Centralized to ensure consistency and equity across the Commission	80% approval rating (Satisfiers or Good) by users, 100% contracts completed	\$790,100	4.5	Enrollments in medical plans, Employees on deferred comp plans	100% charged to the Health and Life Benefits Fund.
Risk Management	Art. 28, Sect. 2-111	Combination: Consultant, Program Mgmt.	Safety and health of employees, citizens and residents, control and/or mitigate risk	Centralized for contract review, looking at team the members efforts at class. eve.	100%/100% rate at regional benchmark, Workers comp cost's 100 payroll at regional benchmark	\$668,400	5.0	Workers, Compensation reports, Inc. Facilities assessed for compliance with MCOCHA	100% charged to the Risk Management Internal Service Fund
Employee Records Management	Federal and State law	Program Mgmt.	Integrity of the data base and compliance with applicable law, quick turnaround, accuracy, reliable access to records	Centralized, but moving toward Dept. being able to do more record writing on self-serve basis	0 days backlog, 90% error-free, 0% critical downtime	\$477,000	5.0	Number of personnel action forms processed, Number of employee files maintained, Number of requests to review personnel files	
Employee/Labor Relations	Article 28, Sect. 2-112 f, merit rules, collective bargaining contracts	Combination: Regulator and consultant	Fairness, consistency and stability, adherence to merit rules, labor contracts	Centralized for bargaining and grievance resolution, daily contract admin. Always with Dept.	0.5% grievances	\$816,200	5.0	Number of employee grievances processed, Number of employees trained on labor contract provisions	Gross program costs - \$137,200 is charged back to the departments.
Recruitment	Internal practices and procedures	Combination: regulator, consultant and program mgmt.	Fairness, transparency, top quality workforce, best practices, comply with benchmarks	Central intake and processing, decentralized for part of the process, self service and paygo opportunities	No more than 70 days to hire by 12/31/09	\$734,200	5.0	Number of positions advertised, Number of applications received and processed	Gross program costs - \$132,100 is charged back to the departments. Of the \$920, is charged to Prince George's
Corporate Communications	No	Program Mgmt.	N/A	Decentralized with centralized support	N/A	\$520,500	2.5	Number of employee newsletters produced annually, Number of agendas and minutes produced	
Corporate Records Management	Federal and State law	Program Mgmt.	N/A	Combined centralized with paygo	0 days backlog	\$317,500	1.0	Number of pages of documents received and inventoried, number of requests for information	
MF DRAC Practices	No	Combination: Regulator and Consultant	Fairness, inclusiveness, timely responses	Central function	N/A	\$134,200	3.0	Number of procedure written or edited, Number of employee concerns heard	
Budget	Article 28 practices and procedures	Combination: Consultant, Program Mgmt.	Accuracy, customer service, timely tracking ahead, identify trends and outliers	Combo of centralized budget compliance with quality decentralized budget development at Dept. eve.	5% variance on expenses, 10 errors a free document, 0% OIA rating	\$806,500	4.0	Number of budget transfers reviewed, Number of budget items, Number of fiscal impact statements drafted	
Management Analysis	No	Consultant	N/A	Centralized, w/PAYGO possibilities	N/A	\$0	0.0	N/A	
Executive Management	Yes	Regulator	Compliance, operations, transparency, use of performance measurement to identify trends and outliers	Centralized	Two day turnaround average	\$954,300	4.5	Number of contracts processed, Number of proposals and dependent needs meetings coordinated, Incidence reports at EOB, Frequency of up call use	Gross program costs - \$107,800 is charged back to Risk Management
Employee Retirement System	Commission established in 1972	Program Mgmt., Consultant	Admin. The ERS for the sole benefit of members in order to pay promised benefits	Centralized	7.5% rate of return, with fees absorbed at 40 basis points	\$1,480,010	5.0		Separate entity - not part of Commission budget
Non-Departments		N/A	N/A	N/A	N/A	\$409,500	0.0	N/A	Reflects building and OPEX costs usually budgeted non-departmentally at the county level
Total, Department of Human Resources and Management						\$8,340,818	\$2.3		

M-NCPPC CENTRAL ADMINISTRATIVE SERVICES: SURVEY OF DEPARTMENTS AND DIVISIONS

Program	Functional Role (Regulator, Consultant, Prog. Mgr, Other, or Combination)	Legal Mandate	Core Values and Operating Doctrine	Business Model: Centralized, Decentralized, Self/Serve, PAYGO, or Combo?	Performance Targets	Program Costs	Program Workyears*	Workload Indicators	Notes
OFFICE OF THE GENERAL COUNSEL (LEGAL DEPARTMENT)									
Advice • Legal Counseling, Opinions of Law, and Training Programs • Historically Part of "General Counsel" Program • Now Includes Historical "Task Force" Program • Historically Included "Transactions" Programs	Art. 28 § 2-106; MRPC 1.13; Prac. 1-40	Consultant	Public Service By Providing Decision-Makers With Creative and Lawful Options	{1} On-Site On-Demand Delivery {2} Mostly Self-Serve Basis {3} Training Component	• % of Project Completion for New Requests for Legal Advice • % of Advice/Opinions Delivered By Deadline • % of Positive Survey Respondents	\$1,664,736	12.9	<u>FY 09 Planning Board Site Plan and Preliminary Plan Cases</u> • 535 Total • 243 MCPB • 292 PGPB	
Support for Planning Board/Commission Hearings • Included Historically in "General Counsel" Program	Art. 28 § 2-106; MRPC 1.13; Prac. 1-40	Consultant	Public Service By Supporting the Quasi-Judicial and Quasi-Legislative Decision-Making Process/Record	{1} On-Site On-Demand Delivery {2} Market-Driven Workload	• % of Positive Survey Reports By Commission Members re: Confidence, Quality and Value of Support	Included Above In Advice Program/ Function	Included Above In Advice Program/ Function	Included Above In Advice Program/ Function	
Civil Trial Litigation	Art. 28 § 2-106; MRPC 1.13; Prac. 1-40	Advocate and Consultant	Public Service Through Intrepid Advocacy	{1} Centralized Delivery {2} Management of Risk Management Counsel	• % of Cases Resolved At or Below Reserve	\$1,375,922	10.0	<u>New Litigation Cases</u> • FY D6 = 38 • FY D8 = 36 • FY D7 = 29	
Judicial Review Litigation • Included Historically in "Litigation" Program	Art. 28 § 2-106; MRPC 1.13; Prac. 1-40	Advocate and Consultant	Public Service Through Intrepid Advocacy	Distributed Delivery Matrix Organized By Site and Subject-Matter	• % of Cases Resolved Without Disruption to Commission Action	Included Above In Civil Trial Litigation Program/ Function	Included Above In Civil Trial Litigation Program/ Function	Included Above In Civil Trial Litigation Program/ Function	
Administrative Litigation • Included Historically in "Litigation" Program	Art. 28 § 2-106; MRPC 1.13; Prac. 1-40	Advocate and Consultant	Public Service Through Intrepid Advocacy	Distributed Delivery Matrix Organized By Site and Subject-Matter	• % of Cases Resolved Consistent With Board or Management Position	Included Above In Civil Trial Litigation Program/ Function	Included Above In Civil Trial Litigation Program/ Function	Included Above In Civil Trial Litigation Program/ Function	
Appellate Litigation • Included Historically in "Litigation" Program	Art. 28 § 2-106; MRPC 1.13; Prac. 1-40	Advocate and Consultant	Public Service Through Intrepid Advocacy	Distributed Delivery Matrix Organized By Site and Subject-Matter	• % of Cases Resolved Consistent With Board or Management Position	Included Above In Civil Trial Litigation Program/ Function	Included Above In Civil Trial Litigation Program/ Function	Included Above In Civil Trial Litigation Program/ Function	

Legislative Advocacy	Art. 28 2-106; MRPC 1.13; Prac. 1-40	§ Advocate and Consultant	Public Service Through Intrepid Advocacy	Centralized Point of Contact To Integrate Intra- Agency Decisions, Direction and Activities	• % of Legislative Proposals Resolved According to Commission Position	\$204,441	1.6	FY 09: Monitor or Advocate on 40+ Legislative Proposals, including 22 Bi-County and Statewide Land Use Bills.	
Business Transactions • Included Historically in "General Counsel" Program	Art. 28 2-106; MRPC 1.13; Prac. 1-40	§ Consultant and Advocate in Negotiation	Public Service By Protecting Commission Resources and Taxpayer Value	[1] On-Size On-Demand Delivery [2] Mostly Self- Serve Basis [3] Training Component	• % of Project Completion for New Requests for Legal Advice • % of Docu- ments Reviewed By Deadline • % of Positive Survey Respondents	Included Above In Advice Program/ Function	Included Above In Advice Program/ Function	FY 08: 1,200+ Legal Documents Reviewed	
Property Management Transactions • Included Historically in "General Counsel" Program	Art. 28 2-106; MRPC 1.13; Prac. 1-40	§ Consultant and Advocate in Negotiation	Public Service By Protecting Commission Resources and Taxpayer Value	[1] On-Size On-Demand Delivery [2] Mostly Self- Serve Basis [3] Training Component	• % of Project Completion for New Requests for Legal Advice • % of Docu- ments Reviewed By Deadline • % of Positive Survey Respondents	Included Above In Advice Program/ Function	Included Above In Advice Program/ Function	Included In Business Transactions Program/ Function	
Procurement Transactions • Included Historically in "General Counsel" Program	Art. 28 2-106; MRPC 1.13; Prac. 1-40	§ Consultant and Advocate in Negotiation	Public Service By Protecting Commission Resources and Taxpayer Value	[1] On-Size On-Demand Delivery [2] Mostly Self- Serve Basis [3] Training Component	• % of Project Completion for New Requests for Legal Advice • % of Docu- ments Reviewed By Deadline • % of Positive Survey Respondents	Included Above In Advice Program/ Function	Included Above In Advice Program/ Function	Included In Business Transactions Program/ Function	
Regulatory Transactions • Included Historically in "General Counsel" Program	Art. 28 2-106; MRPC 1.13; Prac. 1-40	§ Consultant and Advocate in Negotiation	Public Service By Implementing Transactional Aspects of Planning Board Decisions	Distributed Delivery Matrix Organized By Site	• % of Documents Reviewed By Deadline	Included Above In Advice Program/ Function	Included Above In Advice Program/ Function	Included In Business Transactions Program/ Function	
Total Before Non-Departmental						\$3,245,100			
Non-Departmental Charges						\$179,000			
Total Plus Non-Departmental						\$3,424,100			

* [1] One Atty WY Approved for Funding by Chargeback to MC Development Review Fund For MC Planning. [2] One Atty WY Approved for Funding by Chargeback to Pr. Geo. Planning (Admin) Fund for Pr. Geo. Planning. [3] One Atty WY Approved for Funding by Chargeback to MC Park Fund for MC Park Department Transactions. [4] One Atty WY Approved for Funding by Chargeback to Pr. Geo. DPR for DPR Transactions. [5] One Atty WY Approved for Funding by Chargeback to MC Planning Risk Management Fund for MC Planning. [6] One Law Clrk WY Approved for funding by Chargeback to Pr. Geo. Planning (Admin) Fund for Pr. Geo. Planning Dept.

APPENDIX 3

User CAS Performance Assessment

Charts provided by CAS with each of the 46 major functions was distributed to all user departments and other stakeholders by the study team. A request was made to come up with an over all assessment of CAS performance using the following 4-element scale

Well Satisfied 2
 Satisfied 1
 Not Applicable Not counted
 Not Satisfied 0

The following spreadsheet documents the individual performance marks and aggregates averages by CAS department, by government entity and finally provides a single over all assessment ranking reflecting all performance marks.

SERVICE	PGC AVG	MC AVG	AVG
I. HUMAN RESOURCES AND MANAGEMENT	1.32	0.73	1.03
Classification and Compensation	0.50	1.00	0.75
Training	1.00	0.00	0.50
Benefits Management	2.00	1.50	1.75
Risk Management	1.50	1.00	1.25
Employee Records Management	1.50	1.50	1.50
Employee Labor Relations	1.50	1.50	1.50
Recruitment	1.50	1.00	1.25
Corporate Communications	1.00	0.00	0.50
Corporate Records Management	1.00	0.00	0.50
MDF/Fair Practices	0.50	0.00	0.25
Budget	2.00	0.00	1.00
Management Analysis			
Executive Management	1.00	0.00	0.50
Employee Retirement System	2.00	2.00	2.00
Non-Departmental	1.50		1.50

2. FINANCE DEPARTMENT	1.43	0.79	1.13
Debt Management	2.00	2.00	2.00
Corporate Financial Management / Analysis	2.00	2.00	2.00
Financial Systems Administration & Training	1.50	1.00	1.25
Department Management & Administration	2.00	1.00	1.50
Accounting	2.00	1.50	1.75
Accounts Payable	2.00	1.00	1.50
Payroll	2.00	1.50	1.75
Fraud, Waste and Abuse audits	1.00	0.00	0.50
Bank Reconciliation	1.50		1.50
Facility and Program Audits	0.50	1.00	0.75
Risk Assessments	2.00	0.00	1.00
Investment management	2.00	2.00	2.00
Revenue Processing and Bank Management	1.50	0.50	1.00
Taxes and other analysis	1.50	0.50	1.00
Applications	0.50	0.00	0.25
Network Security	1.00	0.50	0.75
Computer Operations	1.00	0.00	0.50
Procurement of goods and services	0.50	0.00	0.25
Vendor relations	0.50	0.50	0.50
Records and Policy	1.50	0.00	0.75
3. LEGAL DEPARTMENT	1.95	1.95	1.95
Advice	2.00	2.00	2.00
Support for Planning Board/Commission hearings	2.00	2.00	2.00
Civil trial litigation	2.00	2.00	2.00
Judicial review litigation	2.00	2.00	2.00
Administrative litigation	2.00	2.00	2.00
Appellate litigation	2.00	2.00	2.00
Legislative advocacy	1.50	1.50	1.50
Business transactions	2.00	2.00	2.00
Property management transactions	2.00	2.00	2.00
Procurement transactions	2.00	2.00	2.00
Regulatory transactions	2.00	2.00	2.00
CAS AVERAGES	1.57	1.16	1.37

APPENDIX 4

Participants in Working Group

NAME	TITLE
Prince George's County	
<i>Council Office</i>	
Stephen J. McGibbon	Deputy County Auditor
Howard Stone	Administrative Specialist
<i>County Executive</i>	
Jonathan Seeman	OMB Director
Helen Alem	Sp. Assistant to Deputy CAO
Montgomery County	
<i>Council Office</i>	
Marlene Michaelson	Senior Legislative Analyst
Dr. Costis Toregas	Council IT Adviser
<i>County Executive</i>	
Fariba Kassiri	Assistant CAO
Joe Beach	OMB Director
M-NCPPC	
Al Warfield	Acting Secretary-Treasurer
Patti Barney	Executive Director

APPENDIX 5

Sample Service Level Agreement



Service Level Agreement (SLA): General Information Referral

Department: Department of Technology Services

Group/Division: Office of Cable and Communication Services

Brief Description: DTS Cable Office General Information Referral

Long Description: General information SRs referred to DTS Cable Office for additional expertise.

Hours of Operation: 9:00 am to 5:00 pm Monday thru Friday

Time to Complete: One business day

Default Priority: Medium

Customer Follow-Up: None

Redress: Name, address, phone number, email address, name of cable company providing service, name of cable account holder if different from complainant. Brief description of the problem, issue, or question requiring subject matter expertise.

Notes/Comments: Obtain specific question requiring subject matter expertise. If the customer lives in the City of Gaithersburg, cable complaints are handled by the City Manager's office at (301) 258-6310.
Complaints or questions about cable television service should first be directed to the customer's cable provider:

Comcast	301-424-4400	www.comcast.com
RCN	1-800-746-4726	www.rcn.net
Verizon	1-888-553-1555 1-888-438-3467	www.verizon.net

Key Words: Complaints about cable service, online cable complaints, regulation of cable rates, cable providers, regulation of cable programming, cable billing, responsibility for cable equipment, cable franchise fees, Peg I-Net fee, State taxes on cable bill, CCC, Cable Compliance Commission, escalation of cable complaint, incorrect bill, double billed, no credit for loss of service, payment not posted to account, no refund after disconnected service, telephone service, static on phone line, no dial tone, dropped calls, no voice mail, internet connectivity, internet service, internet connection, hold time, answer time, customer service, television reception, no on demand service, pixilated picture, picture break-up, tiling picture, jig saw puzzle picture, digging, excavation, construction, dead grass, restoration after construction, cable marketing, cable installation, damage from installation, incomplete installation, damaged property, cable service availability, exposed cable line, low hanging cable, unburied cable

URL: <http://www.montgomerycountymd.gov/mcrgtmpl.asp?url=/content/cableOffice/compctm.asp>

Phone Number:



Additional Information:

- The County's rate regulatory authority is limited to reviewing the rates charged for the basic service tier and the monthly equipment rental fee. Maximum permitted rates in these areas are set by applying rules and formulas established by the Federal Communications Commission (FCC), but the County has no authority over the rates charged for expanded service tiers.
- Federal law specifically outlines the channel authority oversight given to the Local Franchising Authority (LAF). The only jurisdiction granted to the County is oversight of the Public, Educational and Government (PEG) channels that are produced by the local municipalities. The addition, deletion, or re-positioning of a cable channel is a business and programming decisions made solely by the cable company without regulatory interference.
- When a subscriber contacts the cable company to disconnect service, the billing should stop the following day.
- Cable modems, routers, converter boxes, remotes and power cords are the property of the cable provider. The subscriber pays a monthly rental fee for use of this equipment and is responsible for their safe return if service is ever discontinued. Please obtain a receipt when any equipment is returned. The cable company's receipt is the only proof of returned equipment.
- Cable operators are permitted to establish their own terms and conditions regarding payment procedures. By subscribing to cable service, the user agrees to the payment procedures set forth by the provider.

Probing questions that should be asked by the MC311 Customer Service Center (CSC), customer service representative (CSR) pertaining to this request:

- Is the cable customer located in Montgomery County but outside of the City of Gaithersburg?
- Have you notified your cable provider of the issue or problem?
- What is your name?
- What is your address?
- What is your phone number?
- What is your email address?
- Who is your cable provider?
- What is the name of the cable account holder? (if different from complainant)



Service Level Agreement (SLA): Cable Complaints

Department: Department of Technology Services
Group/Division: Office of Cable and Communication Services
Brief Description: Complaint Resolution Process
Long Description: The Montgomery County Department of Technology Services, Office of Cable and Communication Services, investigates complaints and serves as an intermediary to resolve issues between the cable operator and subscribers. After a customer has contacted their cable provider regarding a cable related concern and has not received a satisfactory resolution, they may request assistance from the County's Cable Office.
Hours of Operation: 9:00 am to 5:00 pm Monday thru Friday
Time to Complete: 1 business day
Default Priority: Medium
Customer Follow-Up: Customer is notified by email or phone that the Cable Office has received the customer's complaint and it has been forwarded to the cable provider.
Redress: Name, address, phone number, email address, name of cable company providing service, name of cable account holder if different from complainant. Brief description of cable problem or issue.
Notes/Comments: If the customer lives in the City of Gaithersburg, cable complaints are handled by the City Manager's office at (301) 258-6310. Complaints or questions about cable television service should first be directed to the customer's cable provider:

Comcast	301-424-4400	www.comcast.com
RCN	1-800-746-4726	www.rcn.net
Verizon	1-888-553-1555	www.verizon.net
	1-888-438-3467	

Key Words: Complaints about cable service, cable, online cable complaints, regulation of cable rates, cable provider, cable providers, regulation of cable programming, cable billing, responsibility for cable equipment, cable franchise fees, Peg I-Net fee, State taxes on cable bill, CCC, Cable Compliance Commission, escalation of cable complaint, incorrect bill, double billed, no credit for loss of service, payment not posted to account, no refund after disconnected service, telephone service, static on phone line, no dial tone, dropped calls, no voice mail, internet connectivity, internet service, internet connection, hold time, answer time, customer service, television reception, no on demand service, pixilated picture, picture break-up, tiling picture, jig saw puzzle picture, digging, excavation, construction, dead grass, restoration after construction, cable marketing, cable installation, damage from installation, incomplete installation, damaged property, cable service availability, exposed cable line, low hanging cable, unburied cable,



URL: <http://www.montgomerycountymd.gov/mcgtmpl.asp?url=/content/cableOffice/compctm.asp>

Phone Number:

Additional Information:

- Below are the average times for cable complaint resolution based on complaint type
 - Billing 27 days
 - Construction 34 days
 - Cable Line Related 44 days
 - Installation 17 days
 - Internet 20 days
 - Marketing 11 days
 - Reception 19 days
 - Serviceability 19 days
 - Telephone Service 15 days
 - Other 25 days

Probing questions that should be asked by the MC311 Customer Service Center (CSC), customer service representative (CSR) pertaining to this request:

- Is the cable customer located in Montgomery County but outside of the City of Gaithersburg?
- Have you notified your cable provider of the issue or problem?
- What is your name?
- What is your address?
- What is your phone number?
- What is your email address?
- Who is your cable provider?
- What is the name of the cable account holder? (If different from complainant)

APPENDIX 6

**The Maryland-National Capital Park & Planning Commission
FY 09 & 10 Audit Plan
Developed by the Audit Division
Approved by the Audit Committee
In order to improve Efficiency; Effectiveness and Compliance
&
Prevent Fraud, Waste and Abuse in the Commission
The Maryland-National Capital Park and Planning Commission
Audit Division
6611 Kenilworth Ave. Riverdale MD, 20737 Suite 403**

**The Maryland-National Capital Park and Planning Commission
FY 2009 & FY 2010 Audit Plan**

The Audit Division Chief should establish plans to discharge assigned responsibilities in accordance with the Charter. Such planning involves a systematic approach to the setting of objectives and goals, the selection of an appropriate strategy and planning approach from various alternatives, and enables measurement of the achievement of the unit's objectives.

The audit planning process involves the establishment of: a Strategic Audit Plan which is the identification and documentation of auditable areas within an Audit Universe, and the prioritization of these areas for review based on a predetermined risk assessment methodology; an Annual Audit Plan which sets out the planning of individual audit assignments over FY2009 & FY 2010.

It is Internal Audit policy that a Strategic Audit Plan shall be maintained. The plan will be designed so that all major auditable areas of the Commission are considered and risk ranked before audit resources are assigned to selected tasks. The plan will be developed by the Audit Division Chief, with ultimate approval by the Audit Committee.

Purpose

The Maryland-National Capital Park and Planning Commission Audit Division Strategic Audit Plan serves the following purposes:

1. **As an Identification of Auditable Tasks:** A strategic plan highlights the key activities in the organization to be reviewed. It can thus provide assurance that no significant auditable area has been overlooked. We believe a well-constructed and dynamic strategic plan provides tangible evidence of management commitment to audit coverage as part of the organization's overall system of internal control.
2. **Justification of Resources:** A strategic plan, when accepted, can support management's requests for establishing staff levels and in determining associated budgets.
3. **Management Participation:** Management overview of the strategic plan will ensure that Audit's assessment of relative priorities accords with that of management.
4. **Accountability:** A plan allows the comparison of work completed to work scheduled and is an important link in the accountability chain.
5. **Direction and Control:** A well-structured, long-range strategic plan, with regular reports to executive management, is an indicator of a well-organized and administered Audit unit.
6. **Liaison:** Communication of long-term plans can facilitate working arrangements with all other review activities, including external audit.

Developing a Strategic Audit Plan

The Maryland-National Capital Park and Planning Commission Audit Division strategic audit plan is established based on the following process:

1. Fraud, Waste, and Abuse Hotline Reporting;

2. Management Request; and
3. Risk ranking; and prioritization of auditable areas (within the Audit Universe).

Identification of Auditable Areas

The Audit Universe of auditable areas must consider all major Commission operations, systems and computer environments. To this end, Audit management must seek relevant information from a variety of different sources e.g.

1. The Maryland-National Capital Park and Planning Board;
2. The Audit Committee;
3. Executive management;
4. Line management ;
5. Organizational strategic and operational plans;
6. Administrative Practices and Procedures, User Guides, Procedures Manuals, other relevant applicable rules and regulations;
7. Audit staff ;
8. Previous audit results; and
9. The Commission Risk Map.

Risk Ranking

Having identified the total set of audit tasks within the Audit Universe, it is now necessary to individually rank and prioritize these tasks so as to ensure that Audit resources are allocated to where they are most needed.

This is done by employing a suitable risk assessment methodology e.g. aligning the Audit Universe with the Commission's Risk Map, or using a range of weighted risk assessment factors such as Criticality, External Factors, and Management Competence. In either case, the expected outcome is a sorted and prioritized list of audits ready for input into the Annual Audit Plan.

NOTE: The Strategic Audit Plan reflects the risk profile of the organization at one specific point in time. It needs to be dynamic, as during the year; new auditable areas may be identified; existing auditable areas may disappear; and new risks may be identified or existing risks may change in terms of their probability and/or impact.

Annual Audit Plan

Prior to the commencement of each new fiscal year, the Strategic Audit Plan will be updated and an Annual (Operational) Audit Plan developed. This plan indicates audit coverage within the constraints of available resources for a period of one fiscal year.

The plan will be developed by the Audit Division Chief. The Annual Plan is submitted to the Audit Committee for review and approval, prior to the commencement of the new fiscal year.

Considerations for Planning

Not all of the auditable areas identified and risks ranked in the Audit Universe will be covered in the Annual Audit Plan. The availability, skills and knowledge of available internal audit resources, the ability to outsource or co-source audits, and the scope and objectives of each audit are factors affecting the selection of any one audit in the final operational plan. With regards to scope and objectives, typical examples are:

1. Preliminary Review - no audit testing required.
2. New Audit - audit program development and audit testing required.
3. Existing Audit - audit program update and audit testing required.

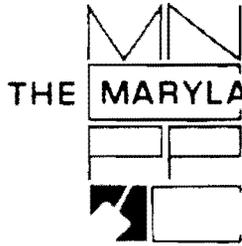
In assigning audits to staff, the Audit Division Chief should: reserve a proportion of time to meet ad hoc management requests or undertake special investigations, and be involved in major Commission projects; make appropriate allocations of time for two or more auditors to work on the same audit; ensure auditors are adequately rotated on audits to minimize reliance on key persons and increase skills and knowledge across the team; and determine availability of working hours for each employee ONLY after first calculating total non-worked time e.g. annual leave, long service leave, sick leave, training, study leave/exams and non-productive administration time.

In addition, the Audit Division Chief will ensure that agreement is reached with the Audit Committee on the timing of each proposed audit, and its scope and objectives, prior to the Annual Audit Plan being approved by the Audit Committee.

Maryland-National Park and Planning Commission					
FY 2010 Audit Plan					
County	Department	Division/Facility	Type of Audits/Review	Cause	Planned Time Frame
CAS	Finance	IT	Risk Assessment	Risk Assessment	01-Apr-09
CAS	Finance	Cash Management	Risk Assessment	Risk Assessment	01-Apr-09
MC	Park	Police	Investigation of Fraud, Waste, and Abuse	Hotline	01-Apr-09
MC	Board	Commissioner Office	Surprise Cash Count	Risk Assessment	01-May-09
MC	Planning	Director Office	Financial Compliance- CC	Risk Assessment	01-May-09
PG	Park & Rec.	Trap & Skeet	Surprise Cash Count	Risk Assessment	01-May-09
PG	Park & Rec.	Montpelier Manson	Surprise Cash Count	Risk Assessment	01-May-09
PG	Park & Rec.	Enterprise Golf	Surprise Cash Count	Risk Assessment	01-May-09

		Course			
PG	Park & Rec.	Newton White Mansion	Surprise Cash Count	Risk Assessment	01-May-09
PG	Park & Rec.	Berwyn Heights cc	Surprise Cash Count	Risk Assessment	01-May-09
PG	Park & Rec.	Paint Branch Golf Course	Surprise Cash Count	Requested by management	01-May-09
PG	Park & Rec.	Langley Park CC	Surprise Cash Count	Risk Assessment	01-May-09
PG	Park & Rec.	Bladensburg Waterfront Park	Surprise Cash Count	Requested by management	01-May-09
MC	Park	Rock Creek Regional Park	Surprise Cash Count	Risk Assessment	01-Jun-09
MC	Park	Cabin John Headquarters	Surprise Cash Count	Risk Assessment	01-Jun-09
MC	Park	Little Bennett Regional Park	Surprise Cash Count	Risk Assessment	01-Jun-09
MC	Park	Meadowbrook Maintenance	Surprise Cash Count	Risk Assessment	01-Jun-09
MC	Park	Black Hill Nature Programs	Surprise Cash Count	Risk Assessment	01-Jun-09
MC	Park	Office of Director -MC Parks	Surprise Cash Count	Risk Assessment	01-Jun-09
MC	Park & Planning	IT	Risk Assessment	Risk Assessment	01-Jun-09
MC	Park	IT Communications	Surprise Cash Count	Risk Assessment	01-Jul-09
PG	Park & Rec.	Public Affairs and Marketing	Surprise Cash Count	Risk Assessment	01-Jul-09
MC	Park	Admin Services - PRA	Surprise Cash Count	Risk Assessment	01-Jul-09
PG	Park & Rec.	Sports and Learning Complex	Surprise Cash Count	Risk Assessment	01-Jul-09
PG	Park & Rec.	Special Programs	Surprise Cash Count	Risk Assessment	01-Jul-09
MC	Park	WIR	Fraud Investigation	Hotline	01-Aug-09
PG	Park & Rec.	MT-Rainer	Compliance	Requested by management	01-Aug-09
CAS	Executive Director		Financial Compliance -PC	Risk Assessment	01-Sep-09
CAS	Executive Director	HR	Financial Compliance - PC	Risk Assessment	01-Sep-09
CAS	Finance/Legal/HR	All Divisions	Purchase Card Audit	Risk Assessment	01-Sep-09
CAS	Finance	Procurement	Financial Compliance - PC	Risk Assessment	01-Sep-09
CAS	Executive Director	HR	Investigation of Fraud, Waste, and Abuse	Hotline	01-Sep-09
MC	Park and Planning	All Divisions	Purchase Card Audit	Risk Assessment	01-Sep-09
MC	Park	Gunpowder Golf	Financial Compliance	Requested by management	01-Sep-09
PG	Park and Planning	All Divisions	Purchase Card Audit	Risk Assessment	01-Sep-09
MC	Park	Maintenance	Financial Compliance - PC	Risk Assessment	01-Oct-09

PG	Park & Planning	IT	Risk Assessment	Risk Assessment	01-Oct-09
PG	Park & Planning	IT	Financial Compliance - PC	Risk Assessment	01-Oct-09
PG	Planning		Fraud Investigation	Hotline	01-Nov-09
PG	Park	Beltsville Facility	Financial Compliance - PC	Risk Assessment	01-Nov-09
CAS	HR/Legal/Finance	All Divisions	Cell & Land Line Phone Acquisition and Usage Operational Audit	Risk Assessment	01-Jan-10
PG	Park and Planning	All Divisions	Cell & Land Line Phone Acquisition and Usage Operational Audit	Risk Assessment	01-Mar-10
MC	Park and Planning	All Divisions	Cell & Land Line Phone Acquisition and Usage Operational Audit	Risk Assessment	01-May-10



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

Memorandum

TO: CAS Study Team

THRU: Royce Hanson, Chairman
Samuel J. Parker, Jr., AICP, Vice-Chairman

FROM: Patricia Colihan Barney, Executive Director
Adrian Gardner, General Counsel
Al Warfield, Acting Secretary-Treasurer

DATE: April 9, 2010

RE: Review of the Central Administrative Services of the
Maryland-National Capital Park and Planning Commission:
Draft Report Dated March 19, 2010

Thank you for the opportunity to provide our comments on the Draft Report dated March 19, 2010 by the Joint Council Task Force convened to conduct the Review of the Central Administrative Services (CAS) of the Maryland-National Capital Park and Planning Commission (Commission).

In General

The Commission leadership thanks the members of the Working Group for the considerable time and effort devoted to the Councils' mandate to review the CAS programs, functions, and structure in an effort to make our organization even better for the citizens we serve together.

Overall, our management team is in substantial agreement with many of the recommendations contained in the Draft Report. Indeed, as we discussed during our meeting on December 11, 2009, a significant number of the changes you have recommended were launched several months ago, and now are either already in place or well under way in development.

For example, CAS has now spent several months working with the operating departments throughout the Commission to develop a new governance model for managing our IT

infrastructure, and we hope to finalize and implement that important work in the very near term. Similarly, we started revision of Commission Practices some months ago. A number of the most important of them are now undergoing an internal review and revision for Commission action in the coming months. The Commission has approved changes to our procurement regulations that streamline, provide staff on site, and increase decentralized purchasing limits.

These and other examples discussed below demonstrate a significant alignment with Task Force recommendations. On the other hand, we have highlighted several areas of disagreement or exception below, and noted other issues where we believe the Draft Report could be amplified or strengthened.

We also find it necessary to point out that the current budget crisis in Montgomery County has the potential of reducing the CAS workforce by nearly 25 percent. This will greatly complicate implementing some significant changes. With the exception of the Legal Department, that has grown in the wake of the Clarksburg episode and other specific policy initiatives, staffing levels at DHRM and Finance have been relatively flat over the past ten years. In this light, we believe that recommendations proposing shorter cycle-times for certain work programs may not be realistic in all instances.

The balance of this memorandum presents more detailed comments and follows the order presented in your Draft Report.

A. Mandate.

We believe it is a bit of an overstatement of the Commission's role to say that representatives of the Commission "participated" as part of the Working Group as it actually was "formed."

Although we were involved on a limited level, CAS was not invited to assist in planning the scope, methodology or other integral features of this effort undertaken by the "Study Team" that, we now understand, consisted of staff from the respective councils. For that reason, we think it is preferable to explain that no one from the Commission or CAS participated on the "Study Team," and to avoid any implication that our role was more expansive.

B. Methodology.

Similar to our comments concerning the Mandate (noted above), we would suggest again that the report clarify the Commission participants' role. Putting that basic concern aside, we believe the assertion that the "Study Team held several meetings with the Working Group, including representatives from M-NCPPC..." creates an awkward inference that meetings with representatives from CAS were extensive. As you know, the Working Group and Study Team contact with CAS representatives during this process was limited to: one formal presentation to the entire Working Group by CAS to explain departmental functions, another short meeting to answer some questions, another formal meeting with

the Study Team several months later to discuss several preliminary findings of the Study Team, and a short follow-up meeting with the Secretary-Treasurer, and Internal Audit Manager with two Study Team members to discuss a specific series of questions relating directly to the audit function.

We also believe the narrative regarding methodology would be enhanced by providing more information about the number, time frame and approach for the interviews reported.

C. Background.

As noted above, a number of Commission “Practices” are undergoing review and revision; including Practice 1-11, last revised as of July 2, 1976, and captioned as the “Organization and Functions of the Executive Committee.”

For at least the past decade, in addition to the work described in Practice 1-11, the main purpose of the Executive Committee has been to screen and coordinate various matters that are considered “Regional Matters” according to Article 28 of the Annotated Code of Maryland (“Article 28”), Section 7-111. In undertaking that role, the Executive Committee generally has deferred taking formal action to specifically approve or reject other Commission Practices and, instead, presented those Practices to the full Commission for its direct approval.

D. Framework for Analysis

CAS actually is a collection of three departments organized to centralize and support the core administrative, financial and legal compliance needs of the four operating departments in both counties. Thus, CAS is not a “division” within the structure of the Commission.

E. Summary of Interviews.

As indicated above, we believe it would be helpful to the reader to understand more about the methodology for the interviews – number, level within the organization, etc. For example, our understanding is that the Study Team did not conduct the interviews as a team in most cases, but instead interviewed people in each county separately. That approach seems important to mention. We also believe it is worthwhile to point out that in most cases, the “perceptions” collected during the interview process were not validated by empirical research.

● Section: General Comments

We recommend that you consider three potential improvements to this section. First, because the report indicates that the interview process was intended to collect unfiltered and untested “perceptions” of CAS, we suggest using a better label – “Perceptions.” Second, some of the substantive comments contained in the perceptions are difficult to appreciate because each one is reported in isolation. Even though they are intended to be

“general,” a reader would benefit from a bit more information; for example, whether a specific perception is held by everyone interviewed, some people, or one person. Providing some context seems important.

Third, and finally, a number of the comments seem to record perceptions held by interview subjects from outside of the Commission and, if that is the case, should be labeled as such.

On the other hand, we readily admit that several of the perceptions reported do resonate with our experience and concern as the managers of CAS. In particular, we are familiar with internal criticism that customer service in certain CAS functions needs improvement, and we accept responsibility for bringing about changes toward that end.

Even so, we need to point out that certain CAS functions are supposed to serve a role in *enforcing* compliance with laws and internal policies. That role is somewhat different than the one played by the Legal Department which, we believe, is one reason for the difference in perceptions reflected in your interview results. In other words, to some extent, we think it is challenging sometimes to balance a desire for better customer service in an environment where our role is also to be the internal regulator – but we are taking on that challenge. We appreciate that although we may not always be able to say “yes”, identifying alternative ways to achieve our customers’ objectives is extremely important and should be a focus of our teams.

- Section: Satisfaction Questionnaire

We think the Draft Report is careful – quite correctly – to propose that the survey supports “qualitative” judgments only and, we assume, to avoid the implication that quantitative conclusions are possible. Nevertheless, the apparent application of statistical methods used to compute and report “scores” will invite some readers to assume they are statistically valid or reliable which, of course, is not the case for several reasons.

Under these circumstances, our preference would be to avoid this unintended consequence by simply not reporting the “scores.” If that is not possible or your preferred approach, we suggest the following:

- Consider making the limited empirical utility of the “scoring” more transparent;
- Account for potential differences in methodologies utilized by the user departments to complete the questionnaire;
- Footnote that none of the CAS departments were surveyed about the services provided by other departments of CAS; and
- Clarify that the zero rating reflected not “fully” satisfactory as it appears to be a failing rating rather than the indication that an area within the function could be improved.

We also question the understanding by field staff of some of the functions listed as they are technical work programs that they have little firsthand knowledge of.

We also think it is important to mention that the Finance Department and the Department of Human Resources and Management provided the Study Team with more extensive survey information collected to assess the level of satisfaction with the Procurement and Human Resource services.

F. Common Themes.

- Section: Governance

- We agree with the observations/recommendations regarding the role, policies and operations of the Executive Committee. As indicated above, the Commission Practice that formally establishes the scope of authority and operating protocols for the Executive Committee is currently under revision, and the new Executive Director has resumed providing meeting minutes for regular distribution to the Commissioners.
- We agree with part of the observation/recommendation regarding improved coordination on legislative matters. While there has not been a formal process for the Commission or Planning Boards to consult with the respective Councils on pending State legislation, Chairman Hanson does meet regularly with the leadership of the Montgomery County Council to discuss various items, including ones involving legislation; and Chairman Parker proposes to develop a similar practice in Prince George's County. Because neither CAS nor the General Counsel's office "take positions" on State legislation – rather, positions are taken only by Planning Boards and the Commission – we believe the appropriate level for dialogue or coordination of each council's legislative priorities must center on the respective chairmen.

At the staff level, last year, the General Counsel's office started a practice of consulting with the Montgomery County legislative team on a weekly conference call in a deliberate effort to communicate better. That practice was extended to the Prince George's County legislative team throughout the current Legislative Session. The General Counsel is committed to maintaining a regular cycle to consult and coordinate with the legislative staff for both counties going forward.

- Section: Performance Management

- We agree with the observation/recommendation regarding expanding the use of performance management tools to improve the quality of interaction with user departments. We think the Draft Report would be improved by noting the tools already in place or in process during the study period. For example, the Procurement function has been utilizing an enhanced planning approach and Service Level Agreements to support execution of the capital program for almost a year. Another example involves the extensive use of metrics to guide personnel evaluations, recruitment, and hiring functions.
- We are not supportive of implementing Service Level Agreements for an agency our size and with limited resources. We believe that involvement of our operating

departments in identifying critical functions to be measured and benchmarked; along with our current process to report them to the Commission monthly will achieve similar results.

● Section: Differential Service Provision

- We generally agree with the observation/recommendation regarding differential service provision and, in fact, have implemented that approach in limited circumstances. For example, the Legal Department has incorporated attorneys funded by special chargebacks to specific departments for at least a decade in circumstances where an elevated or dedicated level of service is required – e.g., in the wake of Clarksburg and aggressive CIP goals. More recently, the Prince George’s County Department of Parks and Recreation has elected and funded an elevated level of service in the auditing process and funded an enhanced level of procurement and accounting services.
- On the other hand, we also recognize that certain expectations in this regard may not square with reality or prudence. We disagree in some instances regarding the classification of functions as core and non-core. From our perspective, those functions best handled on an entirely centralized model would be classified as “core”. Those functions that require centralized policies, decentralized implementation within our departments along with centralized oversight would be classified as “non-core”. A third option relating to some functions provide opportunities for outsourcing.

G. Functional Tasks.

Section: Audit – Audit Committee

- We agree with the observation/recommendation regarding clarifying and improving the functionality of the Audit Committee. The Commission intends to implement this recommendation as part of the broader initiative described above to revise the Commission practices.

Section: Audit – Peer Reviews

- We generally agree with the observation/recommendation regarding peer reviews and in fact are in the process of undergoing peer review.

Section: Audit – Independence

- We cannot reach consensus on the optimal structure to assure others of the organizational independence of the audit program. We suspect that part of the reason prompting some of the internal criticism or concern is the result of one audit project and a confluence of personality issues that no longer predominate this perception. In any event, the audit team is enhanced by high-level internal guidance on a day-to-day basis in order to be most effective; and that leadership is realistically available only from the Secretary-Treasurer because of the technical issues involved. Indeed, we must mention that many corporate and public organizations follow a similar model/structure. At the same time, we understand that an audit function that is completely un-tethered from management may improve the perception of independence, but also

diminish its effectiveness. In this light, the organizational structure of the Commission's audit function will be reviewed as part of the broader initiative described above to revise the Commission practices, including the one pertaining to the Audit Committee as well as during the peer review.

Section: Audit – Risk-Based Planning

- We generally agree with the observation/recommendation regarding risk-based-planning as an integral step in developing the audit work program. The Secretary-Treasurer has undertaken a number of attempts to initiate this process over the past several years. A risk-based approach was utilized in developing the FY 10 audit work program, and department directors were recently requested again to provide input for the next year's audit program. Accordingly, the Commission's ability to implement this improvement depends in a significant part on whether or not sufficient personnel funding is committed during the ongoing budget process to make this a priority.

Section: Audit – Non-Audit Services

- We are unclear about the recommendation related section 3.29 of GAGAS.

Section: Audit – Dissemination (Of Results)

- We expect to tackle this subject directly with the Commissioners as part of the broader initiative described above to revise the Commission practices, including the one pertaining to the Audit Committee.

Section: IT

- We agree with the general observation/recommendation that the Commission's governance of IT decision-making deserves a major overhaul. Under the leadership of Chairman Hanson and Chairman Parker, the Commission has made great strides toward developing an entirely new IT governance model, and expects to begin deploying that model in the near future. We believe that most, if not all, of the ancillary concerns described in the Draft Report will be ameliorated by completing this fundamental change in the historical way of doing business. The establishment of an Enterprise-wide Strategic Plan is on the top of the priority list. Of course, the Commission's ability to implement this improvement may depend in part on whether or not sufficient personnel funding is committed during the ongoing budget process to make this a priority.

Section: Purchasing

- As the Draft Report correctly notes, the Commission's leadership has been engaged in making significant changes to the purchasing program for some time. By way of providing an update, last month, the Commission approved a series of changes intended to achieve greater flexibility for the user departments, reach closer parity with certain policies adopted by both county governments, and clarify a number of policy choices implicit to the process of purchasing public goods and services with taxpayer funds. We believe that, on balance, these changes will resolve most of the internal criticism expressed to the Study Team, and we are currently preparing

changes to the Purchasing Manual and Commission Practice 4-10 for implementation purposes by July 1.

Section: Training

- We agree with the general observation/recommendation that the Commission's allocation of training responsibilities is not clear enough. As a result, CAS has been working to identify and highlight appropriate subjects for Commission-wide training programs, and to adequately catalogue other subjects more appropriate for decentralized attention. For example, defensive driving, OSHA and Hazmat procedures present good opportunities for centralized training initiatives. By contrast, training geared toward specific land use topics is more appropriate for decentralized treatment at the departmental level. Of course, a certain degree of overlap exists, and CAS will continue working to achieve better clarity and coordination.

Section: Human Resources – Classification

- We agree with the general observation/recommendation that the Commission's volume of reclassification requests (desk audits) has impeded our capacity to focus on routine revisions to the classification structure. In fact a study performed by the DHRM arrived at that conclusion and changed our open window for individual reviews from twice per year to once per year to enable focus on class specifications which have broader impact. As we discussed with the Study Team, the Commission has formally adopted these policy changes to the reclassification process that are expected to shift this dynamic to a better balance.

Section: Human Resources – Recruitment

- We believe that our internal “disconnect” in recruitment results from a fundamental misunderstanding about the most productive roles and respective responsibilities of DHRM and the user departments.

We agree entirely that DHRM cannot prescribe the absolute best recruitment plan for planners and some other professional positions – the advertising, solicitation, etc. – because the best journals, conferences, and sources of leads change in ways that are only known by people involved in the profession. Our current model expects that appropriate staff from the user department will consult with the recruitment staff to develop an effective plan for each vacant position or category of positions, and the recruitment staff will take responsibility to implement each component of that plan if the department is capable of funding it.

We also agree that DHRM cannot assume responsibility for making reliable subjective judgments inherent to selecting one qualified candidate over another to fill a specific job. Even so, DHRM believes that it is in the best position to evaluate objective criteria established within our Merit Rule system to distinguish an unqualified candidate among others who do actually qualify for placement according to the applicable job specifications. More importantly, we have an abiding concern that a central screening function for minimum qualifications remains vitally important to avoid Commission-wide imbalances that could otherwise result in legal problems.

With those two principles as our framework, we believe that DHRM has made strides in customer service with the implementation of the NeoGov on-line application

tracking system and will continue to clarify roles to assure successful recruitment coordination, and we accept the observations/recommendations directed to that point.

H. Recommendations.

As indicated previously, we are in agreement with the majority of the recommendations proposed, and in fact have made progress on quite a few. Based on the foregoing discussion, we are providing our response to the specific recommendations as follows. Our ability to implement will partially depend on FY 11 funding levels.

Section: Governance

We anticipate that issues related to governance will be addressed through our current Commission Practice review.

Section: Performance Management

We support the expansion of performance metrics based on discussions with our operating departments. We do not support establishing the SLA process as we believe we can achieve solid results through the metrics. We will continue to look for opportunities to embed CAS staff in the user departments. We recently established this process for central procurement staff. We also recently presented our purchasing survey to the Commission as part of our procurement study and will continue to develop surveys to obtain feedback from our customers.

Section: Service Delivery

As indicated previously, we will analyze our CAS functions and possibly expand the hybrid models and on-demand funding models we currently have for procurement and recruitment, with caution to assure we maintain oversight for compliance purposes and fairness in funding.

The Department of Human Resources and Management and the Finance Department during FY10 analyzed and revised the chargeback methodologies for services and met with the operating departments to review them. The chargeback process will be updated and reviewed with the operating departments annually during our budget development.

Section: Audit

We have engaged the peer reviewer, and the reviewer will be requested to comment on the organizational structure and independence issues. The new member for the Audit Committee was appointed and has extensive financial experience. The remaining recommendations will be addressed through the current Commission Practice review and discussion with the Audit Committee.

Section: IT

An IT Working Group at the direction of the Executive Committee has developed a new IT governance model that is supported by the Department Directors. This governance model describes the roles of an IT Council and a Technology Committee along with descriptions of the roles and responsibilities of the Chief Information Officer and the Chief Technology Officers. The Enterprise-wide functions have been preliminarily identified by the IT Working Group and are being vetted with the Department Directors. Priority projects include the development of an Enterprise Technology Strategic Plan and addressing recommendations of the studies performed by Clifton Gunderson and the Public Technology Institute.

Section: Procurement

The Finance Department recently concluded its purchasing study and presented comprehensive performance measures upon which recommendations for streamlining processes, expanding decentralized procurement limits, and incorporating other improvements to service were made. The Department Directors and the Commission supported the recommendations which are currently being incorporated into the Commission Practice and Purchasing Manual. Expected timeframes for service delivery were also reviewed. After revision of the Practice and Manual, training will be provided throughout the departments including quick guides to assist field agents.

Section: Training

DHRM has established a centralized training calendar and registration process which is inclusive of training offered by CAS and other departments.

Section: Human Resources

DHRM conducted an analysis of the reclassification process and determined that extensive time was being spent on individual reclassification analyses. As a result, the window for reclassifications was changed to once per year and the staff time hopefully will be reallocated to focus on classification review of the job specifications. Our goal for review is in alignment with the five year time frame recommended.

I. Future Work Suggestions

The response to this Draft Report presents the positions of the Executive Committee. Upon receipt of the final report, we will present our action plan to the Commission. Changes will be communicated to the Councils.

With regard to the future work suggestions, we are not of the opinion that an Implementation Task Force will be required. As pointed out, many of the action items recommended are in process or will be assigned to key personnel along with appropriate

department representatives. The Office of the Executive Director will monitor progress and report the same to the Commission and the County Councils.

Again we appreciate the time and effort of the Study Team and the Working Group and look forward to our success in enhancing service levels of the CAS to further the goals of our operating departments.

Appendix 8

MEMORANDUM

April 22, 2010

TO: Patricia Colihan Barney, Executive Director, Central Administrative Services (CAS)
Adrian Gardner, General Counsel, CAS
Al Warfield, Acting Secretary-Treasurer, CAS

CC: Royce Hanson, Chairman, M-NCPPC
Samuel J. Parker, Jr., AICP, Vice-Chairman

FROM: Marlene Michaelson, Senior Legislative Analyst, Montgomery County Council
Stephen McGibbon, Deputy County Auditor, Prince George's County Council
Dr. Costis Torgas, Council IT Adviser, Montgomery County Council
Howard Stone, Administrative Specialist, Prince George's County Council

SUBJECT: Central Administrative Services Report

We appreciate your thoughtful comments on the Draft Report on Central Administrative Services. We also wanted to once again acknowledge the changes and improvements we have seen at CAS in the past year. The limited time we had between receiving your comments and completion of the final report allowed us to make only a few changes to the report. We are attaching your comments to the report in full so that your concerns will be shared with anyone who reads the document.

While we did agree with some of your suggestions, there are several with which we did not agree, and we wanted to highlight some concerns in this letter. We believe that one of our most important messages is that CAS needs to ensure it is listening to the user departments, rather than independently making organizational decisions that should involve those departments. This requires CAS to solicit the input of the user departments and respond to that input in a meaningful way. It also requires a clear understanding of the services that will be delivered to user departments. We disagree with your comments on the report that appear contrary to this goal.

- Service Level Agreements (SLAs) document the scope of services that will be provided by CAS to user departments and establish goals related to the quality or quantity of the service. They do not need to be lengthy or elaborate, but we believe they are critical to establish a clear understanding between the user department and CAS.
- We believe that the determination of which services should be core versus non-core must be made by the Planning Boards **with input from user departments and CAS**, and not unilaterally decided by CAS. We did not envision having CAS incrementally add to the

limited amount of services provided on a non-core basis, but instead see the opportunity for more significant changes in the fundamental model for service delivery.

- One of our primary motivations in recommending an implementation task force was to ensure user department input in implementing the recommendations in the report. Updates to the Planning Board or Councils on efforts to implement the report should also be delivered by CAS to user departments. It is unclear to us how these objectives can be met without some type of inter-departmental group.

In addition, we note that our comments related to the need to maintain the independence of the audit function was not based on one audit, and we continue to believe this issue should be one of the focal points of the peer review. Finally, we recognize that CAS is required to oversee agency compliance with various laws and regulations, and this will sometimes mean not being able to agree to department requests or actions; however, we continue to believe that there must be a shift in the focus from that of regulator to one of service to the departments.