



Office of the
INSPECTOR GENERAL
Montgomery County, Maryland

CROSS CUTTING TRENDS FROM FY21 AND FY22 OIG ENGAGEMENTS

AT A GLANCE

- 29 audits, reviews, and investigations covering 15 county Departments and 8 county programs and operations
- Various engagements covering publicly funded entities, including the Department of Health and Human Services, Housing Opportunities Commission, Montgomery County Public Schools, Board of Investment Trustees, and Montgomery County Economic Development Corporation
- 76 unique findings resulting in 106 recommendations for improvement
- 87% of identified causes for deficiencies were attributable to:
 - ✓ Noncompliance with Existing Policy
 - ✓ Inadequate Processes or Procedures
 - ✓ Internal Control Deficiencies
 - ✓ Deficient County Policy
- 21% of recommendations focused on grant awards, 9.5% on the use of county vehicles, and 6% on improving the handling of accounts payable invoices

In fiscal years (FY) 2021 and 2022, the Montgomery County Office of the Inspector General (OIG) completed 29 assessments of county functions and operations. The OIG communicated findings and recommendations related to each examination through a published report or direct communication to the responsible managing official including the county's Chief Administrative Officer (CAO), the Montgomery County Public Schools (MCPS) Superintendent, and the Executive Director of the Housing Opportunities Commission. Generally, the subject organizations concurred with the OIG's recommendations and agreed to take steps to address identified vulnerabilities. In response to our findings, this year the county initiated a systemic process to update the county's administrative procedures.

Presented here are recommended enhancements identified through an analysis of the findings and recommendations made through the OIG's engagements. Approximately 35% of findings were attributable to inadequate processes and procedures, and internal control deficiencies. An additional 25% were related to insufficient or missing policies. Just over 27% were the result of staff not complying with existing policy.

The observations gleaned through this analysis point to the need for increased attention to creating, updating, and training on policies. The listed enhancements will enable county leaders to better minimize vulnerabilities and increase efficiencies. We note that, addressing these deficiencies carries a low financial cost, but high value to the county as a whole.

RECOMMENDED ENHANCEMENTS

- Regularly evaluate policy and procedures to ensure relevance and accuracy
- Increase accessibility of county and department policies
- Routinely communicate policy and procedure updates to county employees
- Leverage technology to automate the creation, revision, and cataloging of policies

CROSS CUTTING TRENDS FROM FY21 AND FY22 OIG ENGAGEMENTS

Policies and procedures are central to a strategic, long-term approach to managing government operations and should be openly promoted by the county to emphasize their importance and authority. A well-designed and properly maintained system of documenting policies and procedures:

- ✓ enhances both accountability and consistency, and promotes stability and continuity
- ✓ institutionalizes good public management practices
- ✓ defines a shared understanding of how the county will develop its public management practices and manage its resources
- ✓ defines limits on actions taken by staff
- ✓ can serve as a useful training tool for staff
- ✓ facilitates the county's ability to provide the best value to residents

REGULARLY EVALUATE POLICY AND PROCEDURES TO ENSURE RELEVANCE AND ACCURACY

Approximately 20% of findings were directly attributable to deficiencies with department or county policies. Some of the deficiencies included unclear guidance, outdated information, undefined roles and responsibilities, and a lack of defined key controls. County departments should periodically evaluate policies and procedures for continued relevance and effectiveness in achieving the county's goals. Regular evaluation of policy and procedures allows the county to identify and address significant changes in operational processes, personnel, or information technology.

INCREASE ACCESSIBILITY OF COUNTY AND DEPARTMENT POLICIES

The effectiveness of sound policies is largely dependent on staff awareness and the ability to quickly find pertinent guidance. Policies should be maintained in an electronic repository accessible by more than one method. County policies should be easily searchable, follow a consistent format, and contain a version history. Department-specific policies should be maintained in the same or similar repository and follow the same format, when practicable.

ROUTINELY COMMUNICATE POLICY AND PROCEDURE UPDATES TO COUNTY EMPLOYEES

Almost one third of findings were the result of staff noncompliance with existing policy. Non-adherence to policy could be the result of inadequate training, vague requirements, and a lack of communication of policy and procedure updates. When policies and procedures are updated, county management should formally communicate to personnel the changes made so staff can fulfill their assigned responsibilities. A published version of updated policies and procedures should be readily available to all county employees who require it and should contain a date stamp informing the user of the last time the item was changed.

LEVERAGE TECHNOLOGY TO AUTOMATE THE CREATION, REVISION, AND CATALOGING OF POLICIES

Using available technology and software to manage policies can increase efficiency and improve productivity. Technology can be used for collaboration with stakeholders, meeting approval requirements, accessing policies, and documenting changes. Some of the technologies and programs currently used by the county to administer various other functions can readily be deployed to manage policies.

REPORT FRAUD, WASTE, AND ABUSE



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