



HARFORD COUNTY, MARYLAND

Office of the County Auditor

AUDIT OF ZONING REQUESTS

Report Number:

2023-A-19

Report Date:

6/1/2023

Council Members and County Executive Cassilly:

In accordance with Section 213 of the Harford County Charter, we have performed an audit of Zoning Requests for the period of 7/1/2020 through 2/28/2023. This audit was conducted as part of the County Auditor's risk-based Annual Audit Plan approved by the County Council for fiscal year 2023.

The objective of this audit was to confirm that Planning and Zoning permits and requests are reviewed and approved in accordance with the County Code, and that all relevant fees are collected. The scope of this review was limited to applications and requests requiring Planning and Zoning, including cases submitted to the Zoning Board of Appeals. We will not be issuing an opinion regarding the correctness of zoning decisions since we do not have the necessary qualifications to make those determinations. Rather, the scope considered whether the relevant criteria were considered and whether required review steps were performed. The results of the audit and our findings are detailed in this report.

We would like to thank the members of management for their cooperation during the audit. Although none was required, they have been provided an opportunity to respond to this report; none was provided.

Sincerely,

A handwritten signature in cursive script that reads "Chrystal Brooks, CPA".

Chrystal Brooks
County Auditor

CONCLUSIONS

Our conclusion, based on the evidence obtained, is procedures and controls are adequate to ensure zoning requests are reviewed and issued in accordance with the County Code and applicants are billed the correct amounts. This assessment is based on the strengths and weaknesses identified for the operational objectives below.

Business Process Objective	Assessment ⁱ
All issued permits meet the provisions of the County Code	Effective
Required fees are collected at time of application	Effective
Board of Appeals cases follow the procedures set in the County Code	Effective

BACKGROUND, OBJECTIVES, SCOPE AND METHODOLOGY

Planning and Zoning is responsible for issuing both commercial and residential zoning permits in a timely manner per the County Code and for collecting the relevant fees. Per the County Code, citizens must obtain a zoning certificate prior to developing, changing the use of, or commencing a new use of any lot or structure.

The department uses the Energov application to manage the permit process. All requests begin at the Permit Center, where applications and fees are collected. The information is then entered into Energov which directs the workflow for the rest of the review and approval process. Should a request be denied, applicants are able to pursue a secondary review and decision from the Board of Appeals.

During the audit period, a total of 2,926 permits were applied for, of which 2,759 were issued, covering 25 different work classes. Of these, the majority were for the work class of "Fence-Not Including Pool enclosures", with a total of 1,699 permits (58%). The next highest category was for "Accessory Structures ≤ 200 Sq. Ft" with 476 permits (16%). These two categories account for 74% of the total permits. Of the remaining categories, there were 12 work classes with less than 10 permit applications, including 5 types with only 1 permit application each.

In FY2022, the County collected \$33,994 in revenue from Board of Appeals case filings and \$3,400 in revenue from zoning application fees. The Board of Appeals received applications for 51 cases during the audit period.

The audit approach focused on testing the key controls that address management's objectives. Our audit procedures included interviewing personnel, observation and testing as described in the table below.

Process / Control Objective	Scope of Review
Zoning Applications and Fees	
All issued permits meet the provisions of the County Code	<ul style="list-style-type: none">For a sample of zoning requests, confirm:<ul style="list-style-type: none">Applications were completeAppropriate Energov workflow was followed to issue a final decision
Required fees are collected at time of application	<ul style="list-style-type: none">For a sample of zoning requests, confirm All required fees were properly calculated and paid in full

Zoning Board of Appeals	
Board of Appeals cases follow the procedures set in the County Code	<ul style="list-style-type: none">• For a sample of Board of Appeals cases, confirm:<ul style="list-style-type: none">• All fees were properly calculated and paid in full• The process followed the procedures set in the County Code

Harford County management is responsible for establishing and maintaining effective internal controls. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets and compliance with applicable laws, rules and regulations are achieved. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected.

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Report Distribution:	Audit Team:
Mr. Shane Grimm, Director of Planning and Zoning	Chrystal Brooks CPA, CIA, CGAP, CISA, CGFM, CRMA <i>County Auditor</i>
	Sarah Self, CIA, CGAP <i>Senior Auditor</i>

ⁱ Definitions

Effective: The design and effectiveness of the internal control environment address key risks. The business unit complies with external laws and regulations, and internal policies, procedures and guidelines. Business processes are managed effectively resulting in achievement of expected outcomes.

Generally Effective: The design and/or effectiveness of the internal control environment generally address key risks; however, the number and severity of findings relative to the size and scope of the business unit being audited indicate that some minor areas of weakness in the control environment need to be addressed. Isolated instances of non-compliance with external laws and regulations, and internal policies, procedures and guidelines may exist. Business processes may not be managed effectively in all areas resulting in reduced achievement of expected outcomes.

Not Effective: The design and/or effectiveness of the internal control environment does not address key risks. Non-compliance or historical patterns of non-compliance with key regulatory requirements and internal policies, procedures and guidelines exist which expose the audited entity to financial, reputational, and operational risks. Business processes are not managed effectively and expected outcomes are not achieved.