

Audit Report

Maryland Department of Planning

April 2011



OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

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Karl S. Aro
Executive Director

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

Bruce A. Myers, CPA
Legislative Auditor

April 28, 2011

Delegate Guy J. Guzzone, Co-Chair, Joint Audit Committee
Senator James C. Rosapepe, Co-Chair, Joint Audit Committee
Members of Joint Audit Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have audited the Maryland Department of Planning (MDP) for the period beginning November 1, 2007 and ending December 12, 2010. MDP provides information and services that improve the ability of State and local governments, community development organizations, and environmental organizations to support desirable growth in Maryland.

Our audit did not disclose any findings that warrant mention in this report.

We wish to acknowledge the cooperation extended to us during our audit by MDP.

Respectfully submitted,

Bruce A. Myers, CPA
Legislative Auditor

Background Information

Agency Responsibilities

The Maryland Department of Planning (MDP) provides information and services that improve the ability of State and local governments, as well as community development and environmental organizations, to support growth that fosters vibrant, livable communities; preserves and protects the environment; and makes efficient use of State resources. MDP is authorized to charge fees to recover the related costs for providing products and services, such as planning and urban design services, computer application development services, and technical studies.

According to the State's records, MDP's operating expenditures totaled approximately \$23.4 million in FY 2010.

Status of Findings From Preceding Audit Report

Our audit included a review to determine the status of the four findings contained in our preceding audit report dated July 2, 2008. We determined that MDP satisfactorily addressed these findings.

Organizational Change

Chapter 521, Laws of Maryland 2008, effective July 1, 2008, established the Governor's Office of Community Initiatives (GOCI) as a separate budgetary program within the Executive Department—Boards, Commissions, and Offices. This law transferred the Commission on African American History and Culture from MDP to GOCI. Accordingly, the scope of this MDP audit includes the activities of the Commission for the period from November 1, 2007 to June 30, 2008. Activities of the Commission subsequent to June 30, 2008 are included in the scope of our audits of the Executive Department.

Findings and Recommendations

Our audit did not disclose any significant deficiencies in the design or operation of MDP's internal control. Nor did our audit disclose any significant instances of noncompliance with applicable laws, rules, or regulations. Certain less significant findings were communicated to the Office that did not warrant mention in this report.

A draft copy of this report was provided to the Office. Since there are no recommendations in this report, a written response was not necessary.

Audit Scope, Objectives, and Methodology

We have audited the Maryland Department of Planning (MDP) for the period beginning November 1, 2007 and ending December 12, 2010. The audit was conducted 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.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine MDP's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations. We also determined the status of the findings contained in our preceding audit report.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of materiality and risk. The primary areas addressed by the audit included the Heritage Structure Rehabilitation Tax Program, cash receipts, payroll, equipment, and procurements and disbursements. Our audit procedures included inquiries of appropriate personnel, inspections of documents and records, and observations of MDP's operations. We also tested transactions and performed other auditing procedures that we considered necessary to achieve our objectives. Data provided in this report for background or informational purposes were deemed reasonable, but were not independently verified.

MDP's management is responsible for establishing and maintaining effective internal control. 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. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

AUDIT TEAM

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