

**FREDERICK COUNTY  
INTERAGENCY INTERNAL AUDIT AUTHORITY**

**FOLLOW-UP TO REPORT #10-01  
FREDERICK COUNTY'S DEVELOPMENT REVIEW  
FEE COLLECTION PROCESS  
ISSUED NOVEMBER 18, 2009**

**REPORT #11-B  
OCTOBER 20, 2010**





**INTERAGENCY INTERNAL AUDIT AUTHORITY  
INTERNAL AUDIT DIVISION  
FREDERICK COUNTY, MARYLAND**

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**Memorandum**

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**To:** Betsy Smith  
Deputy Director, Division of Permitting and Development Review

**From:** Richard A. Kaplan  
Director, Internal Audit

**Date:** October 20, 2010

We have completed our follow-up review of the open recommendations from Audit Report No. 10-01, issued November 18, 2009 on Frederick County's Development Review Fee Collection Process. We reviewed your October 6, 2010 memorandum and documentation provided and found that Recommendations 2 and 3 have been implemented and no further actions are needed. Some actions have been taken to implement Recommendation 1, but more time may be needed to program and test municipality fee exemptions in Hansen. Therefore, Recommendation 1 will remain open until planned actions have been completed.

**Recommendation (1):** Development Review work with IIT to incorporate the following programming improvements into Hansen:

- Municipality information to determine if a project site is exempt from certain fees;
- Fifty percent resubmittal fees;
- Multiple exemption fees for Adequate Public Facilities Ordinance (APFO) and Forest Resource Ordinance (FRO) projects; and
- A transaction record of fee refunds.

**Municipality Information:** This task includes contacting each municipality to understand what reviews and which fees the County should be administering for the town. A spreadsheet has been created to track this information and this spreadsheet will have to be continuously maintained to account for changes over time. Permitting and Development Review staff has worked with IIT to establish a protocol for administering the many project types in Hansen. Although completion of this task is generally on schedule, actual programming and testing may take longer than the planned January 1, 2011 implementation. You stated that a revised schedule will be provided to us by November 1, 2010 after additional coordination is made with the municipalities.

Memo to Betsy Smith

October 20, 2010

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Fifty-percent Resubmittal Fees: Since July 2010, many interim changes have been made within Hansen with regard to these fees. Hansen now automatically calculates the resubmittal fee amount when requested. However, the resubmittal fees are still not generated automatically by Hansen and still require a manual insert of the “50 percent resubmittal fee.” IIT has been working with the software manufacturer to determine whether such fees can be automatically generated and if it is reasonable and cost effective to do so within this version of the software.

Multiple Exemption Fees for APFO and FRO Projects: In January 2010, Development Review changed its process to require a separate “project” for each exemption request. This allows the fee assessment and collection process to be incorporated into Hansen applications, so staff no longer have to record these fees manually.

A Transaction Record of Fee Refunds: Development Review staff was reminded of the need to enter refunds in the log. However, this task cannot be done automatically with the current version of Hansen.

**Recommendation (2):** Development Review develop written SOPs for the fee charging process. The SOPs should include a supervisory review process for fees charged and evidence of such review.

Development Review established SOP’s for its fee charging process, including a supervisory review process, effective January 1, 2010.

**Recommendation (3):** Development Review establish procedures for accountability over its project files.

Development Review established a procedure to require staff to complete a card which identifies who removed a file and when. Staff is expected to take responsibility for ensuring that all project files are properly filed numerically. This system will be reevaluated on a regular basis. In addition, DPDR is working with the County Manager’s office regarding a records retention program, and possible digital storage of much of this information.

If you need further information regarding this follow-up, please contact Richard Kaplan, Director Internal Audit at x11675.

*Interagency Internal Audit Authority*

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pc: Gary Hessong, Director, Division of Permitting and Development Review  
Jason Myers, Auditor, Internal Audit Division