

**CITY OF BALTIMORE, MARYLAND**  
**Baltimore, Maryland**

**QUADRENNIAL PERFORMANCE AUDIT REPORT**  
**Baltimore City Police Department**

**November 17, 2016**

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Members of the Baltimore City Council  
Baltimore, Maryland

This report represents the results of our performance audit of the City of Baltimore Police Department's management assertions of performance found within the agency's detail budget document. The performance audit included a review of the performance metric process during the period June 30, 2010 to June 30, 2013. As part of our work, we interviewed key Department officials with budgetary responsibility, and reviewed relevant policies and procedures related to this performance audit. The performance audit approach and methodology are detailed later in this report.

We conducted our performance audit in accordance with generally accepted government auditing standards, as applicable, to performance audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States. 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.

Our summary is hereby incorporated as the Executive Summary in the enclosed report.

Our work did not include an assessment of the sufficiency of internal control over financial reporting or other matters not specifically outlined in the enclosed report. CliftonLarsonAllen LLP (CLA) cautions that projecting the results of our performance audit to future periods is subject to the risks that conditions may materially change from their current status. The information included in this report was obtained from the Division on or before March 2016. We have no obligation to update our report or to revise the information contained therein to reflect events and transactions occurring subsequent to March 2016.

CLA's policy requires that we obtain a management representation letter associated with the issuance of a performance audit report citing generally accepted government auditing standards. We requested a management representation letter from the Police Department on November 17, 2016, and received the signed representation letter on November 17, 2016.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
November 17, 2016

**CITY OF BALTIMORE POLICE DEPARTMENT  
EXECUTIVE SUMMARY**

CliftonLarsonAllen LLP (CLA) completed a performance audit of the City of Baltimore Police Department’s (the Department) management assertions of performance found within the agency’s detail budget document for the period covering June 30, 2010 to June 30, 2013.

The purpose of this report is to provide findings and recommendations regarding the accuracy, consistency, and usage of the performance metrics at the Department. Our procedures covered the processes for establishing, tracking, and reporting performance metrics throughout the Department

This work was completed at the direction of the City of Baltimore City Council between December 2015 and March 2016.

The City of Baltimore’s Bureau of the Budget and Resource Management (BBMR) utilizes outcome based budgeting to allocate City Departments and Agencies funding based on seven priority outcomes and results that matter to citizens. The Police Department began using outcome based budgeting in the FY12 agency detail budget which included actual performance metric results for FY10 and targeted performance metric results for FY11 & FY12. The Police Department has fourteen service areas and all services areas, except administration, determine and report their own performance metrics within the budget. Although there is no exact requirements for the specific performance metrics used by the service area the metrics ideally incorporate four types, output, outcome, efficiency, and effectiveness and are relevant to the core operations, not just financial, of the area. The performance metrics are updated annually and new actuals along with targets are reported and submitted as part of the City’s final budget.

We identified certain areas where performance metric processes and controls can be improved. Our recommendations for improving the processes and controls over performance metrics are summarized below. The details of the work performed and the findings and recommendations are provided in this report. We recommend the City review and update the process and procedures for the following:

- Gathering information and records used to support performance metrics
- Determining target metrics
- Enhancing the current output metrics
- Aligning budget performance metrics in the budget with how performance is actually measured

A summary of findings by area are as follows:

#	Area	Finding
1	Performance Metric Determination	There is no clear documentation as to how the performance metrics were determined.
2	Target Metric Validity	There does not appear to be a robust process for reviewing the validity of the target metrics used from year to year.
3	Variiances Between Actuals in Budget Document and Supporting Documentation	Out of ten instances reviewed, there were five where the supporting documentation of the actual performance metric did not agree to the “actuals” presented in the budget.
4	Break-out of Metric Type	49% of the Department’s 51 performance metrics during the period

		were the output metric type.
#	Area	Finding
5	Budget Performance Metrics vs How the Service Area Evaluates Performance	Performance metrics in the budget did not consistently align with how the service area actually measured performance.

**SCOPE OF SERVICES**

Our procedures were designed to determine that the Department was following established budgetary performance metric policies and procedures. The work included an evaluation of the processes and procedures in place and testing of selected performance metrics to determine that the Department procedures were followed and the performance metrics are properly reflected in the budget document.

The procedures were as follows:

- Interviewed selected employees across the Department;
- Reviewed existing policies and procedures;
- Developed a methodology to select and test specific performance metrics;
- Analyzed the results and findings, and developed recommendations to improve the Department’s processes.

**Staff Interviews**

We conducted interviews with BBMR as well as with key Police Department staff who oversee the selected performance metrics. Staff Interviews were designed to obtain an understanding of the performance metric process and obtained information on the following:

- How performance metrics are established, defined, collected, and used;
- Usage and priority level of metrics ; and
- Coordination within the department and with the City’s budget staff.

## POLICE DEPARTMENT PERFORMANCE METRIC REVIEW

### ***City-wide Outcome Based Budgeting***

The City of Baltimore utilizes a data-driven process called OutcomeStat to align strategic planning, CitiStat, and Outcome Budgeting. Outcome Budgeting is a budget process that aligns resources with results. The budget is organized at the services level around the City's seven Priority Outcomes.

Performance metrics are a critical component within the Outcome Budgeting process and each City Department/Agency is required to present them within their budget submissions. These performance metrics are intended to help the Mayor determine whether the proposed service represents a good value for the dollars requested, clarify the performance expectations and aspirations for the service, enable the Mayor to assess the service's performance over time, and communicate to the community the results they are getting for tax dollars.

The City's BBMR oversees, provides assistance to Department/Agencies, formulates the City's annual operating budget and recommends annual capital expenditures to the Director of Finance. When the budget recommendations are finalized, the Director of Finance submits the budget to the Board of Estimates, who conducts formal hearings with heads of City Department/Agencies. The Board of Estimates prepares an ordinance and submits to the City Council for a vote.

### ***Police Department Performance Metric--Process Walkthrough***

An overview of the Department's performance metric process is as follows:

- Within the agency budget document the Department is split up amongst fourteen service units.
- Each service unit is assigned an owner within the Department and a liaison for the budget office who provides assistance through the process.
- The service unit owner works with others in the Department to establish the priority outcome for the unit and the performance metric.
- There are four performance metric types, effectiveness, efficiency, outcome, and output, and the metric must be measurable and supported by a Department system. The types are defined as:
  - **Effectiveness-** How well a service is provided to meet standards based on customer expectations.
  - **Efficiency-** How well a service is provided in the context of cost (dollars or time) per unit of output or outcome.
  - **Outcome- How well** a service delivered produces intended results.
  - **Output-** The quantity of the service delivered.
- During the annual budgeting process, the service unit owner will compile actual and target figures for each performance metric for prior and future years, which is reviewed by the service unit leadership.
- The Department's CFO compiles all of the final performance metric and budget information for each service unit(s), which is reviewed by Department leadership.
- The Department's finalized agency detail budget is submitted to the budget office and incorporated within the entire City's budget.

**Performance Metric--Process Testing**

To assess the performance metric process we used a two part approach; an analysis of all performance metrics and detail review of selected performance metrics. We used a methodology to select a sample of specific performance metrics, reviewed the context and usage of the metric, and tested the accuracy of the actual figures in the Department’s agency detail document. The objectives of this work were to determine that established procedures were followed, identify potential weaknesses, and identify potential improvements.

We obtained input from the City and developed the following methodology for our selection of performance metrics:

- For each of the fifty-one performance metrics identified within the period, a weighted score was established using a 1-5 scale and ranked. The following criteria and weighting were used to determine the ranking:
  - 50%- Measurement Type: Effectiveness = 5, Efficiency = 4, Outcome = 3, Output = 2
  - 30%- Financial Score: Total \$ of the service unit budget, top 5 = 5, middle 5 = 4, smallest = 3
  - 20%- Service Unit Size: Total Positions, top 5 = 5, middle 5 = 4, smallest = 3
- The top fourteen performance metrics of the fifty-one were selected and an additional weighted score was used to develop the final ranking. The following criteria and weighting were used in the final ranking:
  - 30%- Measure Type: same as above
  - 10%- Financial Score: same as above
  - 10%- Service Unit Size: same as above
  - 30%- Subject Type: The context of the metric, Violent/Casualty = 5, Crime = 4, Other = 3
  - 20%- Variability Score: Difference between FY12 & FY13 target and actual results, high variability = 5, moderate variability = 3, no variability = 1
- The top five performance metrics of the fourteen spanned five different service units and were selected for additional testing.

We applied the methodology above to the fifty-one performance metrics identified in the period and the results are shown below within table 1 and table 2. Appendix A shows a breakout of all fifty-one performance metrics highlighted by measurement type.

**Table 1:** Selected Performance Metrics- Service Unit, Type, and Description

Service Unit Number	Service Unit Name	Type	Measure
1	622 Police Patrol	Effectiveness	% of citizens satisfied or very satisfied with police responsiveness (survey question)
2	623 Crime Investigations	Effectiveness	Homicide Clearance Rate
3	624 Target Violent Crimes	Effectiveness	% of arrests that include a felony charge
4	632 Manage Police Records and Evidence Control	Efficiency	Evidence processed per full-time employee per year
5	642 Crime Laboratory	Effectiveness	Average turn-around time in days for drug analysis

**Table 2: Selected Performance Metrics- Targets and Actuals**

	<b>FY10 Actual<sup>1</sup></b>	<b>FY11 Target</b>	<b>FY11 Actual</b>	<b>FY12 Target</b>	<b>FY12 Actual</b>	<b>FY13 Target</b>	<b>FY13 Actual</b>	<b>FY14 Target</b>
1	57%	70%	66%	72%	49%	68%	60%	68%
2	*	*	*	*	46%	60%	52%	53%
3	41%	41%	45%	42%	46%	45%	38%	45%
4	11,900	11,800	11,800	11,800	11,410	11,800	10,941	11,800
5	*	*	24	24	26	24	47	24

Notes: 1- Metrics were started within the FY12 budget and targets were not shown for FY10

\*- Metrics were not developed and used until later budget, thus prior information is not available.

We obtained the following for each of the selected performance metrics:

- Understanding of how the:
  - metric was developed,
  - target metric was determined, and
  - actual metric was compiled;
- Supporting documents for the actual figures within the Department’s agency detail budget for FY12 & 13.



## FINDINGS AND RECOMMENDATIONS

Overall the Police Department has done a good job in establishing a process for and preparing an outcome based budget given its mission, size, and complexity. We identified five areas where procedures and controls can be improved. These items are discussed below and include our findings and recommendations, together with the City responses to our findings. We believe these recommendations will strengthen the budgeting process for the Department and improve the quality of information reported to the City.

### **1. Performance Metric Determination**

#### Finding:

The budget contains performance metrics and targets organized by service area and aligned with overall City initiatives, however, there is no clear documentation as to how the performance metrics were determined. A lack of process to support the performance metrics could result in inappropriate metrics being tracked and reported on.

#### Recommendation:

We recommend the Department review the process for information gathering and records used to support performance metrics reported in the budget.

#### City Response:

The metrics were developed in collaboration with the Bureau of the Budget and Management Research; each year during the development of the next fiscal year's budget, there have been updates made to the metrics with collaboration with BBMR. Unfortunately, most of the staffing that is currently in place at the BPD as well as BBMR did not participate in the development of the FY 2010 budget and performance metrics. However, in more recent years as the Outcome Budgeting process has been refined, the Department has received better guidance on determining the performance metrics for budgeting purposes. The Department agrees that the process for information gathering and records used to support performance metrics reported in the budget can be improved. The Department is exploring the opportunity to create a strategic planning and management unit to better manage this responsibility as well as other strategic outcomes for the Department.

### **2. Target Metric Validity**

#### Finding:

There does not appear to be a robust process for reviewing the validity of the target metrics used from year to year. Target metrics do not consistently appear to reflect past achievement in alignment with desired future results. For instance, the metric evidence processed per full-time employee per year, has been the same target from FY11 thru FY14. Having inaccurate targets decreases the overall impact of outcome budgeting and limits the ability of the Department to improve performance.

#### Recommendation:

We recommend the Department establish a process for supporting and reviewing the year over year changes in target metrics and demonstrating their alignment with overall Department and City vision, mission, and initiatives.

City Response:

The BPD agrees that we need to improve our process for reviewing annual changes in target metrics and their alignment to the Department and City’s mission for safer streets. The Command structure has been fluid in recent years; with the frequency in the change of management personnel, the target metrics for some operational areas do not receive the appropriate level of attention. As mentioned earlier, we are seeking a way to create a strategic planning and management unit, which will be responsible for the management of the Department’s strategic direction and the monitoring of alignment by all sections and initiatives. For FY18, the Police Commissioner’s Office has designated a supervisory staffer to review all performance measures listed in the budget and to improve them based on the mission of the Departments.

**3. Variances Between Actuals in Budget Document and Supporting Documentation**

Finding:

For the five selected performance metrics we obtained supporting documentation for the “actuals” presented within the budget document for FY12 & 13. FY10 & 11 was excluded because there were not actuals presented for all the selected metrics and variances were identified in the most current periods. Out of the ten instances reviewed there were five instances where the supporting documentation of the actual performance metric did not agree to the “actuals” presented in the budget. Inaccurate actual data could lead to misleading information and could result in inaccurate future targets.

Recommendation:

We recommend the Department review the process for information gathering and records used to support performance metrics reported in the budget.

City Response:

The BPD agrees that we need to improve our process for information gathering and recording of data used to support performance metrics. We understand having documented processes will produce consistent and more reliable data.

**4. Break-out of Metric Type (effectiveness, efficiency, outcome, output)**

Finding:

Of the fifty-one performance metrics identified during the period, see Appendix A, the output metric type is used 49% of the time, see table 3 below for total break-down. An output metric type represents a quantitative measurement of productivity; however, other metric types measure both productivity and quality through qualitative factors. The current break-out of performance metrics emphasizes quantitative measures and not the quality of performance. A metric type such as this could lead to resources being inappropriately assigned to underperforming areas and areas not accountable for quality standards.

**Table 3:** Percentage of Performance Metric Types Used by the Department

<b>Metric Type</b>	<b>Count</b>	<b>Percentage</b>
Output	25	49%
Outcome	14	27%
Effectiveness	9	18%
Efficiency	3	6%
	<u>51</u>	

Recommendation:

We recommend the Department evaluate the current output metrics to determine if there is an efficiency or effectiveness measures that could be used to enhance the qualitative aspects of performance.

City Response:

The BPD agrees and we will evaluate the current output metrics during the Fiscal 2018 budget process.

**5. Budget Performance Metrics vs How the Service Area Evaluates Performance**

Finding:

We determined through observation and discussion that the metrics were utilized in the development in the budget; however, some metrics used in the budget are disconnected with how the service area actually measures performance. As a result, there are performance metrics being solely developed for purposes of the budget and not being used elsewhere in the Department (e.g. the police patrol service area).

Recommendation:

We recommend the City review current metrics and process for the establishment, monitoring, and review of the budget in lieu of the metrics to refine an outcome based budget approach in which the budget is evaluated against the outcomes developed and achieved.

City Response:

The BPD agrees and we are hopeful that the implementation of a strategic planning and management unit, as mentioned previously, will assist the Department in establishing and monitoring performance measures that are better aligned with the outcome based budget approach.

## APPENDX A: Police Department Performance Metrics- June 2010 to 2013

Number	Department	Type	Performance Measure	
1	622	Police Patrol	Effectiveness	% of citizens satisfied or very satisfied with police responsiveness (survey question)
2	622	Police Patrol	Effectiveness	% of citizens satisfied or very satisfied with police approachability (survey questions)
3	622	Police Patrol	Outcome	Property crime rate (UCR Part I crime per 1,000 residents)
4	622	Police Patrol	Outcome	Violent crime rate (UCR Part 1 crime per 1,000 residents)
5	622	Police Patrol	Output	# of 911 responses
6	623	Crime Investigations	Effectiveness	Homicide Clearance Rate
7	623	Crime Investigations	Outcome	Part I crime rate (Part 1 crimes per 1,000 residents)
8	623	Crime Investigations	Output	# of arrest warrants obtained by investigative units
9	623	Crime Investigations	Output	Number of warrants served
10	623	Crime Investigations	Output	Number of burglaries closed
11	624	Target Violent Crimes	Effectiveness	% of arrests that include a felony charge
12	624	Target Violent Crimes	Outcome	# of combined homicides and shootings in targeted SES zones
13	624	Target Violent Crimes	Output	# of guns seized (VCID only)
14	624	Target Violent Crimes	Output	# of gun arrests (VCID only)
15	625	Special Operations - SWAT	Outcome	% of incidents resolved without injury to officers, victim or suspect
16	625	Special Operations - SWAT	Output	# of SWAT deployments for high risk warrant service
17	625	Special Operations - SWAT	Output	# of SWAT deployments for barricades and hostage situations
18	626	Homeland Security - Intelligence	Outcome	Part 1 crime rate (Part 1 crimes per 1,000 residents)
19	626	Homeland Security - Intelligence	Output	Computer & Electronic Crimes Units Investigations
20	626	Homeland Security - Intelligence	Output	Arrests attributable to CCTV intelligence
21	626	Homeland Security - Intelligence	Output	% of phones located (Advanced Tech Team)
22	628	Police Internal Affairs	Effectiveness	% of investigations completed within six months
23	628	Police Internal Affairs	Outcome	# of excessive force complaints
24	628	Police Internal Affairs	Outcome	# of disorderly complaints
25	628	Police Internal Affairs	Output	# of integrity tests conducted
26	632	Manage Police Records and Evidence Control	Effectiveness	Average time (hrs) to enter Part 1 report into Records Management System
27	632	Manage Police Records and Evidence Control	Efficiency	Evidence processed per full-time employee per year
28	632	Manage Police Records and Evidence Control	Output	# of evidence items processed
29	634	Crowd. Traffic and Special Event Management	Efficiency	% of cost reimbursed by event organizers
30	634	Crowd. Traffic and Special Event Management	Outcome	Total preventable vehicle accidents involving BPD officers
31	634	Crowd. Traffic and Special Event Management	Output	# of special events staffed (incl. sporting events)
32	634	Crowd. Traffic and Special Event Management	Output	# of accidents investigated (includes all BPD accidents and all fatal or serious civilian vehicle accidents)
33	635	Police Recruiting and Training	Effectiveness	% of recruits who successfully completed training with grade of 85 or higher.
34	635	Police Recruiting and Training	Outcome	% of hires remaining in Police Department for two years
35	635	Police Recruiting and Training	Output	Number of Recruits hired
36	635	Police Recruiting and Training	Output	# of completed applications
37	637	Special Operations - K-9 Mounted Unit	Effectiveness	K-9 calls for service (total reactive deployments, e.g. calls or special events)
38	637	Special Operations - K-9 Mounted Unit	Outcome	Arrest assisted by K-9/Mounted
39	637	Special Operations - K-9 Mounted Unit	Output	% of positive searches
40	637	Special Operations - K-9 Mounted Unit	Output	# of events staffed by Mounted
41	638	Special Operations - Marine Unit	Efficiency	# of drownings in the Inner Harbor
42	638	Special Operations - Marine Unit	Output	# of Marine Unit deployment
43	638	Special Operations - Marine Unit	Output	# of Homeland Security checks
44	640	Special Operations - Aviation	Outcome	Arrest assists
45	640	Special Operations - Aviation	Outcome	% of citizens feeling safe or very safe in their neighborhood at night
46	640	Special Operations - Aviation	Output	# of Homeland Security checks
47	640	Special Operations - Aviation	Output	# of aviation support missions
48	642	Crime Laboratory	Effectiveness	Average turn around time in days for drug analysis
49	642	Crime Laboratory	Outcome	Total Backlog (latents, firearms, trace, biology, drugs)
50	642	Crime Laboratory	Output	Total submissions analyzed (latents, firearms, trace, biology, drugs)
51	642	Crime Laboratory	Output	# of crime scenes processed (lab runs)