



KING COUNTY AUDITOR'S OFFICE

Department of Permitting and Environmental Review (DPER): Accountability Could Improve Efficiency



King County

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OCTOBER 10, 2017

EXECUTIVE SUMMARY:

The Department of Permitting and Environmental Review (DPER) has a substantial backlog of residential permit applications waiting for review and often does not meet statutory time limits. The number of applications has increased since 2014, and DPER responded by hiring third-party contractors to handle a part of the extra work. While this strategy has helped reduce its backlog, DPER needs to do more to improve efficiency and timeliness. For instance, DPER lacks consistent performance standards for its staff and does not effectively track timeliness of applications, which could help it meet its statutory time limits and improve customer service.

Department of Permitting and Environmental Review (DPER): Accountability Could Improve Efficiency

REPORT HIGHLIGHTS

What We Found

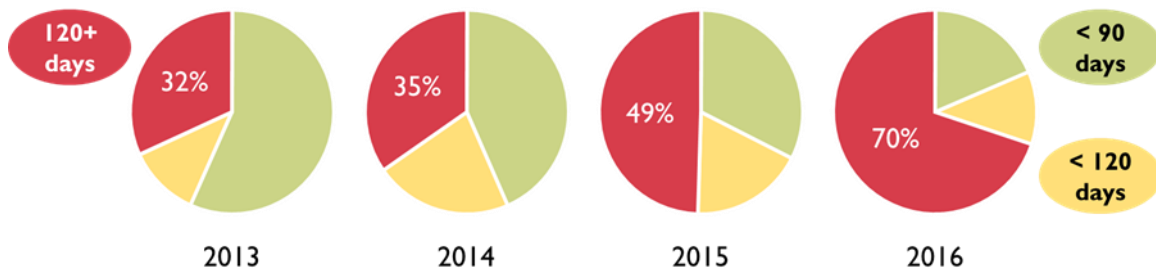
Because of increased volume and complexity of residential building permit applications, DPER accumulated a large backlog of permit applications for custom residential projects. In 2016, 70 percent of these applicants waited more than 120 days (four months) to receive a decision. These long permit review timelines exceed limits in state statute and county ordinance, and DPER cannot demonstrate that any exception applies. DPER began to use contractors to help manage workload in 2016, which could significantly reduce the backlog of permits waiting for review.

However, DPER's lack of standards for how long reviews should take results in duplication of efforts and limits accountability. Without these standards, DPER cannot analyze its capacity or productivity. This means managers are unable to allocate workload for greatest efficiency, further delaying permits for customers. In addition, we found that nearly half of DPER staff has not received a performance review for the past three years, a factor that further undermines accountability.

Why This Audit Is Important

DPER is responsible for issuing building permits for properties in unincorporated King County, including for residential homes. Long permitting delays can seriously impact home builders, sometimes delaying construction for years. Not receiving a permit in time can even jeopardize whether the project is built at all. In turn, this can impact the amount of property tax the county collects, since levy increases are tied to new construction in unincorporated King County. Further, permitting delays damage King County's reputation and reflect poorly on its ability to provide an essential government service.

Increasing percentage of residential custom home permits took longer than 120 days to process.



What We Recommend

We recommend that DPER comply with state and county laws regulating permit review timelines and communication. We also recommend that DPER set standards to improve consistency, accountability, and efficiency. Finally, DPER should ensure that annual performance reviews are conducted as required by King County Personnel Guidelines.

Department of Permitting and Environmental Review (DPER): Accountability Could Improve Efficiency

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DPER: Accountability Could Improve Efficiency

SECTION SUMMARY

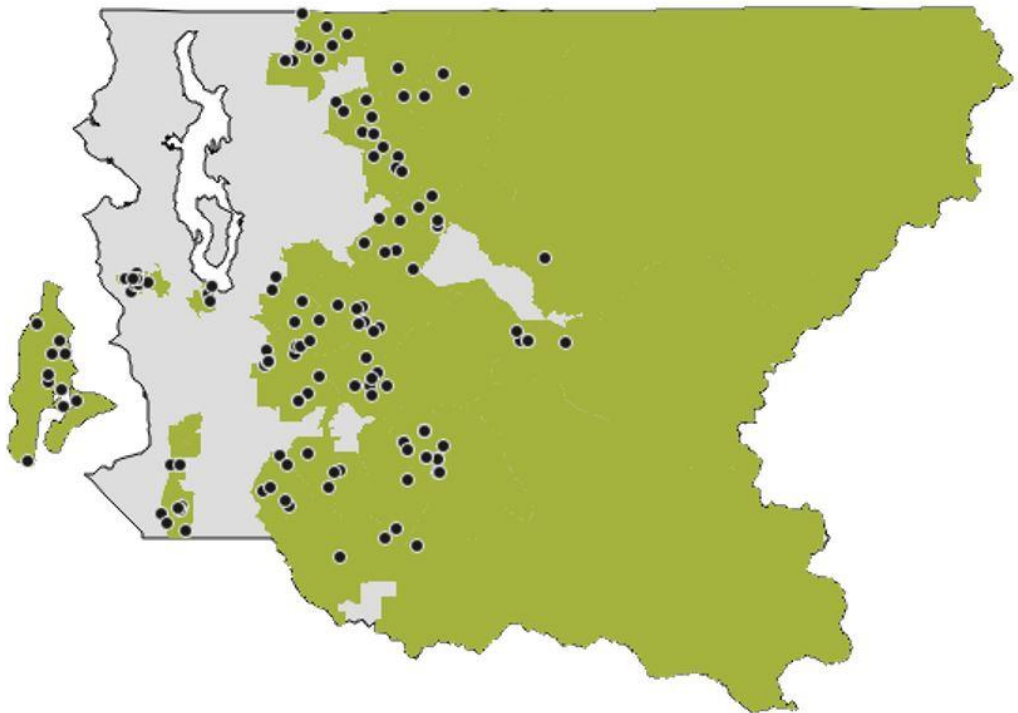
The Department of Permitting and Environmental Review (DPER) has used contractors to manage an increase in demand for permits, but a large backlog of applications for residential building permits still exists. In addition, DPER regularly exceeds statutory time limits for application processing. DPER's lack of standards and accountability measures impede efforts to improve in-house efficiency.

DPER expects demand for permits to decrease over time

The Department of Permitting and Environmental Review issues building and land use permits for properties in unincorporated King County (see Exhibit A). DPER expects that its workload will gradually decrease over time, as the more urban areas of unincorporated King County join cities and towns. Given this long-term forecast, DPER has decided to keep its staffing level constant since 2013, even when there are short-term increases in demand for its services.

EXHIBIT A:

DPER issues building permits for new homes (dots on map) built in unincorporated King County.



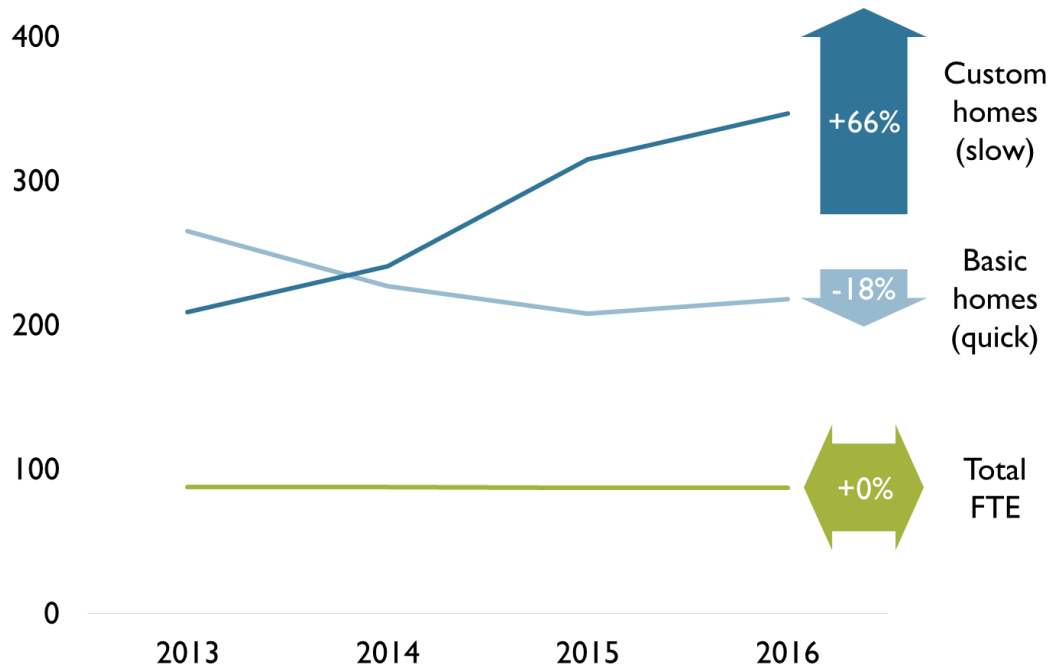
Source: DPER data of completed custom residential permits from 2014 through 2016.

Note: Of 269 permits issued or ready to issue, 172 had addresses that could be geocoded.

DPER experienced increased workload since 2013 but did not add staff

Applications for residential permits increased sharply in number and complexity while staffing stayed constant. Residential permit applications increased by 22 percent between 2013 and 2016. The resulting larger workload was compounded by the complexity of the new applications. The number of basic residential applications declined (which are based on known designs and can be reviewed very quickly), but the number of applications for custom homes (which take much longer to review) increased by 66 percent during this time period. Exhibit B shows how staff levels stayed the same while custom home building permits increased over the past three years.

EXHIBIT B: Custom residential permit applications increased by 66 percent since 2013 while staffing stayed under 100 full-time equivalent employees.¹



Source: Auditor’s Office analysis of DPER data.

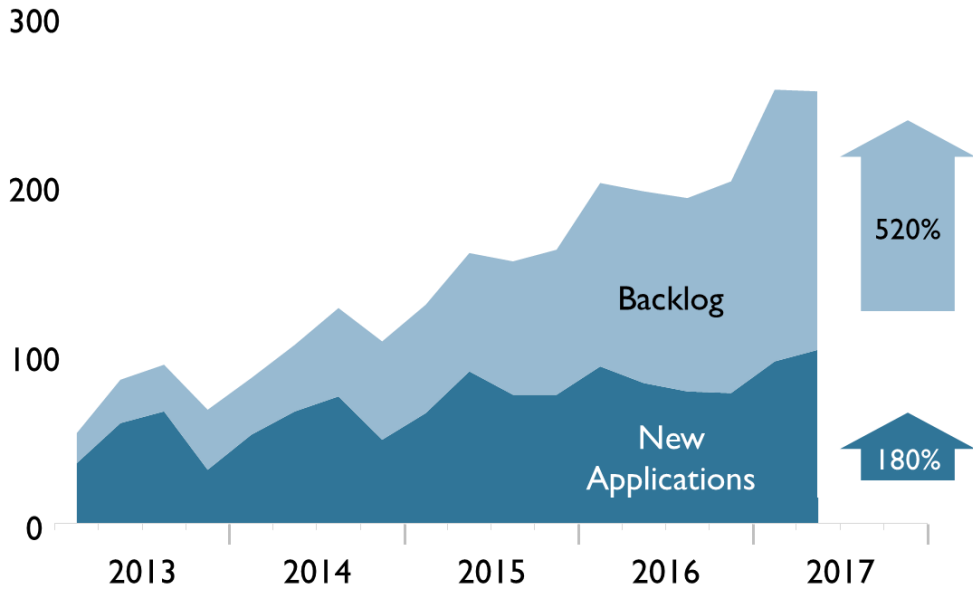
DPER could not keep up with demand, resulting in a backlog of permit applications

Because DPER kept staffing levels constant, the increase in demand resulted in a significant backlog of permit applications. DPER did not hire more permanent staff, because managers did not want to lay off employees if demand subsided, which they anticipated it eventually would. Adding staff would also necessitate higher fees for customers, which DPER wanted to avoid. This meant that the agency could not keep pace with the new, more complex applications, and so the total number of permits awaiting or in the process of review increased.² At the start of 2013, there were 54 custom residential permit applications in process; by the start of 2017 this had increased almost five times to 260 applications (see Exhibit C, below). DPER was unable to clear this backlog during slower times, such as October through December, and the backlog grew further during the busier spring and summer.

¹ Before 2013, DPER had substantially reduced its staffing levels, dropping from over 400 employees to less than a hundred.

² Basic home applications are almost always processed in less than a week, so there is no backlog for these types of permits.

EXHIBIT C: The backlog of residential custom home applications increased fivefold since 2013.



Source: Auditor’s Office analysis of DPER Accela data. This chart shows the total number of applications in process each quarter. The “backlog” is the number of applications received in a prior quarter that were still in process and not yet ready to issue.

Custom home permit processing times doubled between 2014 and 2016

As the backlog grew, it took DPER longer to process custom residential permit applications, causing delays for customers. In 2014, the median custom home permit took 79 days to process; in 2016 that timeframe had more than doubled to 165 days. Delays in receiving a permit can be frustrating and have a variety of negative effects on customers. Construction can often involve multiple parties with busy schedules, and not receiving a permit in time can cost the applicant money or even jeopardize whether the project is completed at all. In turn, this can impact the amount of property tax the county collects, since levy increases are tied to new construction in unincorporated King County. Further, permitting delays damage King County’s reputation and reflect poorly on its ability to provide an essential government service.

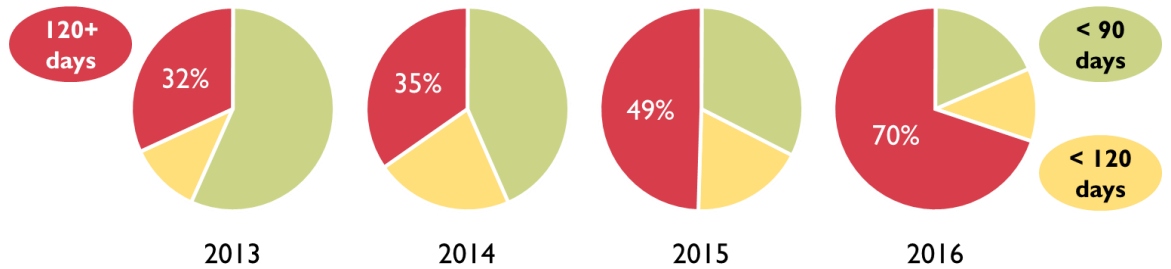
Custom home permit timelines are longer than law allows

Since 2015, a majority of single family custom home applications DPER processed took longer than a 120-day state time limit. State law requires that local permitting agencies like DPER make a decision (or issue written findings on when a decision will be made) within 120 days of receiving a complete application.³ Many reviews exceed this time frame, and DPER has not issued written findings as required by state law. For example, in 2016 DPER failed to make a decision or issue written findings within the state’s time limit for about 70 percent of applications for custom homes (see Exhibit D, below).

³ RCW 36.70B.080(1)

Even before the uptick in demand in 2014, DPER took longer than 120 days for one in three custom home applications. This implies that the cause of these lengthy processing times is at least partially due to DPER’s inefficiency, independent of recent demand. We discuss some potential causes of this inefficiency later in the report. State law requires the timely issuance of project permit decisions by local governments, since it serves the public’s interest by providing greater efficiency, consistency, and predictability in the permitting process. We heard anecdotally that long review times in King County were a source of frustration among customers, who said that timelines were much quicker in Snohomish and Pierce counties. DPER does not systematically track customer satisfaction, so it cannot quantify what impact these long timelines might have. DPER has established a goal of completing 80 percent of all non-basic residential applications within 45 days.

EXHIBIT D: Increasing percentage of residential custom home permits took longer than 120 days to process.



Source: Auditor’s Office analysis of DPER Accela data.

Recommendation 1

The Department of Permitting and Environmental Review should comply with RCW 36.70B.080(1) either by making a decision within 120 days of receiving a completed application or by issuing written findings that a specified amount of additional time is needed when a review takes longer than 120 days.

DPER does not track waiting time so does not know if it is complying with code

In addition, DPER cannot show that it is complying with the time limits in the King County Code. King County Code requires DPER to make a decision on whether to approve a permit application for a single family custom home within 90 days. Unlike the 120-day standard in state law, King County Code allows DPER to exclude certain time periods from the 90-day limit. For example, DPER can “stop the clock” and exclude time from its 90-day allotment, such as when:

- DPER is waiting for additional or corrected materials from an applicant
- an environmental impact statement is pending
- the applicant and the department mutually agree upon an extension.⁴

⁴ See King County Code 20.20.100(C) for a complete list of exclusions to the time limits.

However, DPER does not regularly keep track of these “stopped” time periods, so DPER cannot demonstrate that it is complying with the limits in King County Code. For example, in 2016 DPER did not make a decision within 90 calendar days for almost 75 percent of custom home applications. DPER’s actions on some or all of these applications may have complied with King County Code, but it did not collect the data necessary to demonstrate compliance.

Recommendation 2

The Department of Permitting and Environmental Review should collect and monitor data that documents when the “clock” stops and starts for the reasons listed in King County Code 20.20.100(C) to ensure that it is complying with the King County Code.

DPER has not reported permit timeliness as required

DPER has not publically reported its performance as required by state law. State statute requires DPER to publish specific performance metrics about how long permits take to process on its website.⁵ DPER does not collect data on some of these metrics. For example, the required metrics include how many permit applications were processed within the time limits under King County Code, but DPER lacks the “clock” data needed to report on this metric. Even for the metrics where DPER does have data, such as how many complete applications it received each year, DPER has not published these numbers on its website since 2013.

Recommendation 3

The Department of Permitting and Environmental Review should comply with RCW 36.70B.080(2)(b) by posting required performance reports on its website that detail the timeliness of its permitting process.

DPER used contractors to reduce backlog

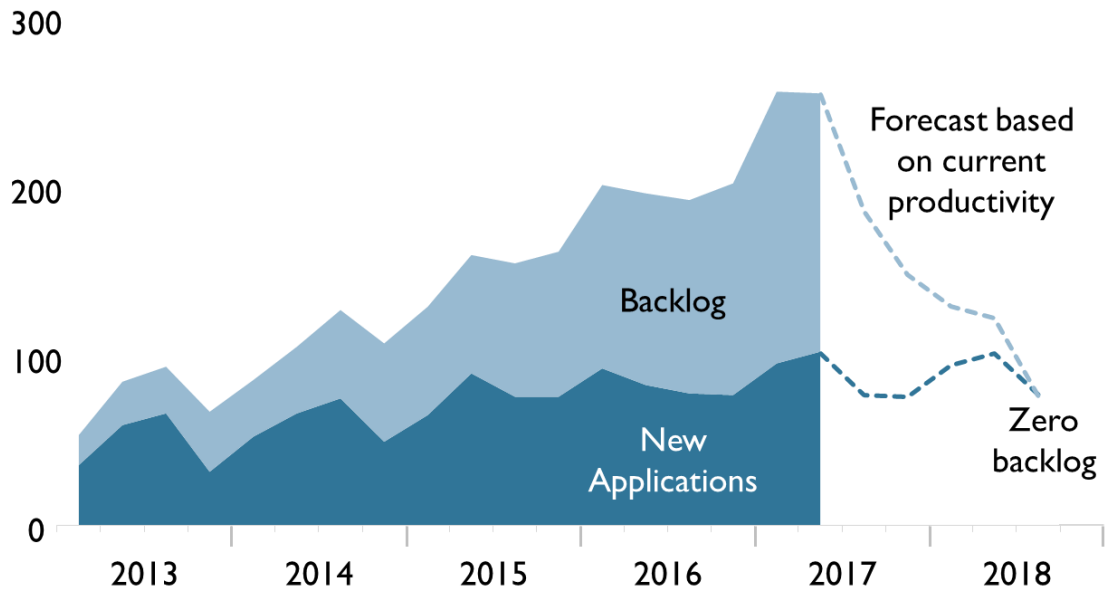
DPER hired third-party contractors to review residential permit applications starting at the end of 2016, which has started to reduce the backlog and improve processing times. Before hiring contractors, DPER attempted to increase capacity by asking for voluntary overtime and hiring short-term temporary employees. According to DPER, staff did not volunteer to work enough overtime and the booming housing market made it difficult to find qualified short-term employees. After reaching an agreement with its union represented employees, DPER hired two contracting agencies to conduct reviews on residential permit applications. According to DPER managers, the added capacity mitigated in-house bottlenecks and allowed applications to move more quickly through the required review processes.

⁵ RCW 36.70B.080(2)(b)

Contractors could significantly reduce backlog within two years

By using contractors, DPER was able to double the average number of custom residential permits it issued each month. In the second quarter of 2017, the number of permits DPER issued exceeded the number of new applications. This means DPER was able to reduce the backlog with the help of the contractors. Assuming that DPER can sustain this level of productivity and that demand remains constant, DPER could potentially eliminate the residential custom backlog by the third quarter of 2018 (see Exhibit E, below).

EXHIBIT E: At current processing rates and including contractor help, DPER could potentially eliminate the residential custom backlog in 2018.



Source: Auditor's Office analysis of DPER data.

DPER should take steps to increase its capacity

While the contractors are helping to reduce the backlog, DPER can do more to improve efficiency of its own staff. It makes sense for DPER to use third-party contractors to manage the review workload that exceeds its capacity, given the variability in permit applications. However, DPER should also take steps to increase its internal capacity to review permit applications by increasing efficiency and productivity. There are several steps that DPER could take to accomplish this goal, including documenting screening criteria for permit applications, setting performance standards for review tasks, and consistently evaluating staff against those standards. The remainder of this report will discuss these strategies.

Lack of standards results in duplicated efforts

DPER has not established and documented standards for initial application screening, resulting in duplicate work flows. Reviewing permit applications involves interpreting and applying King County Code to a wide variety of circumstances. This is challenging work that requires professional judgement. However, DPER managers stated that, in the absence of clear standards for initial screening, staff members use their own interpretations of code and “personal feelings” to evaluate applications. This can require a second review by more experienced reviewers before an application is added to the queue. Thus, incoming residential permits are reviewed twice, a practice that DPER managers agree is duplicative. This practice can further delay issuing permits.

Recommendation 4

The Department of Permitting and Environmental Review (DPER) should develop and document internal standards for initial application reviews to ensure consistency across different reviewers and reduce the need for duplicative work. DPER should also conduct training on and monitor implementation of these standards.

Lack of time standards for review steps limits DPER’s ability to efficiently manage staff

DPER has not, with a few exceptions, delineated minimum or average time standards for most review tasks, which complicates its ability to distribute work effectively and manage staff. While the circumstances of each permit vary, it is possible to determine a range for how long each review step should take. The lack of documented time standards has several negative impacts. Specifically, lack of standards:

- Hampers workflow planning and staff allocation. Without standards, it is difficult to estimate how long a particular review task should take. This makes it more difficult to plan work and allocate staff effectively. For instance, some DPER managers indicated that they do not have the tools necessary to identify areas where demand for certain types of permits is outpacing the capacity of staff assigned to that product line. This can lead to large backlogs in individual product lines, such as residential custom permits.⁶
- Undermines staff accountability. If there is no clearly documented expectation for how long a task should take, it is difficult to objectively evaluate whether a staff member took too long to do the task. This also means that a staff person cannot determine whether their work is meeting expectations and the needs of the department.

Establishing clear standards for review tasks—both in terms of how they should be accomplished and how long it should take—could provide greater clarity and accountability for both management and staff that they can use to improve performance and increase productivity.

⁶ Different types of permit applications take different amounts of time to process, so the number of permits in each product line is not a good way to compare demand.

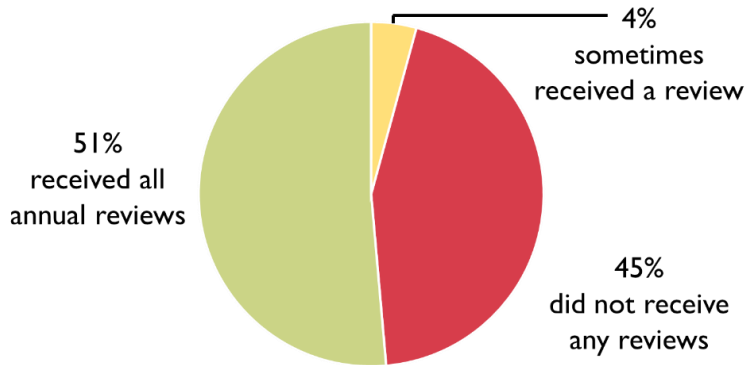
Recommendation 5

The Department of Permitting and Environmental Review (DPER) should develop and document internal standards on the time expected for common review processes, such as ordinance, ecological, and drainage reviews. DPER should also conduct training on and monitor implementation of these standards.

Performance review process has not been consistently used

DPER managers have not consistently conducted performance reviews of their staff, thereby missing opportunities for feedback and coaching. Performance reviews are an important tool managers use to set goals and provide regular feedback to staff members. They give managers an opportunity to highlight areas where staff members are doing high-quality work and identify areas where staff can make improvements. In analyzing performance review data over the past three years (2014 to 2016), we found that supervisors did not conduct 45 percent of performance reviews that are required by King County Personnel Guidelines (see Exhibit F, below). This means of the 72 employees who were eligible to receive a performance review in 2016, 33 did not get one.

EXHIBIT F: Nearly half of DPER staff did not receive a performance review between 2014 and 2016.



Source: Auditor's Office analysis of DPER data.

Three of the seven supervisors were responsible for the majority of the incomplete reviews. These three supervisors were responsible for 30 of the 33 reviews that were not done in 2016. Staff members managed by these individuals have gone three or more years without a performance review. Managers told us that the increased workload made it difficult to find time to conduct these performance reviews. DPER is in the process of updating its performance review process to increase the focus on coaching and employee development. Managers believe that these changes will facilitate the process and utility of conducting the reviews.

Recommendation 6

The Department of Permitting and Environmental Review should consistently conduct reviews of and track employee performance as required by King County's Personnel Guidelines.

Executive Response



King County

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**KING COUNTY AUDITOR
SEPT 20 2017
RECEIVED**

September 20, 2017

KyMBER Waltmunson
King County Auditor
Room 1033
COURTHOUSE

Dear Ms. Waltmunson:

Thank you for the opportunity to review and comment on the proposed final report
“Department of Permitting and Environmental Review (DPER): Accountability Could Improve Efficiency.”

We concur or partially concur with the audit recommendations to improve permitting efficiency by enhancing performance reporting, further standardizing work processes, and consistently reviewing employee performance.

Although the timelines for reviews of residential permit applications slowed in the past two years as the volume of applications increased faster than the capacity of the department to process them, the department took several actions on its own to address this important issue. It changed its approach to overtime distribution, it published expected review times in our lobby, and for the first time in its history the department retained third party reviewers to handle peak workload. Implementing the steps to meet peak demand took eighteen months, but now that the changes are in place backlog is down and review times are improving.

As noted by the Auditor, the department has not added to its budgetary allotment of permanent permitting staff to handle additional workload in the past four years. The reasons are worth emphasizing:

- **Cost control:** Adding more permanent staff would increase year-round operating costs and thus require higher fees. In contrast, costs for overtime, temporary staff and third party reviewers are incurred only as needed to meet peak demand, and so provides marginal capacity at a lower annual cost.
- **Staffing stability:** Continually hiring and laying off permanent staff to meet ever changing levels of demand for service negatively impacts organizational readiness, agency performance, and staff morale.



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and complies with the Americans with Disabilities Act*

KyMBER Waltmunson
September 20, 2017
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Therefore, in lieu of hiring more permanent staff to process peak workload, the department adjusted the allocation of staff time and added overtime, temporary staff, and third party reviews when possible. The report predicts that backlog will be eliminated next year. In the past several months, great progress has been made to reduce the hold time from permit intake to getting it assigned to and into the hands of review staff. In early 2017, for example, site reviews were routinely queued up waiting for assignment to staff or third party reviewers. By August, that queue was eliminated.

Concurrent with efforts to shorten permit review times, the department also has been investing to reduce the customer time and cost of plan submittal and permit issuance by transitioning permitting processes from paper to electronic media. The department began issuing one-third of its permits on-line in 2016, accepting credit card payments for most of its services this year, is rolling out electronic plan review, and has been working to integrate its permitting systems with the regional public permitting portal—MyBuildingPermit.com—by the end of 2017. Groundwork to enable joining MyBuildingPermit.com began in 2015-16 by amending the County code so that property tax account status no longer needs to be verified prior to permit issuance, by participating in the countywide electronic payment initiative, and by modifying our permitting system interface to the County financial system. The time savings to our customers from these departmental investments add up: they save process steps for applicants, and for those who can now apply for and pay for permits on line customers save the time of traveling to the department's office and waiting for help.

We regard the recommendations by the Auditor for reporting, standardization, and accountability as complementary to the recent and current efforts of the department to improve performance outcomes for its customers. In particular, we welcome the opportunity to work with the Council to update timeliness standards for permitting and make them more relevant to the variety of projects subject to review by the County today.

Thank you for collaborating on this important work. If you have any questions regarding our audit response, please contact John Starbard, Director, Department of Permitting and Environmental Review, at 206-477-0382.

Sincerely,



Dow Constantine
King County Executive

Enclosure

cc: Michael Fong, Chief of Operations, King County Executive Office
Rachel Smith, Chief of Staff, King County Executive Office
Dwight Dively, Director, Office of Performance, Strategy and Budget
John Starbard, Director, Department of Permitting and Environmental Review

Recommendation 1

The Department of Permitting and Environmental Review should comply with RCW 36.70B.080(1) either by making a decision within 120 days of receiving a completed application or by issuing written findings that a specified amount of additional time is needed when a review takes longer than 120 days.

Agency Response

Concurrence	Concur
Implementation date	June 30, 2018
Responsible agency	Department of Permitting and Environmental Review
Comment	<p>As noted in the report, application volume not only increased in the last two years, but it also shifted from simpler, basic homes to more complex, custom homes on sites with more environmental constraints. To speed up application approval, the department focused on adding review capacity with overtime and temporary staff beginning in 2015, and also by engaging third party reviewers in 2016. Between 2013 and 2016, review timelines lengthened substantially until the points when sufficient capacity was added to keep up with the volume of applications, however. With the help of the third party reviewers, new custom home applications now are getting approved faster, and these resources remain on call to meet surges in demand in the future.</p> <p>The department already informs applicants when application review is delayed pending receipt of corrected or additional project information from the customer. We will standardize and enhance these communications to include the additional processing time requirements in excess of 120 days, in accordance with the RCW.</p>

Recommendation 2

The Department of Permitting and Environmental Review should collect and monitor data that documents when the “clock” stops and starts for the reasons listed in King County Code 20.20.100(C) to ensure that it is complying with the King County Code.

Agency Response

Concurrence	Partially concur
Implementation date	January 1, 2019
Responsible agency	Department of Permitting and Environmental Review
Comment	We concur that data collection and monitoring have been inadequate, and welcome this opportunity to broach potential changes in County policy, practice, or code that enhance the

usefulness of performance information for our customers and the accountability of the department.

The way our permitting system is configured makes tracking the “start-and-stop” of concurrent reviews problematic. (The code-mandated clock runs when the County has an application to review, and the clock stops when an application has been returned to an applicant for revision or additional information.) Stopping the clock on the electronic record of a permit application for any one of the reasons authorized by KCC 20.20.100 systematically denies record access to any other discipline in the department performing concurrent review. Collecting data on clock starts and stops in our permitting system thus further delays the completion of review by stopping concurrent review that could otherwise speed the overall review process.

We have been aware of this dilemma for several years, which to resolve would require a major and expensive reconfiguration of our permitting software. Procedural work-arounds to collect this data have been under consideration, but also place additional demands on staff resources. We have been and are tracking total calendar days to final decision, without any clock stoppage for applicant corrections, which is an even stricter standard than required by code and more feasible without slowing departmental review times. In recent months, we have seen meaningful progress in reducing total calendar days to final decision.

Aside from the technological obstacles to monitoring compliance with the current County code, we believe that the deadlines mandated by the code could be amended to improve their usefulness to customers and accountability for the department. The current code mandates a deadline for final departmental decision. But the number of correction cycles in review is in part driven by our customers. Sometimes customers choose not to respond promptly for business or financial reasons. An aggregated target of total calendar days for permits with the County is thus less helpful to our individual customers because of the many unique circumstances of our customers and the variability in the quantity and complexity of revisions requested. It is not realistic for the County to achieve them for every permit.

We believe that our customers would benefit more by knowing when they can expect a single, consolidated comment letter from the County in response to their application submittal or resubmittal, and that we should be held accountable for our performance for same. Our past practice has been to issue multiple correction letters for each application, one letter for each

review discipline. The consultants working for the department over the last year have shown that a single comment letter for all concurrent review disciplines can be issued in 15 days for 94% of the applications reviewed by the consultant. We would propose a similar standard for residential building permits, except those submitted pursuant to a code enforcement violation. Some reconfiguration of our permitting system would be required to implement, but would be feasible.

We also suggest exploring the possibility of establishing and updating performance standards on a periodic basis via the fee ordinance as part of the biennial budget and fee review process. By this approach the County could explicitly refresh its policy guidance on performance standards with reference to budget and fee choices.

Recommendation 3

The Department of Permitting and Environmental Review should comply with RCW 36.70B.080(2)(b) by posting required performance reports on its website that detail the timeliness of its permitting process.

Agency Response

Concurrence	Concur
Implementation date	January 1, 2019
Responsible agency	Department of Permitting and Environmental Review
Comment	We acknowledge our responsibility to publish performance reports per RCW, and appreciate the opportunity afforded by this recommendation to propose means of fulfilling our obligation. As noted in our response to Recommendation 2, our permitting system has not enabled us to track clock stoppage reliably for the permitting categories as established by KCC 20.20.100. However, we have attempted to meet the spirit of the RCW by continuously publishing our expected review timelines by LCD monitor in our lobby, where they are prominently visible to all our customers who visit. We observe that publishing and updating expected review times in our lobby is more responsive to changing circumstance and more accessible to our customers than the annual report mandated by the RCW.

Recognizing that we cannot at present report performance compliant with the RCW, we see two alternatives:

- Reconfigure existing permitting systems or create new systems to capture clock stoppage data and report performance as measured accordingly, at some additional cost and delay to the permitting process; or
- Amend County code so that performance reporting is more feasible and less costly to implement while more useful for our customers, as described in our response to Recommendation 2.

We look forward to bringing forward a comparison of these alternative remedies for further consideration and action by the County.

Recommendation 4

The Department of Permitting and Environmental Review (DPER) should develop and document internal standards for initial application reviews to ensure consistency across different reviewers and reduce the need for duplicative work. DPER should also conduct training on and monitor implementation of these standards.

Agency Response

Concurrence	Concur
Implementation date	January 1, 2019
Responsible agency	Department of Permitting and Environmental Review
Comment	With budget approval of the Council, in 2017 we began the process migrating permitting processes from traditional paper-based systems to electronic application submittal and review via the regional public permitting portal, MyBuildingPermit.com (i.e. on-line permitting). An important benefit of this service advancement for our customers is that when an application is submitted on-line, certain input fields pertinent to that kind of permit must be completed, and certain attachments provided. Therefore, designing those input and attachment forms for on-line permitting has required us to review and in some cases amend what we have been asking for, which in turn will make initial applications much more uniform. As we steadily more through the permit types we have and add them to the on-line system, we will gain greater and greater consistency.

Recommendation 5

The Department of Permitting and Environmental Review (DPER) should develop and document internal standards on the time expected for common review processes, such as ordinance, ecological, and drainage reviews. DPER should also conduct training on and monitor implementation of these standards.

Agency Response

Concurrence	Concur
Implementation date	January 1, 2019
Responsible agency	Department of Permitting and Environmental Review
Comment	The department has been working with its plan review consultants since mid-2016 to define and obtain performance standards for review completion. With the consultant's help, the department has been reducing the time to final approval of new custom home permits closer to our target of 45 days from application acceptance.

For department staff, collective bargaining agreements require that any change in working conditions, including the impact of newly established performance standards, is subject to bargaining. For example, any training required to meet a new performance standard and any disciplinary actions pursuant to not meeting them, would be considered impactful to staff. Therefore, before we can implement newly established performance standards we will be required to provide notice to the union of the standard(s) and engage in impact bargaining if requested.

Recommendation 6

The Department of Permitting and Environmental Review should consistently conduct reviews of and track employee performance as required by King County's Personnel Guidelines.

Agency Response

Concurrence	Concur
Implementation date	December 31, 2018
Responsible agency	Department of Permitting and Environmental Review
Comment	In response to employee requests for professional development plans, our department led the County in creating and piloting the new performance appraisal template two years ago, and fully implemented it just last year (2016). The new template requires the employee being evaluated to begin the written assessment, then the supervisor comments and completes the assessment. Previously, the supervisor started the process and wrote nearly all of the appraisal.

Supervisors are expected to conduct annual performance evaluations. Those who are behind in this task have begun the process of catching up on evaluations that are overdue. To assist in this effort, our department's HR staff has begun sending directly notice to those employees who are coming due for their annual evaluation. Such notices include a blank copy of the performance appraisal template. Employees are asked to complete the self-assessment and professional development goal sections of the evaluation and then to forward the evaluation to their supervisor for completion. Our HR staff continues to monitor and regularly report to department management which employees are due and overdue for their evaluation. Department management is committed to ensuring that employees are provided timely and constructive performance feedback on a regular basis, and that all our staff will have a completed evaluation done by their supervisor by end of 2018.



Statement of Compliance, Scope, Objective & Methodology

Statement of Compliance with Government Auditing Standards

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.

Scope of work on Internal Controls

We assessed internal controls relevant to the audit objectives. This included reviews of selected state, county, and departmental statutes, policies, and procedures. We conducted interviews with knowledgeable staff within the Department of Permitting and Environmental Review (DPER), including senior managers, supervisors, and lead staff. In performing our audit work, we identified concerns relating to compliance with state and county laws, efficient use of staff resources, and staff accountability.

Scope and Objectives

This audit evaluated DPER's performance processing residential permit applications between 2013 and 2016 with respect to applicable laws and regulations. Specifically, we focused on custom home permits. We also reviewed how DPER uses data and analysis to maximize efficiency and effectiveness in staff allocation.

Methodology

To address the audit objectives, we reviewed state and county laws and regulations, interviewed DPER leaders, product line managers, discipline leads, and other current and former staff. In addition, we interviewed Snohomish County and Pierce County permitting department managers as well as representatives from stakeholder groups. To assess staff accountability, we interviewed King County Human Resources managers as well as human resource staff assigned to DPER and reviewed performance appraisal data from 2014 – 2016. We also reviewed financial and performance reports and analyzed permit processing data directly from DPER's permit tracking system, Accela.



List of Recommendations & Implementation Schedule

Recommendation 1

The Department of Permitting and Environmental Review should comply with RCW 36.70B.080(1) either by making a decision within 120 days of receiving a completed application or by issuing written findings that a specified amount of additional time is needed when a review takes longer than 120 days.

IMPLEMENTATION DATE: June 30, 2018

ESTIMATE OF IMPACT: Issuing a decision or written findings that additional time is needed within 120 days would bring DPER into compliance with state statute. In addition, these actions would enhance customer service by improving communication.

Recommendation 2

The Department of Permitting and Environmental Review should collect and monitor data that documents when the “clock” stops and starts for the reasons listed in King County Code 20.20.100(C) to ensure that it is complying with the King County Code.

IMPLEMENTATION DATE: January 1, 2019

ESTIMATE OF IMPACT: Documenting when the permit application review “clock” stops and starts would enable DPER to demonstrate that it is in compliance with King County Code. Collecting data on delays in the review process would also help DPER analyze and improve productivity.

Recommendation 3

The Department of Permitting and Environmental Review should comply with RCW 36.70B.080(2)(b) by posting required performance reports on its website that detail the timeliness of its permitting process.

IMPLEMENTATION DATE: January 1, 2019

ESTIMATE OF IMPACT: Reporting performance as required would bring DPER into compliance with state statute as well as improve transparency and accountability.

Recommendation 4

The Department of Permitting and Environmental Review (DPER) should develop and document internal standards for initial application reviews to ensure consistency across different reviewers and reduce the need for duplicative work. DPER should also conduct training on and monitor implementation of these standards.

IMPLEMENTATION DATE: January 1, 2019

ESTIMATE OF IMPACT: Developing, implementing, and monitoring the application of standards for initial application reviews would reduce the need for a second review, thereby allowing more time to process permit applications. In addition, standards would increase consistency across reviewers. Consistent application of rules would lead to better and more reliable customer service.

Recommendation 5

The Department of Permitting and Environmental Review (DPER) should develop and document internal standards on the time expected for common review processes, such as ordinance, ecological, and drainage reviews. DPER should also conduct training on and monitor implementation of these standards.

IMPLEMENTATION DATE: January 1, 2019

ESTIMATE OF IMPACT: Implementing standards for the duration of common review processes would allow DPER managers to better project and allocate workload across staff and product lines. This would enable the organization to more efficiently allocate staff to improve timeliness. In addition, setting standards for productivity provides a framework to hold staff accountable.

Recommendation 6

The Department of Permitting and Environmental Review should consistently conduct reviews of and track employee performance as required by King County's Personnel Guidelines.

IMPLEMENTATION DATE: December 31, 2018

ESTIMATE OF IMPACT: Conducting performance reviews as required by Personnel Guidelines would align DPER's personnel management practices with County expectations. Further, evaluating performance against documented standards would increase staff accountability and may improve overall efficiency.



KING COUNTY AUDITOR'S OFFICE

Advancing Performance & Accountability

KYMBER WALTMUNSON, KING COUNTY AUDITOR

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