

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 1273 (Calvert County Delegation)
Ways and Means

Education - Calvert County Board of Education - Annual Audit

This bill extends the deadline in which the Calvert County Board of Education must submit the results of its audited financial statements to specified State and local entities from three months to five months after the close of the fiscal year.

The bill takes effect July 1, 2013.

Fiscal Summary

State Effect: None.

Local Effect: None. Altering the Calvert County Board of Education annual audit report deadline will not affect county finances.

Small Business Effect: None.

Analysis

Current Law: Each county board of education must provide, within three months after the close of the fiscal year, an annual audit of its financial transactions and accounts. The audit must be prepared by a certified public accountant or a partnership of certified public accountants who are licensed by the State Board of Public Accountancy, and approved by the State Superintendent of Schools.

The audit must be made in accordance with the standards and regulations adopted by the State Board of Education. The results of the audit, including the letter of recommendation submitted by the auditor, are a matter of public record, and must be reported on the form and in the manner requested by the State Board of Education to:

- the State Superintendent of Schools;
- the county fiscal authority;
- the Joint Audit Committee of the General Assembly;
- the Senate Budget and Taxation Committee;
- the Senate Education, Health, and Environmental Affairs Committee;
- the House Appropriations Committee; and
- the House Ways and Means Committee.

At the request of the Maryland State Department of Education (MSDE), a county board of education must conduct an audit under Section 5-203 of the Education Article (which is subject to repeal as of July 1, 2014) to ensure that local school systems are properly reimbursing the State for pension contributions made on behalf of federally funded employees, and that State payments for retirement contributions are in accordance with State pension law. Audits conducted for this purpose may be included with or conducted in conjunction with other existing audit requirements under State or federal law, or they may be conducted independently.

In addition to the above requirements, the county commissioners or county council may conduct an audit using auditors employed by the county.

Background: The fiscal 2012 audit report for the Calvert County Public School System was received by the MSDE audit office on September 26, 2012.

Additional Information

Prior Introductions: HB 1298 of 2012 received a hearing in the House Ways and Means Committee, but no further action was taken.

Cross File: None.

Information Source(s): Calvert County, Maryland State Department of Education, Department of Legislative Services

Fiscal Note History: First Reader - February 25, 2013
mc/hlb

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