

Chapter 261

(House Bill 352)

AN ACT concerning

Office of Legislative Audits – Local School System Audits—~~Repeal~~

FOR the purpose of ~~repealing the requirement that the Office of Legislative Audits conduct audits of certain local school systems within certain periods of time; repealing the requirement for the Legislative Auditor to appoint professional staff to conduct audits of local school systems; repealing the authorization for the Office of Legislative Audits to have access to certain information to perform audits of local school systems; repealing the requirement for the Office of Legislative Audits to provide certain information to a local school system and the Joint Audit Committee following a certain review; repealing the authorization for the Joint Audit Committee to take certain actions relating to a certain review; requiring the Office of Legislative Audits to conduct an audit or a review of certain local school systems under certain circumstances; making conforming changes exempting a local school system from a certain audit requirement under certain circumstances; authorizing the Joint Audit Committee to direct the Office of Legislative Audits to conduct an audit of a local school system; and generally relating to the repeal of audits of local school systems by the Office of Legislative Audits.~~

~~BY repealing~~

~~Article – State Government
Section 2-1210(e), 2-1220(e), and 2-1224(g)(7) through (9)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)~~

~~BY repealing and reenacting, with amendments,~~

~~Article – State Government
Section 2-1220(b) and 2-1223(a)(3)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)~~

~~BY renumbering~~

~~Article – State Government
Section 2-1220(f)
to be Section 2-1220(e)
Annotated Code of Maryland
(2014 Replacement Volume and 2015 Supplement)~~

BY repealing and reenacting, with amendments,

Article – State Government
Section 2-1220(e)
Annotated Code of Maryland

(2014 Replacement Volume and 2015 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – State Government

~~2-1219.~~

~~¶(e) With the approval of the Executive Director, the Legislative Auditor shall appoint professional staff to conduct audits of local school systems in accordance with § 2-1220(e) of this subtitle.¶~~

2-1220.

~~¶(b) If the General Assembly, by resolution, or the Joint Audit Committee so directs, the Office of Legislative Audits shall conduct an audit or review of a corporation, LOCAL SCHOOL SYSTEM, or association to which the General Assembly has appropriated money or that has received funds from an appropriation from the State Treasury.~~

¶(e) (1) ~~At~~ **EXCEPT AS PROVIDED IN PARAGRAPH (4) OF THIS SUBSECTION,** **AT** least once every 6 years, the Office of Legislative Audits shall conduct an audit of each local school system to evaluate the effectiveness and efficiency of the financial management practices of the local school system.

(2) The audits may be performed concurrently or separately.

(3) The Office of Legislative Audits shall provide information regarding the audit process to the local school system before the audit is conducted.¶

(4) ~~BEGINNING (I)~~ SUBJECT TO THE LIMITATION UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH, BEGINNING IN FISCAL YEAR 2017, A LOCAL SCHOOL SYSTEM SHALL BE EXEMPT FROM THE AUDIT REQUIREMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION IF THE COUNTY GOVERNING BODY, THE COUNTY BOARD OF EDUCATION, AND THE COUNTY DELEGATION TO THE MARYLAND GENERAL ASSEMBLY CONSISTING OF THE COUNTY SENATORS AND DELEGATES EACH SUBMITS A LETTER TO THE JOINT AUDIT COMMITTEE REQUESTING AN EXEMPTION ON OR BEFORE NOVEMBER 1 OF FISCAL YEAR 2017, OR ON OR BEFORE NOVEMBER 1 OF THE LAST YEAR OF A 6-YEAR AUDIT CYCLE UNDER PARAGRAPH (1) OF THIS SUBSECTION, AS DETERMINED BY THE OFFICE OF LEGISLATIVE AUDITS.

(II) A LOCAL SCHOOL SYSTEM MAY NOT BE EXEMPT FOR 2 CONSECUTIVE 6-YEAR AUDIT CYCLES.

(5) NOTWITHSTANDING PARAGRAPH (4) OF THIS SUBSECTION, THE JOINT AUDIT COMMITTEE MAY DIRECT THE OFFICE OF LEGISLATIVE AUDITS TO CONDUCT AN AUDIT OF A LOCAL SCHOOL SYSTEM AT ANY TIME.

~~2-1223.~~

~~(a) (3) The employees or authorized representatives of the Office of Legislative Audits shall have access to and may inspect the records, including those that are confidential by law, of:~~

~~(i) any local school system [to perform the audits authorized under § 2-1220 of this subtitle or] in accordance with a request for information as provided in § 5-114(d) of the Education Article; and~~

~~(ii) the Board of Liquor License Commissioners for Baltimore City to perform the audits authorized under [§ 2-1220(f)] § 2-1220(E) of this subtitle.~~

~~2-1224.~~

~~(g) [(7) The Legislative Auditor shall review each local school system's response to an audit conducted under § 2-1220(c) of this subtitle and advise the local school system of the results of the review. The Legislative Auditor shall advise the Joint Audit Committee when a local school system:~~

~~(i) does not make a response to a recommendation;~~

~~(ii) does not indicate action to be taken in response to a recommendation;~~

~~(iii) has not taken the action the local school system indicated in its response to a recommendation; or~~

~~(iv) responds in a manner that is not considered appropriate to carry out the recommendation.~~

~~(8) The Executive Director or the Joint Audit Committee may direct the Legislative Auditor to undertake a review to determine the extent to which action has been taken by a local school system to implement a report recommendation.~~

~~(9) With respect to findings and recommendations made to a local school system, the Joint Audit Committee may make recommendations to the Governor, State Superintendent of Schools, the local school governing board, or local school officials after reviewing a local school system's response to a recommended action.]~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 2-1220(f) of Article
State Government of the Annotated Code of Maryland be renumbered to be Section(s)
2-1220(e).~~

SECTION ~~2~~ 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
October 1, 2016.

Approved by the Governor, April 26, 2016.