Article - Education

§18–1916.

(a) (1) The Legislative Auditor shall audit the Trust as provided under Title 2, Subtitle 12 of the State Government Article.

(2) The Board shall cause an audit of the Trust to be made by an outside independent auditor annually.

(3) The Board shall pay for the audit required under paragraph (2) of this subsection.

(b) (1) Within 120 days after the close of each fiscal year, the Board shall submit to the Governor and, subject to § 2-1246 of the State Government Article, to the General Assembly a report including:

(i) The audit of the outside independent auditor;

(ii) A financial accounting of the Trust, including:

1. The annual review of the comprehensive investment plan which shall include:

A. The status of the investment program, including investment income matched to projected enrollment costs under the existing prepaid contracts;

B. The assets held in each class of investment, the amount of funds held in any cash pool, the amount of funds held in fixed assets investments, and the amount of funds held in equity investments;

C. The percentage and dollar value of assets placed with outside managers;

D. The income produced by each class of investment; and

E. The income produced by each investment manager; and

2. A detailed account of the operating and administrative budget for the Trust, which shall include a complete list of revenue sources and expenditures detailing the line item expenditures for:

A. Salaries, wages, and fringe benefits;

B. Technical and special fees;

C. Communication;

D. Travel;

E. Contractual services;

F. Supplies and materials;

G. Equipment;

H. Fixed charges; and

I. Other expenses.

(iii) The number of prepaid contracts entered into during the previous fiscal year;

(iv) Efforts by the Board in marketing the Trust of prepaid contracts; and

(v) Any recommendations of the Board concerning the operation of the Trust.

(2) The Board shall make available to each account holder a copy of a summary of the report and the option to purchase the full report at a nominal charge.

(c) The audit required by subsection (a)(2) of this section and the report required by subsection (b) of this section may be combined with any other audit or report for the same fiscal year required to be submitted by the Board to the Governor and the General Assembly.