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**By: Senator Miller**

Requested: November 15, 1995

Introduced and read first time: January 10, 1996

Assigned to: Economic and Environmental Affairs and Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 21, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Education - School System Performance Audit**

3 FOR the purpose of requiring the Maryland State Department of Education to contract  
4 for a performance audit of a county school system at the request of the county  
5 governing body under certain circumstances; defining a certain term; providing that  
6 the cost of the performance audit shall be shared equally between the county  
7 governing body and the county school board; providing for the conduct and content  
8 of a performance audit; providing that this Act does not prevent a county governing  
9 body and a county school board from making a certain agreement; and generally  
10 relating to performance audits of county school systems.

11 BY adding to

12 Article - Education

13 Section 5-108.1

14 Annotated Code of Maryland

15 (1992 Replacement Volume and 1995 Supplement)

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

18 **Article - Education**

19 5-108.1.

20 (A) IN THIS SECTION, "PERFORMANCE AUDIT" MEANS AN ASSESSMENT OF AN  
21 ENTITY'S OR PROGRAM'S PRACTICES TO DETERMINE WHETHER THE ENTITY OR  
22 PROGRAM IS OPERATING ECONOMICALLY AND EFFICIENTLY AND WHETHER  
23 CORRECTIVE ACTIONS FOR IMPROVING ITS PERFORMANCE ARE APPROPRIATE.

1 (B) IN THE ABSENCE OF AN AGREEMENT BETWEEN A COUNTY GOVERNING  
2 BODY AND A COUNTY SCHOOL BOARD, THE DEPARTMENT AT THE REQUEST OF THE  
3 COUNTY GOVERNING BODY SHALL CONTRACT FOR A PERFORMANCE AUDIT OF THE  
4 COUNTY PUBLIC SCHOOL SYSTEM TO ADDRESS THE ISSUES RAISED IN THE  
5 COUNTY'S REQUEST.

6 (C) THE DEPARTMENT SHALL MAKE REASONABLE EFFORTS TO ENSURE  
7 THAT A PERFORMANCE AUDIT UNDER THIS SECTION IS COMPLETED AND THE  
8 RESULTS OF THE AUDIT ARE MADE AVAILABLE TO THE COUNTY BOARD IN TIME TO  
9 BE CONSIDERED BY THE COUNTY BOARD IN THE PREPARATION OF ITS BUDGET FOR  
10 THE NEXT FISCAL YEAR.

11 (D) THE COST OF A PERFORMANCE AUDIT UNDER THIS SECTION SHALL BE  
12 SHARED EQUALLY BETWEEN THE COUNTY GOVERNING BODY AND THE COUNTY  
13 BOARD.

14 (E) A PERFORMANCE AUDIT ~~UNDER~~ FOR WHICH THE DEPARTMENT  
15 CONTRACTED UNDER SUBSECTION (B) OF THIS SECTION:

16 (1) SHALL BE CONDUCTED IN ACCORDANCE WITH GENERALLY  
17 ACCEPTED GOVERNMENT AUDITING STANDARDS; AND

18 (2) MAY NOT INCLUDE AN ASSESSMENT OR EVALUATION OF A COUNTY  
19 BOARD'S EFFORTS TO MEET THE STANDARDS OF THE MARYLAND SCHOOL  
20 PERFORMANCE PROGRAM.

21 (F) NOTHING IN THIS SECTION PREVENTS A COUNTY GOVERNING BODY AND  
22 A COUNTY SCHOOL BOARD FROM MAKING AN AGREEMENT TO PERFORM OR  
23 CONTRACT FOR A PERFORMANCE AUDIT OF SCHOOL BOARD FUNCTIONS,  
24 INCLUDING AN AGREEMENT INVOLVING THE SCOPE OF THE PERFORMANCE AUDIT  
25 OR THE RESPONSIBILITY FOR THE FUNDING OF THE PERFORMANCE AUDIT.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 July 1, 1996.