

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 645 (Senator Haines) (Carroll County Delegation)
Budget and Taxation

Carroll County - Recipients of County Funds - Audit Requirement

This bill authorizes the Carroll County Commissioners to require an entity that receives county funds to submit to a fiscal audit or performance audit. Municipalities, however, are exempt from this requirement.

Fiscal Summary

State Effect: None.

Local Effect: The finances of the Carroll County Government, board of education, public library, and community college could be affected as discussed below.

Fiscal Analysis

Local Effect: If the Carroll County Commissioners require certain entities to submit to a fiscal or performance audit, county finances could be affected depending upon the number of entities audited and outcome of the audits. At this time, the scope of the impact cannot be determined. For instance, if a performance audit reveals that a non-profit entity that receives county funds could reduce its costs by changing current operating procedures, county expenditures could decrease if the recommendations are implemented and the net result is a reduction in the amount of county funds appropriated to the entity.

In addition, the bill could have an effect on the finances of the Carroll County Board of Education, the Carroll County Public Library, and the Carroll Community College. If these entities are required to have a performance audit, their revenues and expenditures could be affected depending upon the outcome of the audit and whether or not the recommendations are implemented. For instance, if an audit reveals that the library could be more active in the collection of fines on overdue books and the recommendations are implemented, library

revenues could increase. Similarly, if an audit reveals that the board of education could reduce expenditures by consolidating certain functions, expenditures could decrease if the recommendations are implemented. At this time, the scope of the impact cannot be reliably estimated.

Since the bill does not indicate who would pay for the costs of performance or fiscal audits, the potential impact from these audits on expenditures cannot be determined.

Information Source(s): Carroll County, Department of Fiscal Services

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