

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 1153 (Delegate Slade)
(Chairman, Joint Budget and Audit Committee)
Appropriations

General Assembly - Department of Fiscal Services - Office of Legislative Audits

This bill requires the Office of Legislative Audits to audit each unit of State government, except the legislative branch, at least once every three years, and clarifies procedures and practices of the office. Additionally, entities receiving funds from an appropriation from the State Treasury are subject to audit or review by the Legislative Auditor.

This bill is effective July 1, 1997.

Fiscal Summary

State Effect: Minimal general fund expenditure reduction, as discussed below.

Local Effect: None.

Small Business Effect: Potential minimal impact on small business. Those companies that are audited by the Legislative Auditor could experience increased administrative requirements to facilitate the audit.

Fiscal Analysis

State Effect: The office is currently required to audit each unit of the executive and judicial branches once every two years. The office currently conducts fiscal/compliance audits of over 200 State units. Under this bill, the Legislative Auditor must audit each unit at least every three years, but can audit more frequently. Most agencies will still be audited on a biennial basis. While the number of audits carried out may decline slightly, resources will be reallocated to allow for greater scrutiny of high risk and/or large State agencies. A minimal savings on staff expenditures may result.

The remainder of the changes update current law to conform with current practice.

Information Source(s): Department of Fiscal Services (Office of Legislative Audits),
Department of Fiscal Services

Fiscal Note History: First Reader - February 21, 1997

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