

HOUSE BILL 624

L2

71r0703

By: **Prince George's County Delegation**

Introduced and read first time: February 8, 2007

Assigned to: Environmental Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2007

CHAPTER _____

1 AN ACT concerning

2 ~~Prince George's County Annual Independent Audit County Issued~~
3 ~~Credit Cards~~

4 Prince George's County - Legislative Auditor - Annual Audit of
5 County-Issued Credit Cards

6 PG 422-07

7 FOR the purpose of requiring ~~the Prince George's County Auditor to engage an~~
8 ~~independent certified public accountant to~~ the Legislative Auditor to conduct an
9 annual ~~independent~~ audit of all transactions on credit cards issued by Prince
10 George's County to certain officials; requiring that the audit be completed
11 within a certain time after the close of each fiscal year; requiring that a
12 complete audit report be submitted to certain officials by a certain time;
13 ~~requiring that a summary of the findings of the audit be published in certain~~
14 ~~newspapers within a certain time;~~ and generally relating to an annual
15 ~~independent audit~~ audit conducted by the Legislative Auditor of transactions on
16 credit cards issued by Prince George's County to certain officials.

17 ~~BY adding to~~

18 ~~The Public Local Laws of Prince George's County~~
19 ~~Section 10-111.01~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



~~Article 17 – Public Local Laws of Maryland
(2003 Edition, as amended)~~

BY repealing and reenacting, with amendments,

Article 19 – Comptroller

Section 40(a)

Annotated Code of Maryland

2005 Replacement Volume and 2006 Supplement)

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

~~Article 17 – Prince George’s County~~
Article 19 – Comptroller

~~10-111.01.~~

~~THE COUNTY AUDITOR SHALL ENGAGE AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT TO CONDUCT AN ANNUAL INDEPENDENT AUDIT OF ALL TRANSACTIONS ON CREDIT CARDS ISSUED BY PRINCE GEORGE’S COUNTY TO THE COUNTY EXECUTIVE AND THE MEMBERS OF THE COUNTY COUNCIL. THE INDEPENDENT ACCOUNTANT SHALL COMPLETE THE AUDIT NOT LATER THAN 1 MONTH AFTER THE CLOSE OF EACH FISCAL YEAR. ON COMPLETION OF THE AUDIT, THE INDEPENDENT ACCOUNTANT SHALL SUBMIT A COMPLETE AUDIT REPORT TO THE COUNTY AUDITOR, COUNTY COUNCIL, AND THE COUNTY EXECUTIVE. NOT LATER THAN 1 MONTH FOLLOWING THE COMPLETION OF THE AUDIT, THE COUNTY AUDITOR SHALL PUBLISH A SUMMARY OF THE FINDINGS OF THE AUDIT ONCE IN EACH OF TWO NEWSPAPERS PUBLISHED IN THE COUNTY.~~

40.

(a) (1) Except as provided in paragraph (2) of this subsection AND SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, each county, incorporated city or town and taxing district created by and situated within the State shall have its books, accounts, records and reports examined at least once during each fiscal year by the persons and for the purposes specified in this section. The examination shall be made by a certified public accountant in the capacity of either an independent auditor or official auditor of any county or incorporated city. The auditor shall be in compliance with the provisions of the Maryland Public Accountancy Act. The official auditor shall be approved by the Legislative Auditor for the purposes specified in this

1 section. On such examination, inquiry shall be made into the methods, accuracy and
2 legality of the accounts, records, files and reports of each county, incorporated city or
3 town and taxing district. The Legislative Auditor upon his own initiative may review
4 or audit the books, records and reports of any county, incorporated city or town or
5 taxing district. Any county, incorporated city or town or taxing district may request
6 the Legislative Auditor to audit its books, records and reports. If the request is
7 approved, the costs of the examination shall be borne by the auditee. The results of the
8 audit shall be reported, subject to § 2-1246 of the State Government Article, to the
9 Legislative Auditor on such form or forms and in such manner as the Legislative
10 Auditor may prescribe. This report shall be made to the Legislative Auditor by
11 November 1 after the close of the fiscal year, except that the report may be made to
12 the Legislative Auditor by January 1 after the close of the fiscal year for a county,
13 incorporated city or town or taxing district having a population of more than 400,000.
14 An audit report filed with the Legislative Auditor is a public record under the
15 provisions of § 10-611 of the State Government Article. Each year the Legislative
16 Auditor shall review the audit reports submitted and shall make a full and detailed
17 report in writing to the State Comptroller and, subject to § 2-1246 of the State
18 Government Article, to the Executive Director of the State Department of Legislative
19 Services of the result of the examination of the books, accounts, records and reports of
20 each county, incorporated city or town and taxing district, together with such
21 suggestions as he may think advisable to be made with respect to methods of
22 bookkeeping, changes in the uniform system of financial reporting and changes in the
23 reports of the counties, incorporated cities or towns and taxing districts. In conducting
24 the reviews specified in this section, the Legislative Auditor may review the working
25 papers and other documentation of the auditor. As a result of the Legislative Auditor's
26 reviews, audit reports, working papers, or other documentation may be referred to the
27 State Board of Public Accountancy for action as prescribed in the Maryland Public
28 Accountancy Act. It shall also be the duty of the Legislative Auditor to report all
29 violations by any county, incorporated city or town and taxing district of the
30 requirement and provisions specified in the sections of this subtitle to the State
31 Comptroller and, subject to § 2-1246 of the State Government Article, to the Executive
32 Director of the State Department of Legislative Services. Should any county or
33 incorporated city or town or taxing district fail or refuse to file the audit reports as
34 provided in this section with the Legislative Auditor within the time prescribed or fail
35 or refuse to submit an audit report including financial statements that have been
36 prepared in accordance with generally accepted accounting principles and audited in
37 accordance with generally accepted auditing standards, the State Comptroller, acting
38 upon the advice of the Executive Director of the State Department of Legislative
39 Services, shall be authorized to order the discontinuance of payment of all funds,
40 grants, or State aid which the county, incorporated city or town or taxing district is
41 entitled to receive under State law. This provision shall have specific reference to all
42 funds, grants, or State aid which the county, incorporated city or town or taxing

1 district is entitled to receive under applicable provisions of State law distributed by
2 the State Comptroller, the clerks of the court, or other units of State government.

3 (2) Unless the Legislative Auditor determines, on a case-by-case
4 basis, that more frequent audits are required, the Legislative Auditor may authorize
5 an incorporated city or town or taxing district created by the State with annual
6 revenues of less than \$50,000 in the prior 4 fiscal years to have an audit conducted
7 once every 4 years.

8 (3) (I) NOTWITHSTANDING ANY OTHER PROVISION OF LAW,
9 THE LEGISLATIVE AUDITOR SHALL CONDUCT AN ANNUAL AUDIT OF ALL
10 TRANSACTIONS ON CREDIT CARDS ISSUED BY PRINCE GEORGE’S COUNTY TO
11 THE COUNTY EXECUTIVE AND THE MEMBERS OF THE COUNTY COUNCIL.

12 (II) THE LEGISLATIVE AUDITOR SHALL:

13 1. COMPLETE THE AUDIT NOT LATER THAN 1 MONTH
14 AFTER THE CLOSE OF EACH FISCAL YEAR; AND

15 2. ON COMPLETION OF THE AUDIT, SUBMIT THE
16 COMPLETE AUDIT REPORT TO THE COUNTY AUDITOR, COUNTY COUNCIL, AND
17 COUNTY EXECUTIVE OF PRINCE GEORGE’S COUNTY AND THE MEMBERS OF THE
18 PRINCE GEORGE’S COUNTY HOUSE AND SENATE DELEGATIONS TO THE
19 GENERAL ASSEMBLY.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
21 June 1, 2007.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.