

HOUSE BILL 516

P5, P1

3lr2511

By: **Delegate Kipke**

Introduced and read first time: January 30, 2013

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Office of Legislative Audits – Fiscal/Compliance Audits – Blind Industries**
3 **and Services of Maryland**

4 FOR the purpose of requiring that a fiscal/compliance audit conducted by the Office of
5 Legislative Audits include evaluating compliance with applicable laws and
6 regulations relating to the acquisition of goods and services from Blind
7 Industries and Services of Maryland; and generally relating to fiscal/compliance
8 audits conducted by the Office of Legislative Audits.

9 BY repealing and reenacting, with amendments,
10 Article – State Government
11 Section 2–1221
12 Annotated Code of Maryland
13 (2009 Replacement Volume and 2012 Supplement)

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

16 **Article – State Government**

17 2–1221.

18 (a) A fiscal/compliance audit conducted by the Office of Legislative Audits
19 shall include:

- 20 (1) examining financial transactions and records and internal controls;
- 21 (2) evaluating compliance with applicable laws and regulations;
- 22 (3) examining electronic data processing operations; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (4) evaluating compliance with applicable laws and regulations
2 relating to the acquisition of goods and services from Maryland Correctional
3 Enterprises **AND BLIND INDUSTRIES AND SERVICES OF MARYLAND.**

4 (b) A performance audit conducted by the Office of Legislative Audits may
5 include:

6 (1) evaluating the efficiency, effectiveness, and economy with which
7 resources are used;

8 (2) determining whether desired program results are achieved; and

9 (3) determining the reliability of performance measures, as defined in
10 § 3–1001(g) of the State Finance and Procurement Article, identified in:

11 (i) the managing for results agency strategic plan developed
12 under § 3–1002(c) of the State Finance and Procurement Article; or

13 (ii) the StateStat agency strategic plan developed under §
14 3–1003(d) of the State Finance and Procurement Article.

15 (c) The purpose of financial statement audits conducted by the Office of
16 Legislative Audits shall be to express an opinion regarding the fairness of the
17 presentation of a unit's financial statements.

18 (d) The audits referred to in subsections (a), (b), and (c) of this section shall
19 be conducted in accordance with generally accepted government auditing standards.

20 (e) (1) Upon approval of the Joint Audit Committee, the Office of
21 Legislative Audits shall develop and use a rating system that is based on the results of
22 a fiscal/compliance audit to determine an overall evaluation of a unit's financial
23 transactions, records, and internal controls and compliance with applicable laws and
24 regulations as a means of comparing the various units of State government.

25 (2) When an evaluation is issued, it shall be provided to the unit and
26 shall be available to the Joint Audit Committee and the Budget Committees of the
27 Maryland General Assembly.

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
29 October 1, 2013.