

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 321

(Montgomery County Delegation and Prince George's
County Delegation)

Environment and Transportation

Education, Health, and Environmental Affairs

**Maryland-National Capital Park and Planning Commission - Audit Committee
and Office of the Inspector General**
MC/PG 110-17

This bill establishes an Audit Committee and an Office of the Inspector General in the Maryland-National Capital Park and Planning Commission (M-NCPPC). The bill provides for the membership and powers of the Audit Committee and for the appointment of the Inspector General by the Audit Committee, including qualifications and terms of office. The bill transfers the functions, powers, and duties of the commission's current Office of Internal Audit to the Office of the Inspector General and specifies the powers of the new Inspector General.

Fiscal Summary

State Effect: None.

Local Effect: M-NCPPC expenditures increase by approximately \$45,000 annually beginning in FY 2018. Commission revenues are not affected.

Small Business Effect: None.

Analysis

Bill Summary: M-NCPPC's Office of the Inspector General is required to (1) assist M-NCPPC by providing independent evaluation and recommendations regarding opportunities to preserve the commission's reputation and improve the effectiveness, productivity, or efficiency of commission programs, policies, practices, and operations;

(2) ensure public accountability by preventing, investigating, and reporting instances of fraud, waste, and abuse of commission property or funds; (3) examine, evaluate, and report on the adequacy and effectiveness of the systems of internal controls and their related accounting, financial, technology, and operational policies; and (4) report noncompliance with and propose ways to improve employee compliance with applicable law, policy, and ethical standards of conduct.

In developing recommendations, the Office of Inspector General is authorized to (1) conduct administrative investigations, budgetary analyses, and financial, management, or performance audits and similar reviews; (2) provide management advisories; and (3) utilize the assistance from any other government agency or private party to complete a project initiated by the office.

Current Law: The Office of Internal Audit for M-NCPPC examines and evaluates the adequacy and effectiveness of the systems of internal controls and their related accounting, financial, computer, and operational policies with the commission. The office conducts several types of audits, including performance audits, investigative engagement, which examines waste, fraud, or abuse, information technology audits, and follow-up audits. The office also provides management advisory services to commission management.

Background: M-NCPPC is a bi-county agency serving Montgomery and Prince George's counties that was empowered by the State in 1927 to acquire and administer a regional system of parks within the Maryland-Washington Metropolitan District and administer a general plan for the physical development of the area. In 1970, M-NCPPC became responsible for managing the Prince George's County public recreation program. M-NCPPC imposes three special property taxes in Prince George's County. The recreation tax is imposed countywide. The administration tax is imposed only in the regional district, from which the City of Laurel is excluded. The park tax is imposed in the metropolitan district, from which the cities of District Heights, Greenbelt, and Laurel are mostly excluded.

Local Fiscal Effect: The bill transfers the functions, powers, and duties of the commission's current Office of Internal Audit to the Office of the Inspector General. As a result, M-NCPPC estimates that the commission would incur an annual expenditure increase of approximately \$45,000 beginning in fiscal 2018 for expenses such as reclassification of existing positions, outside counsel, and subpoena service. These expenditures would be subject to the commission's regular budget process through each county council when the commission adopts its fiscal 2018 budget.

The fiscal 2017 budget for the commission includes five full-time positions and \$579,876 in funding for the Office of Internal Audit.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Montgomery and Prince George's counties; Maryland-National Capital Park and Planning Commission; Department of Legislative Services

Fiscal Note History: First Reader - March 16, 2017
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