

**Department of Legislative Services**  
Maryland General Assembly  
2018 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 587  
(Senator Robinson)  
Budget and Taxation

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**Department of Human Services - Baltimore City Department of Social Services - Audit**

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This bill requires the Office of the Inspector General (OIG) in the Department of Human Services (DHS) to conduct a financial and compliance audit of the Baltimore City Department of Social Services (BCDSS) in fiscal 2019. **The bill takes effect July 1, 2018.**

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**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$45,600 in FY 2019 for contractual staff. Revenues are not affected.

(in dollars)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	45,600	0	0	0	0
Net Effect	(\$45,600)	\$0	\$0	\$0	\$0

*Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease*

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The audit must include a review of BCDSS' (1) compliance with law and regulations; (2) responses to deaths of clients under care; (3) procedures used to place children in foster care; (4) caseload per employee; (5) procedures for visiting children in foster care after placement; and (6) employment requirements for individuals employed in supervisory positions.

The written audit report must be distributed to the Joint Audit Committee and the Office of Legislative Audits, in accordance with statutory provisions.

**Current Law/Background:** At least once every three years, OIG must conduct or contract for a financial and compliance audit of each local department of social services and prepare a written report of the audit findings. The audit must comply with the auditing standards issued by the Institute of Internal Auditors. The written report of the audit findings must be distributed to the local board and the local governing authority. Financial and compliance audits focus on accounting operations, information systems, and other programs with significant financial impact.

Programs operated under the purview of DHS, such as child support enforcement, public benefits, and child welfare services, are primarily delivered through local departments of social services in each county and Baltimore City. Each local department has a director appointed with the concurrence of the Secretary of Human Services and the county executive, county council or commissioners, or Mayor of Baltimore City.

Local boards of social services (referred to as the Social Services Commission in Baltimore City) provide additional input into the activities of the local departments. The responsibilities include advising the local departments, advocating on social service issues, consulting with the director on new services for unmet needs, and assisting in the evaluation of the director. Commission members in Baltimore City are appointed by the mayor with city council approval.

**State Expenditures:** DHS advises that the next audit of BCDSS is not scheduled until October 2019 (fiscal 2020). Because the bill requires an earlier and more comprehensive audit than that currently required, and in order to ensure that OIG stays on schedule with existing requirements to audit local departments of social services, DHS advises that it needs additional resources. Accordingly, general fund expenditures increase by \$45,583 in fiscal 2019 only, which assumes a 60-day start-up delay from the bill's July 1, 2018 effective date. This estimate reflects the cost of hiring one contractual auditor to either assist OIG in the audit of BCDSS or to absorb a portion of OIG's overall workload and allow current staff to dedicate resources to the BCDSS audit. It includes a salary, fringe benefits, and operating expenses, as well as termination of the contractual position after fiscal 2019.

Contractual Position	1
Salary and Fringe Benefits	\$39,939
Operating Expenses	5,644
<b>Total FY 2019 State Expenditures</b>	<b>\$45,583</b>

This estimate does not include any health insurance costs that could be incurred for specified contractual employees under the State's implementation of the federal Patient Protection and Affordable Care Act.

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## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Baltimore City; Department of Human Services; Department of Legislative Services

**Fiscal Note History:** First Reader - February 19, 2018

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