

SENATE BILL 858

P1

6lr3596
CF 6lr2539

By: **Senator Hettleman (By Request – Joint Audit and Evaluation Committee)**

Introduced and read first time: February 6, 2026

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Department of Budget and Management – Audit and Finance Compliance Unit –**
3 **Establishment**

4 FOR the purpose of establishing the Audit and Finance Compliance Unit in the Department
5 of Budget and Management; requiring the Governor to implement systems and
6 processes to monitor certain efforts; requiring the Unit to carry out certain
7 responsibilities and perform certain duties, including monitoring efforts of Executive
8 Branch agencies to correct certain audit findings and implement certain corrective
9 actions; requiring the Unit to establish a certain specialized team to provide certain
10 direct assistance to certain agencies under certain circumstances; requiring the Unit
11 to establish and maintain a dashboard with certain information on its website; and
12 generally relating to the establishment of the Audit and Finance Compliance Unit
13 in the Department of Budget and Management.

14 BY repealing and reenacting, without amendments,
15 Article – State Finance and Procurement
16 Section 3–101
17 Annotated Code of Maryland
18 (2021 Replacement Volume and 2025 Supplement)

19 BY adding to
20 Article – State Finance and Procurement
21 Section 3–401 through 3–407 to be under the new subtitle “Subtitle 4. Audit and
22 Finance Compliance Unit”
23 Annotated Code of Maryland
24 (2021 Replacement Volume and 2025 Supplement)

25 BY repealing and reenacting, without amendments,
26 Article – State Government
27 Section 2–1224(h)(1)
28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2021 Replacement Volume and 2025 Supplement)

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

Article – State Finance and Procurement

3–101.

(a) In this title the following words have the meanings indicated.

(b) “Department” means the Department of Budget and Management.

(c) “Secretary” means the Secretary of Budget and Management.

SUBTITLE 4. AUDIT AND FINANCE COMPLIANCE UNIT.

3–401.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
INDICATED.

(B) “AGENCY” MEANS AN ENTITY OF THE EXECUTIVE BRANCH OF STATE
GOVERNMENT.

(C) “UNIT” MEANS THE AUDIT AND FINANCE COMPLIANCE UNIT.

3–402.

THERE IS AN AUDIT AND FINANCE COMPLIANCE UNIT IN THE DEPARTMENT.

3–403.

(A) IN ACCORDANCE WITH § 2–1224(H)(1) OF THE STATE GOVERNMENT
ARTICLE, THE GOVERNOR SHALL IMPLEMENT SYSTEMS AND PROCESSES TO
MONITOR THE EFFORTS OF THE EXECUTIVE DEPARTMENTAL UNITS TO CORRECT
AUDIT FINDINGS REPORTED BY THE OFFICE OF LEGISLATIVE AUDITS.

(B) THE UNIT IS RESPONSIBLE FOR MONITORING THE EFFORTS OF
AGENCIES IN CORRECTING AUDIT FINDINGS REPORTED BY THE OFFICE OF
LEGISLATIVE AUDITS IN ACCORDANCE WITH TITLE 2, SUBTITLE 12, PART IV OF
THE STATE GOVERNMENT ARTICLE.

3–404.

(A) IN CARRYING OUT ITS RESPONSIBILITIES, THE UNIT SHALL ASSIST AGENCIES WITH THE RESOLUTION OF AUDIT FINDINGS BY:

(1) PROVIDING OBJECTIVE ASSESSMENT OF CORRECTIVE ACTIONS;
AND

(2) MONITORING PROGRESS IN THE IMPLEMENTATION OF CORRECTIVE ACTIONS.

(B) THE UNIT MAY IMPLEMENT PROACTIVE STEPS TO ADDRESS AND PREVENT AUDIT FINDINGS THROUGH ADVICE AND SUPPORT PROVIDED TO AGENCIES.

3-405.

(A) THE UNIT SHALL PROVIDE DIRECT ASSISTANCE TO AGENCIES WITH:

(1) FOUR OR MORE REPEAT AUDIT FINDINGS; OR

(2) AS REQUESTED BY THE JOINT AUDIT AND EVALUATION COMMITTEE.

(B) THE DIRECT ASSISTANCE PROVIDED UNDER SUBSECTION (A) OF THIS SECTION SHALL INCLUDE:

(1) ADVICE AND SUPPORT TO DEVELOP CORRECTIVE ACTIONS;

(2) A REVIEW OF RESOLUTION ACTIONS ON EACH FINDING WITH A FOCUS ON REPEAT AND SIGNIFICANT FINDINGS;

(3) PERFORMING SAMPLE TESTS OF IMPLEMENTED CORRECTIVE ACTIONS; AND

(4) MONITORING PROGRESS IN THE IMPLEMENTATION OF CORRECTION ACTIONS.

(C) (1) THE UNIT SHALL ESTABLISH A SPECIALIZED TEAM TO PROVIDE THE DIRECT ASSISTANCE REQUIRED UNDER THIS SECTION.

(2) THE SPECIALIZED TEAM ESTABLISHED IN PARAGRAPH (1) OF THIS SUBSECTION MAY INCLUDE CURRENT STATE EMPLOYEES, CURRENT CONTRACTUAL EMPLOYEES, AND EXTERNAL CONTRACTORS.

1 **3-406.**

2 (A) THE UNIT SHALL MAINTAIN A DASHBOARD ON CURRENT AND REPEAT
3 AUDIT FINDINGS ON ITS WEBSITE.

4 (B) (1) THE DASHBOARD REQUIRED UNDER SUBSECTION (A) OF THIS
5 SECTION SHALL INCLUDE ALL AUDIT FINDINGS FOR AGENCIES UNDER
6 EXAMINATION EACH YEAR, ORGANIZED BY UNITS OF THE AGENCY.

7 (2) FOR EACH FINDING, THE DASHBOARD SHALL INCLUDE:

8 (I) THE RECOMMENDATIONS OF THE OFFICE OF LEGISLATIVE
9 AUDITS;

10 (II) THE NUMBER OF YEARS THAT A REPEAT FINDING REMAINS
11 UNRESOLVED;

12 (III) THE PROJECTED COMPLETION DATE OF THE RESOLUTION;

13 (IV) INFORMATION ON UNRESOLVED FINDINGS, INCLUDING THE
14 REASON A FINDING IS UNRESOLVED; AND

15 (V) A GRAPHIC REPRESENTATION OF THE PROGRESS OF
16 CORRECTIVE ACTIONS THAT INCLUDES WHETHER THE FINDING IS UNRESOLVED, IN
17 PROGRESS, OR RESOLVED.

18 (C) THE DASHBOARD SHALL BE FULLY OPERATIONAL ON OR BEFORE
19 OCTOBER 1, 2027.

20 **3-407.**

21 THE SECRETARY MAY ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE.

22 **Article – State Government**

23 **2-1224.**

24 (h) (1) The Governor and the Chief Justice of the Supreme Court of Maryland
25 shall implement systems and processes to monitor the efforts of the Executive
26 Departmental Units and the Judiciary, respectively, to correct audit findings reported by
27 the Office of Legislative Audits.

1 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1, 2026,
2 and October 1, 2027, the Audit and Finance Compliance Unit shall report to the Joint Audit
3 and Evaluation Committee, in accordance with § 2–1257 of the State Government Article,
4 on the status of the dashboard required under § 3–406 of the State Finance and
5 Procurement Article, as enacted by Section 1 of this Act.

6 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
7 1, 2026.