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THE MARYLAND HOUSE OF DELEGATES
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HB 1369 Testimony
DBM - Audit and Finance Compliance Unit (AFCU) – Establishment
Senate Budget & Tax Committee
April 1, 2026

Chair Guzzone, Vice Chair Rosapepe, and Colleagues,

Thank you for the opportunity to present on HB 1369. In recent years, there have been a number of audits with both large fiscal and policy implications and findings. Current law states: “The Governor and the Chief Justice of the Supreme Court of Maryland shall implement systems and processes to monitor the efforts of the Executive Departmental Units and the Judiciary, respectively, to correct audit findings reported by the Office of Legislative Audits.” (Chapter 512 of 2006).

What Does the Bill Do?

The Audit and Finance Compliance Unit (AFCU) was established in the Department of Budget and Management (DBM) by policy to address this statutory requirement to correct audit findings. HB 1369 would codify and clearly define the AFCU’s responsibility to assist State agencies in addressing repeat audit findings as well as significant fiscal or policy findings as referred by the Joint Audit and Evaluation Committee (JAEC).

The bill also requires public transparency as to the status of agency corrective actions through the use of a public dashboard to inform citizens of the actions being taken in response to audit findings.

AFCU Mission and Duties Codified

According to its stated mission and documents provided to the JAEC, HB 1369 codifies the role of the AFCU in order to:

- Assist agencies with OLA audit resolution;

- Provide advice and support to State agencies in developing corrective actions;
- Monitor agency corrective action;
- Review agency resolution actions on all findings with a concentration on repeat and significant findings;
- Perform sample tests to confirm agency corrective actions; and
- Continue to monitor agency progress in implementing corrective actions until OLA returns.

Audit Compliance Assistance

- In alignment with current practice, HB 1369 requires the AFCU to provide direct assistance to State agencies with 4 or more repeat audit findings or with significant fiscal or policy findings as directed by the Joint Audit and Evaluation Committee.
- The bill further provides for teams with the appropriate expertise consisting of State employees, contractors, or entities as necessary to efficiently and effectively address major financial or policy audit findings.
- Under the bill, the AFCU will also assist agencies with an objective assessment of necessary corrective action and will monitor their progress regarding the implementation of the corrective actions.
- Finally, the AFCU is authorized to implement proactive steps to address and prevent future audit findings through advice and support to State agencies.

HB 1369 does not create a new entity but codifies an existing entity, with current DBM personnel consistent with their stated mission. The enhanced, centralized response under the bill would also allow for the analysis of common audit-related findings across State agencies. This would allow certain findings to be addressed across State government rather than the current process where there may be an inconsistent agency-by-agency response.

Within the current framework of the AFCU and with existing DBM personnel, the work to assist agencies with repeat or significantly problematic audit findings can begin as specified immediately.

HB 1369 unanimously passed the House 131-0 and it's crossfile SB 858 passed the Senate 42-0. This is a priority bill for the JAEC.

Thank you for your consideration and I urge a favorable report for HB 1369.