

HB1369 Department of Budget and Management - Audit

Uploaded by: Dana Phillips

Position: FAV

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor



YAAKOV "JAKE" WEISSMANN
Secretary

MARC L. NICOLE
Deputy Secretary

TITLE: HB1369 Department of Budget and Management - Audit and Finance Compliance Unit - Establishment

DATE: April 1st 2026

COMMITTEE: Government Labor and Elections

EXPLANATION: The Department of Budget and Management supports House Bill 1369 with the amendments adopted by the Senate Budget and Taxation Committee.

HB1369 establishes the Audit and Finance Compliance Unit within DBM to monitor Executive Departmental Units' efforts to correct audit findings reported by the Office of Legislative Audits. The Senate amendments strengthen the bill in several meaningful ways: replacing the public-facing dashboard requirement with an annual report to the Joint Audit and Evaluation Committee; refining the Unit's role to emphasize guidance, coordination, and technical assistance rather than direct intervention; and adding a new provision that authorizes a defined set of legislative and executive officials, including the Unit to view unredacted cybersecurity audit findings in audit reports that are otherwise redacted before public release.

DBM believes that these amendments improve the bill's workability and better reflect how the Unit can add value within the existing audit oversight structure. The Department looks forward to implementing this authority and working with the General Assembly and audited agencies to strengthen audit compliance across state government.

DBM supports the favorable consideration of HB1369 with the amendments.

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Uploaded by: Jared Solomon

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Government, Labor, and
Elections Committee

Chair

Oversight Committee on Personnel

House Chair

Joint Audit and Evaluation
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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

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.

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Uploaded by: Nicole Mcdonald

Position: UNF

HB 1369 – UNFAVORABLE

Topic: Department of Budget and Management – Audit and Finance Compliance Unit

The McDonald Mandate: Fix the System, Don't Add More Chairs

To the Senate Budget and Taxation Committee:

My name is **Ms. McDonald**. I am a candidate for Delegate in District 45. I am here to testify as **UNFAVORABLE** on HB 1369. This bill is yet another attempt to solve a lack of leadership with more bureaucracy.

1. Stop Paying for a "Watchman for the Watchman"

HB 1369 creates a new "Compliance Unit" to monitor whether state agencies are fixing their audit findings. We already have the **Office of Legislative Audits (OLA)**. We already have **Cabinet Secretaries** who are paid six-figure salaries to manage these agencies. Why are we spending more taxpayer money to create a new unit just to remind the people in charge to do their jobs? If an agency fails an audit, the solution isn't a new "dashboard"—it's new leadership.

2. Where is the Respect for the Citizens?

The State is willing to fund a new "Compliance Unit" and keep **\$2.2 Billion** in a **Rainy Day Fund**, yet it is "stripping services" from the disabled as seen in **SB 742**. You found the money for this new office, but you claim you don't have the money to keep community hubs like **2100 Guilford Avenue** open for the people of District 45. It is a slap in the face to the less fortunate to prioritize a new bureaucratic unit over the survival of our neighbors.

3. The Track Record of "Musical Chairs"

We keep seeing the same people move from one agency to another while the audits keep failing. Giving the **Department of Budget and Management** more "oversight" money when they haven't held the current agencies accountable is just more of the same "Jive." We don't need more "guidance and coordination"—we need consequences for the officials who let these services rot.

THE CONTRAST: WHAT THE STATE CUTS VS. WHAT THE OFFICIALS GET

WHAT THE STATE CUT (Taken from Citizens):

- **\$300 Million:** Total cuts to the Developmental Disabilities (DDA) budget.
- **\$150 Million:** Direct general fund cuts to disability services.
- **Waiver Services:** Reductions in support hours for the disabled.

- **LISS Program:** Elimination of support services for families.

WHAT THE OFFICIALS GET (What they kept for themselves):

- **New Audit Unit:** A brand new office created by **HB 1369**.
- **\$2.2 Billion:** Sitting in the **Rainy Day Fund** while our community drowns.
- **\$185,000 Salaries:** Massive pay hikes for state officials (**HB 607**).
- **2100 Guilford:** A state asset being prepped for sale instead of service.

Conclusion

I urge an **UNFAVORABLE** report. Do not spend one more cent on "compliance monitoring" until the state complies with its promise to protect its citizens. Stop the jive and start driving for District 45.

Respectfully Submitted,

Ms. McDonald

Candidate for Delegate, District 45

By Authority of: Nichole McDonald for District 45, Lonetta Mason, Treasurer

oppose hb1369.pdf

Uploaded by: Rebecca Hamilton

Position: UNF

I am writing to respectfully oppose Maryland House Bill 1369.

HB1369 would establish a new **Audit and Finance Compliance Unit** within the Department of Budget and Management, creating a new layer of state bureaucracy without clearly defined outcomes or demonstrated need. At a time when Maryland faces significant fiscal pressures, it is inappropriate to authorize the creation of another department entity whose costs, staffing needs, and operational impact have not been justified to taxpayers or tied to measurable improvements in state performance.

Effective government should prioritize efficient use of limited resources, not expand administrative structures with undefined results. I urge you to oppose HB1369 and instead focus on improving accountability through existing, proven mechanisms rather than layering on new departments that risk waste and inefficiency.

Thank you for your time and consideration.