

**Governor's Office**

**House Bill 1422 State Personnel - State Fiscal Leadership Capacity**

**Testimony of**

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**Governor's Office of Performance Improvement**

**House Government, Labor, and Elections Committee**

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For Governor Moore, fiscal responsibility is at the core of his administration's service to Marylanders. It has always been our North Star. Most recently, Governor Moore reinforced this priority through a statewide directive to his Cabinet to review and enhance audit resolution procedures across state agencies, including sound fiscal management, in order to strengthen fiscal oversight and responsibility.

The Governor's directive, issued on February 6th, lays out five tasks to his cabinet.

First, within 60 days, cabinet secretaries must complete a review of their agency processes that monitor resolution of issues identified through State and federal agency audits. Agencies should identify and implement ways to improve internal processes. To support strengthening agency processes, the Department of Information Technology will pilot an internal management tool to better track findings, inquiries, and associated corrective actions.

Second, within 60 days, cabinet secretaries must review recent audit findings and identify areas that can be resolved without significant additional resources. Secretaries should prioritize areas to address, considering factors such as risk, resources, and time to address.

Third, within 180 days, cabinet secretaries must assess repeat audit findings and identify where additional resources are needed—which could include assessing root causes for repeat agency findings and potential solutions. Should the General Assembly approve the Governor's proposed \$5 million in FY 2027 that is dedicated to addressing repeat audit findings, agencies will submit resource requests to the Department of Management and Budget, which will review their proposals.

Fourth, the Department of Budget and Management Audit and Finance Compliance Unit will regularly convene agencies to develop a community of practice that shares best practices, tools, and techniques for strengthening fiscal and programmatic oversight, building upon the Governor's FY 2027 proposal to add two additional positions within the unit.

Fifth, for the duration of FY 2027, the Department of Budget and Management will assist agencies in recruiting high-skilled workers with technical expertise in fiscal management to help agency leadership implement better fiscal and operational practices utilizing the proposed \$2 million investment in the FY 2027 budget.