

Department of Legislative Services
Maryland General Assembly
2013 Session

FISCAL AND POLICY NOTE

House Bill 468
Appropriations

(Delegate Morhaim)

State Government - Repeat Audit Findings - Report of Corrective Actions

This bill specifies that any unit of State government that has *four* – rather than *five* – or more repeat audit findings must report to the Office of Legislative Audits (OLA) on specified information related to corrective actions taken (or scheduled to be taken).

Fiscal Summary

State Effect: The impact is small enough that it can be handled with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Chapter 512 of 2006 (SB 243) specifies that, within nine months of the most recent audit report, any unit that has five or more repeat audit findings must report to OLA – for each finding in the audit report – either the corrective actions taken or a schedule for when specific corrective actions will be implemented. Each unit that is required to provide such a report to OLA must continue to report to OLA on a quarterly basis after the initial report until the actions reported by the agency indicate that satisfactory progress has been made to address all findings.

Chapter 512 essentially codified a follow-up process that OLA had been using since 2002. OLA reports that repeated prior report items have decreased from a high of 46% in fiscal 2004 to 25% in fiscal 2012.

State Fiscal Effect: OLA expects the number of agencies required to submit quarterly reports to increase from 9 to 19 under the bill, requiring 190 additional days of personnel time over a three-year audit cycle. OLA advises that the bill's impact is small enough that it can be handled with existing resources.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department Legislative Services (Office of Legislative Audits)

Fiscal Note History: First Reader - February 15, 2013
ncs/lgc

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