

# **Summary of Reports Issued and Recommended Committee Action**

**September 1, 2024 to November 30, 2024**

Presentation to Joint Audit and Evaluation Committee

Brian S. Tanen, CPA, CFE  
Legislative Auditor

## Reports Issued September 1, 2024 to November 30, 2024

### Summary

Total Reports Issued	14
Reports Recommended for Action	3

<u>Agency</u>	<u>Recommended Action</u>
1. Department of Public Safety and Correctional Services – Central Operations	JAEC Hearing
2. Department of Public Safety and Correctional Services – Incarcerated Individual Healthcare Contracts	JAEC Hearing
3. Maryland Public Broadcasting Commission	JAEC Letter of Concern

### Summary of Recommended Action

Joint Audit and Evaluation Committee (JAEC) Hearing	2
JAEC Letter of Concern	<u>1</u>
Total	<u><u>3</u></u>

**REPORTS ISSUED  
SEPTEMBER 1, 2024 TO NOVEMBER 30, 2024**

Agency	Report Date	Number of Pages <sup>1</sup>
University System of Maryland Office <sup>2</sup>	9/11/24	19
University System of Maryland – Frostburg State University <sup>2</sup>	9/11/24	20
Board of Liquor License Commissioners for Baltimore City (Performance)	9/13/24	25
Anne Arundel County – Office of the Clerk of Circuit Court	9/17/24	8
Department of Public Safety and Correctional Services – Central Operations	9/17/24	19
Maryland Department of Labor – Office of Financial Regulation	9/20/24	8
Comptroller of Maryland – General Accounting Division	9/25/24	11
State Department of Assessments and Taxation	9/27/24	47
University System of Maryland – University of Maryland, Baltimore County	10/11/24	11
Maryland Public Broadcasting Commission	10/24/24	24
Maryland Commission on Civil Rights	10/30/24	20
Department of Housing and Community Development	11/14/24	27
Queen Anne's County Public Schools (Financial Management Practices Audit)	11/22/24	47
Department of Public Safety and Correctional Services – Incarcerated Individual Healthcare Contracts	11/25/24	29

Total Number of Reports Issued: 14

<sup>1</sup>For reports containing cybersecurity findings, reflects number of pages from unredacted report.

<sup>2</sup>Previously presented at November 2024 JAEC Hearing.

## **Reports Recommended for Committee Action**

September 1, 2024 to November 30, 2024

The following audit reports have been recommended for follow-up action by the Joint Audit and Evaluation Committee (JAEC). The basis of the recommendation could include the number and significance of the audit findings, the agency receiving an “unsatisfactory” rating (which will necessitate future OLA follow-up), and/or contentious or controversial issues that remain unresolved or have related recommendations in a state of implementation (that is, are “in-progress” by the agency). The determination of whether to recommend a JAEC follow-up letter (letter of concern) or hearing, is based on a subjective determination by OLA using professional judgment. The purpose of a “follow-up letter” from the Committee is to convey the Legislature’s formal concern and reinforce the Committee’s commitment to ensure appropriate accountability is established (via the audit recommendations) for those audits or findings that do not rise to the level of a hearing.

- 1) Department of Public Safety and Correctional Services – Central Operations  
(9/17/24 – 4 findings)**
  
- 2) Department of Public Safety and Correctional Services – Incarcerated  
Individual Healthcare Contracts (11/25/24 – 9 findings)**

**Recommended Committee Action – JAEC Hearing**

---

## **Reports Recommended for Committee Action**

September 1, 2024 to November 30, 2024

### **3) Maryland Public Broadcasting Commission (MPBC) (10/24/24 – 6 findings)**

This audit report contained significant findings in several areas of MPBC's operations including two findings related to its affiliated foundations. Certain of these concerns were noted in our prior report and in a subsequent letter of concern from this Committee.

- MPBC would not provide documentation that it took corrective actions to address concerns and implemented best practices for its affiliated foundation. Our preceding audit report noted several concerns with MPBC's relationship with its affiliated foundation. In its June 17, 2020 response to the preceding report and its December 3, 2020 response to a subsequent letter of concern by the JAEC, MPBC indicated that it conducted a review of the affiliated foundation's policies, and was working with the foundation and its external auditors to develop best practices for its revenue generating activities. MPBC also committed to continuously monitor the revenue generating activity.

During our current audit, MPBC would not provide us with any documentation of the aforementioned review and ongoing monitoring activities. Accordingly, we could not determine if MPBC took the actions described in its response to the JAEC and was adequately monitoring the foundation.

- MPBC could not justify the diversion of approximately \$1.3 million in State revenue to the affiliated foundation during fiscal years 2020 through 2023. MPBC directed State agencies to pay its affiliated foundation for production services provided by MPBC. According to State records, 15 State agencies paid the affiliated foundation approximately \$900,000 during fiscal years 2020 through 2023. Our review of \$370,000 paid by one State agency disclosed this represented 12 underwriting agreements for MPBC to produce the production services for a television show, consequently bypassing State budgetary oversight. In addition, MPBC could not document the basis for approximately \$400,000 paid to its affiliated foundation during this same time period.

MPBC disagreed with certain of these findings and the related recommendations. Given the significance of the underwriting and sponsorship agreements to fund MPBC programming, we continue to believe that MPBC should implement the recommendations included in our report.

### **Recommended Committee Action – JAEC Letter of Concern**

---