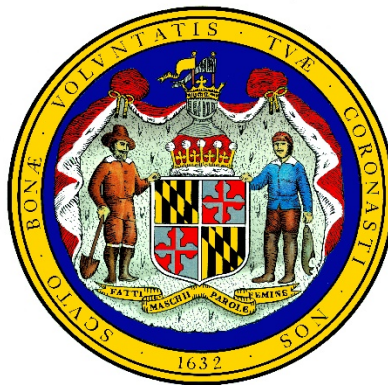


Audit Report

Board of Public Works

March 2025



OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

Joint Audit and Evaluation Committee

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To Obtain Further Information

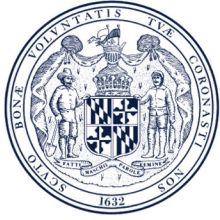
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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Brian S. Tanen, CPA, CFE
Legislative Auditor

March 28, 2025

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee
Members of Joint Audit and Evaluation Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Board of Public Works (BPW) for the period beginning July 1, 2021 and ending January 15, 2025. BPW is responsible for the review, approval, and oversight of a number of statutorily mandated projects and programs, including significant State expenditures and general obligation bond issuances.

Our audit did not disclose any findings.

We wish to acknowledge the cooperation extended to us during the audit by BPW.

Respectfully submitted,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

Background Information

Agency Responsibilities

The Board of Public Works (BPW) was established by Article XII of the State Constitution and comprises the Governor, the Comptroller of Maryland, and the State Treasurer. BPW reviews, approves, and/or oversees a number of statutorily mandated projects and programs, including significant State expenditures and general obligation bond issuances. BPW maintains an administrative staff, which is directed by the Executive Secretary. According to State records, BPW expenditures totaled approximately \$44.7 million during fiscal year 2024.

Figure 1
BPW Positions, Expenditures, and Funding Sources

Full-Time Equivalent Positions as of June 30, 2024		
	Positions	Percent
Filled	11	100.0%
Vacant	0	0.0%
Total	11	
Fiscal Year 2024 Expenditures		
	Expenditures	Percent
Salaries, Wages, and Fringe Benefits	\$ 1,682,080	3.8%
Technical and Special Fees	8,700	0.0%
Operating Expenses	42,973,698	96.2%
Total	\$44,664,478	
Fiscal Year 2024 Funding Sources		
	Funding	Percent
Special Fund	\$41,655,676	93.3%
Federal Fund	3,008,802	6.7%
Total	\$44,664,478	

Source: State financial and personnel records

Findings and Recommendations

Our audit did not disclose any deficiencies in the design or operation of BPW's internal controls. Our audit also did not disclose any instances of noncompliance with applicable laws, rules, or regulations.

A draft copy of this report was provided to BPW. Since there are no recommendations in this report, a written response was not necessary.

Audit Scope, Objectives, and Methodology

We have conducted a fiscal compliance audit of the Board of Public Works (BPW) for the period beginning July 1, 2021 and ending January 15, 2025. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine BPW's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included grants to nonprofits, the State's contingent fund, judgments against the State, and compliance with reporting requirements.

Our audit did not include the BPW's Capital Appropriation that is administered by the Department of General Services (DGS). This activity is subject to review during our audit of DGS – Office of the Secretary. Our audit also did not include certain support services provided to BPW by the Comptroller of Maryland's Office of the Comptroller and Central Payroll Bureau. These support services (such as payroll, processing of invoices, maintenance of accounting records, and related fiscal functions) are included in the scope of our audits of the Office of the Comptroller and the Central Payroll Bureau.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing

procedures were generally focused on the transactions occurring during our audit period of July 1, 2021 to January 15, 2025, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of BPW's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction or the significance of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as revenue and expenditure data) and from the contractor administering the State's Corporate Purchasing Card Program (credit card activity). The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these sources were sufficiently reliable for the purposes the data were used during this audit. We also performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

BPW's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations, including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to BPW, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of

internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

AUDIT TEAM

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