



Office of the Comptroller

To: The Honorable President and Members of the Baltimore City Council
c/o Natawna Austin, Executive Secretary

From: KC Kelleher, Director of Communications & Policy, Office of the Comptroller

Date: June 26, 2023

Re: 22-0126R Informational Hearing - East Baltimore Development Incorporated Audit

The Department of Audits is reporting herein on 22-0126R Informational Hearing - East Baltimore Development Incorporated Audit. The purpose of this resolution is requesting that representatives from East Baltimore Development Incorporated (EBDI) brief the Council regarding the status of the ongoing revitalization of an 88-acre portion of East Baltimore and the upcoming forensic audit of EBDI, including considerations for auditor selection, community involvement, and clarification of financial outlay.

East Baltimore Development Incorporated (EBDI) is a 501[c][3] non-profit that works to revitalize, re-energize, and rebuild the East Baltimore neighborhood.

The City Auditor is not charged with, nor does he have the authority to, perform a forensic audit of an external non-profit. However, Article V. §8(a) outlines the Auditor's general powers as pertaining to the purpose of the resolution as the following:

- the Auditor may audit the expenditure of City-granted funds by any public or private agency that receives such funds;
- may audit City contracts, grants, subgrants and other agreements as required by the terms and conditions of these instruments and, when the contracts, grants, subgrants and other agreements require that audits be conducted by other auditors, review such audits;
- and shall make such other audits as the Comptroller or the Board of Estimates may request, provided that those requested audits do not, in the judgment of the City Auditor, unduly hinder the performance of regular audits.

Any such agreement between the City and EBDI must be approved by the Board of Estimates. Prior to approval, the Department of Audits reviews agreements to ensure consistent auditing language is included in the executed contract. This protects the City's bottom line.

Per the City Charter, the Comptroller has "general supervision of the Department of Audits and the activities of the City Auditor." **A representative from the Comptroller's Office will be attending the hearing and looks forward to a productive discussion.**