

**CITY OF BALTIMORE
COUNCIL BILL 24-0543
(First Reader)**

Introduced by: The Council President

At the request of: The Comptroller

Introduced and read first time: June 10, 2024

Assigned to: Rules and Legislative Oversight Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Office of Equity and Civil Rights, Department of Audits, Mayor’s Office, Board of Elections, Office of the City Administrator

A RESOLUTION ENTITLED

1 A RESOLUTION OF THE MAYOR AND CITY COUNCIL concerning

2 **Charter Amendment – Department of Audits**

3 FOR the purpose of transferring the Department of Audits from the Office of the Comptroller to
4 the City Council; and submitting this amendment to the qualified voters of the City for
5 adoption or rejection.

6 BY proposing to add

7 Article III - City Council
8 Sections 16 through 20
9 Baltimore City Charter
10 (1996 Edition)

11 BY proposing to amend

12 Article V - Comptroller
13 Section 3
14 Baltimore City Charter
15 (1996 Edition)

16 BY proposing to repeal

17 Article V - Comptroller
18 Sections 7 to 11
19 Baltimore City Charter
20 (1996 Edition)

21 BY proposing to renumber

22 Article V - Comptroller
23 Sections 12, 13, 14, and 15, respectively
24 to be
25 New Sections 7, 8, 9, and 10, respectively
26 Baltimore City Charter
27 (1996 Edition)

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.

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1 **SECTION 1. BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That
2 Section 7 through 11 of Article V of the City Charter are proposed to be repealed.

3 **SECTION 2. BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That
4 Sections 12 through 15, respectively, of Article V of the City Charter be renumbered to be
5 Sections 7 through 10, respectively.

6 **SECTION 3. BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the
7 City Charter is proposed to be amended to read as follows:

8 **Baltimore City Charter**

9 **Article III. City Council**

10 **§ 16. DEPARTMENT OF AUDITS – ESTABLISHED.**

11 (A) *ESTABLISHMENT; CITY AUDITOR.*

12 THERE SHALL BE A DEPARTMENT OF AUDITS, THE HEAD OF WHICH SHALL BE THE CITY
13 AUDITOR.

14 THE CITY AUDITOR SHALL BE A CERTIFIED PUBLIC ACCOUNTANT WHO IS LICENSED BY THE
15 STATE OF MARYLAND, SHALL BE APPOINTED BY THE CITY COUNCIL IN ACCORDANCE WITH
16 THE PROVISIONS OF THE CHARTER RELATING TO THE CIVIL SERVICE, AND SHALL HOLD
17 OFFICE IN ACCORDANCE WITH THESE PROVISIONS.

18 (B) *STAFF; BUDGET.*

19 THE CITY AUDITOR SHALL APPOINT SUCH EMPLOYEES AS MAY BE PROVIDED IN THE
20 ORDINANCE OF ESTIMATES.

21 SUFFICIENT FUNDS SHALL BE INCLUDED IN THE ORDINANCE OF ESTIMATES FOR THE
22 DEPARTMENT OF AUDITS TO ENABLE THE CITY AUDITOR TO PERFORM THE DUTIES
23 PRESCRIBED HEREIN.

24 **§ 17. DEPARTMENT OF AUDITS – GENERAL POWERS AND DUTIES.**

25 (A) *IN GENERAL.*

26 IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS AND
27 STATE AND FEDERAL LAW, THE CITY AUDITOR:

28 (1) SHALL AT APPROPRIATE INTERVALS CONDUCT AN AUDIT OF THE FINANCIAL
29 TRANSACTIONS OF EVERY MUNICIPAL AGENCY, EXCEPT THE DEPARTMENT OF
30 AUDITS;

31 (2) SHALL CONDUCT AN ANNUAL AUDIT OF ALL ACCOUNTS, REVENUES, AND RECEIPTS
32 OF THE CITY;

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1 (3) SHALL CONDUCT BIENNIAL AUDITS OF PRINCIPAL AGENCIES, AS PROVIDED IN § 20
2 OF THIS ARTICLE;

3 (4) MAY AUDIT THE EXPENDITURE OF CITY-GRANTED FUNDS BY ANY PUBLIC OR
4 PRIVATE AGENCY THAT RECEIVES SUCH FUNDS;

5 (5) MAY AUDIT CITY CONTRACTS, GRANTS, SUBGRANTS, AND OTHER AGREEMENTS AS
6 REQUIRED BY THE TERMS AND CONDITIONS OF THESE INSTRUMENTS AND, WHEN
7 THE CONTRACTS, GRANTS, SUBGRANTS, AND OTHER AGREEMENTS REQUIRE THAT
8 AUDITS BE CONDUCTED BY OTHER AUDITORS, REVIEW SUCH AUDITS;

9 (6) SHALL MAKE SUCH OTHER AUDITS AS THE CITY COUNCIL OR THE BOARD OF
10 ESTIMATES MAY REQUEST, PROVIDED THAT THOSE REQUESTED AUDITS DO NOT, IN
11 THE JUDGMENT OF THE CITY AUDITOR, UNDULY HINDER THE PERFORMANCE OF
12 REGULAR AUDITS; AND

13 (7) SHALL FACILITATE COMPLIANCE WITH AUDIT AND REPORT REQUIREMENTS
14 ESTABLISHED UNDER §§ 16-305 AND 16-306 OF THE STATE LOCAL GOVERNMENT
15 ARTICLE.

16 (B) *SUBPOENA.*

17 (1) TO PERFORM THE DUTIES OF THE CITY AUDITOR’S OFFICE, THE CITY AUDITOR MAY
18 ISSUE A SUBPOENA TO ANY MUNICIPAL OFFICER, MUNICIPAL EMPLOYEE, OR ANY OTHER
19 PERSON RECEIVING CITY FUNDS TO REQUIRE THE PRODUCTION OF ANY INFORMATION,
20 DOCUMENT, REPORT, RECORD, ACCOUNT, OR OTHER MATERIAL.

21 (2) THE CITY AUDITOR MAY ENFORCE ANY SUBPOENA ISSUED PURSUANT TO THIS
22 SUBSECTION IN ANY COURT OF COMPETENT JURISDICTION.

23 (C) *REPORTS.*

24 THE CITY AUDITOR SHALL MAKE REPORTS OF ALL SUCH AUDITS TO THE CITY COUNCIL
25 AND, AT THE SAME TIME, TO EACH OF THE MEMBERS OF THE BOARD OF ESTIMATES.

26 **§ 18. DEPARTMENT OF AUDITS – ANNUAL COMPREHENSIVE FINANCIAL REPORT.**

27 (A) *AUDIT OF REPORT.*

28 THE CITY AUDITOR, UNDER THE SUPERVISION OF THE CITY COUNCIL, SHALL AUDIT THE
29 ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY, PREPARED BY THE DIRECTOR
30 OF FINANCE. THIS REPORT SHALL BE A PUBLIC DOCUMENT.

31 (B) *ACCESS TO RECORDS.*

32 TO CARRY OUT THE AUDITOR’S DUTIES, THE AUDITOR SHALL HAVE ACCESS AT ALL TIMES
33 TO THE FINANCIAL RECORDS OF ALL MUNICIPAL AGENCIES AND THE RELEVANT FINANCIAL
34 RECORDS OF CONTRACTORS WITH, AND GRANTEEES OF, THE CITY.

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§ 19. DEPARTMENT OF AUDITS – INDEPENDENT AUDITORS.

(A) *REQUIRED ENGAGEMENT.*

THE BOARD OF ESTIMATES, AT APPROPRIATE INTERVALS, SHALL ENGAGE AN INDEPENDENT FIRM OF CERTIFIED PUBLIC ACCOUNTANTS TO AUDIT:

- (1) THE FINANCIAL TRANSACTIONS OF THE DEPARTMENT OF AUDITS;
- (2) THE CITY COUNCIL; AND
- (3) THE ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE CITY.

(B) *PERMISSIVE ENGAGEMENT.*

THE BOARD OF ESTIMATES MAY ENGAGE AN INDEPENDENT FIRM OF CERTIFIED PUBLIC ACCOUNTANTS TO AUDIT THE FINANCIAL TRANSACTIONS OF ANY MUNICIPAL AGENCY AND TO EXAMINE THE FISCAL PROCEDURES, RECORDS, ACCOUNTS, AND METHODS OF ANY MUNICIPAL AGENCY, INCLUDING THE DEPARTMENT OF AUDITS.

(C) *REPORTS.*

THE INDEPENDENT FIRM OF CERTIFIED PUBLIC ACCOUNTANTS SHALL MAKE REPORTS OF ITS AUDITS, EXAMINATIONS, AND RECOMMENDATIONS TO THE BOARD OF ESTIMATES.

§ 20. DEPARTMENT OF AUDITS – BIENNIAL AUDITS OF PRINCIPAL AGENCIES.

(A) *DEFINITIONS.*

(1) *IN GENERAL.*

IN THIS SECTION, THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) *AUDIT.*

(I) “AUDIT” MEANS AN AUDIT UNDERTAKEN IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS AND FEDERAL AND STATE LAW.

(II) “AUDIT” INCLUDES BOTH:

(A) A FINANCIAL AUDIT OF A PRINCIPAL AGENCY’S FINANCIAL TRANSACTIONS, INCLUDING ALL REVENUES AND RECEIPTS; AND

(B) A PERFORMANCE AUDIT THAT ASSESSES A PRINCIPAL AGENCY’S PRACTICES TO DETERMINE WHETHER THE AGENCY IS OPERATING ECONOMICALLY AND EFFICIENTLY AND WHETHER CORRECTIVE ACTIONS FOR IMPROVING ITS PERFORMANCE ARE APPROPRIATE.

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1 (3) *PRINCIPAL AGENCY.*

2 “PRINCIPAL AGENCY” MEANS ANY OF THE FOLLOWING EXECUTIVE DEPARTMENTS:

3 (i) *GROUP A* –

- 4 1. DEPARTMENT OF FINANCE.
- 5 2. DEPARTMENT OF PUBLIC WORKS.
- 6 3. FIRE DEPARTMENT.
- 7 4. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.
- 8 5. DEPARTMENT OF GENERAL SERVICES.
- 9 6. BALTIMORE DEVELOPMENT CORPORATION.
- 10 7. MAYOR’S OFFICE OF INFORMATION TECHNOLOGY (OR SUCCESSOR ENTITY
- 11 TO THIS OFFICE).
- 12 8. MAYOR’S OFFICE OF HUMAN SERVICES (OR SUCCESSOR ENTITY TO THIS
- 13 OFFICE).
- 14 9. OFFICE OF THE MAYOR.

15 (ii) *GROUP B* –

- 16 1. DEPARTMENT OF LAW.
- 17 2. DEPARTMENT OF HUMAN RESOURCES.
- 18 3. DEPARTMENT OF TRANSPORTATION.
- 19 4. POLICE DEPARTMENT.
- 20 5. DEPARTMENT OF RECREATION AND PARKS.
- 21 6. DEPARTMENT OF PLANNING.
- 22 7. DEPARTMENT OF HEALTH.
- 23 8. MAYOR’S OFFICE OF EMPLOYMENT DEVELOPMENT (OR SUCCESSOR ENTITY
- 24 TO THIS OFFICE).
- 25 9. OFFICE OF THE COMPTROLLER.

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1 (B) *BIENNIAL AUDIT REQUIRED.*

2 (1) *IN GENERAL.*

3 AT LEAST TWICE DURING EVERY 4-YEAR TERM OF THE MAYOR AND CITY COUNCIL,
4 THE CITY AUDITOR SHALL CONDUCT AN AUDIT OF EACH PRINCIPAL AGENCY'S
5 OPERATIONS FOR THE PRECEDING 2 FISCAL YEARS.

6 (2) *STAGGERED SCHEDULE.*

7 THESE AUDITS SHALL BE STAGGERED SO THAT:

8 (I) AUDITS OF THE PRINCIPAL AGENCIES LISTED IN SUBSECTION (A)(3)(I) AS
9 "GROUP A" ARE INITIATED IN ODD-NUMBERED CALENDAR YEARS; AND

10 (II) AUDITS OF THE PRINCIPAL AGENCIES LISTED IN SUBSECTION (A)(3)(II) AS
11 "GROUP B" ARE INITIATED IN EVEN-NUMBERED CALENDAR YEARS.

12 (C) *COSTS OF AUDIT.*

13 IN EACH FISCAL YEAR PRECEDING THE FISCAL YEAR IN WHICH AUDITS ARE TO BE
14 CONDUCTED UNDER THIS SECTION, THE CITY COUNCIL SHALL INCLUDE THE COSTS OF
15 THOSE AUDITS IN THE ESTIMATES THAT THE CITY COUNCIL SUBMITS FOR THE NEXT
16 YEAR'S ORDINANCE OF ESTIMATES.

17 (D) *STATUS OF PRIOR RECOMMENDATIONS.*

18 (1) *IN GENERAL.*

19 EACH REPORT OF AN AGENCY AUDIT CONDUCTED UNDER THIS SECTION SHALL
20 INCLUDE AN ANCILLARY REPORT ON THE STATUS OF ALL RECOMMENDATIONS FOR
21 EXECUTIVE ACTION THAT RESULTED FROM THAT AGENCY'S IMMEDIATELY PRECEDING
22 AUDIT UNDER THIS SECTION.

23 (2) *CONTENT OF REPORT.*

24 THE ANCILLARY REPORT SHALL:

25 (I) DESIGNATE EACH RECOMMENDATION'S STATUS EITHER AS "IMPLEMENTED",
26 "PARTIALLY IMPLEMENTED", OR "NOT IMPLEMENTED"; AND

27 (II) PROVIDE JUSTIFICATION FOR THE STATUS DESIGNATION ASSIGNED.

28 (E) *PUBLICATION OF REPORTS.*

29 REPORTS OF ALL AUDITS CONDUCTED UNDER THIS SECTION SHALL BE:

30 (1) POSTED ON A PUBLIC WEBSITE MAINTAINED BY THE DEPARTMENT OF LEGISLATIVE
31 REFERENCE;

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1 (2) FILED WITH THE DEPARTMENT OF LEGISLATIVE REFERENCE;

2 (3) SUBMITTED TO THE PRINCIPAL AGENCY AUDITED; AND

3 (4) SUBMITTED TO EACH MEMBER OF:

4 (I) THE BOARD OF ESTIMATES; AND

5 (II) THE CITY COUNCIL.

6 **Article V. Comptroller**

7 **§ 3. General duties.**

8 The Comptroller shall:

9 (a) serve as a member of the Board of Estimates;

10 (b) serve as a member of the Board of Finance;

11 [(c) have such general supervision of the Department of Audits and the activities of the
12 City Auditor as provided for in the Charter;]

13 [(d) be responsible for the proper conduct, management and operation of the Department
14 of Real Estate; and]

15 (C) EXERCISE SUPERVISORY AUTHORITY OVER ALL DEPARTMENTS, DIRECTORS, AND
16 MUNICIPAL OFFICERS PROVIDED FOR UNDER THIS ARTICLE;

17 (D) ESTABLISH AND ABOLISH BUREAUS AND DIVISIONS WITHIN ANY DEPARTMENT
18 PROVIDED FOR UNDER THIS ARTICLE;

19 (E) ASSIGN DUTIES AND POWERS OF A DEPARTMENT AMONG THE BUREAUS OR DIVISIONS
20 WITHIN THAT DEPARTMENT;

21 (F) [(e)] subject to the approval of the Board of Estimates, and within the limits of the
22 appropriation therefor in the Ordinance of Estimates, obtain such insurance as may be
23 necessary for the proper protection of the City or as may be required by applicable
24 law, and shall, whenever it would be to the City's advantage, seek competitive bids
25 for the insurance; AND

26 [(f) be responsible for the proper conduct, management and operation of the Department
27 of Accounts Payable; and]

28 (g) perform such other duties, not inconsistent with the office, as prescribed by law.

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1 **SECTION 4. AND BE IT FURTHER RESOLVED**, That this proposed amendment to the City
2 Charter be submitted to the legal and qualified voters of Baltimore City, for adoption or rejection,
3 in accordance with Article XI-A, § 5 of the Maryland Constitution, in the form specified by the
4 City Solicitor.