

CITY OF BALTIMORE

STEPHANIE RAWLINGS-BLAKE, Mayor

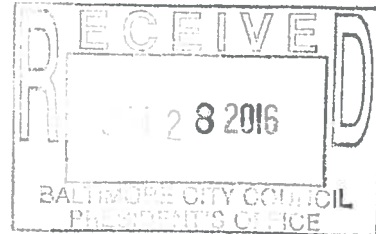


DEPARTMENT OF LAW

GEORGE A. NILSON, City Solicitor
101 City Hall
Baltimore, Maryland 21202

June 27, 2016

The Honorable President and Members
of the Baltimore City Council
Attn: Natawna Austin, Executive Secretary
Room 409, City Hall
100 N. Holliday Street
Baltimore, Maryland 21202



Re: City Council Bill 16-0699 – Charter Amendment – Biennial Agency Audits

Dear President and City Council Members:

The Law Department has reviewed City Council Bill 16-0699 for form and legal sufficiency. The bill amends the City Charter would change the definition of “audit” in include only a performance audit and include in the definition of “principal agency” the Mayor’s Office of Human Resources, the Health Department and the Mayor’s Office of Employment Development. The bill calls for the audits to occur twice in the Mayor’s four year term and provides for a staggered schedule. The bill removes the option of engaging an independent accountant or firm to perform the audit and requires that the costs for the audits be included in the ordinance of estimates. Reports of all audits must be posted on a website maintained by the Comptroller and submitted to the Board of Estimates and each member of the City Council. The audits would be performed by the City Auditor.

The fiscal auditing functions of the City have already been vested in the City Auditor pursuant to Sections 7 through 10 of Article V of the City Charter. These sections give the City Auditor the power to determine at what intervals financial audits will be conducted of City agencies and to perform them. Charter, Art. V, § 8(a)(1)-(4). The Charter also provides that the City Auditor may undertake additional audits at the request of the Comptroller or the Board of Estimates. Charter, Art. V, § 8(a)(5).


Since this bill would amend the Charter in Article VII to generally require performance audits by the City Auditor, it would be advisable for clarity and consistency to amend the bill to include that power in Art. VI, Sec. 8(a) under the general powers of the City Auditor.

It is also noteworthy that, with respect to inclusion of offices within the Mayor’s Office, that the names of those offices may change periodically so naming certain offices specifically may not be effective. Language could be added to indicate that whatever the name, those are the functions that the Charter seeks to have audited. Suggested language is attached.

Fav w/ Amend

Subject to the foregoing amendments, Law Department could approve City Council Bill 16-0699 for form and legal sufficiency.

Very truly yours,



Hilary Ruley
Assistant Solicitor

cc: George Nilson, City Solicitor
Angela C. Gibson, Mayor's Legislative Liaison
Elena DiPietro, Chief Solicitor
Jennifer Landis, Assistant Solicitor
Victor Tervalá, Chief Solicitor

AMENDMENTS TO COUNCIL BILL 16-0699
(1st Reader Copy)

Amendment No. 1

On page 4, after line 2, insert

Article V. Comptroller

§8 Department of Audits – general powers and duties.

(a) In general.

In accordance with generally accepted government auditing standards and State and federal law, the City Auditor:

- (1) shall at appropriate intervals conduct an audit of the financial transactions of every municipal agency, except the Department of Audits;
- (2) shall conduct an annual audit of all accounts, revenues, and receipts of the City;
- (3) may audit the expenditure of City-granted funds by any public or private agency that receives such funds;
- (4) 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
- (5) shall make such other audits as the Comptroller or the Board of Estimates may request; provided, that, such requested audits shall not, in the judgment of the City Auditor, unduly hinder the performance of regular audits; and
- (6) conduct biennial audits as provided in Section 4.5 of Article VII of the City Charter.

Amendment No. 2

On page 2 in lines 18, 19 and 28, before the period insert “or other entity performing the same function as this office.”