Bill No.	11-19				
Concerning: _/	Administration	_	Intern	ıal	
Audit –	Inspector	Ger	neral		
<u>Amendme</u>	ents				
Revised: 9/26/2019 Draft No. 5					
Introduced:	May 7, 2019				
Enacted:	October 15, 2	201 <u>9</u>			
Executive:	October 22, 2	201 <u>9</u>			
Effective:	January 21, 2	2020			
Sunset Date:	None				
Ch. 24 Laws of Mont. Co. 2019					

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsors: Council President Navarro, Council Vice-President Katz and Councilmember Friedson

AN ACT to:

- (1) increase the legislative oversight of the County's internal accounting and contracting processes;
- (2) modify the duties of the Office of Internal Audit;
- (3) expand the duties and authority of the Inspector General; and
- (4) generally amend the law governing the Office of Internal Audit and the Inspector General.

By amending

Montgomery County Code Chapter 2, Administration Sections 2-25A and 2-151

Boldface *Heading or defined term.*

<u>Underlining</u>
Single boldface brackets]
Added to existing law by original bill.

Deleted from existing law by original bill.

<u>Double underlining</u> *Added by amendment.*

[[Double boldface brackets]] Deleted from existing law or the bill by amendment.

Existing law unaffected by bill.

The County Council for Montgomery County, Maryland approves the following Act:

1	Sec.	1. Sections	2-25A and 2-151 are amended as follows:		
2	2-25A. Offi	ce of Intern	al Audit — Functions.		
3	The Office	of Internal A	udit is part of the Office of the County Executive. The Office		
4	of Internal	Audit must	conduct its work in accordance with professional standards		
5	relevant to i	nternal audit			
6	<u>(a)</u>	<u>Duties.</u> The Office must:			
7		[(a)] <u>(1)</u>	must periodically conduct a risk analysis, to identify areas		
8		of ri	sk in accountability systems;		
9		[(b)] <u>(2)</u>	based on the risk analysis, conduct fiscal, contract,		
10		com	pliance, internal control, performance, and information system		
11		audi	ts, and attestation engagements;		
12		[(c)] (3)	undertake investigative audits and audits required by law;		
13		$[(d)] \underline{(4)}$	provide advice to County departments and offices on		
14		inter	rnal control issues;		
15		[(e)] <u>(5)</u>	communicate actions necessary to enhance accountability;		
16		and			
17		[(f)] <u>(6)</u>	conduct other investigations and audits as directed by the		
18		Chie	ef Administrative Officer.		
19	<u>(b)</u>	<u>Annual</u> <u>wo</u>	rk plan. The Office must create an annual workplan subject to		
20		the approv	al of the Chief Administrative Officer. The workplan must		
21		include the	erisk analyses and audits required under subsection (a). The		
22		Chief Adm	ninistrative Officer must submit the annual work plan to the		
23		Council for	r review and comment on or before each June 1.		
24	<u>(c)</u>	<u>Annual</u> <u>rep</u>	ort. The Office must submit a report to the Inspector General		
25		on or befor	e each September 15. The report must include the Executive's		
26		implementation of each written recommendation:			
27		(1) mad	e by the Inspector General in the previous fiscal year;		

28		<u>(2)</u>	made	by the	e Office in	n the pre	vious fisc	<u>cal year; a</u>	<u>nd</u>	
29		<u>(3)</u>	identified by the Office of Legislative Oversight for action by the							
30			Execu	<u>itive</u> ii	n the prev	ious fisc	al year.			
31	2-151. Insp	ector	Genera	ıl.						
32				*		*	*			
33	(h)	Powe	ers and	Dutie	s.					
34		<u>(1)</u>	The	Inspec	tor Gener	ral must	attempt	to identi	fy action	s which
35			would	d enha	ance the	producti	vity, effe	ectiveness	, or effici	iency of
36			progr	ams a	nd operati	ions of C	County g	overnmen	t and inde	ependent
37			County agencies. In developing recommendations, the Inspector							
38			Gene	ral ma	y:					
39			[(1)]	(<u>A)</u>	conduct	investi	gations,	budgetar	y analys	es, and
40				finan	cial, man	agement	, or perf	ormance a	audits and	l similar
41				revie	ws; and					
42			[(2)]	(<u>B)</u>	seek ass	istance f	rom any	other gove	ernment a	gency or
43				priva	te party [,] or und	dertake a	ny projec	t jointly v	with any
44				other	governm	ental age	ency or p	rivate bod	ly.	
45		<u>(2)</u>	The I	nspect	or Genera	al must:				
46			<u>(A)</u>	[[<u>in</u> <u>c</u>	coordinati	on with	the Offic	e of Interr	<u>nal</u> <u>Audit,</u>	conduct
47				<u>a</u> <u>ris</u>	s <u>k</u> analys	is of th	ne Coun	<u>ty's</u> inter	nal contr	ols and
48				proce	esses;					
49			<u>(B)</u>	based	d on the ri	sk analys	sis,]] <u>con</u>	duct a sys	tematic <u>ris</u>	sk-based
50				rotati	ing group	by gro	up revie	w of the	County's	internal
51				acco	unting and	d contrac	cting pro	cesses and	d controls	used by
52				each	departme	ent and	principa	al office	in the E	xecutive
53				Bran	ch; and					

54		[[(C) review and evaluate compliance with Federal, State, and
55		County laws by each department and principal office in the
56		Executive Branch; and
57		(D)]] (B) conduct [[an audit]] audits of [[each completed]] high
58		risk County [[contract funded in the operating budget with
59		a contract value greater than \$1 million]] contracts and
60		agreements.
61		(3) The Inspector General may review or audit any County contract or
62		agreement if the Inspector General determines that review or audit
63		is in the public interest. The required duties described in paragraph
64		(2) must not be construed to limit the powers and duties of the
65		Inspector General established in paragraph (1).
66		In each project of the Office, the Inspector General should uphold the
67		objective of complying with applicable generally accepted government
68		auditing standards.
69	(i)	Work plan. The Inspector General must direct the activities of the Office
70		of the Inspector General, subject to a work plan for the Inspector
71		General's 4-year term which the Inspector General must adopt within 6
72		months after being appointed. The Inspector General may amend the plan
73		during a term. The Inspector General must consider recommendations
74		and may seek suggestions for the work plan from the Executive, the
75		County Council, the head of each independent County agency,
76		employees of County government and independent County agencies,
77		employee organizations, and individual citizens. The work plan must
78		include the [[risk analysis,]] systematic review[[,]] and audits required in
79		subsection (h). The Inspector General must release the work plan to the

80

public but may treat any item or suggestion for an item as confidential

81		when advance public or agency knowledge of that item or suggestion
82		would frustrate or substantially impede the work of the Office.
83		* * *
84	<u>(o)</u>	Council responsibility. The Council must ensure that the operating
85		budget for the Office of the Inspector General is sufficient to provide the
86		services required by this Section.

Approved:	
Nancy Navarro, President, County Council	10/17/19 Date
Approved:	
Mare El-of	10/22/19
Marc Elrich, County Executive	Date
This is a correct copy of Council action.	
Mary Anne Paradise	10/23/19
Mary Anne Paradise, Acting Clerk of the Council	Date