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

The County Council for Montgomery County, Maryland approves the following Act:
Sec. 1. Sections 2-25A and 2-151 are amended as follows:

2-25A. Office of Internal Audit — Functions.

The Office of Internal Audit is part of the Office of the County Executive. The Office of Internal Audit must conduct its work in accordance with professional standards relevant to internal audit.

(a) Duties. The Office must:

[(a)] (1) must periodically conduct a risk analysis, to identify areas of risk in accountability systems;

[(b)] (2) based on the risk analysis, conduct fiscal, contract, compliance, internal control, performance, and information system audits, and attestation engagements;

[(c)] (3) undertake investigative audits and audits required by law;

[(d)] (4) provide advice to County departments and offices on internal control issues;

[(e)] (5) communicate actions necessary to enhance accountability;

and

[(f)] (6) conduct other investigations and audits as directed by the Chief Administrative Officer.

(b) Annual work plan. The Office must create an annual workplan subject to the approval of the Chief Administrative Officer. The workplan must include the risk analyses and audits required under subsection (a). The Chief Administrative Officer must submit the annual work plan to the Council for review and comment on or before each June 1.

(c) Annual report. The Office must submit a report to the Inspector General on or before each September 15. The report must include the Executive’s implementation of each written recommendation:

(1) made by the Inspector General in the previous fiscal year;
made by the Office in the previous fiscal year; and

identified by the Office of Legislative Oversight for action by the Executive in the previous fiscal year.


* * *

(h)  * Powers and Duties. *

(1)  The Inspector General must attempt to identify actions which would enhance the productivity, effectiveness, or efficiency of programs and operations of County government and independent County agencies. In developing recommendations, the Inspector General may:

[(1)]  

(A) conduct investigations, budgetary analyses, and financial, management, or performance audits and similar reviews; and

[(2)]  

(B) seek assistance from any other government agency or private party [.] or undertake any project jointly with any other governmental agency or private body.

(2)  The Inspector General must:

(A)  [[in coordination with the Office of Internal Audit, conduct a risk analysis of the County’s internal controls and processes;]]

(B) based on the risk analysis,] conduct a systematic risk-based rotating group by group review of the County’s internal accounting and contracting processes and controls used by each department and principal office in the Executive Branch; and
[(C) review and evaluate compliance with Federal, State, and County laws by each department and principal office in the Executive Branch; and

(D)] (B) conduct [[an audit]] audits of [[each completed]] high risk County [[contract funded in the operating budget with a contract value greater than $1 million]] contracts and agreements.

(3) The Inspector General may review or audit any County contract or agreement if the Inspector General determines that review or audit is in the public interest. The required duties described in paragraph (2) must not be construed to limit the powers and duties of the Inspector General established in paragraph (1).

In each project of the Office, the Inspector General should uphold the objective of complying with applicable generally accepted government auditing standards.

(i) Work plan. The Inspector General must direct the activities of the Office of the Inspector General, subject to a work plan for the Inspector General's 4-year term which the Inspector General must adopt within 6 months after being appointed. The Inspector General may amend the plan during a term. The Inspector General must consider recommendations and may seek suggestions for the work plan from the Executive, the County Council, the head of each independent County agency, employees of County government and independent County agencies, employee organizations, and individual citizens. The work plan must include the [[risk analysis,]] systematic review[[,]] and audits required in subsection (h). The Inspector General must release the work plan to the public but may treat any item or suggestion for an item as confidential.
when advance public or agency knowledge of that item or suggestion would frustrate or substantially impede the work of the Office.

* * *

(o) **Council responsibility.** The Council must ensure that the operating budget for the Office of the Inspector General is sufficient to provide the services required by this Section.
Approved:

Nancy Navarro, President, County Council
10/17/19
Date

Marc Elrich, County Executive
11/22/19
Date

This is a correct copy of Council action.

Mary Anne Paradise, Acting Clerk of the Council
10/23/19
Date