

# **AUDIT COMMITTEE ACTIVITY REPORT**

**FISCAL YEAR 2024 (July 1, 2023 – June 30, 2024)**

**Report Date:** October 16, 2024

## **INTRODUCTION**

The Audit Committee (AC or Committee) operates independently from the management of the Maryland-National Capital Park and Planning Commission (M-NCPPC or Commission). The AC serves as a forum, in which auditors and other interested parties may identify and discuss concerns related to financial reporting and internal controls.

The Annotated Code of Maryland, Land Use Article, Subtitle 4 Audit Committee, §15-401-§15-405, governs the establishment and function of the Audit Committee (e.g., membership, terms, qualifications, and powers).

During FY24, the AC consisted of four (4) voting members:

- Dorothy Bailey, Vice-Chair, Prince George's County Planning Board, Audit Committee Chair
- Mitra Pedoeem, Vice-Chair, Montgomery County Planning Board
- Benjamin Williams, Public Member, Prince George's County
- Erin White, Public Member, Montgomery County

Chair Peter Shapiro served on the AC as an ex-officio nonvoting member during FY24.

## **DISCHARGE OF DUTIES**

### External Auditors

The AC is responsible for appointment, compensation, retention, and oversight of the work of any external auditor engaged for the purpose of performing independent audit services, reviews or attest services.

Each fiscal year, the Office of the Secretary-Treasurer submits an Annual Comprehensive Financial Report (ACFR), in accordance with the Land Use Article of the Annotated Code of Maryland. In conjunction with the ACFR, State statute requires an annual audit by independent certified public accountants.

The Department of Finance issued a competitive procurement for the Commission's external auditing services in January 2021. The Commission, with agreement from the AC, selected the accounting firm of SB & Company to complete the FY24 external review. The AC meets with the external auditor for pre-audit planning and audit closeout. The external auditor issued a clean opinion for the Commission's FY23 financial statements. The FY24 audit is underway; to date, no findings have been presented to the AC.

### Office of the Inspector General

The AC provides technical and substantive oversight and direction for the Office of the Inspector General's (OIG) work program. On June 6, 2023, the AC formally approved the FY24 Fiscal Work Plan submitted by the Inspector General. The work plan included

performance audits, fraud, waste, and abuse investigations, management advisories, and follow-up reviews.

The AC meets quarterly with the OIG to discuss significant audit findings and recommendations. The Office of the Inspector General's FY24 Annual Report contains a summary of completed audits and investigations.

## **MAJOR AUDIT CONCERNS**

No additional significant concerns were brought forward to the AC.

## **SUMMARY**

Based on our review of the Commission's Annual Comprehensive Financial Report, SB and Company's Audit Report and all reports and memorandums issued by the Office of the Inspector General, the Audit Committee deems the Commission's internal controls and adherence to financial regulations and internal policies acceptable. The Commission's internal control systems and processes appear to reduce operational and compliance risk, while also ensuring heightened fiduciary oversight of Commission funds.

## **CONCLUSION**

The Audit Committee would like to thank Chair Peter Shapiro, Chair Artie Harris, Commissioners, Officers, management, staff, and the Office of the Inspector General for their continued efforts to strengthen public accountability and to improve the effectiveness, productivity, and efficiency of Commission operations.