

to Article 15A - Budget and Fiscal Planning, of the Annotated Code of Maryland (1968 Replacement Volume and 1974 Supplement) to read as follows:

Article 15A - Budget and Fiscal Planning

28.

(A) THE SECRETARY OF ANY DEPARTMENT OF STATE GOVERNMENT, OR HEAD OF ANY UNASSIGNED AGENCY, WHICH CONTRACTS WITH A PRIVATE VENDOR FOR THE PURCHASE OF CARE OF ANY KIND FOR CHILDREN, JUVENILES, OR ADULTS IN NONGOVERNMENTAL FACILITIES, SHALL PROVIDE FOR [[AN AUDIT TO BE MADE AS PROVIDED IN THIS SECTION OF THE MONEYS PAID FOR THE PURCHASE OF CARE.]] A PERIODIC EXAMINATION OF THE ACCOUNTS OF THE VENDOR PROVIDING PURCHASE OF CARE SERVICES TO DETERMINE IF THE COSTS INCURRED FOR WHICH REIMBURSEMENT WAS RECEIVED WERE IN ACCORDANCE WITH ALLOWABLE COST GUIDELINES OF THE DEPARTMENT OR AGENCY. IF IT IS DETERMINED THAT THE AMOUNT OF REIMBURSEMENT THAT WAS RECEIVED DURING THE PERIOD EXCEEDED TOTAL ALLOWABLE COSTS, [[THERE WILL BE A SETTLEMENT OF]] THE DEPARTMENT SHALL COLLECT THE AMOUNT OWED TO THE DEPARTMENT OR AGENCY. HOWEVER, LESS THAN THE AMOUNT DUE MAY BE COLLECTED IF COLLECTION OF THE FULL AMOUNT WOULD SERIOUSLY IMPAIR THE FINANCIAL CONDITION OF THE VENDOR, AND A WRITTEN STATEMENT CONTAINING THE BASIS FOR THE FINDING IS FILED BY THE DEPARTMENT. IF IT IS DETERMINED THAT ALLOWABLE COSTS EXCEEDED THE AMOUNT OR REIMBURSEMENT, AND WERE LESS THAN THE MAXIMUM RATE OF PAYMENT AS PROVIDED IN THE BUDGET, THERE WILL BE A SETTLEMENT OF THE AMOUNT OWED TO THE VENDOR.

(B) THE COST OF MAKING THE REVIEW OF VENDOR ACCOUNTS BY THIS SECTION SHALL BE AN EXPENSE OF THE DEPARTMENT OR AGENCY AND SHALL BE PROVIDED IN THE ANNUAL STATE BUDGET.

(C) IF THE REVIEW OF VENDOR ACCOUNTS IS TO BE PERFORMED BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS, SELECTION OF THE AUDITORS SHALL BE MADE BY THE SECRETARY[[, OR AGENCY HEAD, WITH THE APPROVAL OF THE LEGISLATIVE AUDITOR]] OR AGENCY HEAD. THE PROCEDURE FOR SELECTION OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT SHALL BE REVIEWED BY THE LEGISLATIVE AUDITOR.

(D) THE REVIEW OF VENDOR ACCOUNTS SHALL BE PERFORMED AT THE INTERVALS AND IN THE MANNER APPROVED AND DETERMINED BY THE [[LEGISLATIVE AUDITOR]] SECRETARY OR AGENCY HEAD AFTER CONSULTATION WITH THE LEGISLATIVE AUDITOR.

(E) COPIES OF EACH AUDIT REPORT SHALL BE PROVIDED BY THE SECRETARY OR AGENCY HEAD TO THE SECRETARY OF THE DEPARTMENT OF BUDGET AND FISCAL PLANNING AND TO THE