

(b) Each community college in the State shall have an annual audit of its books of accounts, accounting procedures and principles, and other fiscal and operational methods and procedures in accordance with guidelines as prescribed by the [State Board for Community Colleges] COMMISSION. A copy of the audit report, together with the related management letter, shall be submitted to the [State Board for Community Colleges] COMMISSION for [their] review and assessment and to the Legislative Auditor within 90 days of the close of each fiscal year. The [State Board for Community Colleges] COMMISSION shall ascertain that the community colleges are audited in accordance with this section.

(c) The [State Board for Community Colleges] COMMISSION shall evaluate audit reports and related management letters for purposes of determining material weaknesses and assessing which recommendations should be considered for implementation. If a community college establishes to the satisfaction of the [State Board for Community Colleges] COMMISSION that a recommendation in an audit report or related management letter has been satisfactorily addressed and should not be implemented, then the [Board] COMMISSION shall notify the Legislative Auditor of the reasons for not implementing the recommendation. If the [State Board for Community Colleges] COMMISSION finds that satisfactory progress has not been made toward correcting recurring material weaknesses or implementing any other audit recommendations which the [Board] COMMISSION deems appropriate, then with due notice to the community college [and with the concurrence of the Maryland Higher Education Commission], the [Board] COMMISSION [may, for fiscal year 1986 and shall, beginning with fiscal year 1987,] SHALL direct the State Comptroller to withhold aid payments or any portion of aid payments due a college under this article.

(d) The Legislative Auditor may upon [his] THE LEGISLATIVE AUDITOR'S own initiative perform the required annual audits. However, notification of such intent must be given to each affected community college before the start of the fiscal year to be audited.

(e) The Legislative Auditor may be directed to undertake special audits of any community college by the joint budget and audit committee at State expense.

(f) An audit performed by an official auditor of any county or Baltimore City approved by the [State Board for Community Colleges] COMMISSION with the concurrence of the Legislative Auditor shall satisfy the annual audit requirement if it otherwise meets the requirements of this section.

(g) The cost of the annual audit required by this section is the responsibility of the community college.

(h) Each year the Legislative Auditor shall submit a report to the Joint Budget and Audit Committee, the [State Board for Community Colleges] COMMISSION, and the Director of the State Department of Fiscal Services, on the results of the annual and special community college audits.

(i) Nothing contained in this section may be construed to prohibit a periodic or special audit by an official auditor of any county providing funds for a community college.