

internal auditor; prescribing the general content of an agency's internal audit program and of internal audits, specifying the auditing standards by which internal audits must be conducted; defining certain terms; and generally relating to internal audits performed by certain State agencies.

BY adding to

Article - State Government

Section 10-901 through 10-906, inclusive, to be under the new subtitle "Subtitle 9. Internal Audits"

Annotated Code of Maryland
(1984 Volume and 1991 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - State Government

SUBTITLE 9. INTERNAL AUDITS

10-901.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "AGENCY" MEANS EVERY AGENCY, BOARD, BUREAU, COMMISSION, COUNCIL, DEPARTMENT, OR INSTITUTION IN THE EXECUTIVE BRANCH OF THE STATE GOVERNMENT.

(C) "AGENCY HEAD" MEANS THE EXECUTIVE HEAD OF AN AGENCY.

(D) "CHIEF INTERNAL AUDITOR" MEANS THE PERSON EMPLOYED BY AN AGENCY TO DIRECT INTERNAL AUDITS FOR THE AGENCY.

(E) "INTERNAL AUDIT" MEANS AN EXAMINATION AND EVALUATION OF THE ADEQUACY AND EFFECTIVENESS OF AN AGENCY'S SYSTEM OF:

- (1) INTERNAL CONTROL;
- (2) COMPLIANCE WITH THE LAW;
- (3) RULES AND REGULATIONS; AND
- (4) QUALITY OF PERFORMANCE IN CARRYING OUT ITS RESPONSIBILITIES.

10-902.

(A) EACH AGENCY THAT PERFORMS INTERNAL AUDITS SHALL EMPLOY:

- (1) A CHIEF INTERNAL AUDITOR; AND