

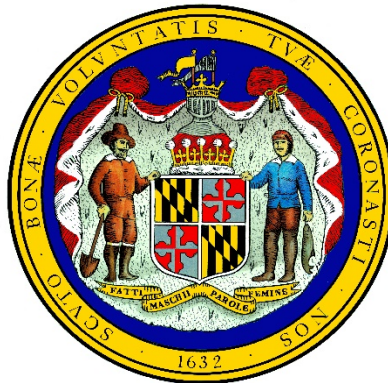
Audit Report

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**Financial Management Information System  
Centralized Operations**

April 2025

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**OFFICE OF LEGISLATIVE AUDITS**  
**DEPARTMENT OF LEGISLATIVE SERVICES**  
**MARYLAND GENERAL ASSEMBLY**

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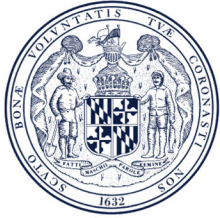
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DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF LEGISLATIVE AUDITS  
MARYLAND GENERAL ASSEMBLY

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Executive Director

Brian S. Tanen, CPA, CFE  
Legislative Auditor

April 11, 2025

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee  
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee  
Members of Joint Audit and Evaluation Committee  
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit pertaining to information system security and operational controls over the centralized operations of the Financial Management Information System (FMIS) for the period beginning April 28, 2020 and ending August 31, 2024. FMIS is administered by the Department of Information Technology (DoIT) and the Comptroller of Maryland's General Accounting Division (GAD). FMIS is used to support the State's purchasing, accounting, and payment functions. According to the State's accounting records, expenditures processed through FMIS in fiscal year 2024 totaled approximately \$65.4 billion.

Our audit did not disclose any findings that warrant mention in this report.

We wish to acknowledge the cooperation extended to us during the audit by DoIT and GAD.

Respectfully submitted,

*Brian S. Tanen*

Brian S. Tanen, CPA, CFE  
Legislative Auditor



# **Background Information**

## **General Information**

The Financial Management Information System (FMIS) is an integrated database system that runs on the Comptroller of Maryland's Annapolis Data Center's computers. FMIS supports purchasing functions through the Advanced Purchasing and Inventory Control System (ADPICS), and supports accounting operations through the Relational Standard Accounting and Reporting System (R\*STARS). Certain entities (such as the University System of Maryland and the Maryland Department of Transportation) have independent accounting systems to process procurement, disbursement, and financial information which interface with FMIS for recordation, payment processing, and reporting. According to the State's accounting records, expenditures processed through FMIS (including interfaced transactions) for fiscal year 2024 totaled approximately \$65.4 billion.

The Department of Information Technology (DoIT) and the Comptroller of Maryland (COM) have responsibility for separate aspects of FMIS.<sup>1</sup> Specifically, DoIT is responsible for daily FMIS administration, including maintenance, operation, security, and back-up of related database records and the computer programs that perform online and overnight processing. The COM's General Accounting Division (GAD) is responsible for R\*STARS operations, security, and reporting.

This audit of the centralized FMIS operations included elements of FMIS operations relative to overall internal control, such as database and security controls. In addition, this audit included a review of the controls and processing of interfaced data from the point of interface through transaction processing and recordation.

## **Status of Findings From Preceding Audit Report**

Our audit included a review to determine the status of the one finding contained in our preceding audit report dated November 10, 2020. See Figure 1 for the results of our review.

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<sup>1</sup> We conduct separate audits of DoIT and the COM's GAD to address their other activities. In addition, the scope of our audit of individual agencies includes a review of certain agency-specific FMIS controls.

**Figure 1  
Status of Preceding Findings**

<b>Preceding Finding</b>	<b>Finding Description</b>	<b>Implementation Status</b>
Finding 1	DoIT's procedures for logging and monitoring critical database and mainframe security events were not sufficient.	Not repeated

## **Findings and Recommendations**

Our audit did not disclose any significant deficiencies in the design or operation of DoIT's and GAD's internal controls with respect to FMIS operations. Our audit also did not disclose any significant instances of noncompliance with applicable laws, rules, or regulations. Less significant findings were communicated to DoIT and GAD that did not warrant inclusion in this report.

A draft copy of this report was provided to DoIT and COM. Since there are no recommendations in this report, written responses were not necessary.

## **Audit Scope, Objectives, and Methodology**

We have conducted a fiscal compliance audit pertaining to information system security and operational controls over the centralized operations of the Financial Management Information System (FMIS) for the period beginning April 28, 2020 and ending August 31, 2024. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine the elements of FMIS operations relative to the State's overall internal controls (for example, database and security controls) and to evaluate compliance with applicable State laws, rules, and regulations not included in our individual audits of other State agencies.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included central FMIS security administration and maintenance, and the component operations of the Advanced Purchasing and Inventory Control System (ADPICS) and of the Relational Standard Accounting and Reporting System (R\*STARS). Our information systems security and control review addressed general controls, security software controls, and database security. We also determined the status of the finding contained in our preceding audit report.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of April 28, 2020 to August 31, 2024, but may include transactions before or after this period as we considered necessary to achieve our audit objectives

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and, to the extent practicable, observations of FMIS operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk. As a matter of course, we do not normally use sampling in our tests, so, unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from FMIS. The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from this source were sufficiently reliable for the purposes the data were used during this audit. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

The Department of Information Technology and the Comptroller of Maryland – General Accounting Division are responsible for establishing and maintaining effective internal control over FMIS operations. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations, including safeguarding of assets; and compliance with applicable laws, rules, and

regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to FMIS centralized operations, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.



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