Audit Report

Maryland Commission on African American History and Culture

July 2026

OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

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Victoria L. Gruber
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Brian S. Tanen, CPA, CFE
Legislative Auditor

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

July 10, 2026

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 of the Maryland Commission on African American History and Culture (MCAAHC) for the period beginning July 1, 2022 and ending February 17, 2026. MCAAHC along with its Board of Directors, oversees the programs of the Banneker-Douglass-Tubman Museum.

Our audit disclosed that MCAAHC did not establish adequate accountability and controls over its art and historical artifacts collection, which was valued at approximately $478,000 as of March 2026. MCAAHC also did not establish adequate control over collections and did not have procedures to ensure the propriety of purchases made using a corporate purchasing card.

MCAAHC's response to this audit is included as an appendix to this report. In accordance with State law, we reviewed the response and noted agreement to our findings and related recommendations and will notify MCAAHC of any needed clarification to ensure the responses sufficiently address the related findings.

We wish to acknowledge the cooperation extended to us during the audit by MCAAHC.

Respectfully submitted,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

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Background Information

Agency Creation and Responsibilities

Chapters 451 and 452, Laws of Maryland 2022, effective July 1, 2022, established the Maryland Commission on African American History and Culture (MCAAHC) as an independent unit of State government. Prior to this law, MCAAHC existed within the Governor's Office of Community Initiatives and MCAAHC's activities were subject to audit during our Office's audit of the Executive Department – Office of the Governor. MCAAHC includes 21 members that are appointed to 4-year terms by the Governor with Senate advice and consent. Subject to the approval of the Governor, MCAAHC appoints the Director who administers MCAAHC activities and supervises the appointment and removal of MCAAHC personnel.

MCAAHC's mission is to discover, document, preserve, and educate Maryland residents and visitors on the State's African American heritage. MCAAHC is responsible for overseeing operation of the Banneker-Douglass-Tubman Museum and, in conjunction with the Maryland Historical Trust, administers the African American Heritage Preservation Program to support African American museums, universities, and heritage sites in Maryland. According to the State's records, MCAAHC's fiscal year 2025 expenditures totaled approximately $1.6 million, of which $1.2 million related to salaries (see Figure 1).

Figure 1
MCAAHC Positions, Expenditures, and Funding Sources

Full-Time Equivalent Positions as of June 30, 2025	
	Positions
Filled	10
Vacant	1
Total	**11**

Fiscal Year 2025 Expenditures	
	Expenditures
Salaries, Wages, and Fringe Benefits	$1,190,998
Technical and Special Fees	16,085
Other Operating Expenses	418,716
Total	**$1,625,799**

Fiscal Year 2025 Funding Sources	
	Funding
General Fund	$1,587,799
Special Fund	38,000
Total	**$1,625,799**

Source: State financial and personnel records

Findings and Recommendations

Art and Historical Artifacts

Finding 1
The Maryland Commission on African American History and Culture (MCAAHC) did not establish adequate accountability and controls over the Banneker-Douglas-Tubman Museum's art and historical artifacts collection.

Analysis
MCAAHC did not establish adequate accountability and controls over the Banneker-Douglass-Tubman Museum's art and historical artifacts collection. According to MCAAHC records as of March 2026, the collection included 291 items valued at approximately $478,000.

Our review disclosed that the two employees responsible for maintaining the detailed records of MCAAHC's collection had physical access to the collection. In addition, MCAAHC did not conduct physical inventories of the collection during our audit period. Our test of 15 artifacts[1] did not identify any items listed on MCAAHC's inventory records that could not be accounted for.

These conditions were caused, at least in part, because MCAAHC's written procedures did not address the safeguarding, recording, and management of its collection as required by the Department of General Services' *Inventory Control Manual.* The *Manual* also requires that sensitive items be inventoried annually, and that duties for recordkeeping, custody, and physical inventory be adequately segregated.

Recommendation 1
We recommend that MCAAHC
a. enhance written procedures to ensure the collection is safeguarded, accurately recorded, and properly managed;
b. ensure that employees who maintain detail records do not have physical access to the collections; and
c. conduct physical inventories of its collections annually.

We advised MCAAHC on how to achieve the necessary segregation of duties using existing personnel.

[1] Artifacts were selected for testing based on materiality.

Collections

Finding 2
MCAAHC did not establish adequate accountability and control over collections.

Analysis
MCAAHC did not establish adequate accountability and control over collections. MCAAHC received checks for private tours of the Museum, special event rentals, and reimbursement for expenditures paid on behalf of its affiliated foundation. According to MCAAHC records, collections received between August 2023 and January 2026 totaled approximately $162,000.

- MCAAHC did not always record collections to establish accountability over the funds. Specifically, our test of 10 deposits[2] containing 21 checks totaling $145,000, identified 7 checks totaling $125,000 that were not recorded upon receipt. In addition, checks were handled by at least two employees before being restrictively endorsed.

- Collections were not always deposited within one working day of receipt. Specifically, our aforementioned test disclosed that 5 deposits totaling $16,900 were made between 4 and 142 days after receipt.

- MCAAHC did not independently verify that all collections were deposited. Specifically, the employee performing the verification was also involved in the collection process. In addition, this employee did not use the initial documentation used to record the collections in the verification.

The Comptroller of Maryland's *Accounting Policy and Procedures Manual* requires collections to be restrictively endorsed and recorded immediately upon receipt, independently verified to deposit using initial source documents, and deposited within one working day of receipt.

Recommendation 2
We recommend that MCAAHC
a. record and restrictively endorse checks immediately upon receipt,
b. deposit and record all collections in a timely manner, and
c. perform an independent verification of recorded collections to deposits using initial source documents.

[2] We selected days when a tour or special event occurred and material reimbursement requests to MCAAHC's affiliated foundation.

Corporate Purchasing Card

Finding 3
MCAAHC did not establish required controls to ensure the propriety of corporate purchasing card (CPC) transactions.

Analysis
MCAAHC did not establish required controls to ensure the propriety of CPC transactions. According to State records, MCAAHC had 1 CPC cardholder that processed 518 transactions totaling approximately $239,000 between July 2022 and January 2026. Our review disclosed that the cardholder did not complete monthly transaction logs for these purchases and the purchases were not subject to an independent supervisory review, as required. Finally, MCAAHC did not use available Level-3 purchasing data[3] from the issuing bank to help determine the propriety of CPC transactions. Our test of 20 CPC transactions[4] totaling approximately $57,000 did not identify any improper purchases.

The Comptroller of Maryland's *Corporate Purchasing Card Program Policy and Procedures Manual* requires agencies to record all purchases on the CPC activity log, perform documented supervisory reviews of cardholder activity, verify Level-3 data to CPC activity logs, and document monthly reviews of Level-3 data as part of transaction monitoring.

Recommendation 3
We recommend that MCAAHC comply with the aforementioned *Manual.* Specifically, MCAAHC should

a. **ensure CPC cardholders record all purchases on the CPC activity log; and**
b. **perform a documented independent supervisory review of all CPC purchases, including using available Level-3 data to aid in the assessment of the propriety of purchases and payments.**

[3] Level-3 data, when reported by merchants, provides detailed purchasing information, including invoice level line-item details (such as item descriptions and item quantities).
[4] Items were generally selected based on materiality and risk.

Audit Scope, Objectives, and Methodology

We have conducted a fiscal compliance audit of the Maryland Commission on African American History and Culture (MCAAHC) for the period beginning July 1, 2022 and ending February 17, 2026. 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 MCAAHC's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

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 purchases and disbursements, corporate purchasing card activity, cash receipts, grants, payroll, and museum collection inventories.

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 July 1, 2022 to February 17, 2026, 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 MCAAHC's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. 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 the State's Financial Management Information System (such as revenue and expenditure data), the State's Central Payroll Bureau (payroll data), as well as from the contractor administering the State's Corporate Purchasing Card Program (credit card activity). 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 these sources were sufficiently reliable for the purposes the data were used during the audit.

We also extracted data from MCAAHC's internal accounting records for the purpose of testing certain areas, such as purchases and disbursements and museum collection inventory. We performed various tests of the relevant data and determined that the data were sufficiently reliable for the purposes the data were used during the 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.

MCAAHC's management is responsible for establishing and maintaining effective internal control. 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 MCAAHC, 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.

This report includes findings relating to conditions that we consider to be significant deficiencies in the design or operation of internal control that could adversely affect MCAAHC's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Our report also includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to MCAAHC that did not warrant inclusion in this report.

The response from MCAAHC to our findings and recommendations is included as an appendix to this report. As prescribed in State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise MCAAHC regarding the results of our review of its response.

APPENDIX

Maryland Commission on African American History and Culture
84 Franklin Street, Annapolis, MD 21401 410.216.6180

July 9, 2026

Mr. Brian S. Tanen, CPA, CFE
Legislative Auditor
Office of Legislative Audits
351 West Camden Street, Suite 400
Baltimore, Maryland 21201

Dear Mr. Tanen,

On behalf of the Maryland Commission on African American History and Culture (MCAAHC), I would like to formally acknowledge the completion of the fiscal compliance audit covering the period beginning July 1, 2022, and ending February 17, 2026. Thank you for the opportunity to review the draft audit report.

MCAAHC has treated every finding identified in this audit as a priority and acted decisively to implement targeted corrective actions focused on strengthening internal controls, enhancing our collections management, reinforcing cash and check handling procedures, and resuming the Corporate Purchase Card reconciliation activities. Since the conclusion of the Office of Legislative Audit's fieldworks, MCAAHC has fully resolved 1 of the 3 findings identified in the report and the remaining corrective actions for the remaining 2 findings expected to be completed by the end of 2026.

MCAAHC's detailed responses to each audit finding are enclosed. We sincerely appreciate the professionalism, diligence, thoroughness, and time invested by your team during the audit. MCAAHC remains committed to strengthening internal controls and ensuring accountability and integrity of our agency.

If you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

Chanel C. Johnson
Executive Director

Maryland Commission on African American History and Culture

Agency Response Form

Art and Historical Artifacts

Finding 1
The Maryland Commission on African American History and Culture (MCAAHC) did not establish adequate accountability and controls over the Banneker-Douglas-Tubman Museum's art and historical artifacts collection.

We recommend that MCAAHC

a. enhance written procedures to ensure the collection is safeguarded, accurately recorded, and properly managed;
b. ensure that employees who maintain detail records do not have physical access to the collections; and
c. conduct physical inventories of its collections annually.

We advised MCAAHC on how to achieve the necessary segregation of duties using existing personnel.

Agency Response			
Analysis	Factually Accurate		
Please provide additional comments as deemed necessary.	While MCAAHC acknowledges that certain practices would benefit from updates, greater formalization, or enhanced documentation, the Museum has maintained written collections management policies and procedures for many years.		
Recommendation 1a	Agree	**Estimated Completion Date:**	Already Completed
Please provide details of corrective action or explain disagreement.	The Museum's Collections Policy states that the Museum holds its collections in trust for the public and is committed to maintaining professional and ethical standards while protecting collections from mismanagement, neglect, and inappropriate deaccessioning. The policy establishes requirements for acquisitions, documentation, provenance review, inventory control, collections access, storage, and oversight. In addition, the Museum's Collections Management Plan includes written procedures governing access to collections storage areas, including restricted-access classifications, sign-in requirements, researcher access protocols, supervision requirements, and controls over the handling and removal of collection items. Public access to collections storage areas is prohibited, and staff access is limited based on authorized responsibilities.		

	The Museum also maintains documented procedures addressing acquisitions, provenance verification, legal ownership review, condition assessments, documentation standards, storage considerations, and stewardship responsibilities. These procedures are intended to ensure that collections are properly recorded, managed, secured, and preserved. Further, the Museum's Digital Photograph Archives Policy establishes requirements for accessioning, documentation, database management, controlled access, preservation, records retention, deaccessioning approvals, and disaster recovery measures. The policy requires the use of accession numbers, database documentation, access controls, and preservation practices for digital collections.		
Recommendation 1b	Agree	**Estimated Completion Date:**	December 2026
Please provide details of corrective action or explain disagreement.	Management agrees with the intent of strengthening accountability and segregation of duties over the Museum's collections. However, museum operations require collections staff responsible for cataloging, accessioning, inventory management, exhibitions, loans, and collections care to have physical access to collection objects to perform their professional responsibilities. To strengthen oversight and mitigate risk, MCAAHC will implement additional supervisory controls over collections records and inventory activities. Access to collections records and inventory reports will be reviewed by the Chief Financial Officer on a periodic basis. Management will review inventory reconciliations, approve significant record adjustments, and monitor discrepancies identified during inventory activities. Documentation supporting acquisitions, loans, object movement, and inventory changes will be maintained and subject to management review. These measures will provide independent oversight of collections records while maintaining the operational access necessary for museum staff to carry out their collections management responsibilities.		
Recommendation 1c	Agree	**Estimated Completion Date:**	December 2026
Please provide details of corrective action or explain disagreement.	The Museum maintains and updates collection records on an ongoing basis as new acquisitions are accessioned, cataloged, and entered into the collections management system. Collection additions are also reviewed and incorporated into the Museum's insurance records, as appropriate. Accordingly, collection records are routinely updated throughout the year. To further strengthen accountability and address the audit recommendation, MCAAHC will implement a formal annual physical inventory of the Museum's permanent collection. The annual inventory process will include verification of the physical existence and location of collection items, reconciliation of		

	inventory results with collections records and insurance schedules, documentation and investigation of any discrepancies identified, review and approval of inventory results by Museum management, and retention of inventory records for audit and management purposes. MCAAHC will develop and maintain written inventory procedures and an annual inventory schedule to ensure the process is performed consistently and documented each year. This annual inventory will complement the Museum's ongoing collections management activities and provide additional assurance regarding the accountability, safeguarding, and stewardship of collection assets.

Maryland Commission on African American History and Culture

Agency Response Form

Collections

Finding 2 **MCAAHC did not establish adequate accountability and control over collections.**

We recommend that MCAAHC

a. **record and restrictively endorse checks immediately upon receipt,**
b. **deposit and record all collections in a timely manner, and**
c. **perform an independent verification of recorded collections to deposits using initial source documents.**

Agency Response			
Analysis	Factually Accurate		
Please provide additional comments as deemed necessary.	The audit identified opportunities to strengthen controls over the receipt, recording, deposit, and reconciliation of collections. Specifically, the audit recommended that MCAAHC ensure checks are restrictively endorsed upon receipt, collections are recorded and deposited in a timely manner, and recorded collections are independently reconciled to deposits. MCAAHC recognizes the importance of strong cash receipt controls to safeguard assets and ensure the accuracy and completeness of financial records. In response to the recommendations, MCAAHC will enhance its procedures to strengthen the timeliness and documentation of collection processing and deposit activities, including the implementation of documented independent reconciliations of recorded collections to deposits. These actions will further strengthen accountability and oversight of collections.		
Recommendation 2a	Agree	**Estimated Completion Date:**	July 2026
Please provide details of corrective action or explain disagreement.	Management concurs with the finding and has implemented procedures to ensure that all checks intended for the Special Funds account are restrictively endorsed immediately upon receipt. Checks intended for deposit into Special Funds are promptly stamped with the appropriate bank endorsement information upon receipt to prevent unauthorized negotiation. Additionally, all checks received are recorded in a centralized receipt index that documents the date received, payer information, check number, amount, and intended deposit account. MCAAHC has implemented these procedures to strengthen internal controls over cash receipts by providing an audit trail and safeguarding funds from receipt through deposit. Checks received that are intended for deposit with the Foundation are safeguarded in a secure and locked location upon receipt and maintained under appropriate custody controls until they are transmitted to the Foundation. Each		

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Agency Response Form

	transfer of checks is accompanied by a signed transmittal list that details the relevant check information, including the payer, check number, amount, and date received. This process provides accountability, supports reconciliation, and ensures a documented chain of custody from receipt through delivery to the Foundation.		
Recommendation 2b	Agree	**Estimated Completion Date:**	Completed March 2026
Please provide details of corrective action or explain disagreement.	Management has established procedures to ensure that all collections are recorded and deposited in a timely manner. Upon receipt, collections are promptly documented and prepared for deposit. Deposits are processed in accordance with established cash-handling procedures and applicable policies to minimize the time funds are held on-site. Checks and cash intended for deposit are kept in a secured and locked funds box before being deposited promptly. These controls help ensure the accuracy and completeness of financial records while safeguarding assets and reducing the risk of loss or misappropriation.		
Recommendation 2c	Agree	**Estimated Completion Date:**	Completed March 2026
Please provide details of corrective action or explain disagreement.	Management performs an independent verification of recorded collections and related deposits as part of its internal control procedures. One staff member is responsible for recording collections, while a separate staff member independently reviews and verifies that the amounts recorded agree to the amounts deposited. Any discrepancies identified during the review are promptly investigated and resolved. This segregation of duties helps ensure the accuracy and completeness of cash receipt records and strengthens controls over the collection and deposit process.		

Maryland Commission on African American History and Culture

Agency Response Form

Corporate Purchasing Card

Finding 3
MCAAHC did not establish required controls to ensure the propriety of corporate purchasing card (CPC) transactions.

We recommend that MCAAHC comply with the aforementioned *Manual.* Specifically, MCAAHC should

a. ensure CPC cardholders record all purchases on the CPC activity log; and

b. perform a documented independent supervisory review of all CPC purchases, including using available Level-3 data to aid in the assessment of the propriety of purchases and payments.

Agency Response			
Analysis	Factually Accurate		
Please provide additional comments as deemed necessary.	The lapse in Corporate Purchase Card (CPC) reconciliation activities was temporary and occurred during a period of staff turnover within the department. At the same time, the State of Maryland implemented changes to the process used for distributing and accessing CPC statements, which affected the timely availability of documentation needed to complete reconciliations. These concurrent events have contributed to delays in performing reconciliation procedures. Management is taking steps to address the backlog and restore timely reconciliation practices. Management remains committed to maintaining compliance with CPC reconciliation requirements and strengthening controls to prevent similar delays in the future.		
Recommendation 3a	Agree	**Estimated Completion Date:**	September 2026
Please provide details of corrective action or explain disagreement.	Management concurs with the recommendation and will reinforce requirements for all Corporate Purchase Card (CPC) cardholders to record purchases on a CPC activity log. Per the Comptroller of Maryland's *Corporate Purchasing Card Program Policy and Procedures Manual* cardholders are required to document each transaction promptly and maintain supporting documentation in accordance with established policies and procedures. Supervisors and designated reviewers will monitor compliance with this requirement as part of the monthly reconciliation and review process. These measures are intended to improve the completeness and accuracy of CPC records and strengthen accountability for cardholder transactions.		
Recommendation 3b	Agree	**Estimated Completion Date:**	September 2026

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Please provide details of corrective action or explain disagreement.	Management concurs with the recommendation and will implement procedures to ensure a documented independent supervisory review of all Corporate Purchase Card (CPC) transactions. A supervisor independent of the purchasing function will review CPC purchases and supporting documentation to verify that transactions are appropriate, properly authorized, and comply with applicable policies and procedures. As part of this review, available Level-3 transaction data will be utilized to provide enhanced detail regarding items purchased and to assist in assessing the propriety of purchases and related payments. Evidence of the review is documented and retained as part of the CPC reconciliation records to support accountability and strengthen internal controls.

AUDIT TEAM

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