

Audit Report

Maryland State Library Agency

March 2026



OFFICE OF LEGISLATIVE AUDITS
DEPARTMENT OF LEGISLATIVE SERVICES
MARYLAND GENERAL ASSEMBLY

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Office of Legislative Audits
The Warehouse at Camden Yards
351 West Camden Street, Suite 400
Baltimore, Maryland 21201
Phone: 410-946-5900
Maryland Relay: 711
TTY: 410-946-5401 · 301-970-5401
E-mail: webmaster@ola.maryland.gov
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Victoria L. Gruber
Executive Director



Brian S. Tanen, CPA, CFE
Legislative Auditor

DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

March 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 State Library Agency (MSLA) for the period beginning November 8, 2021 and ending October 31, 2025. MSLA is responsible for overseeing the Maryland State Library for the Blind and Print Disabled (LBPD), Maryland public libraries, the State Library Network, local library capital grants programs, and the Deaf Culture Digital Library. MSLA also administers State and federal programs to improve library services, operates the LBPD, coordinates the online electronic information network that provides free internet access to Maryland residents, and oversees the State Library Network where residents can obtain materials and services not available at their local libraries.

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 MSLA.

Respectfully submitted,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

Background Information

Agency Responsibilities

The Maryland State Library Agency (MSLA), was created by State law in 2017 as an independent unit of State government under the direction of a 12-member governing board (Maryland State Library Board). MSLA is responsible for overseeing the Maryland State Library for the Blind and Print Disabled (LBPD), Maryland public libraries, the State Library Network, local library capital grants programs, and the Deaf Culture Digital Library. MSLA administers State and federal programs to improve library services, operates the LBPD, approves plans for the State Library and the Regional Resource Centers, coordinates the online electronic information network that provides free internet access to Maryland residents, and oversees the State Library Network where residents can obtain materials and services not available at their local libraries.

According to the State's records, during fiscal year 2025, MSLA's operating expenditures totaled approximately \$104.8 million. These expenditures were funded by State general funds totaling approximately \$101.5 million and federal funds totaling approximately \$3.3 million. The majority of MSLA's expenditures represent grants to aid libraries throughout the State.

In addition, MSLA authorized disbursement of funds under the public library capital grant program. According to the Department of Budget & Management's fiscal year 2026 Capital Budget *White Book*, MSLA had authorized capital improvement projects with budgeted funds totaling approximately \$42 million during the period from July 2021 to June 2025. These funds were to provide grants for acquiring land, designing, construction, and equipping public library facilities. According to the State's records, during fiscal year 2025, capital expenditures totaled approximately \$1.8 million.

Status of Findings From Preceding Audit Report

Our audit included a review to determine the status of the finding contained in our preceding audit report dated April 4, 2022. See Figure 1 for the results of our review.

Figure 1 Status of Preceding Findings		
Preceding Finding	Finding Description	Implementation Status
Finding 1	MSLA did not have an agreement with the Friends of the Maryland Library for the Blind and Print Disabled to address each entity’s role and responsibilities.	Not repeated

Findings and Recommendations

Our audit did not disclose any significant deficiencies in the design or operation of MSLA’s internal control. Our audit also did not disclose any significant instances of noncompliance with applicable laws, rules, or regulations. Findings that did not warrant inclusion in this report were separately communicated to MSLA.

A draft copy of this report was provided to MSLA. Since there are no recommendations in this report, a written response was not necessary.

Audit Scope, Objectives, and Methodology

We have conducted a fiscal compliance audit of the Maryland State Library Agency (MSLA) for the period beginning November 8, 2021 and ending October 31, 2025. 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 MSLA’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 areas of operations based on assessments of significance and risk. The areas addressed by the audit included operating and capital grant programs, corporate purchasing card, and

library programs (Deaf Culture Digital Library, Young Reader's Program, Maryland State Library for the Blind and Print Disabled, digital equity, and certification for Library Associates). We also determined the status of the finding contained in our preceding audit report.

Our audit did not include an evaluation of internal controls over compliance with federal laws and regulations for federal financial assistance programs and an assessment of MSLA's compliance with those laws and regulations because the State of Maryland engages an independent accounting firm to annually audit such programs administered by State agencies, including MSLA.

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 November 8, 2021 to October 31, 2025, 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 MSLA'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) and 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 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.

MSLA'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 MSLA, 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.

AUDIT TEAM

Catherine M. Clarke, CPA, CIA, CFE
Audit Manager

Stacey D. Streett
Senior Auditor

Malkah B. Safren
Staff Auditor