Audit flags financial control concerns at Maryland Secretary of State's Office

By Mikenzie Frost FOX45 News

A new state audit found the Maryland Secretary of State's Office failed to maintain adequate controls over millions of dollars in collections and did not sufficiently verify payments made through a charity program for state employees, with some financial control problems dating back more than a decade.

The July report from Maryland's Office of Legislative Audits examined the Secretary of State's Office from November 2021 through November 2025. Auditors identified three publicly disclosed findings involving the state's charity database, oversight of the Maryland Charity Campaign and controls over money collected by the office. The audit also identified a cybersecurity-related finding, but details were redacted as required by state law.

The Secretary of State's Office agreed with the audit's recommendations and said it has already begun making changes.

The most persistent concerns involve money collected by the Secretary of State's Office, OSOS. According to the audit, the office deposited approximately $15.5 million between November 2021 and November 2025. That included about $9.9 million in electronic payments and $5.6 million in checks and money orders. The payments largely came from charitable registration and enforcement fees, document certifications and notary commissions.

Auditors said the office did not reconcile electronic payments processed by its credit-card vendor against state bank accounts to ensure the money had actually been received.

In a test of 21 days of credit-card transactions totaling approximately $510,000, auditors said OSOS could not provide certain bank statements supporting that $374,000 had been credited to one of the state's bank accounts.

The audit did not conclude that the $374,000 was missing.

"OSOS obtained bank statements to verify that all of the $374,000 in collections identified in this finding were properly credited to the State's bank accounts and is fully accounted for at this time," the agency wrote.

But auditors identified other weaknesses in how the office handled money.

They observed several instances in which checks received by mail had not yet been recorded or restrictively endorsed and were sitting in an unsecured bin accessible to office personnel. Auditors also said OSOS could not readily provide a list of checks received through the mail.