

**HOUSE BILL NO. 1273**

Introduced by

Representative Kempenich

1 A BILL for an Act to amend and reenact section 54-10-01 of the North Dakota Century Code,  
2 relating to the powers and duties of the state auditor.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 54-10-01 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **54-10-01. Powers and duties of state auditor.**

7 The state auditor shall:

- 8 1. Be vested with the duties, powers, and responsibilities involved in performing the  
9 postaudit of all financial transactions of the state government, detecting and reporting  
10 any defaults, and determining that expenditures have been made in accordance with  
11 law and appropriation acts.
- 12 2. Perform or provide for the audit of the general purpose financial statements and a  
13 review of the material included in the comprehensive annual financial report of the  
14 state and perform or provide for the audits and reviews of state agencies. Except for  
15 the annual audit of the North Dakota lottery required by section 53-12.1-03, the state  
16 auditor shall audit or review each state agency once every two years. The state  
17 auditor shall determine the contents of the audits and reviews of state agencies. The  
18 state auditor may conduct any work required by the federal government. The state  
19 auditor may not contract for work required by the federal government without the prior  
20 approval of the legislative audit and fiscal review committee. The state auditor shall  
21 charge an amount equal to the cost of the audit and other services rendered by the  
22 state auditor to all agencies that receive and expend moneys from other than the  
23 general fund. This charge may be reduced for any agency that receives and expends  
24 both general fund and nongeneral fund moneys. State agencies must use nongeneral

1 fund moneys to pay for audits performed by the state auditor. If nongeneral fund  
2 moneys are not available, the agency may, upon approval of the legislative assembly,  
3 or the budget section if the legislative assembly is not in session, use general fund  
4 moneys to pay for audits performed by the state auditor. The budget section reviews  
5 and approvals must comply with section 54-35-02.9. Audits and reviews may be  
6 conducted at more frequent intervals if requested by the governor or legislative audit  
7 and fiscal review committee.

8 3. Be vested with the authority to determine whether to audit the International Peace  
9 Garden at the request of the board of directors of the International Peace Garden.

10 4. Perform or provide for performance audits of state agencies, or the agencies' blended  
11 component units or discreetly presented component units, as determined necessary  
12 by the legislative assembly; the legislative audit and fiscal review committee; or the  
13 state auditor, ~~subject to approval by the legislative audit and fiscal review committee.~~ A  
14 performance audit must be done in accordance with generally accepted auditing  
15 standards applicable to performance audits. The state auditor may not hire a  
16 consultant to assist with conducting a performance audit of a state agency without the  
17 prior approval of the legislative audit and fiscal review committee. The state auditor  
18 shall notify an agency of the need for a consultant before requesting approval by the  
19 legislative audit and fiscal review committee. The agency that is audited shall pay for  
20 the cost of any consultant approved.

21 5. For the audits and reviews the state auditor is authorized to perform or provide for  
22 under this section, the audit or review may be provided for by contract with a private  
23 certified or licensed public accountant or other qualified professional. If the state  
24 auditor determines that the audit or review will be done pursuant to contract, the state  
25 auditor, except for occupational or professional boards, shall execute the contract, and  
26 any executive branch agency, including higher education institutions, shall pay the  
27 fees of the contractor.

28 6. Be responsible for the above functions and report thereon to the governor and the  
29 secretary of state in accordance with section 54-06-04 or more often as circumstances  
30 may require.

31 7. Perform all other duties as prescribed by law.

Sixty-seventh  
Legislative Assembly

- 1           8.   Perform work on mineral royalties for the federal government in accordance with
- 2                    section 1735(a) of the Mineral Lands and Mining Act [30 U.S.C. 1735 et seq.].