

**Sixty-eighth Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 3, 2023**

HOUSE BILL NO. 1226  
(Representatives Kempenich, Pyle)  
(Senators Rummel, Schaible)

AN ACT to amend and reenact section 15-10-44.3 of the North Dakota Century Code, relating to working papers of higher education internal auditors and compliance officers.

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

**SECTION 1. AMENDMENT.** Section 15-10-44.3 of the North Dakota Century Code is amended and reenacted as follows:

**15-10-44.3. Internal auditors' auditor and compliance officer working papers.**

1. For purposes of this section, "higher":
  - a. "Compliance officer" means the compliance officer of the North Dakota university system.
  - b. "Higher education internal auditor" means an internal auditor of the North Dakota university system and the institutions under the control of the state board of higher education.
2. Working papers of a higher education internal auditor or compliance officer are not public records and are exempt from section 44-04-18. Working papers include records kept by a higher education internal auditor or compliance officer of the procedures applied, the tests performed, the information obtained, draft audit and compliance reports, and the pertinent conclusions reached in the audit engagement.
3. At the discretion of a higher education internal auditor or compliance officer, working papers of ~~a higher education internal auditor~~ may be made available for inspection. A draft audit or compliance report released to the governing body or management of the audited entity is confidential until the final audit report is issued or work ceases on the audit engagement. The issued audit or compliance report is public information. The working papers of an issued audit or compliance report are public except for any information designated as confidential or exempt from disclosure by state or federal law. At the discretion of a higher education internal auditor or compliance officer, all or a portion of the working papers of ~~the higher education internal auditor~~ of an issued audit or compliance report may be declared confidential. The declaration of confidentiality must state the reason for the confidentiality and the date, as reasonably may be determined at the time, when the working papers will be made public.

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Chief Clerk of the House

\_\_\_\_\_  
Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-eighth Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1226.

House Vote:    Yeas 92            Nays 0            Absent 2

Senate Vote:    Yeas 46            Nays 0            Absent 1

\_\_\_\_\_  
Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2023.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2023.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2023,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State