

**State Auditor  
Budget No. 117  
Senate Bill No. 2004**

|   | <b>FTE Positions</b> | <b>General Fund</b>       | <b>Other Funds</b> | <b>Total</b>      |
|---|----------------------|---------------------------|--------------------|-------------------|
| 2019-21 legislative appropriation                                     | 58.00                | \$10,122,860 <sup>1</sup> | \$4,173,178        | \$14,296,038      |
| 2017-19 legislative appropriation                                     | <u>56.00</u>         | <u>9,498,608</u>          | <u>3,411,487</u>   | <u>12,910,095</u> |
| 2019-21 appropriation increase<br>(decrease) to 2017-19 appropriation | 2.00                 | \$624,252                 | \$761,691          | \$1,385,943       |

<sup>1</sup>This amount includes \$16,000 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$10,106,860.

**Item Description**

**FTE changes** - The Legislative Assembly approved 58 FTE positions for the State Auditor for the 2019-21 biennium, an increase of 2 FTE positions from the 2017-19 biennium. The Legislative Assembly added funding from audit fee revenue for 2 FTE Local Government Division auditors.

**Information technology reviews** - The Legislative Assembly approved \$450,000, of which \$150,000 is from the general fund and \$300,000 is from other funds, for IT reviews of ITD and the University System.

**Powers and duties of the State Auditor** - In Section 3 of Senate Bill No. 2004, the Legislative Assembly amended Section 54-10-01 relating to the powers and duties of the State Auditor to require the State Auditor receive Legislative Audit and Fiscal Review Committee approval to perform or provide for performance audits and to contract for services related to performing duties required by the federal government (the federal single audit).

**Audit staff utilization report** - In Section 5 of Senate Bill No. 2004, the Legislative Assembly required the State Auditor to monitor the number of audit staff hours dedicated to various types of audits and projects. The State Auditor must report to the Appropriations Committees of the 67<sup>th</sup> Legislative Assembly regarding the number of audit staff hours dedicated to each audit function and any other functions of the State Auditor's office during the 2019-21 biennium.

**Study of state agency fees** - The Legislative Assembly, pursuant to Senate Bill No. 2130 (2019), required the Legislative Management, in coordination with the State Auditor, to study state agency fees.

**Status/Result**

The State Auditor began establishing a Bismarck office for the Local Government Division in July 2019. The Local Government Division currently has 10 FTE positions, of which 6 FTE positions are located in Fargo and 4 FTE positions are located in Bismarck. The Local Government Division may also include 3 temporary intern positions, of which 1 intern position is located in Bismarck.

The State Auditor anticipates contracting with ManTech International Corporation to perform the reviews which would begin in the summer of 2020. None of the \$450,000 provided for the IT reviews has been spent.

The State Auditor reported to the Legislative Audit and Fiscal Review Committee in July 2019 that, based on an Attorney General's opinion, the State Auditor would not be requesting approval from the Legislative Audit and Fiscal Review Committee to conduct performance audits.

The State Auditor is monitoring audit staff hours dedicated to various types of audits and projects and anticipates reporting to the Appropriations Committees of the 67<sup>th</sup> Legislative Assembly.

In February 2020 the State Auditor presented information regarding a performance audit of state agency fees to the Government Finance Committee. The State Auditor reviewed North Dakota Century Code and North Dakota Administrative Code to identify fees and to determine when the fee was created. The State Auditor compiled a comprehensive Excel document with several columns of information for more than 1,200 state agency fees.