

Fifty-fifth
Legislative Assembly
of North Dakota

HOUSE BILL NO. 1066

Introduced by

Legislative Council

(Legislative Audit and Fiscal Review Committee)

(Representatives Dorso, Wald, Timm)
(Senators Mutch, Tallackson)

1 A BILL for an Act to amend and reenact section 6-09-29 of the North Dakota Century Code,
2 relating to the audit of the Bank of North Dakota.

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

4 **SECTION 1. AMENDMENT.** Section 6-09-29 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **6-09-29. ~~Department of banking and financial institutions and the industrial~~**
7 **~~commission responsible for examinations~~ Examinations and audit reports.** The industrial
8 ~~commission is responsible for contracting with a nongovernment certified public accounting firm~~
9 ~~to annually audit~~ state auditor shall contract with an independent certified public accounting firm
10 for an annual audit of the Bank of North Dakota in accordance with generally accepted
11 government auditing standards, ~~which must include inspection and verification of the assets in~~
12 ~~its possession and under its control with sufficient thoroughness to ascertain with reasonable~~
13 ~~certainty whether the valuations are carried correctly on its books.~~ The state auditor shall audit
14 annually or contract for an annual audit of the separate programs and funds administered by
15 the Bank of North Dakota. On request of the state auditor, the industrial commission shall
16 assist the state auditor in the auditing firm selection process, but the selection of the auditing
17 firm is the state auditor's responsibility. The auditor selected shall prepare an audit report that
18 includes financial statements presented in accordance with the audit and accounting guide for
19 banks and savings institutions issued by the American institute of certified public accountants.
20 The auditor also shall prepare audited financial statements for inclusion in the comprehensive
21 annual financial report for the state. The state auditor may conduct performance audits of the
22 Bank of North Dakota, including the separate programs and funds administered by the Bank.
23 ~~The auditor so hired shall audit the Bank's methods of operation and accounting;~~ shall report
24 the results of the audit to the industrial commission ~~as soon as practicable, and shall furnish~~

1 ~~one copy~~ and to the legislative assembly. The Bank of North Dakota or its separate programs
2 and funds shall pay the costs of such the audit ~~must be paid for by the Bank of North Dakota.~~
3 The department of banking and financial institutions, through the commissioner, ~~is responsible~~
4 ~~for performing an examination of~~ shall examine the Bank of North Dakota at least once each
5 twenty-four months and ~~for~~ conduct any investigation of the Bank which may be necessary.
6 The commissioner shall report the examination results, and the results of any necessary
7 investigation, ~~must be reported~~ to the industrial commission as soon as practicable and to the
8 legislative assembly. ~~Fees for such examinations must be charged by the~~ The department of
9 banking and financial institutions shall charge a fee for any examination or investigation at an
10 hourly rate to be set by the commissioner, sufficient to cover all reasonable expenses of the
11 department associated with the examinations and investigations provided for by this section.