

Sixtieth
Legislative Assembly
of North Dakota

SENATE BILL NO. 2054

Introduced by

Political Subdivisions Committee

(At the request of the State Auditor)

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

- 7 1. Be vested with the duties, powers, and responsibilities involved in performing the
8 postaudit of all financial transactions of the state government, detecting and
9 reporting any defaults, and determining that expenditures have been made in
10 accordance with law and appropriation acts.
- 11 2. Perform or provide for the audit of the general purpose financial statements and a
12 review of the material included in the comprehensive annual financial report of the
13 state and perform or provide for the audits and reviews of state agencies. Except
14 for the annual audit of the North Dakota lottery required by section 53-12.1-03, the
15 state auditor shall audit or review each state agency once every two years. The
16 state auditor shall determine the contents of the audits and reviews of state
17 agencies. The state auditor may conduct any work required by the federal
18 government. The state auditor shall charge an amount equal to the cost of the
19 audit and other services rendered by the state auditor to all agencies that receive
20 and expend moneys from other than the general fund. This charge may be
21 reduced for any agency that receives and expends both general fund and
22 non-general fund moneys. Audits and reviews may be conducted at more frequent
23 intervals if requested by the governor or legislative audit and fiscal review
24 committee.

- 1 3. Be vested with the authority to determine whether to audit the international peace
2 garden at the request of the board of directors of the international peace garden.
- 3 4. Perform or provide for performance audits of state agencies as determined
4 necessary by the state auditor or the legislative audit and fiscal review committee.
5 A performance audit must be done in accordance with generally accepted auditing
6 standards applicable to performance audits. The state auditor may not hire a
7 consultant to assist with conducting a performance audit of a state agency without
8 the prior approval of the legislative audit and fiscal review committee. The state
9 auditor shall notify an agency of the need for a consultant before requesting
10 approval by the legislative audit and fiscal review committee. The agency that is
11 audited shall pay for the cost of any consultant approved.
- 12 5. For the audits and reviews the state auditor is authorized to perform or provide for
13 under this section, the audit or review may be provided for by contract with a
14 private certified or licensed public accountant or other qualified professional. If the
15 state auditor determines that the audit or review will be done pursuant to contract,
16 the state auditor, except for occupational or professional boards, shall execute the
17 contract, and any executive branch agency, including higher education institutions,
18 shall pay the fees of the contractor.
- 19 6. Be responsible for the above functions and report thereon to the governor and the
20 secretary of state in accordance with section 54-06-04 or more often as
21 circumstances may require.
- 22 7. Be vested with the authority to investigate and report on allegations of fraud,
23 waste, abuse, and violations of state or federal law at state agencies and political
24 subdivisions subject to audit by the state auditor.
- 25 8. Perform all other duties as prescribed by law.