

Sixty-first
Legislative Assembly
of North Dakota

HOUSE BILL NO.

Introduced by

Representative Keiser

1 A BILL for an Act to amend and reenact subsection 4 of section 54-10-01 of the North Dakota
2 Century Code, relating to performance audits conducted by the state auditor.

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

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

6 4. Perform or provide for performance audits of state agencies only as determined
7 necessary by ~~the state auditor or~~ the legislative audit and fiscal review committee.
8 The state auditor shall allow the agency that is audited at least thirty days from the
9 date an agency receives a final draft audit report to provide a response to the
10 report. A performance audit must be done in accordance with generally accepted
11 auditing standards applicable to performance audits. To ensure compliance with
12 generally accepted auditing standards and to evaluate the overall effectiveness
13 and efficiency of the performance audit process, a peer review of the performance
14 audits performed under this subsection must be conducted at least once every
15 three years by a certified public accounting firm with expertise in generally
16 accepted auditing standards. The legislative audit and fiscal review committee
17 shall select the certified public accounting firm and at the completion of the review,
18 the firm shall report any findings and recommendations to the legislative audit and
19 fiscal review committee. The state auditor may not hire a consultant to assist with
20 conducting a performance audit of a state agency without the prior approval of the
21 legislative audit and fiscal review committee. The state auditor shall notify an
22 agency of the need for a consultant before requesting approval by the legislative
23 audit and fiscal review committee. The agency that is audited shall pay for the cost
24 of any consultant approved. Before December 31, 2009, and at least once every

- 1 three years thereafter, the state auditor shall conduct a risk assessment for the
- 2 state as a whole and present the completed risk assessment report to the
- 3 legislative audit and fiscal review committee.