

**HOUSE BILL NO. 1173**

Introduced by

Representatives Kempenich, Kreidt, Nathe

Senators Klein, Wanzek

1 A BILL for an Act to amend and reenact section 54-35-02.2 of the North Dakota Century Code,  
2 relating to the powers and duties of the legislative audit and fiscal review committee.

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

4 **SECTION 1. AMENDMENT.** Section 54-35-02.2 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **54-35-02.2. Powers and duties of the legislative audit and fiscal review committee.**

7 The legislative audit and fiscal review committee shall study and review audit reports as  
8 selected by the committee from those submitted by the state auditor, confer with the auditor and  
9 deputy auditors in regard to such reports, and when necessary, confer with representatives of  
10 the department, agency, or institution audited in order to obtain full and complete information in  
11 regard to any and all fiscal transactions and governmental operations of any department,  
12 agency, or institution of the state. Each department, agency, or institution shall furnish to the  
13 committee such aid, information, and assistance in regard to fiscal transactions and  
14 governmental operations as it may from time to time request. Whenever the committee may  
15 determine or have reason to believe that there may have been a violation of law relating to the  
16 receipt, custody, or expenditure of public funds by any state officer or employee, the committee  
17 shall present such evidence or information as may be in its possession to the attorney general.  
18 The attorney general shall receive and accept such evidence or information and shall  
19 immediately commence such additional investigation as the attorney general determines  
20 necessary. Upon completion of the investigation, if the evidence supplied by the committee and  
21 through the investigation indicates the probability of a violation of law by any state official or  
22 employee, the attorney general immediately shall prosecute such official or employee as  
23 provided by law. Whenever the committee may determine or have reason to believe that a state  
24 agency, department, or institution has failed to correct a significant audit finding within

1 two bienniums, the committee may recommend the Legislative Assembly reduce the state  
2 agency, department, or institution's appropriation by up to ten percent of the amount  
3 appropriated to the agency, department, or institution for the previous biennium. The legislative  
4 management, through its committee on legislative audit and fiscal review, or such persons as  
5 may be directed or employed by the legislative council, is authorized, within the limits of  
6 legislative appropriations, to make such audits, examinations, or studies of the fiscal  
7 transactions or governmental operations of departments, agencies, or institutions of the state as  
8 the legislative management may determine necessary.