



North Dakota Legislative Council

Prepared for Representative Mock
 LC# 21.9639.01000
 February 2021

COMPARISON OF INFORMATION INCLUDED IN AUDIT REPORTS

The schedule below lists categories of information included in audit reports, and provides a comparison of the categories included in selected audit reports.

Category	LAFRC Sample Audit ¹	2015 Arts Council Audit	2017 Arts Council Audit	2019 Arts Council Audit
Report highlights			✓	
Executive summary	✓	✓	✓	
Responses to Legislative Audit and Fiscal Review Committee (LAFRC) questions	✓	✓	✓	
Audit objectives, scope, and methodology	✓	✓		✓
Background information	✓			
Financial summary		✓		
Noteworthy accomplishments	✓			
Management's discussion and analysis	✓	✓		
Comparison of current to prior year's results	✓			
Analysis of significant changes in operations	✓			
Analysis of significant budgeted to actual variances	✓			
Statement of assets, liabilities, and fund equity	✓			
Statement of revenues and expenditures	✓	✓	✓	✓
Statement of appropriations	✓	✓	✓	✓
Appropriation adjustments		✓		
Expenditures without appropriations of specific amounts		✓	✓	
Analysis of internal control	✓	✓	✓	✓
Compliance with legislative intent	✓	✓	✓	
Findings and recommendations	✓	N/A	N/A	N/A
Operational improvements	✓	✓	✓	
Issues needing further study	✓			
Status of prior audit recommendations	✓	N/A	N/A	N/A

¹ The Legislative Audit and Fiscal Review Committee sample audit identifies information to be included in operational audit reports provided by the State Auditor to LAFRC when the change was made to begin conducting operational audits in 2000.

"Financial audit" means an audit completed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in government auditing standards issued by the comptroller general of the United States;

"Operational audit" means an audit completed using nationally recognized standards, methods, and procedures as determined by the state auditor to:

- (1) Provide an independent assessment of the agency's internal control and compliance with laws, regulations, and legislative intent;
- (2) Provide an opinion on whether the agency's financial statements, including a condensed statement of assets and liabilities, statement of revenues and expenditures, and statement of appropriations are presented fairly in all material respects in accordance with the budgeting basis of accounting consistent with the appropriations acts;
- (3) Provide explanations of significant variances between budgeted and actual amounts and between fiscal years; and
- (4) Address other areas as determined by the state auditor.

"Performance audit" means an audit completed in accordance with performance auditing standards contained in government auditing standards issued by the comptroller general of the United States to provide an independent assessment of the performance and management of a program.