HB1276   Committee Hearing – Thursday January 21 2021 @ 2pm

House Gov and Veterans Affairs   -- Pioneer Room

Good afternoon Vice Chairman Koppleman and members of the committee.

For the record, I am Cindy Schreiber-Beck and serve the citizens of District 25 which is in the SE corner of the North Dakota.

The proposed legislation is the result of reviewing code. It appeared the section was outdated – which was correct since it was written in 1967. A pay rate of $40 per day and state travel rates may have been reflective of that era but it is doubtful that one could obtain audit services at that rate today. In fact, the required 2-year audit of the Wahpeton Airport Authority, an extremely simple audit, completed in 2020, was at a cost of $8450.

The ability to employ an outside auditor or consultant occurs in 54-10-01 Powers and duties of state auditor; 54-1-14 Political subdivisions (alternative audits and reports); 54-10-29 Audits of computer systems and 54-10-30 State board of higher education audits. – code reads:

- When conducting work required by the federal government, the auditor can contract services w/ approval of the legislative audit and review committee
- With prior approval the state auditor can hire a consultant for performance audits
- For any audits and reviews the state auditor is authorized to perform or provide for, the audit or review may be provided for by contract with a private certified or licensed public accountant or other qualified professional
- A political subdivision, at the option of its governing body, may be audited by a certified public accountant or licensed public accountant rather than the state auditor
- The state auditor may procure the services of a specialist in information security systems or contractors deemed necessary in conducting a review under audits of computer systems
- Section 54-10-30, state board of higher education audits, does not prohibit the state board of higher education from employing internal audit staff or contracting for internal audit services

This is simply proposed legislation to update antiquated code.

I would appreciate your consideration with a do pass.

Thank you Vice Chair Koppleman and Committee Members.