

TESTIMONY IN OPPOSITION OF HB 1508 RELATING TO DUTIES OF THE STATE AUDITOR

Senate State and Local Government Committee
Meeting Scheduled at 11:00 AM 3/17/2023.

Honorable Chairman Roers & Members of the State and Local Government Committee:

HB 1508 A BILL for an Act to amend and reenact section 54-10-01 of the North Dakota Century Code, relating to duties of the state auditor.

The City of Wahpeton has worked with the North Dakota State Auditor's Office for more than 30 years to provide timely, accurate and transparent financial statements. Consistency and integrity in financial reporting and the subsequent audit are imperative to our municipality's ability to communicate financial information to citizens, state agencies, bond holders, credit review agencies and potential development projects. North Dakota Century Code Chapter 54-10-13 currently allows any resident to contact the State Auditor's Office in reference to alleged improprieties which may be explained by an auditor or referred for additional investigation. This provides a check and balance in financial reporting and transparency to the public, both are essential to government accounting practices. This ability is proposed to be eliminated in the proposed amendments to HB 1508.

Auditing is a specialized professional skillset, an area of the accounting profession attracting fewer people despite increasing demand for specialized audit services. The competition to have a partnership with a skilled audit team is immense. When we advertised requests for proposals (RFP) for audit services in 2019, to ensure we were getting the best product for the best price for our citizens, we received two proposals to compare to the services and fees of the State Auditor's Office. The RFP process demonstrated we were receiving the best possible audit product for the lowest cost with the State Auditor's Office. The audited financial statements are consistent, GASB compliant and easily read by any interested party. To limit the ability of the State Auditor's Office to charge market rate fees and to bill in progressive increments is unrealistic in this underserved professional service delivery field. The proposed amendment to North Dakota Century Code Chapter 54-10-14 is untenable.

I greatly appreciate the expert knowledge, regulatory guidance and audit services our city receives from the North Dakota State Auditor's Office. A proposal to expand the audit services available to serve all political subdivisions equitably would be invaluable to public finance and transparency in North Dakota.

I strongly **OPPOSE** HB 1508 in reference to the duties of the state auditor.

Submitted with high regard.

Darcie Huwe

Darcie Huwe, Finance Director/Auditor

City of Wahpeton