

**FIRST ENGROSSMENT
with House Amendments
ENGROSSED SENATE BILL NO. 2004**

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the state auditor; to
2 amend and reenact sections 54-10-01 and 54-10-10 of the North Dakota Century Code, relating
3 to the powers and duties of the state auditor and the salary of the state auditor; to provide for a
4 report; and to declare an emergency.

5 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from special funds derived from federal funds and
9 other income, to the state auditor for the purpose of defraying the expenses of the state auditor,
10 for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
11			
12			
13	Salaries and wages	\$11,767,312	\$575,906
14	Operating expenses	1,142,783	19,037
15	Capital assets	0	16,000
16	Information technology consultants	<u>0</u>	<u>450,000</u>
17	Total all funds	\$12,910,095	\$1,060,943
18	Less estimated income	<u>3,411,487</u>	<u>761,691</u>
19	Total general fund	\$9,498,608	\$299,252
20	Full-time equivalent positions	56.00	0.00
21			56.00

21 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-**
22 **SEVENTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the 2019-21 biennium
23 one-time funding items included in the appropriation in section 1 of this Act:

	<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
1			
2	Copier replacement	\$0	\$16,000
3	Total general fund	\$0	\$16,000

4 The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget
5 for the 2021-23 biennium. The state auditor shall report to the appropriations committees of the
6 sixty-seventh legislative assembly on the use of this one-time funding for the biennium
7 beginning July 1, 2019, and ending June 30, 2021.

8 **SECTION 3. AMENDMENT.** Section 54-10-01 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **54-10-01. Powers and duties of state auditor.**

11 The state auditor shall:

- 12 1. Be vested with the duties, powers, and responsibilities involved in performing the
13 postaudit of all financial transactions of the state government, detecting and reporting
14 any defaults, and determining that expenditures have been made in accordance with
15 law and appropriation acts.
- 16 2. Perform or provide for the audit of the general purpose financial statements and a
17 review of the material included in the comprehensive annual financial report of the
18 state and perform or provide for the audits and reviews of state agencies. Except for
19 the annual audit of the North Dakota lottery required by section 53-12.1-03, the state
20 auditor shall audit or review each state agency once every two years. The state
21 auditor shall determine the contents of the audits and reviews of state agencies. The
22 state auditor may conduct any work required by the federal government. The state
23 auditor shall charge an amount equal to the cost of the audit and other services
24 rendered by the state auditor to all agencies that receive and expend moneys from
25 other than the general fund. This charge may be reduced for any agency that receives
26 and expends both general fund and nongeneral fund moneys. State agencies must
27 use nongeneral fund moneys to pay for audits performed by the state auditor. If
28 nongeneral fund moneys are not available, the agency may, upon approval of the
29 legislative assembly, or the budget section if the legislative assembly is not in session,
30 use general fund moneys to pay for audits performed by the state auditor. The budget
31 section reviews and approvals must comply with the new section to chapter 54-35 of

- 1 the North Dakota Century Code created by section 15 of Senate Bill No. 2055 as
2 adopted by the sixty-sixth legislative assembly. Audits and reviews may be conducted
3 at more frequent intervals if requested by the governor or legislative audit and fiscal
4 review committee.
- 5 3. Be vested with the authority to determine whether to audit the International Peace
6 Garden at the request of the board of directors of the International Peace Garden.
- 7 4. Perform or provide for performance audits of state agencies, or the agencies' blended
8 component units or discreetly presented component units, as determined necessary
9 by the state auditor or the legislative audit and fiscal review committee. A performance
10 audit must be done in accordance with generally accepted auditing standards
11 applicable to performance audits. The state auditor may not hire a consultant to assist
12 with conducting a performance audit of a state agency without the prior approval of the
13 legislative audit and fiscal review committee. The state auditor shall notify an agency
14 of the need for a consultant before requesting approval by the legislative audit and
15 fiscal review committee. The agency that is audited shall pay for the cost of any
16 consultant approved.
- 17 5. For the audits and reviews the state auditor is authorized to perform or provide for
18 under this section, the audit or review may be provided for by contract with a private
19 certified or licensed public accountant or other qualified professional. If the state
20 auditor determines that the audit or review will be done pursuant to contract, the state
21 auditor, except for occupational or professional boards, shall execute the contract, and
22 any executive branch agency, including higher education institutions, shall pay the
23 fees of the contractor.
- 24 6. Be responsible for the above functions and report thereon to the governor and the
25 secretary of state in accordance with section 54-06-04 or more often as circumstances
26 may require.
- 27 7. Perform all other duties as prescribed by law.

28 **SECTION 4. AMENDMENT.** Section 54-10-10 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **54-10-10. Salary of state auditor.**

2 The annual salary of the state auditor is ~~one hundred two thousand six hundred eighty-nine-~~
3 ~~dollars through June 30, 2016, and one hundred five thousand seven hundred seventy dollars-~~
4 ~~thereafter~~one hundred seven thousand eight hundred eighty-five dollars through June 30, 2020,
5 and one hundred ten thousand five hundred eighty-two dollars thereafter.

6 **SECTION 5. EMERGENCY.** The sum of \$16,000 provided from the general fund for copier
7 replacement appropriated in section 1 of this Act is declared to be an emergency measure.