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## LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE

Thursday, August 19, 2021  
Roughrider Room, State Capitol  
Bismarck, North Dakota

- 10:00 a.m. Call to order  
Roll call  
Review of [Supplementary Rules of Operation and Procedure of the North Dakota Legislative Management](#)
- 10:05 a.m. Comments by the Chairman regarding the duties and responsibilities of the committee
- 10:10 a.m. Presentation by the Legislative Council staff of a [background memorandum](#) relating to the committee's duties and responsibilities
- 10:15 a.m. Distribution by the Legislative Council staff of a memorandum entitled [Summary of Major Items in Audit Reports for the August 19, 2021, Meeting](#)

### PRESENTATION OF REPORTS

- 10:20 a.m. Presentation by a representative of the State Auditor's office of the internal control and compliance report on the audit of the basic financial statements included in the [State of North Dakota Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020](#)
- 10:30 a.m. Presentation by a representative of the Office of Management and Budget of the [State of North Dakota Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020](#)
- 10:40 a.m. [Presentation](#) by a representative of the State Auditor's office of the internal control and compliance report on the audit of the general purpose financial statements included in the June 30, 2020, annual financial report for the North Dakota University System
- 10:50 a.m. [Presentation](#) by a representative of the University System office of the annual financial report for the University System for the fiscal year ended June 30, 2020
- 11:00 a.m. Presentation by a representative of the State Auditor's office of the following audit reports:
- [Bismarck State College](#) (June 30, 2019 and 2020)
  - [Dickinson State University](#) (June 30, 2019 and 2020)
- 11:10 a.m. Presentation by a representative of the State Auditor's office of the following audit reports:
- [Department of Financial Institutions](#) (June 30, 2019 and 2020)
  - [State Historical Society](#) (June 30, 2019 and 2020)
  - [Indian Affairs Commission](#) (June 30, 2019 and 2020)
  - [Protection and Advocacy Project](#) (June 30, 2019 and 2020)
  - [Mill and Elevator Association](#) (June 30, 2019 and 2020)

- [Small employer loan fund](#) (June 30, 2020)
- [Innovation technology loan fund](#) (June 30, 2020)
- [North Dakota Lottery](#) (June 30, 2019 and 2020)
- [Industrial Commission](#) (June 30, 2019 and 2020)
- [Secretary of State](#) (June 30, 2019 and 2020)
- [Securities Department](#) (June 30, 2019 and 2020)
- [Information Technology Department](#) (June 30, 2019 and 2020)
- [Department of Veterans' Affairs](#) (June 30, 2019 and 2020)

11:40 a.m. Presentation by a representative of CliftonLarsonAllen LLP, Certified Public Accountants, of the following audit reports:

- [Retirement and Investment Office](#) (June 30, 2019 and 2020)
- Retirement and Investment Office--Schedule of Employer Allocations and Pension Amounts by Employer (June 30, 2020)
- [Public Employees Retirement System](#) (June 30, 2019 and 2020)
- Public Employees Retirement System--Schedule of Employer Allocations and Pension Amounts by Employer (June 30, 2020)

12:00 noon Recess

1:00 p.m. Presentation by a representative of Brady, Martz & Associates PC, Certified Public Accountants, of the following audit reports:

- [Housing incentive fund](#) (June 30, 2019 and 2020)
- [Housing Finance Agency](#) (June 30, 2019 and 2020)
- [Job Service North Dakota](#) (June 30, 2019 and 2020)

1:15 p.m. Presentation by a representative of Eide Bailly LLP, Certified Public Accountants, of the following audit reports:

- [Development Fund, Inc.](#) (June 30, 2019 and 2020)
- [Student loan trust fund](#) (June 30, 2019 and 2020)
- [Comprehensive Health Association of North Dakota](#) (December 31, 2018 and 2019)
- [Workforce Safety and Insurance](#) (June 30, 2019 and 2020)
- [School construction assistance revolving loan fund](#) (June 30, 2019 and 2020)
- [Rebuilders loan program](#) (June 30, 2019 and 2020)
- [Partnership in community expansion \(PACE\) fund](#) (June 30, 2019 and 2020)
- [Ag PACE fund](#) (June 30, 2019 and 2020)
- [Medical facility infrastructure loan program](#) (June 30, 2019 and 2020)
- [Infrastructure revolving loan fund](#) (June 30, 2019 and 2020)
- [Addiction counselor internship loan program](#) (June 30, 2019 and 2020)
- [Department of Trust Lands](#) (June 30, 2019 and 2020)
- [Guaranteed student loan program](#) (December 31, 2019 and 2020)
- [Beginning farmer revolving loan fund](#) (December 31, 2019 and 2020)
- [Community water facility loan fund](#) (December 31, 2019 and 2020)
- [Bank of North Dakota](#) (December 31, 2019 and 2020)

- 1:45 p.m. [Presentation](#) by a representative of the Bank of North Dakota regarding the audit report for College SAVE for the years ended December 31, 2019 and 2020, and supplementary information for the fiscal year ending December 31, 2020
- 1:55 p.m. Distribution by the Legislative Council staff of the Department of Human Services' [writeoff report](#)
- 2:00 p.m. [Presentation](#) by a representative of the State Auditor's office regarding:
- An overview of the State Auditor's office audit processes and procedures
  - An update of government auditing standards
  - Suggestions for changes to the contents of audit reports
  - Suggestions for changes to the audit questions and communications included in audit reports
  - Plans for conducting performance audits during the 2021-23 biennium
  - Plans for contracting for services during the 2021-23 biennium, including a request for approval to charge the Public Employees Retirement System for the cost of hiring a consultant to assist in the writing of a request for proposal relating to the performance audit of prescription drug coverage
- 2:45 p.m. Committee discussion regarding the development of guidelines for the contents of state agency audit reports, including consideration of changes to the audit-related questions and communications
- 3:15 p.m. Comments by interested persons
- 3:25 p.m. Committee discussion and staff directives
- 3:30 p.m. Adjourn

**NOTE:** In accordance with the committee's policy of allowing sufficient time to consider major audits and audit reports containing major recommendations, the following audits and reviews may be included on the agenda for the next meeting if requested by the committee:

- [North Dakota Beef Commission](#) (June 30, 2019 and 2020)
- [North Dakota Potato Council](#) (June 30, 2019 and 2020)
- [North Dakota Soybean Council](#) (June 30, 2019 and 2020)
- [State Seed Department](#) (June 30, 2019 and 2020)
- [North Dakota Dry Pea and Lentil Council](#) (June 30, 2019 and 2020)
- [North Dakota Dry Bean Council](#) (June 30, 2019 and 2020)
- [North Dakota Ethanol Council](#) (June 30, 2019 and 2020)
- [North Dakota Milk Marketing Board](#) (June 30, 2019 and 2020)
- [North Dakota Barley Council](#) (June 30, 2019 and 2020)
- [North Dakota Wheat Commission](#) (June 30, 2019 and 2020)
- [North Dakota Dairy Promotion Commission](#) (June 30, 2019 and 2020)
- [North Dakota Oilseed Council](#) (June 30, 2019 and 2020)

**A livestream of the meeting will be available to the public at: <https://video.legis.nd.gov>.**

#### **Committee Members**

Senators: Jerry Klein (Chairman), David A. Clemens, Joan Heckaman, Jordan Kannianen, Judy Lee  
Representatives: Mary Adams, Cole Christensen, Mary Johnson, Keith Kempenich, Gary Kreidt, Scott Louser, Jeffery J. Magrum, Mike Nathe, Emily O'Brien, Jim Schmidt, Wayne A. Trottier

Staff Contacts: Chris J. Kadrmas, Senior Fiscal Analyst  
Allen H. Knudson, Legislative Budget Analyst and Auditor