

**HOUSE BILL NO. 1226**

Introduced by

Representatives Kempenich, Pyle

Senators Rummel, Schaible

1 A BILL for an Act to amend and reenact section 15-10-44.3 of the North Dakota Century Code,  
2 relating to working papers of higher education internal auditors and compliance officers.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 15-10-44.3 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **15-10-44.3. Internal auditors' auditor and compliance officer working papers.**

7 1. For purposes of this section, "higher:"

8 a. "Compliance officer" means the compliance officer of the North Dakota university  
9 system.

10 b. "Higher education internal auditor" means an internal auditor of the North Dakota  
11 university system and the institutions under the control of the state board of  
12 higher education.

13 2. Working papers of a higher education internal auditor or compliance officer are not  
14 public records and are exempt from section 44-04-18. Working papers include records  
15 kept by a higher education internal auditor or compliance officer of the procedures  
16 applied, the tests performed, the information obtained, draft audit and compliance  
17 reports, and the pertinent conclusions reached in the audit engagement.

18 3. At the discretion of a higher education internal auditor or compliance officer, working  
19 papers of a ~~higher education internal auditor~~ may be made available for inspection. A  
20 draft audit or compliance report released to the governing body or management of the  
21 audited entity is confidential until the final ~~audit~~ report is issued or work ceases on the  
22 audit engagement. The issued audit or compliance report is public information. The  
23 working papers of an issued audit or compliance report are public except for any  
24 information designated as confidential or exempt from disclosure by state or federal

1           law. At the discretion of a higher education internal auditor or compliance officer, all or  
2           a portion of the working papers ~~of the higher education internal auditor~~ of an issued  
3           audit or compliance report may be declared confidential. The declaration of  
4           confidentiality must state the reason for the confidentiality and the date, as reasonably  
5           may be determined at the time, when the working papers will be made public.