

NORTH DAKOTA LEGISLATIVE COUNCIL

Tentative Agenda

**LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE**

Tuesday and Wednesday, June 2-3, 1998  
Roughrider Room, State Capitol  
Bismarck, North Dakota

**Tuesday, June 2, 1998**

- 9:00 a.m. Call to order  
Roll call  
Consideration of minutes of previous meeting
- 9:05 a.m. Presentation by the State Auditor's office of the following audit reports:
- Governor's Office (#101) June 30, 1997 and 1996
  - Office of Management and Budget (#110) June 30, 1997 and 1996
  - State Treasurer (#120) June 30, 1997 and 1996
  - Attorney General (#125) June 30, 1997 and 1996
  - Tax Department (#127) June 30, 1997 and 1996
  - Judicial Branch (#180) June 30, 1997 and 1996
  - Department of Public Instruction (#201) June 30, 1997 and 1996
- 9:50 a.m. Presentation by a representative of the Department of Public Instruction on the status of the appropriation for foundation aid program payments
- 10:05 a.m. Presentation by the State Auditor's office of the following audit reports:
- Health Department (#301) June 30, 1997 and 1996
  - Insurance Department (#401) June 30, 1997 and 1996
  - Labor Department (#406) June 30, 1997 and 1996
  - Public Service Commission (#408) June 30, 1997 and 1996
  - Division of Emergency Management (#512) June 30, 1997 and 1996
  - Department of Corrections (#530) June 30, 1997 and 1996
  - Indian Affairs Commission (#316) June 30, 1997 and 1996
- 10:45 a.m. Presentation by Eide Helmeke PLLP, Certified Public Accountants and Consultants, of the following audit reports:
- State Fair Association (#665) September 30, 1997
  - Bank of North Dakota (#471) December 31, 1997
- 11:05 a.m. Presentation by a representative of the Bank of North Dakota regarding options for the Bank to transfer the assets and liabilities of the beginning farmer revolving loan fund to the Bank and discontinue the need to have a separate audited financial statement

- 11:25 a.m. Presentation by the Legislative Council staff of a memorandum on the eligibility requirements for political subdivisions and other organizations' participation in the Public Employees Retirement System, state fire and tornado fund, risk management fund, and the state bonding fund
- 11:35 a.m. Presentation by the Legislative Council staff of the Minnesota law creating a statewide centralized collection agency
- 11:45 a.m. Presentation by the Legislative Council staff of a memorandum on how audit findings and recommendations can be reported to the Appropriations Committees during the legislative session following the report presentation date
- 12:00 noon Luncheon recess
- 1:00 p.m. Presentation by the State Auditor's office of the following audit reports:
- Economic Development and Finance (#601) June 30, 1997 and 1996
  - Department of Agriculture (#602) June 30, 1997 and 1996
  - Historical Society (#701) June 30, 1997 and 1996
  - Game and Fish Department (#720) June 30, 1997 and 1996
  - Department of Tourism (#740) June 30, 1997 and 1996
  - Department of Parks and Recreation (#750) June 30, 1997 and 1996
  - Water Commission (#770) June 30, 1997 and 1996
  - Department of Transportation (#801) June 30, 1997 and 1996
- 1:50 p.m. Presentation by the State Auditor's office of the following audit reports:
- UND-Lake Region (#228) June 30, 1997 and 1996
  - University of North Dakota (#230) June 30, 1997 and 1996
  - Valley City State University (#242) June 30, 1997 and 1996
  - MSU-Bottineau Branch (#243) June 30, 1997 and 1996
- 2:30 p.m. Presentations by representatives of the University of North Dakota, Minot State University, and Valley City State University regarding progress made by the institutions toward eliminating their deficit fund balances contained in the June 30, 1997, North Dakota University System Comprehensive Annual Financial Report
- 3:10 p.m. Presentation by the State Auditor's office of the revised North Dakota University System - Comprehensive Annual Financial Report (#220) June 30, 1997
- 3:20 p.m. Presentation by a representative of the Attorney General's office on recommended statutory changes regarding the complete disclosure of all internal service funds and how the funds within the internal service funds are spent
- 3:35 p.m. Presentation by the State Auditor's office of the Department of Human Services audit report (#325) June 30, 1997 and 1996

- 3:45 p.m. Presentation by a representative of the Department of Human Services on its accounts receivable writeoffs and a report on:
- The aging of the accounts receivable writeoffs relating to Indian Health Service
  - Collection efforts utilized on the amounts to be written off
  - The agreement between the Department of Human Services and Indian Health Service, including the Indian Health Service payment requirements for services provided
  - The department's policy regarding the provision of services when the ability to pay does not exist
  - The provisions of the *White v. Califano* case relating to the different Indian Health Service payment requirements for American Indians living on and off a reservation
- 4:05 p.m. Presentation by the State Auditor's office of the following performance audit followup reports:
- Child support enforcement program
  - Agriculture mediation program
  - Department of Public Instruction

5:00 p.m. Recess

**Wednesday, June 3, 1998**

- 9:00 a.m. Presentation by a representative of the Office of Management and Budget of the Comprehensive Annual Financial Report for the year ended June 30, 1997
- 9:30 a.m. Presentation by a representative of the Office of Management and Budget on the status of the procurement practices performance audit recommendations
- 9:50 a.m. Presentation by the Legislative Council staff of a bill draft on the acquisition of assets and services through financing activities by state agencies and institutions
- 10:00 a.m. Presentation by the Legislative Council staff of a bill draft providing for audit reports to be confidential until the report is presented to the Legislative Audit and Fiscal Review Committee
- 10:15 a.m. Presentation by the Legislative Council staff of a memorandum on commodity group procedures relating to the auditing of handlers, collection procedures, and the assessment of penalties and interest
- 10:25 a.m. Presentation by the Legislative Council staff of a memorandum on South Dakota's commodity group procedures relating to the auditing of handlers and the collection of assessments
- 10:35 a.m. Presentation by the Legislative Council staff of a bill draft creating a centralized commodity group collection process and auditing procedures and to exclude the commodity groups from Central Personnel and Central Services requirements

- 10:40 a.m. Presentation by a representative of the Attorney General's office regarding the Attorney General's investigation of the Lake Agassiz Regional Planning Council
- 11:00 a.m. Comments by a representative of the Lake Agassiz Regional Planning Council regarding the formation of a nonprofit corporation
- 11:15 a.m. Committee discussion and staff directives
- 12:00 noon Adjourn

**NOTE:** In accordance with committee policy of making sufficient time available to hear major audits or audit reports containing major recommendations, the following reports filed with the committee have not been placed on the agenda. Should the committee desire to hear a report from the list, presentation can be included on the agenda for the next meeting.

Office of Administrative Hearings (June 30, 1997 and 1996)  
 State Board for Vocational and Technical Education (June 30, 1997 and 1996)  
 Children's Services Coordinating Committee (June 30, 1997 and 1996)  
 Protection and Advocacy (June 30, 1997 and 1996)  
 Industrial Commission (June 30, 1997 and 1996)  
 Aeronautics Commission (June 30, 1997 and 1996)  
 Banking and Financial Institutions (June 30, 1997 and 1996)  
 Securities Commissioner (June 30, 1997 and 1996)  
 Municipal Bond Bank (December 31, 1997)  
 Highway Patrol (June 30, 1997 and 1996)  
 Agricultural Products Utilization Commission (June 30, 1997 and 1996)  
 Council on the Arts (June 30, 1997 and 1996)  
 Soil Conservation Committee (June 30, 1997 and 1996)  
 Beginning Farmers Revolving Loan Fund (December 31, 1997)  
 Guaranteed Student Loan (September 30, 1997)  
 Student Loan Trust Fund (June 30, 1997)  
 Developmentally Disabled Facility Loan Fund (December 31, 1997)  
 Community Water Facility Loan Fund (December 31, 1997)  
 Abstracters Board of Examiners (August 31, 1997 and 1996)  
 North Dakota Stockmen's Association (December 31, 1997 and 1996)  
 State Board of Chiropractic Examiners (December 31, 1997 )  
 State Examining Committee on Physical Therapists (June 30, 1996)  
 Board of Social Work Examiners (June 30, 1997 and 1996)  
 State Electrical Board (June 30, 1997 and 1996)  
 State Board of Psychologist Examiners (June 30, 1997 and 1996)  
 State Board of Architecture (June 30, 1997 and 1996 )  
 State Board of Podiatry Examiners (December 31, 1996 and 1995)  
 State Board of Pharmacy (June 30, 1997 and 1996)  
 Real Estate Commission (June 30, 1997 and 1996)  
 State Board of Registration for Professional Soil Classifiers (June 30, 1997 and 1996)  
 Board of Nursing (June 30, 1997 and 1996)  
 State Board of Addiction Counseling Examiners (June 30, 1997 and 1996)  
 State Board of Cosmetology (June 30, 1997)

**Committee Members**

Representatives Mike Timm (Chairman), Ole Aarsvold, Rex R. Byerly, John Dorso, Gereld F. Gerntholz, Richard Kunkel, Andrew G. Maragos, Stacey L. Mickelson, Jim Poolman, Bob Skarphol, Francis J. Wald, Gerry L. Wilkie  
Senators Evan E. Lips, Duane Mutch, Ken Solberg, Harvey D. Tallackson, Dan Wogsland