

NORTH DAKOTA LEGISLATIVE COUNCIL

Tentative Agenda

**LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE**

Tuesday and Wednesday, June 4-5, 2002

Roughrider Room, State Capitol

Bismarck, North Dakota

**Tuesday, June 4, 2002**

- 9:00 a.m. Call to order  
Roll call  
Consideration of minutes of the November 26, 2001, meeting
- 9:05 a.m. Presentations by representatives of the following entities relating to the audit of the North Dakota State University Research and Technology Park, Inc., and suggested guidelines, policies, and procedures that could be implemented to clarify the financial reporting status of component units of state institutions and to better meet the needs of all parties involved in the establishment, operation, and audit of such entities:
- State Auditor's office
  - North Dakota University System
  - North Dakota State University
  - North Dakota State University Research and Technology Park, Inc.
  - Attorney General's office
- 10:00 a.m. Comments by interested persons
- 10:15 a.m. Committee discussion and staff directives
- 10:45 a.m. Presentation by a representative of the State Auditor's office of information relating to the office's review of scholarships, endowments, and premiums that have been accepted by institutions of higher education as part of bid proposals
- 11:00 a.m. Comments by interested persons
- 11:15 a.m. Committee discussion and staff directives
- 11:30 a.m. Presentation by a representative of the Potato Council relating to the council's expenditures for promotional contracts and the council's noncompliance with recommendations included in the June 30, 2000 and 1999 audit report
- 11:45 a.m. Consideration of the Potato Council's June 30, 2000 and 1999 audit report
- 12:00 noon Luncheon recess
- 1:00 p.m. Presentation by a representative of the Department of Human Services relating to:
- The status of the department's efforts to implement recommendations included in the performance audit of the service payments for elderly and disabled (SPED) and expanded SPED programs
  - Revenues, expenditures, and transfers of funds for the Vocational Rehabilitation Division during the most recent 12-month period

- 1:30 p.m. Presentation by a representative of the State Auditor's office of the following audit reports for institutions of higher education:
- North Dakota University System (June 30, 2001)
  - Bismarck State College (June 30, 2001 and 2000)
  - Dickinson State University (June 30, 2001 and 2000)
  - Lake Region State College (June 30, 2001 and 2000)
  - Mayville State University (June 30, 2001 and 2000)
  - Minot State University (June 30, 2001 and 2000)
  - Minot State University - Bottineau (June 30, 2001 and 2000)
  - State College of Science (June 30, 2001 and 2000)
  - North Dakota State University (June 30, 2001 and 2000)
  - North Dakota State University Main Research Station sheep farm (as of April 26, 2002)
  - University of North Dakota (June 30, 2001 and 2000)
  - Valley City State University (June 30, 2001 and 2000)
  - Williston State College (June 30, 2001 and 2000)
- 3:00 p.m. Presentation by a representative of the State Auditor's office of the following audit reports for elected officials and the judicial branch:
- State Treasurer (June 30, 2001 and 2000)
  - Tax Commissioner (June 30, 2001 and 2000)
  - Insurance Department (June 30, 2001 and 2000)
  - Public Service Commission (June 30, 2001 and 2000)
  - Judicial branch (June 30, 2001 and 2000)
- 3:45 p.m. Presentation by a representative of the State Auditor's office of the following audit reports for state agencies:
- Children's Services Coordinating Committee (June 30, 2001 and 2000)
  - Veterans Home (June 30, 2001)
  - Industrial Commission (June 30, 2001 and 2000)
  - Department of Corrections and Rehabilitation (June 30, 2001 and 2000)
  - Department of Transportation (June 30, 2001 and 2000)
- 4:30 p.m. Presentation by a representative of the Office of Management and Budget of the Comprehensive Annual Financial Report (CAFR) for the state of North Dakota for the fiscal year ended June 30, 2001
- 4:45 p.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, 2001, CAFR
- 5:00 p.m. Recess

**Wednesday, June 5, 2002**

- 9:00 a.m. Presentation by a representative of the State Auditor's office of the following reports:
- National State Auditors Association external quality control review for the period March 1, 2001, through February 28, 2002
  - Information Technology Department general controls audit for the period July 1, 2000, through June 30, 2001
  - State information technology systems risk assessment (as of May 15, 2002)
  - The followup report on the driver's license system information technology audit
- 9:45 a.m. Presentation by a representative of the Information Technology Department of plans for a future report on:
- The development of performance measures to assist the Legislative Assembly in determining the effectiveness and efficiency of the operations of the Information Technology Department, pursuant to Section 9 of 2001 Senate Bill No. 2043
  - State information technology projects and plans, pursuant to North Dakota Century Code (NDCC) Section 54-59-19
- 10:00 a.m. Presentation by a representative of Eide Bailly LLP, Certified Public Accountants, of the following audit reports:
- Student loan trust (June 30, 2001 and 2000)
  - Guaranteed student loan program (September 30, 2001 and 2000)\*
  - Housing Finance Agency (June 30, 2001 and 2000)\*
  - State Fair Association (September 30, 2001 and 2000)\*
  - Municipal Bond Bank (December 31, 2001)
- 10:45 a.m. Presentation by a representative of Brady, Martz & Associates, P.C., Certified Public Accountants, of the following audit reports:
- Retirement and Investment Office (June 30, 2001 and 2000)\*
  - Public Employees Retirement System (June 30, 2001 and 2000)\*
  - Board of University and School Lands (June 30, 2001 and 2000)\*
  - Job Service North Dakota (June 30, 2001 and 2000)\*
  - Workers Compensation Bureau (June 30, 2001 and 2000)\*
- 11:30 a.m. Presentation by a representative of the Workers Compensation Bureau on the status of the bureau's building project
- 11:40 a.m. Distribution of the audit report for Alchem, Ltd., LLP (a limited liability limited partnership operating an ethanol production facility in North Dakota) for the years ended December 31, 2001 and 2000, pursuant to NDCC Section 10-32-156
- 11:45 a.m. Committee discussion and staff directives
- 12:00 noon 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 audit reports filed with the committee have not been placed on the agenda. One or more of the following audits may be included on the agenda for the next meeting if requested by the committee:

Building Authority (June 30, 2000 and 1999)  
 State Board for Vocational and Technical Education (June 30, 2001 and 2000)  
 Office of Administrative Hearings (June 30, 2001 and 2000)  
 Aeronautics Commission (June 30, 2001 and 2000)  
 Soybean Council (June 30, 2001 and 2000)  
 Beef Commission (June 30, 2001)  
 Council on the Arts (June 30, 2001 and 2000)  
 Board of Respiratory Care (January 31, 2001 and 2000)  
 Education Standards and Practices Board (June 30, 2001 and 2000)  
 Firefighters Association (April 30, 2001)  
 Board of Architecture (June 30, 2000 and 1999)  
 Board of Psychologist Examiners (June 30, 2001 and 2000)  
 Stockmen's Association (December 31, 2001)  
 Electrical Board (June 30, 2001 and 2000)  
 Real Estate Commission (June 30, 2001 and 2000)  
 Board of Athletic Trainers (June 30, 2000 and 1999)  
 Board of Public Accountancy (June 30, 2001)  
 Examining Committee of Physical Therapists (June 30, 2000 and 1999)  
 Plumbing Board (June 30, 2001 and 2000)  
 Board of Social Work Examiners (June 30, 2001 and 2000)  
 Board of Addiction Counseling Examiners (June 30, 2001 and 2000)  
 Board of Pharmacy (June 30, 2001 and 2000)  
 Abstracters' Board of Examiners (August 31, 2001 and 2000)  
 Board of Occupational Therapy Practice (June 30, 2001 and 2000)  
 Board of Clinical Laboratory Practice (June 30, 2001 and 2000)  
 Board of Dental Examiners (June 30, 2001 and 2000)

\* Acceptance of the fiscal years 2001 and 2000 audit report will be deemed to include acceptance of the fiscal years 2000 and 1999 audit report not previously accepted by the committee.

#### **Committee Members**

Senators Ken Solberg (Chairman), Randel Christmann, Dwight Cook, Duaine C. Espesgard, Jerome Kelsh, Jerry Klein, Kenneth Kroeplin  
 Representatives Ole Aarsvold, Rex R. Byerly, Jeff Delzer, RaeAnn G. Kelsch, Doug Lemieux, Andrew G. Maragos, Bob Skarphol, Mike Timm, Francis J. Wald, Lonny Winrich