

HOUSE BILL NO. 1491

Introduced by

Representatives Becker, Blum, Boschee, Devlin, Lefor, Rohr, Schauer, Steiner, Vetter

Senators Dwyer, Meyer, Vedaa

1 A BILL for an Act to create and enact section 54-10-31 of the North Dakota Century Code,
2 relating to the establishment by the state auditor of a federal program and governmental entity
3 review division.

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

5 **SECTION 1.** Section 54-10-31 of the North Dakota Century Code is created and enacted as
6 follows:

7 **54-10-31. Federal program - Government entity - Review.**

- 8 1. The state auditor shall establish a federal program and governmental entity review
9 division to review federal programs and governmental entities.
- 10 2. For purposes of this section, "entity" means an authority, board, commission,
11 committee, council, department, division, and when established by law, program and
12 activity.
- 13 3. Notwithstanding section 54-10-15, the federal program and governmental entity review
14 division shall conduct reviews at the direction of the state auditor, the legislative audit
15 and fiscal review committee or another committee of the legislative management, or
16 the legislative assembly.
- 17 4. Federal program reviews must consider whether the governmental entity is:
- 18 a. Conducting authorized activities or programs in a manner consistent with
19 accomplishing the objectives set forth by law; and
- 20 b. Using funds in a faithful, efficient, economical, and effective manner and the
21 extent to which the federal funds impose conditional requirements on the state.
- 22 5. A governmental entity review must consider the entity's efficiency, effectiveness, role
23 in protecting consumers, sufficiency of resources, accomplishment of legislative
24 objectives, and other areas as determined by the state auditor.

- 1 6. The state auditor shall compile all information relating to the criteria used in each
2 review and any other information the state auditor, the legislative audit and fiscal
3 review committee or other committee of the legislative management committee, or the
4 legislative assembly deems necessary to complete a thorough review of the
5 governmental entity or federal program. The review must include a fiscal impact
6 statement relating to the recommendations included in the review.
- 7 7. Upon completion of a review under this section, the state auditor shall provide copies
8 of the review to the entity that requested the review.
- 9 8. Upon request of the legislative audit and fiscal review committee, another committee
10 of the legislative management, or the legislative assembly, the state auditor shall
11 complete an additional review of an entity or program to determine if deficiencies from
12 the prior review have been corrected and if the entity implemented the legislative
13 recommendations.
- 14 9. A review under this section does not replace a two-year audit under chapter 54-10 and
15 is not subject to the restrictions under that chapter.