

**HOUSE BILL NO. 1346**

Introduced by

Representative Kempenich

1 A BILL for an Act to create and enact a new section to chapter 15-10 of the North Dakota  
2 Century Code, relating to working papers of higher education internal auditors.

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

4 **SECTION 1.** A new section to chapter 15-10 of the North Dakota Century Code is created  
5 and enacted as follows:

6 **Internal auditors' working papers.**

7 For purposes of this section, "higher education internal auditor" means an internal auditor of  
8 the North Dakota university system and the institutions under the control of the state board of  
9 higher education. Working papers of a higher education internal auditor are not public records  
10 and are exempt from section 44-04-18. Working papers include records kept by a higher  
11 education internal auditor of the procedures applied, the tests performed, the information  
12 obtained, draft audit reports, and the pertinent conclusions reached in the audit engagement. At  
13 the discretion of a higher education internal auditor, working papers of a higher education  
14 internal auditor may be made available for inspection. A draft audit report released to the  
15 governing body or management of the audited entity is confidential until the final audit report is  
16 issued or work ceases on the audit. The issued audit report is public information. The working  
17 papers of an issued audit report are public except for any information designated as confidential  
18 or exempt from disclosure by state or federal law. At the discretion of a higher education internal  
19 auditor, all or a portion of the working papers of the higher education internal auditor of an  
20 issued audit report may be declared confidential. The declaration of confidentiality must state  
21 the reason for the confidentiality and the date, as reasonably may be determined at the time,  
22 when the working papers will be made public.