

August 2005

LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE - STATUTORY DUTIES AND RESPONSIBILITIES FOR THE 2005-06 INTERIM - RECOMMENDATIONS AND REQUESTS MADE DURING PREVIOUS INTERIMS

The Legislative Council by law appoints a Legislative Audit and Fiscal Review Committee as a division of its Budget Section. Pursuant to North Dakota Century Code (NDCC) Section 54-35-02.1, the committee is created:

- For the purpose of studying and reviewing the financial transactions of the state.
- To assure the collection of revenues and the expenditure of money is in compliance with law, legislative intent, and sound financial practices.
- To provide the Legislative Assembly with formal, objective information on revenue collections and expenditures as a basis for legislative action to improve the fiscal structure and transactions of the state.

STATUTORY DUTIES AND RESPONSIBILITIES

The committee is charged by statute with the following duties and responsibilities for the 2005-07 biennium:

1. **State Fair Association** - Receive annual audit reports from the State Fair Association, pursuant to NDCC Section 4-02.1-18.
2. **Ethyl alcohol and methanol producers** - Receive annual audit reports from any corporation that produces agricultural ethyl alcohol or methanol in this state and which receives a production subsidy from the state, pursuant to NDCC Section 10-19.1-152; receive annual audit reports from any limited liability company that produces agricultural ethyl alcohol or methanol in this state and which receives a production subsidy from the state, pursuant to Section 10-32-156; and receive annual audit reports from any limited partnership that produces agricultural ethyl alcohol or methanol in this state and which receives a production subsidy from the state, pursuant to Section 45-10.2-115.
3. **Department of Human Services accounts receivable** - Receive annual reports on the status of accounts receivable for the Department of Human Services and Developmental Center at Westwood Park, Grafton, pursuant to NDCC Sections 25-04-17 and 50-06.3-08.

4. **Low-risk incentive fund** - Receive annual audit reports and economic impact reports from the North Dakota low-risk incentive fund. North Dakota Century Code Section 26.1-50-05 provides for the audit report to be submitted to the Legislative Council, which has assigned the responsibility to this committee.
5. **Stockmen's Association** - Receive a biennial audit report from the North Dakota Stockmen's Association. North Dakota Century Code Section 36-22-09 provides for the audit report to be submitted to the Legislative Council. The Legislative Council assigned the responsibility to this committee.
6. **Job Service North Dakota** - Receive a performance audit report, upon the request of the committee, for Job Service North Dakota, pursuant to NDCC Section 52-02-18. The 2005 Legislative Assembly approved Senate Bill No. 2085 (attached as Appendix A) which changed the frequency of Job Service North Dakota's performance audit from biennial to as requested by the Legislative Audit and Fiscal Review Committee.
7. **Performance audits** - The State Auditor is to conduct or provide for performance audits of state agencies as determined necessary by the State Auditor or this committee, and the State Auditor must obtain approval from this committee prior to hiring a consultant to assist with conducting a performance audit, pursuant to NDCC Section 54-10-01.
8. **Frequency of audits** - Determine the frequency of audits or reviews of state agencies, pursuant to NDCC Section 54-10-01.
9. **Political subdivisions** - Determine if the State Auditor is to perform audits of political subdivisions on a more frequent basis than once every two years, pursuant to NDCC Section 54-10-13, and direct the State Auditor to audit or review the accounts of any political subdivision, pursuant to Section 54-10-15.
10. **Study and review audit reports** - Pursuant to NDCC Section 54-35-02.2, the committee is charged with the following responsibilities:

- a. To study and review audit reports selected by the committee from those submitted by the State Auditor.
 - b. To confer with the State Auditor regarding the audit reports reviewed by the committee.
 - c. As necessary, to confer with representatives of state departments, agencies, and institutions audited in order to obtain information regarding fiscal transactions and governmental operations.
11. **Workforce Safety and Insurance** - Receive annual reports from the director of Workforce Safety and Insurance and the chairman of the Workforce Safety and Insurance Board of Directors, pursuant to NDCC Section 65-02-03.3, and receive reports from the director of Workforce Safety and Insurance, the chairman of the Workforce Safety and Insurance Board of Directors, and the auditor regarding the biennial performance audit of Workforce Safety and Insurance, pursuant to Section 65-02-30.
 12. **Information Technology Department** - Receive annual reports on state information technology projects and plans, pursuant to NDCC Section 54-59-19.

REQUESTS AND RECOMMENDATIONS DURING PREVIOUS INTERIMS

The committee has made various recommendations and requests during past interims, including:

1. **Discussion of audit findings prior to presentation of report** - The State Auditor should consider discussing audit findings with appropriate boards or commissions prior to the audit report being presented to the committee.
2. **Actions taken by audited agency** - Audited agencies, boards, and commissions should report to the committee at the time the audit report is presented regarding any actions taken as a result of audit findings contained in the report.
3. **Response to recommendations** - Each audit report prepared by the State Auditor should include a summary of audit recommendations, along with the audited agency's written response to the recommendations. The summary is to be in recommendation-response format.
4. **Acceptance of audit reports** - The Legislative Audit and Fiscal Review Committee receives audit reports as presented by the State Auditor's office and other independent auditors and by motion accept the reports. The motion by the committee to accept the audit report is not a directive for the adoption of the audit recommendations. A

representative of the State Auditor's office has indicated that the State Auditor's office will follow up on any previous audit findings and recommendations at the time of the next audit. If the agency has not taken steps to address the recommendation or cannot document a justifiable reason for not implementing the recommendation at the time of the next audit, it will be again included as an audit finding and recommendation.

5. **Implementation of recommendations** - Each state agency and institution should comply with and implement, within the limits of the law, recommendations contained in audit reports prepared by the State Auditor's office. Such compliance and implementation should be viewed toward improvement of government operations, including fiscal operations and to full execution of the law.
6. **Six-month review** - The State Auditor's office should determine whether agencies have complied with the auditor's recommendations within six months after a report has been accepted by this committee; the State Auditor should report to this committee, or another appropriate legislative committee, regarding any recommendations not implemented.
7. **Copies of management letters** - The State Auditor should provide copies of management letters to committee members.
8. **Use of salaries and wages funding** - The State Auditor should consider including in audit reports information on the amount of salaries and wages funding spent on filled full-time equivalent (FTE) positions and the amount relating to vacant FTE positions which is spent for other purposes.
9. **Committee followup with agencies that have not complied with audit recommendations** - The Legislative Audit and Review Committee, by motion, may direct the Legislative Council staff to send correspondence to an agency that has not complied with previous audit recommendations requesting the agency to appear before the Legislative Audit and Fiscal Review Committee to explain the reason for noncompliance with audit recommendations or steps taken to address recommendations.
10. **Presentation of evidence to the Attorney General** - Pursuant to NDCC Section 54-35-02.2, whenever the Legislative Audit and Fiscal Review Committee determines or has reason to believe there may have been a violation of law relating to the receipt, custody, or expenditure of public funds by any state officer or employee, the committee is to present such evidence or information to

the Attorney General. Upon receipt of the information, the Attorney General is to immediately commence an investigation. If the evidence supplied by the committee and through the investigation indicates the probability of a violation of law by any state official or employee, the Attorney General is to prosecute the state official or employee as provided by law.

11. **Report on significant findings and recommendations** - The State Auditor should consider providing a report to the Appropriations Committees and each member of the Legislative Audit and Fiscal Review Committee at the beginning of each legislative session regarding significant audit findings and recommendations contained in the financial and performance audit reports presented to the Legislative Audit and Fiscal Review Committee during the previous interim. The State Auditor's office presented a summary of significant audit findings and recommendations from audit reports presented to the Legislative Audit and Fiscal Review Committee during the 2003-04 interim to the House and Senate Appropriations Committees at the start of the 59th Legislative Assembly.

AUDIT GUIDELINES

The committee has developed guidelines for audits performed by the State Auditor's office and independent certified public accountants. The guidelines require that audit reports include specific statements and recommendations regarding:

1. Whether expenditures are made in accordance with legislative appropriations and other state fiscal requirements and restrictions.
2. Whether revenues are accounted for properly.
3. Whether financial controls and procedures are adequate.
4. Whether the system of internal control is adequate and functioning effectively.
5. Whether financial records and reports reconcile with those of state fiscal offices.
6. Whether there is compliance with statutes, laws, rules, and regulations under which the agency was created and is functioning.
7. Whether there is evidence of fraud or dishonesty.
8. Whether there are indications of inefficiency in financial operations and management of the agency.
9. Whether actions have been taken by agency officials with respect to findings and recommendations set forth in the audit reports for preceding periods.

10. Whether all activities of the agency are encompassed within appropriations of specific amounts.
11. Whether the agency has implemented the statewide accounting and management information system, including the cost allocation system.
12. Whether the agency develops a budget of anticipated expenditures and revenues and compares, on at least a quarterly basis, budgeted expenditures and revenues to actual expenditures and revenues accounted for using the accrual basis of accounting.

During the 2003-04 interim, the committee reviewed the audit guidelines. The purpose of the guidelines is to aid auditors in the development of audit programs and reports so the audit reports will be of maximum value to the appropriate authority and the taxpayers of North Dakota. The guidelines were developed to assist the committee in meeting its statutory responsibilities and to encourage state entities to improve fiscal practices.

A representative of the State Auditor's office indicated that some of the 12 guidelines are no longer applicable to state agencies. The committee received suggested changes from the State Auditor's office to revise the current 12 audit guidelines to the following 6:

1. What type of report has the auditor issued on the financial statements of the agency?
2. Was there compliance with statutes, laws, rules, and regulations under which the agency was created and is functioning?
3. Was internal control adequate and functioning effectively?
4. Were there any indications of lack of efficiency in financial operations and management of the agency?
5. Has action been taken on findings and recommendations included in prior audit reports?
6. Was a management letter issued? If so, provide a summary, including any recommendations.

Other areas that the auditors could address before the Legislative Audit and Fiscal Review Committee include significant changes in accounting policies, accounting estimates, audit adjustments, disagreements with management, consultation with other independent auditors, major issues discussed with management prior to retention, difficulties encountered in performing the audit, and high-risk information technology systems critical to the agency's operations. The committee indicated that it would wait until the 2005-06 interim to consider changing the 12 guidelines. With the implementation of the ConnectND computer system, question No. 11 is no longer applicable and the Legislative Audit and Fiscal

Review Committee should consider removing this question.

NEW AUDIT APPROACH

During the 1999-2000 interim, the committee received testimony from a representative of the State Auditor's office regarding the agency's plan to change the audit approach used in conducting audits of state agencies and institutions. For audits of state agencies and institutions conducted by the State Auditor's office, governmental auditing standards for performance audits are more applicable than governmental auditing standards for financial audits. A report on an audit conducted using performance auditing standards includes audited financial statements but does not include an opinion on those financial statements because the audit will not determine if the financial statements are prepared in accordance with generally accepted accounting principles. The committee supported the proposal presented by the State Auditor's office to begin conducting audits of state agencies and institutions using governmental auditing standards for performance audits.

The State Auditor's office began to use the new audit approach during the 2001-02 interim. Financial audits conducted by public accounting firms continue to utilize governmental auditing standards for financial audits.

AUDIT REQUIREMENTS FOR THE STATE AUDITOR'S OFFICE

North Dakota Century Code Section 54-10-04 requires the Legislative Assembly to provide for a financial statement audit of the State Auditor's office. A copy of the audit report must be filed with the Governor and with each house of the Legislative Assembly. The State Auditor's office audit report for the fiscal years ended June 30, 2003 and 2002 was completed by Eide Bailly LLP, Certified Public Accountants. This audit report was reviewed and approved by the Legislative Audit and Fiscal Review Committee during the December 22, 2003, meeting.

The National State Auditors Association requires state auditor's offices to be subject to an external quality control review every three years. The system of quality control encompasses the office's organizational structure and policies adopted and procedures established to provide reasonable assurance of conforming with governmental auditing standards. Attached as Appendix B is the most recent quality control review of the State Auditor's office for the period April 1, 2004, to March 31, 2005. The review identified the following findings:

- The State Auditor's office should fully implement the requirements of Statements on Auditing Standards Number 99 requiring an auditor to conduct the engagement with a mindset that recognizes the possibility that a

material misstatement due to fraud could be present, regardless of any past experience with the entity, and the auditor should not be satisfied with less-than-persuasive evidence because of a belief that management is honest.

- The State Auditor's office did not properly implement all report language changes, pursuant to the latest guidance from the American Institute of Certified Public Accountants.
- The State Auditor's office did not clearly state the conclusions for each audit objective in the audit reports.

ADJUSTMENTS AND CORRECTIONS OF TAX DISTRIBUTION PAYMENTS TO POLITICAL SUBDIVISIONS

During the 2003-04 interim, the committee received information regarding incorrect allocations of tax distribution payments made by the State Treasurer's and Tax Commissioner's offices to political subdivisions.

The Tax Commissioner's office deposited incorrect amounts into the cigarette tax distribution fund for 18 of the 24 months covered by the June 30, 2003 and 2002 audit period. The differences per month ranged from \$4 to \$10,000, with the net result of \$6,378 being deposited into the general fund that should have been deposited into the cigarette tax distribution fund and distributed to the incorporated cities. The Tax Commissioner's office corrected the tax distribution fund allocation error in November 2003 by depositing \$6,378 of general fund receipts into the cigarette tax distribution fund, which was distributed to the incorporated cities during the same month.

The State Treasurer's office allocation errors related to incorrect tax distributions for coal conversion taxes, coal severance taxes, state aid distribution, and oil and gas production taxes. The total dollar amount of tax distribution payments issued by the State Treasurer's office was correct, but the errors occurred because of payments being misallocated to the political subdivisions. After consultation with the Attorney General's office a plan was approved for redistribution of tax payments to cities, counties, and school districts. The plan provided that as each political subdivision's overpayment is refunded or corrected, the corresponding funds are to be redirected to political subdivisions that were underpaid. A representative of the Attorney General's office indicated that based on controlling law, political subdivisions are not entitled to retain the overpayments and there is no legal impediment to the reallocation process.

The 2005 Legislative Assembly approved House Bill No. 1046 (attached as Appendix C) which provides statutory authority for the State Treasurer to

correct any underpayment, overpayment, or erroneous payment of tax distribution funds.

NORTH DAKOTA WHEAT COMMISSION

During the 2003-05 biennium, the committee received information regarding the Wheat Commission's case against the Canadian Wheat Board involving unfair Canadian wheat trade. The case was started in 1999 and the Wheat Commission was able to stay current with legal fees until September 2002. However, the commission's expenditures exceeded revenues by \$1,069,311 and \$1,527,726 for fiscal years ended June 30, 2004 and 2003, respectively.

The Wheat Commission has continuing appropriation authority for use of its revenues, which are primarily from the wheat tax levy or "checkoff." According to an Attorney General's opinion, the Wheat Commission lacked the authority under NDCC Chapter 4-28 to incur legal and consulting expenses for its ongoing trade case against the Canadian Wheat Board beyond the revenues generated by the wheat tax levy dedicated for this purpose in the current biennium. A representative of the Attorney General's office indicated the problem could have been avoided by the agency following the *Contract Drafting and Review Manual* and inserting appropriate language into the agreement making it contingent on the availability of sufficient funds or appropriations.

The 2005 Legislative Assembly approved House Bill No. 1518 (attached as Appendix D) which increased the mill levy for the Wheat Commission from one cent per bushel (10 mills) to one and one-half cents per bushel (15 mills) on all wheat sold in the state after June 30, 2005. According to the fiscal note completed by the Wheat Commission, the increase in the wheat tax levy will generate an additional \$2,810,000 in revenues for the Wheat Commission during the 2005-07 biennium to assist in retiring the debt. In addition, the law firm representing the Wheat Commission agreed to accept a three-year repayment schedule.

PERFORMANCE AUDITS

During the 2003-04 interim, the committee received performance audit reports on the Department of Transportation's Motor Vehicle and Driver's License Division, Department of Veterans Affairs, Administrative Committee on Veterans Affairs, Department of Corrections and Rehabilitation, Job Service North Dakota, and Workforce Safety and Insurance.

In addition to the performance audits required by law, the Legislative Audit and Fiscal Review Committee has requested the State Auditor's office to conduct:

- A performance audit on state agency cell phone usage, including a review of the propriety of state cell phone usage, the types of cell phone plans purchased, the number of minimally used cell phones, and various

alternative methods to reimburse state employees for cell phone usage.

- A performance audit of Fleet Services.
- A performance audit of the University of North Dakota School of Medicine and Health Sciences.

The 2005 Legislative Assembly provided in Section 44 of House Bill No. 1015 that the State Auditor's office may not conduct the performance audit of the University of North Dakota School of Medicine and Health Sciences until the completion of the school's accreditation process.

Section 5 of 2005 House Bill No. 1016 provides for the State Auditor's office to conduct a performance audit of the Department of Emergency Services, including a review of fees collected for 911 services and the utilization of the fees during the 2005-07 biennium. If possible, the audit is to include options for the appropriate method of funding costs incurred by the department for providing 911 services, including the costs incurred by the department for answering calls from counties not under contract with the division for 911 services. The section provides that the State Auditor's office must be granted access to all county and county consortium records pertaining to 911 information. The State Auditor's office estimates the performance audit of the Department of Emergency Services and fees collected for 911 services will be completed by October 15, 2005.

The following table lists the status of performance audits presented to the Legislative Audit and Fiscal Review Committee during the 1997-99, 1999-2001, 2001-03, and 2003-05 bienniums:

Performance Audit	Status
1997-99 biennium	
State procurement practices	Presented October 7, 1997, and January 21, 1998
State employee classification system	Presented October 6, 1998, and January 27, 1999
Workers Compensation Bureau	Presented October 6, 1998
Job Service North Dakota	Presented October 6, 1998
1999-2001 biennium	
Contracts for services	Presented May 22-23, 2000
Child support enforcement program (Department of Human Services)	Presented October 16-17, 2000
Workers Compensation Bureau	Presented October 16-17, 2000
Job Service North Dakota	Presented October 16-17, 2000
2001-03 biennium	
Aging services, SPED, and expanded SPED programs (Department of Human Services)	Presented November 26, 2001

Performance Audit	Status
Veterans Home	Presented October 2, 2002, and January 22, 2003
Workers Compensation Bureau	Presented October 2, 2002
Job Service North Dakota	Presented October 2, 2002
2003-05 biennium	
Driver and Vehicle Services (Department of Transportation)	Presented September 3-4, 2003
Administrative Committee on Veterans Affairs and the Department of Veterans Affairs	Presented August 10, 2004
Workforce Safety and Insurance	Presented October 27, 2004
Job Service North Dakota	Presented October 27, 2004
Department of Corrections and Rehabilitation	Presented January 24, 2005

Pursuant to NDCC Section 54-10-01(4), the State Auditor's office may not hire a consultant to assist with conducting a performance audit of a state agency without the prior approval of the Legislative Audit and Fiscal Review Committee. The State Auditor's office is required to notify the agency of the need for a consultant before requesting approval by the Legislative Audit and Fiscal Review Committee. The agency that is audited is responsible for paying the cost of any consultant approved.

Proposed Action Plan

The following is a proposed action plan the committee may want to consider in fulfilling its statutory duties:

1. Receive audit reports prepared by the State Auditor's office and independent auditors.
2. Receive performance audit reports as determined necessary by the State Auditor or this committee.
3. Request a performance audit be conducted, as deemed necessary by this committee, for Job Service North Dakota.
4. Receive the biennial performance audit of Workforce Safety and Insurance.
5. Direct the Legislative Council staff to send correspondence, as deemed necessary, to each agency that has not complied with previous audit recommendations requesting the agency to appear before the Legislative Audit and Fiscal Review Committee to explain the reason for noncompliance with audit recommendations or steps taken to address recommendations.
6. Receive annual reports on state information technology projects and plans.
7. Receive annual reports on the status of accounts receivable for the Department of

Human Services and Developmental Center at Westwood Park, Grafton.

8. Receive annual audit reports from any corporation, limited partnership, or limited liability company that produces ethyl alcohol or methanol in this state and which receives a production subsidy from the state.
9. Develop recommendations and related bill drafts.
10. Prepare the final report for submission to the Legislative Council.

CONTINUING APPROPRIATION AUTHORITY

House Concurrent Resolution No. 3036 (2005) (attached as Appendix E) provides for the Legislative Council to study state agency and institution continuing appropriation authority. This responsibility has been assigned to the Legislative Audit and Fiscal Review Committee. A continuing appropriation is not specifically defined in the North Dakota Century Code. In general, a continuing appropriation can be defined as an appropriation of funds that is not specific in time or amount. Continuing appropriations are provided by a statutory authorization that remains in force or can be carried on from biennium to biennium permitting state agencies, boards, or institutions to incur obligations and make payment for specified purposes or uses. The North Dakota Century Code contains many examples of explicit continuing appropriations. These are typically accomplished by using phrases such as "standing appropriation," "continuing appropriation," or "revolving fund" in describing the fund.

Because continuing appropriations are not part of the regular legislative budget/appropriation process, the term "off-budget" is often applied with continuing appropriations. An FTE position funded by continuing appropriation authority is also classified as "off-budget". Examples of off-budget FTE positions include employees of the state boards and commissions and positions funded by non-general fund revenues of higher education institutions.

Article X, Section 12, of the Constitution of North Dakota provides, in part, that all public money, from whatever source derived, shall be paid over monthly to the State Treasurer, and deposited to the credit of the state, and shall be paid out and disbursed only pursuant to appropriation first made by the Legislative Assembly. This constitutional provision also contains several specific exceptions for funds or programs for which this provision of the constitution serves as a self-executing appropriation. These exceptions include:

1. The financial transactions of the Bank of North Dakota.

2. Payments of losses from the state hail insurance fund, state bonding fund, and state fire and tornado fund.
3. Payment of compensation to injured employees or death claims from the workers' compensation fund.
4. Investments by the Board of University and School Lands.
5. Money needed for the financial operations of the Mill and Elevator.
6. Funds required for the payment of interest and principal of bonds and other fixed obligations of the state.
7. Payments for teachers' retirement.
8. Refunds under the sales, tax, income, gasoline, and estate laws.
9. Income of any state institution derived from permanent trust funds.
10. Funds allocated under the law to the State Highway Department and the various counties for the construction, reconstruction, and maintenance of public roads.
11. Fees for licenses for trades and professions.

Previous Studies

The 1987-88 Budget Committee on Government Finance reviewed sections of law containing continuing appropriations. The committee received information that 78 sections of the North Dakota Century Code and 31 sections of the Session Laws of North Dakota were identified as containing continuing appropriation language. Sections involving money received and spent in connection with state licensing boards were excluded. The review included a survey of state agencies administering continuing appropriations pertaining to personnel costs, operating expenses, or general operations to determine the appropriateness and use of these sections. The committee identified 13 sections of North Dakota law that could be discontinued, amended, or repealed due to either the agency not using the section of law or funds are currently appropriated.

The committee recommended Senate Bill No. 2035, which was approved by the Legislative Assembly, amending or repealing laws removing the following continuing appropriation provisions:

1. The Bank of North Dakota's fuel production facility loan program;
2. The State Department of Health and Consolidated Laboratories contract services fund;
3. The Game and Fish Department undesirable fish disposal fund;
4. The National Guard maintenance and operating fund;
5. The Department of Human Services alcohol and drug abuse program funds; and
6. The Department of Banking and Financial Institution authority to dispose of unclaimed

dividends or other money received from the receiver of an insolvent bank, and the Office of Management and Budget authority to spend funds deposited into the unemployment compensation fund.

In addition, the committee developed a policy statement recommending that the state continue the current practice of discouraging the use of continuing appropriations and that continuing appropriations be used only when necessary.

Recent Legislation

Section 34 of Senate Bill No. 2015 (2003), the appropriations bill for the Office of Management and Budget, required executive branch agencies to report to the Appropriations Committees during the 2005 legislative session regarding expenditures made pursuant to continuing appropriations. The summary report compiled by the Office of Management and Budget included the agency's justification for needing the continuing appropriation authority and related revenues and fund balances for the 1999-2001, 2001-03, and 2003-05 bienniums to date and projections for the 2005-07 biennium. A copy of the continuing appropriations report has been distributed to the committee.

House Bill No. 1282, which was not approved by the 2005 Legislative Assembly, would have amended NDCC Section 54-44.1-06 to require state agencies and institutions to include the statutory provisions authorizing the expenditure of funds, pursuant to continuing appropriation authority; justification of continuing the authority; and related expenditures, revenues, and fund balances for the current biennium and projected for the next biennium as part of the budget presentation to the Legislative Assembly.

Proposed Action Plan

The following is a proposed action plan the committee may want to consider in fulfilling its duties to study state agency institution continuing appropriations, the statutory authorization for the continuing appropriations, and the agency's or institution's justification for the continuing appropriation authority:

1. Request selected state agencies and institutions to provide information on statutory authority for continuing appropriation authority within the agency or institution; justification for continuing the authority; and related expenditures, revenues, and fund balance for the audit period and projected for following years.
2. Receive information from any interested organizations, entities, and individuals regarding the study of continuing appropriation authority.
3. Review the continuing appropriations summary report prepared by the Office of Management and Budget for the

Appropriations Committees of the 2005
Legislative Assembly.

4. Develop recommendations and related bill
drafts.

5. Prepare the final report for submission to the
Legislative Council.

ATTACH:5