

NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE

Thursday, October 2, 2014
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative Gary Kreidt, Chairman, called the meeting to order at 10:00 a.m.

Members present: Representatives Gary Kreidt, Wesley R. Belter, Jeff Delzer, Ron Guggisberg, Patrick Hatlestad, Jerry Kelsh, Scot Kelsh, Keith Kempenich, Andrew G. Maragos, Bob Martinson, Corey Mock, Chet Pollert, Dan Ruby, Jim Schmidt, Robert J. Skarphol, Wayne Trottier; Senators Ralph Kilzer, David O'Connell

Members absent: Senators Judy Lee, Terry M. Wanzek

Others present: See [Appendix A](#)

It was moved by Senator O'Connell, seconded by Representative Maragos, and carried on a voice vote that the minutes of the July 16, 2014, meeting be approved as distributed.

GAME AND FISH DEPARTMENT STATUS UPDATE

Mr. Terry Steinwand, Director, Game and Fish Department, provided an update on the status of implementation of the performance audit recommendations and the department's timeline for implementing the changes. He said of the 18 volunteer hunter safety education guns that were unaccounted for and used in the program, six have been identified since the July 16, 2014, meeting. He said the 12 guns that remain unaccounted for will be reported to the National Crime Information Center (NCIC) as lost. He said the department's game wardens have collected all the remaining guns on the inventory list that are used for the program. He said the department has created a signout sheet that will be used to disburse guns for the program. He said the department is considering replacing the functional guns with nonfunctional guns to use as classroom aides.

Mr. Steinwand said background checks were provided on over 900 aquatic and hunters safety education volunteers including criminal history and Game and Fish Department violations. He said a list of the department's volunteers was compared to the Attorney General's sex offender registry and the comparison provided no matches. He said the review identified no criminal violations. He said one infraction of a loaded firearm in a vehicle was identified and one volunteer had multiple driving under the influence (DUI) infractions.

Mr. Steinwand said the department completed a review of all reimbursable vouchers submitted by employees relating to in-state and out-of-state travel. He said the department will pursue recovery of all payments provided to employees for nonqualified employee reimbursable expenditures.

Mr. Steinwand said the department recovered \$960 incorrectly paid to an individual who was not the correct owner of a parcel of land included in the private land open to sportsmen (PLOTS) program.

Mr. Steinwand said the department implemented a sponsorship application and reporting form to help ensure public funds for sponsorships and similar payments are provided only for appropriate grant programs.

In response to a question from Representative Kempenich, Mr. Steinwand said the department has suspended its policy providing uniforms to employees after the State Auditor's office determined certain clothing items provided by the department did not constitute a uniform. He said the suspension does not include its law enforcement-related employees. He said the department will continue to provide full uniform components to its law enforcement-related employees.

**TOBACCO PREVENTION AND CONTROL EXECUTIVE COMMITTEE -
MEASURE NO. 3 FUNDING COMPLIANCE REPORT**

Mr. Ron Tolstad, Audit Manager, State Auditor's office, presented information ([Appendix B](#)) on the Tobacco Prevention and Control Executive Committee's compliance with spending at levels required by provisions of 2008 Initiated Measure No. 3. He said the Centers for Disease Control and Prevention's recommended level of

investment adjusted for population changes and inflation totaled \$22.8 million for fiscal years 2013 and 2012. He said the comprehensive plan spending for the Tobacco Prevention and Control Executive Committee and the Department of Health's tobacco prevention totaled \$17.2 million for fiscal years 2013 and 2012. He said the Centers for Disease Control and Prevention's recommended level of investment is \$9.8 million for fiscal year 2014.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Ms. Rachel Kmetz, Accounting Manager, Office of Management and Budget, presented information ([Appendix C](#)) on the state of North Dakota Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. She reviewed the information contained in the report and a supplemental report entitled *2011-13 Biennium Budget and Actual Detail*. Copies of both reports are on file in the Legislative Council office.

INTERNAL CONTROL AND COMPLIANCE REPORTS

Mr. John Grettum, Audit Manager, State Auditor's office, presented the internal control and compliance report on the audit of the general purpose financial statements included in the June 30, 2013, annual financial report for the North Dakota University System. He reviewed the auditor's responses to the committee guidelines and said four prior audit recommendations were not implemented.

Mr. Grettum said the prior audit recommendations not implemented relate to:

- Internal control and training.
- Internal auditor training and peer review.
- Williston State College accounting procedure classification, coding, and reconciling issues.
- North Dakota State College of Science improper classification of net position.

Mr. Grettum said the report identifies five current audit recommendations relating to:

- Governance and internal controls of foundation audits at Dakota College at Bottineau, Dickinson State University, and the University of North Dakota.
- Online journal entry approvals and timely entries at Core Technology Services.
- Legislative approval for local fund projects at Minot State University and the University of North Dakota.
- Inadequate bank and investment reconciliation procedures at Core Technology Services and Valley City State University.
- Elimination of intrasystem transactions at North Dakota University System Online.

Representative Skarphol suggested the committee receive information from the University System regarding the name of the high-risk computer system which was recently involved in a security breach.

In response to a question from Representative Skarphol, Mr. Grettum said the opinion by the Attorney General's office on open records may allow the State Auditor's office to audit component units including university foundations. Chairman Kreidt asked the State Auditor's office to provide the committee with any information available regarding Attorney General opinions that would allow the State Auditor's office to audit university foundations.

Ms. Robin Putnam, Director of Financial Reporting, North Dakota University System, commented on the audit of the general purpose financial statements included in the June 30, 2013, annual financial report for the University System. She said in 2011, the University System hired an external certified public accountant to do a high-level risk assessment on the University System's internal controls. She said the University System has created and anticipates hiring an individual to monitor risk assessment and special projects. She said in 2012, the University System provided an update to its accounting manual. She said the University System has created a mentorship program to partner new controllers with experienced controllers. She said the University System has had challenges as a result of 10 controller positions resigning since 2011. She said 19 new governmental accounting standards have been issued in the past five years, nine of which are applicable to the University System. She said complying with the new governmental accounting standards is often time consuming and complex.

Representative Kempenich asked the University System to provide information on the job qualifications the University System is developing for the new position to monitor risk assessment and special projects.

ODYSSEY CASE MANAGEMENT SYSTEM - INFORMATION SYSTEM AUDITS

Mr. Rob Sipes, Senior Auditor, State Auditor's office, presented information on the information systems audit report for the Odyssey Case Management System of the judicial branch as of March 21, 2014. He said the objective of the audit included to determine if:

- Security is designed to provide access based on a demonstrated need to view, add, change, or delete data.
- Data is consistent, valid, and complete.
- The accounts receivable process is properly managed.

Mr. Sipes said based on the information system audit, the State Auditor's office determined the Odyssey Case Management System's security is designed to provide access based on a demonstrated need to view, add, change, or delete data. He said the system data appears to be consistent, valid, and complete.

Mr. Sipes said the audit contains three recommendations relating to:

- Allowance for uncollectible accounts incorrectly calculated.
- Unauthorized writeoffs.
- Lack of reconciliation procedures.

Mr. Sipes said with the exception of the audit recommendations, the accounts receivable process is properly managed.

Senator Kilzer suggested the State Auditor's office provide the committee with the total number of writeoffs and how long the allowance for uncollectible accounts have been incorrectly calculated. Chairman Kreidt asked the State Auditor's office to provide this information to the committee.

CONNECTND HUMAN CAPITAL MANAGEMENT - INFORMATION SYSTEM AUDITS

Mr. Sipes presented information on the information systems audit report for the ConnectND - Human Capital Management Services as of June 30, 2014. He said the objective of the audit included to determine if:

- The pay classification system is enforced and managed by ConnectND Human Capital Management.
- Payroll withholdings and deductions are handled timely and accurately.
- Leave balances are maintained correctly by the system.
- Security roles are designed to provide access based on a demonstrated need to view, add, change, or delete data.

Mr. Sipes said based on the information system audit, the State Auditor's office determined the ConnectND Human Capital Management pay classification system is properly enforced and managed. He said the payroll withholdings and deductions are handled timely and accurately. He said the leave balances are properly maintained by the system. He said the audit contains one recommendation relating to:

- Individual given unnecessary access.

Mr. Sipes said with the exception of the audit recommendation, security is designed to provide access based on a demonstrated need to view, add, change, or delete data.

AUDITS OF STATE AGENCIES, BOARDS, AND COMMISSIONS

Mr. John Mongeon, Brady, Martz & Associates, PC, Certified Public Accountants, Bismarck, presented the audit report for the State Electrical Board for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report contains three recommendations.

Mr. Mongeon said the three recommendations relate to:

- Establish an internal control policy to document the annual review of the financial statements and schedules and to review a financial statement disclosure checklist.
- Periodic review of separation duties between authorization, custody, recordkeeping, and reconciliation.
- Review of current training system to determine proper balance of general ledger accounts.

In response to a question from Representative Skarphol, Mr. James Schmidt, Executive Director, State Electrical Board, said five years ago the board received 50 to 70 applications a year from out-of-state electricians seeking licensure in the state. He said currently the board receives approximately 100 applications each week. He said the board has added electrical inspectors.

In response to a question from Chairman Kreidt, Mr. Schmidt said the board currently has 14 electrical inspectors.

Mr. Mongeon presented the audit report for the State Board of Medical Examiners for the years ended December 31, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report includes three findings.

Mr. Mongeon said the three findings relate to:

- Document annual review of the financial statements and schedules and review financial statement disclosure checklist.
- Periodic review of separation duties between authorization, custody, recordkeeping, and reconciliation.
- Review of current training system to determine proper balance of general ledger accounts.

Mr. Jason Schuh, Certified Public Accountant, presented the audit report for the State Board of Cosmetology for the year ended June 30, 2013. He reviewed the auditor's responses to the committee guidelines and said the report includes two findings relating to segregation of duties and financial statement preparation.

In response to a question from Senator O'Connell, Mr. Schuh said inspectors and board members had travel expenditures of \$34,321 for the year ended June 30, 2013.

Ms. Sue Meier, Board Administrator, State Board of Cosmetology, provided comments ([Appendix D](#)) regarding the audit report for the State Board of Cosmetology for the year ended June 30, 2013. She said the board has hired a bookkeeping service to provide training and assist with the financial statements. She said the board has implemented an online renewal process.

Senator O'Connell expressed concerns he received from constituents regarding a lack of communication from the board when handling complaints.

In response to a question from Senator O'Connell, Ms. Meier said the State Board of Cosmetology does not have a continuing education program.

In response to a question from Representative Kreidt, Ms. Meier said the board has seven inspectors.

Mr. Schuh presented the audit report for the North Dakota Firefighter's Association for the years ended December 31, 2012 and 2011. He reviewed the auditor's responses to the committee guidelines and said the report includes two findings relating to segregation of duties and financial statement preparation.

NORTH DAKOTA STOCKMEN'S ASSOCIATION COMMENTS

Ms. Julie Ellingson, Executive Vice President, North Dakota Stockmen's Association, provided information ([Appendix E](#)) on the association's audit report for the fiscal years ended December 31, 2013 and 2012. She said the state's brand inspection program requires producers to have inspections done for ownership purposes when they cross state lines or move through marketing channels. She said the cost of inspection is one dollar per head. She said estrays are branded or unbranded cattle, horses, or mules whose ownership has not been determined. She said examples of stray funds include proceeds from the sale of an animal as a result of a producer presenting an animal for sale and unable to prove ownership or an animal found with no brand or identifying mark to prove ownership. She said the Stockmen's Association manages the state's stray fund and safeguards the money for rightful owners who can demonstrate proof of ownership. She said stray funds that go unclaimed for more than six years are used to offset the cost of inspectors and the cost of the inspectors supplies for the brand program. She said the funds cannot be used for policy work, educational efforts, environmental services efforts, or membership or youth programs.

The committee recessed for lunch at 12:15 p.m. and reconvened at 1:15 p.m.

AUDITS OF STATE AGENCIES, BOARDS, AND COMMISSIONS

Mr. Tolstad said the State Auditor's office is exploring options to include in its audits more than just financial statement issues. He said the department's audits of the State Department of Health and Industrial Commission include an audit of the agencies' regulatory functions. He said the State Auditor's office has researched benchmarking best practices for regulatory programs.

Mr. Tolstad presented the audit report for the State Department of Health for the years ended June 30, 2013 and 2012. Mr. Tolstad reviewed the auditor's responses to the committee guidelines and said the report includes 11 internal control findings.

Mr. Tolstad said the 11 internal control findings relate to:

- Lack of annual performance evaluations.
- Inadequate food establishment inspection process.
- Inadequate food establishment complaint handling process.
- Inadequate food inspector guidance.
- Insufficient database management system for food inspections.
- Inadequate enforcement process for food inspection violations.
- Inadequate licensing process for food establishments.
- Insufficient staffing levels to properly operate a food inspection program.
- Inadequate memorandums of understanding and monitoring of food inspections performed by local health units.
- Concern with underground storage tank operator training and registration procedures.
- Concern with underground storage tank inspection process.

Representative Delzer suggested the State Auditor's office provide the committee with the auditing best practices guide supporting the office's decision to include more than just financial issues in its audits. Chairman Kreydt asked the State Auditor's office to provide this information to the committee.

In response to a question from Representative Skarphol, Mr. Tolstad said findings of inspections are made available to the public on a case-by-case issue.

In response to a question from Representative Hatlestad, Mr. Kenan Bullinger, Director, Division of Food and Lodging, State Department of Health, said the department does not use a process of assigning a letter grade to rate the quality during an inspection. He said the department anticipates the new information management system will allow the department to provide the results of all inspections online and include any critical violations.

In response to a question from Representative Pollert, Mr. Scott Radig, Waste Management Division, State Department of Health, said fines collected by the department have increased from \$206,106 for the fiscal year 2012 to \$2,126,755 for the fiscal year 2013 as a result of environmental cases in the oilfields with multi-company class action type enforcement cases and several instances of septic dumping.

Mr. Ed Nagel, Director, State Auditor's office, presented the audit report for the Department of Transportation for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes one internal control finding relating to improper reconciliation of the motor vehicle clearing account. He said the report includes one prior recommendation not implemented relating to inadequate procedures surrounding revenue collections.

Mr. Nagel presented the audit report for the Department of Commerce for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes one internal control finding relating to improper collection of social security numbers.

Mr. Nagel presented the audit report for the North Dakota Council on the Arts for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Nagel presented the audit report for the North Dakota Racing Commission for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes one internal control finding relating to breeders' fund registry cost savings.

Mr. Nagel presented the audit report for the Industrial Commission for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes one internal control finding relating to lack of fixed asset inventory.

Mr. Lynn D. Helms, Director, Department of Mineral Resources, provided information ([Appendix F](#)) on the audit report for the Industrial Commission for the years ended June 30, 2013 and 2012. He provided comments on the following informal audit recommendations of the Industrial Commission:

- Reconcile the total revenue received from the federal government to the total revenue recorded in the state's accounting system.
- Reconcile permits issued in the risk-based data management system to permit revenue recorded in the state's accounting system.
- Code expenditures to the proper appropriation class.
- Update policy for recruitment and retention bonuses to properly reflect the positions that receive the bonuses.
- Follow the Office of Management and Budget (OMB) policies for honorariums and taxable meals.
- Perform a fraud risk assessment at least every biennium in accordance with OMB policy.
- Review and approve the prior meeting's minutes.
- The Division of Oil and Gas to:

Ensure field inspections of well sites are completed timely and within the timeframe goals established by the agency.

Document supervisory review of field inspection results to ensure documentation is adequate, conclusions are appropriate, and any violations are followed up on in a timely manner.

Document management analysis of violations found to determine if any changes to operations at the agency, North Dakota Century Code, or North Dakota Administrative Code need to be made or proposed.

Provide an independent review and approval of all permits issued.

He said compliance with the informal recommendations provided in the audit report would require the commission to add an additional 22 full-time equivalent (FTE) positions. He said the commission was one of the agencies that received a regulatory audit in addition to the financial audit.

Mr. Tolstad presented the audit report for the Tax Commissioner's office for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes two internal control findings relating to lack of background checks for temporary employees and adjustments of assessed taxes.

In response to a question from Representative Delzer, Mr. Joe Morrissette, Deputy Tax Commissioner, said many temporary employees employed by the Tax Department during tax season return each year. He said the department does not utilize a temporary service agency but directly hires its temporary employees for the tax season.

Mr. Nagel presented the audit report for the Insurance Commissioner's office for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes two internal control findings relating to lack of monitoring of service organization internal control activities and noncompliance with petroleum release compensation fund appropriation laws.

Mr. Nagel presented the audit report for the Department of Labor and Human Rights for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Nagel presented the audit report for the North Dakota Aeronautics Commission for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes two internal control findings relating to lack of segregation of duties surrounding revenue collections and noncompliance with state procurement guidelines.

Mr. Nagel presented the audit report for the State Water Commission for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Nagel presented the audit report for the Department of Agriculture for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes one internal control finding relating to failure to comply with Section 19-20.2-07 for timeliness of anhydrous ammonia inspections.

In response to a question from Representative Pollert, Mr. Eric Delzer, Fertilizer Specialist, Department of Agriculture, said the department had to reconcile the anhydrous ammonia program when it was transferred from the Insurance Department to the Department of Agriculture. He said there were issues with reconciling and syncing the two agency's independent databases.

Mr. Nagel presented the audit report for the Department of Corrections and Rehabilitation for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes one internal control finding relating to lack of controls over pharmacy inventory. He said the report includes one prior recommendation not implemented relating to lack of controls over pharmacy inventory.

Mr. Nagel presented the audit report for the State Treasurer's office for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Grettum presented the audit report for Bismarck State College for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes three internal control findings relating to noncash credit adjustments controls, tuition waivers controls, and student residency determination controls. He said there is one significant accounting policy change relating to reporting the receipt and disbursement of student financial aid on the statement of cashflows as direct lending receipts and direct lending disbursements. He said prior to June 30, 2011, the amounts were not included on the statement of cashflows.

Mr. Grettum presented the audit report for Dakota College at Bottineau for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes five internal control findings.

Mr. Grettum said the five internal control findings relate to:

- Inadequate controls for credit adjustments to student accounts.
- Inadequate controls for waiver adjustments to student accounts.
- Inadequate controls for student residency determinations.
- Inadequate controls surrounding student enrollment reporting.
- Inaccurate Integrated Postsecondary Education Data System (IPEDS) report.

In response to a question from Representative Skarphol, Mr. Grettum said he was not aware of any federal guidelines that states must follow when developing a policy on residency. Ms. Lindsey Ressler, State Auditor's office, said the State Auditor's office audit procedure included determining whether Dakota College at Bottineau was following state laws when determining its residency policy.

Mr. Grettum presented the audit report for Lake Region State College for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report does not include any findings or recommendations.

Mr. Grettum presented the audit report for the University of North Dakota for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes three internal control findings.

Mr. Grettum said the three internal control findings relate to:

- Inadequate controls surrounding student residency determinations.
- Inadequate controls surrounding student enrollment reporting.
- Inadequate controls for credit adjustments to student accounts.

Mr. Grettum presented the audit report for North Dakota State University for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes two internal control findings relating to inadequate controls for credit adjustments to student accounts and inadequate controls for student residency determination.

In response to a question from Representative Delzer, Gary Wawers, Controller, North Dakota State University, said a portion of the Appareo Building was leased by North Dakota State University. He said he would provide the committee with information on the percentage of the building being leased.

Mr. Grettum presented the audit report for Minot State University for the years ended June 30, 2013 and 2012. He reviewed the auditor's responses to the committee guidelines and said the report includes two internal control findings relating to inadequate controls for waiver adjustments to student accounts and inadequate controls surrounding student enrollment reporting. He said the report includes one prior recommendation not implemented relating to controls surrounding tuition waivers.

Representative Kempenich asked the Legislative Council staff to provide information on the University System's tuition waiver report.

Ms. Yvonne M. Kubis, Certified Public Accountant, presented the audit report for the North Dakota Board of Social Work Examiners for the years ended June 30, 2013 and 2012. She reviewed the auditor's responses to the committee guidelines and said the report includes one finding relating to segregation of duties.

Ms. Kubis presented the audit report for the Board of Addiction Counseling Examiners for the years ended June 30, 2013 and 2012. She reviewed the auditor's responses to the committee guidelines and said the report includes one finding relating to segregation of duties.

DEPARTMENT OF TRUST LANDS' PERFORMANCE AUDIT

Representative Skarphol presented information to the committee regarding the State Auditor conducting a performance audit of the Department of Trust Lands' operations and financial-related activities. Representative Skarphol said the department has never had a performance audit.

It was moved by Representative Skarphol, seconded by Senator Ruby, and carried on a roll call vote that pursuant to Section 54-10-01 the State Auditor conduct a performance audit of the Department of Trust Lands' operations and financial-related activities, including:

- **Minerals management, including the administration of the state's mineral interests and lease auctions;**
- **Surface management, including grazing and agricultural leases, rights of way, and site reclamation;**
- **Unclaimed property, including claims payments;**
- **Investments, including management of assets in trust funds and distributions from trust funds;**
- **Revenue compliance, including mineral royalty collections, mineral-related payments, surface rents, and nonproducing leases; and**
- **Energy Infrastructure and Impact Office grants, including the distribution of funds and compliance with legislative intent.**

Representatives Kreidt, Belter, Delzer, Guggisberg, Hatlestad, J. Kelsh, Kempenich, Martinson, Mock, Pollert, Ruby, Schmidt, Skarphol, and Trottier and Senators Kilzer and O'Connell voted "aye." No negative votes were cast.

COMMITTEE DISCUSSION OF PROVIDING COMMITTEE AUDIT REPORTS - ELECTRONIC VIEWING

The committee discussed whether the State Auditor's office may provide the committee with audit reports in an electronic viewing format rather than on paper.

Representative Kempenich suggested the State Auditor's office provide audit reports for agencies with no findings or recommendations to the committee using an electronic format.

Chairman Kreidt said he would work with the Legislative Council staff and the State Auditor's office to determine which agency reports will be provided using an electronic viewing format for future meetings.

COMMITTEE DISCUSSION AND STAFF DIRECTIVES

Representative Skarphol suggested the Legislative Council staff provide information on proposed Initiated Measure No. 5 on the November 2014 general election ballot relating to whether grant funds may be repurposed if the grantee would receive funds to purchase land, later sell the land and using the proceeds for another purpose without restrictions.

Senator O'Connell suggested the Legislative Council staff provide information on fund balances of state boards and commissions.

It was moved by Representative Pollert, seconded by Representative Kempenich, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report of the committee and to present the report to the Legislative Management.

It was moved by Representative Skarphol, seconded by Senator O'Connell, and carried on a roll call vote that pursuant to Section 54-35-02.2 the committee accept the following reports presented to the committee:

- 1. North Dakota Comprehensive Annual Financial Report for fiscal year ended June 30, 2013.**
- 2. Odyssey Case Management System.**
- 3. ConnectND - Human Resource Management Services.**
- 4. State Electrical Board (June 30, 2013 and 2012).**
- 5. State Board of Medical Examiners (December 31, 2012 and 2011).**
- 6. North Dakota Board of Social Work Examiners (June 30, 2013 and 2012).**
- 7. Board of Addiction Counseling Examiners (June 30, 2013 and 2012).**
- 8. State Board of Cosmetology (June 30, 2013).**
- 9. North Dakota Firefighter's Association (December 31, 2012 and 2011).**
- 10. State Department of Health (June 30, 2013 and 2012).**
- 11. Department of Transportation (June 30, 2013 and 2012).**
- 12. Department of Commerce (June 30, 2013 and 2012).**
- 13. North Dakota Council on the Arts (June 30, 2013 and 2012).**
- 14. North Dakota Racing Commission (June 30, 2013 and 2012).**
- 15. Industrial Commission (June 30, 2013 and 2012).**
- 16. Tax Commissioner's office (June 30, 2013 and 2012).**
- 17. Insurance Commissioner (June 30, 2013 and 2012).**
- 18. Department of Labor and Human Rights (June 30, 2013 and 2012).**
- 19. North Dakota Aeronautics Commission (June 30, 2013 and 2012).**
- 20. State Water Commission (June 30, 2013 and 2012).**
- 21. Department of Agriculture (June 30, 2013 and 2012).**
- 22. Department of Corrections and Rehabilitation (June 30, 2013 and 2012).**

23. State Treasurer's office (June 30, 2013 and 2012).
24. Bismarck State College (June 30, 2013 and 2012).
25. Dakota College at Bottineau (June 30, 2013 and 2012).
26. Lake Region State College (June 30, 2013 and 2012).
27. University of North Dakota (June 30, 2013 and 2012).
28. North Dakota State University (June 30, 2013 and 2012).
29. Minot State University (June 30, 2013 and 2012).

Representatives Kreidt, Belter, Delzer, Guggisberg, Hatlestad, J. Kelsh, Kempenich, Martinson, Mock, Pollert, Ruby, Schmidt, Skarphol, and Trottier and Senators Kilzer and O'Connell voted "aye." No negative votes were cast.

No further business appearing, Chairman Kreidt adjourned the meeting at 3:45 p.m.

Michael C. Johnson
Fiscal Analyst

Allen H. Knudson
Legislative Budget Analyst and Auditor

ATTACH:6