

# NORTH DAKOTA LEGISLATIVE MANAGEMENT

Minutes of the

## LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE

Tuesday, March 12, 2013  
Roughrider Room, State Capitol  
Bismarck, North Dakota

Representative Dan Ruby, Chairman, called the meeting to order at 4:00 p.m.

**Members present:** Representatives Dan Ruby, Dick Anderson, Patrick Hatlestad, Keith Kempenich, Gary Kreidt, Andrew G. Maragos, Corey Mock, David Monson, Chet Pollert, Robert J. Skarphol; Senators Joan Heckaman, Jerry Klein, Judy Lee, Terry M. Wanzek

**Member absent:** Representative Tracy Boe

**Others present:** See [Appendix A](#)

**It was moved by Representative Kempenich, seconded by Representative Kreidt, and carried on a voice vote that the minutes of the January 24, 2013, meeting be approved as distributed.**

### NORTH DAKOTA UNIVERSITY SYSTEM OFFICE PERFORMANCE AUDIT

Mr. Gordy Smith, Audit Manager, State Auditor's office, presented the performance audit report on the North Dakota University System office. He said the objective of the audit was to determine if the University System office is adequately staffed to perform its functions.

Mr. Smith said the performance audit contains 15 recommendations ([Appendix B](#)). He said, based on the performance audit, the State Auditor's office determined that the University System office does not appear to be adequately staffed. However, he said, resources within the entire University System may be available to adequately staff the office. He said the performance audit identified significant improvements that are needed relating to resources, monitoring, and planning and becoming a unified system.

In response to a question from Representative Maragos, Mr. Smith said internal auditors should be employees of the University System and report to an independent State Board of Higher Education audit committee rather than employees of campuses.

Chairman Ruby called on Dr. Hamid Shirvani, Chancellor, North Dakota University System, to comment on the performance audit. Dr. Shirvani said the lack of a unified University System is due to inconsistent policies and procedures. He said a unified system should be based on a clear set of policies that all campuses follow and adequate oversight to ensure the policies are being followed.

### COMMITTEE DISCUSSION AND STAFF DIRECTIVES

**It was moved by Representative Skarphol, seconded by Senator Wanzek, and carried on a roll call vote that pursuant to North Dakota Century Code Section 54-35-02.2, the committee accept the performance audit report of the North Dakota University System office.** Representatives Ruby, Anderson, Hatlestad, Kempenich, Kreidt, Mock, Monson, Pollert, and Skarphol and Senators Heckaman, Klein, Lee, and Wanzek voted "aye." Representative Maragos voted "nay."

Representative Skarphol suggested the State Auditor's office conduct the followup audit of the University System office within 18 months so the results are available prior to the legislative session in 2015.

No further business appearing, Chairman Ruby adjourned the meeting at 5:30 p.m.

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Becky Keller  
Senior Fiscal Analyst

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Allen H. Knudson  
Legislative Budget Analyst and Auditor

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