



# NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

## University of North Dakota

Audit Report for the Two-Year Period Ended June 30, 2020

Client Code 230





## WHAT WE LOOKED AT AND WHY

North Dakota state law requires our team to identify any errors, internal control weaknesses, or potential violations of law in high-risk or significant functions of the agency. We also reviewed endowment fund management to check if the University of North Dakota was properly accumulating and disbursing the endowment funds, and was spending them in accordance with the related endowment agreement.

## WHAT WE FOUND

### Lack of Departmental Fixed Asset Inventory



In both fiscal years 2020 and 2019, annual department inventories for fixed assets were not conducted for three out of eight departments.

*Read more on page 5*

### Lack of Official Personnel File for Faculty



The University of North Dakota did not have the required information in a centrally located official personnel file for five out of the 31 faculty.

*Read more on page 6*

### Improper Construction Management at-Risk Selection Process



The University of North Dakota did not properly follow the Construction Management At-Risk selection process.

*Read more on page 7*

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# HAVE QUESTIONS? ASK US.

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# Introduction



August 4, 2021

We are pleased to submit this audit of the University of North Dakota for the two-year period ended June 30, 2020. This audit resulted from the statutory responsibility of the State Auditor to audit or review each state agency once every two years. The same statute gives the State Auditor the responsibility to determine the contents of these audits.

The primary consideration in determining the contents of these audits is to produce informative audits to improve government. Statutory audit requirements are an important part of these audits and are addressed by our standard audit objective. Whenever possible, additional audit objectives are included to increase responsiveness and effectiveness of state government.

Robyn Hoffmann, CPA, was the audit manager. Inquiries or comments relating to this audit may be directed to the audit manager by calling (701) 239-7291. We wish to express our appreciation to the University of North Dakota staff for the courtesy, cooperation, and assistance they provided to us during this audit.

Respectfully submitted,

/S/

**JOSHUA C. GALLION**  
**NORTH DAKOTA STATE AUDITOR**

## TERMS USED IN REPORT

**Appropriation:** An amount authorized by the North Dakota Legislative Assembly to be spent for a specific purpose.

**Blanket Bond Coverage:** Insurance to state agencies for any default or wrongful act on the part of any public employee or public official.

**ConnectND:** The accounting system for North Dakota.

**Construction Management At-Risk (CMAR):** A construction manager who provides advice to the university during the planning and design phase of a public improvement and negotiates a contract with the university for the general construction bid package of the public improvement.

**Endowment:** Funds that have been given to the university by a donor with a specific purpose to support the university.

**Faculty:** The academic staff of a university.

**Internal Control:** Policies and procedures that ensure reliable financial reporting, safeguard assets, promote accountability and efficiency, and prevent fraud.

**Noncompliance:** Failure to act in accordance with a wish or command.

**North Dakota Century Code (N.D.C.C.):** Collection of all the statutes passed by the North Dakota Legislative Assembly.

**Performance Audit:** Engagements that provide objective analysis, findings, and conclusions to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making, and contribute to public accountability.

**Session Laws:** Published after each regular and special legislative session and contain the laws enacted during that session.



# Audit Results

## Endowment Fund Investment Management

### OBJECTIVES

- Is the investing vs. distribution of the University of North Dakota endowment funds at an allocation level that maximizes endowment benefits?
- Was the spending of endowment funds in compliance with applicable laws, regulations, and the related endowment agreement?

### CONCLUSION

The University of North Dakota is adequately accumulating and disbursing endowment funds as well as spending the endowment funds in accordance with the applicable laws, regulations, and the related endowment agreement.



## OBJECTIVE

Are there any errors, internal control weaknesses, or potential violations of law for significant and high-risk functions of the agency?

## RECOMMENDATION

We recommend the University of North Dakota ensure that fixed asset inventory is done on an annual basis to be in compliance with N.D.C.C. 44-04-07 and to help safeguard fixed assets.

FINDING  
2020-01

## Lack of Departmental Fixed Asset Inventory

### CONCLUSION

In both fiscal years 2020 and 2019, annual department inventories for fixed assets were not conducted for three out of the eight departments. These departments were athletics, physics and astrophysics, and the television center. Without annual inventory, there is an increased risk of equipment not being properly accounted for and tracked.

The Finance Office staff at the University of North Dakota did send reminders to the three departments that did not complete their inventory.

### BACKGROUND

State law (N.D.C.C. 44-04-07) mandates that the person in charge of any institution must maintain a complete and current inventory record of all property. Each year there should be a complete inventory of all property.

### UNIVERSITY OF NORTH DAKOTA RESPONSE

Agree, central finance notifies the Campus Department Inventory Coordinator of the annual inventory requirement by email in the fall of every year. The email includes a memo with step-by-step instructions. In addition:

- A separate email is sent to department heads notifying them of the inventory requirement.
- Reminder(s) are sent to Campus Department Inventory Coordinators and department heads who have not completed inventory by the deadline.
- A final notice is sent to the department head who has not completed the annual requirement.

The VP for Finance and Operations will be inserted earlier in the review process. The departmental head and their respective VP's will be notified of any department that is not compliant as soon as the internal deadline has passed. VP's will be responsible for ensuring their departments complete the inventory expeditiously.



In both fiscal years 2020 and 2019, annual department inventories for fixed assets were **not conducted** for **three** out of eight departments.



## Lack of Official Personnel File for Faculty

### CONCLUSION

The University of North Dakota did not have the required information in a centrally located official personnel file for five out of 31 faculty. The missing information included evaluations and contracts. This was a prior recommendation from the fiscal year 2018 audit.

The faculty records were stored at various locations depending on who possessed the personnel information.

### BACKGROUND

By not maintaining an official personnel file, the University of North Dakota is not properly following state law and their faculty handbook. In addition, without keeping all personnel records in an official personnel file, the University of North Dakota has an increased risk of misplacing information or not being able to locate all personnel information when needed.



By not maintaining an official **personnel file**, the University of North Dakota is not properly following state law and their faculty handbook.

State law (N.D.C.C. 54-06-21) states the official personnel file on each employee is the file maintained under the supervision of the agency head or the agency head's designated representative.

The University of North Dakota's faculty handbook, section II, chapter III, states that faculty personnel files are the property of the institution, which shares the responsibility for the proper maintenance, accuracy, and appropriateness of materials in the file with the individual faculty member.

There is but one officially designated academic personnel action file for each faculty member. It also states in part that the academic personnel action file is established electronically using a document imaging system and shall be maintained by the office of the dean of each academic division, and may be entrusted to an officially designated custodian.

### RECOMMENDATION

We recommend that the University of North Dakota maintain a centrally located, official personnel file to ensure compliance with N.D.C.C. and the University of North Dakota's faculty handbook.

### UNIVERSITY OF NORTH DAKOTA RESPONSE

Agree; the Office of the Provost continues to work with each College and their department personnel to ensure that faculty personnel files are properly maintained in Perceptive Content. On April 16, 2021, the Academic Affairs Coordinator in the Office of the Provost completed an annual faculty evaluation internal audit for AY 2019-2020. The Office of the Provost will continue to complete this internal audit annually and will include a provision to check for contracts in addition to annual evaluations.

The Office of the Provost will follow up directly with the Departments of the five faculty that did not have the required documentation scanned into Perceptive Content (UND's document imaging and storage solution) and ensure that the documents are scanned, and the policy is followed going forward. Although the required documentation was not scanned into Perceptive Content, the documents were readily available when requested from the respective college/department. Difficulties related to the COVID pandemic and staff turnover may have contributed to the delay in scanning the required documentation into Perceptive.

The Office of the Provost will continue to emphasize NDCC, SBHE and UND policy regarding the maintenance of faculty personnel files to deans and department heads.



## Improper Construction Management At-Risk Selection Process

### CONCLUSION

The University of North Dakota did not properly follow the Construction Management At-Risk (CMAR) selection process. We tested four public improvement projects and found the following issues:

- The Chester Fritz Library and College of Business projects were not publicly advertised.
- The Memorial Union and College of Business projects had an improperly composed selection committee.
- The Memorial Union, Chester Fritz Library and College of Business projects did not have the content of the request for qualifications properly established.
- The Memorial Union project had evaluation criteria incorrectly weighted at 25%.



The Memorial Union and College of Business projects had an **improperly composed** selection committee.

### BACKGROUND

A template was utilized to procure the CMAR however, the template was missing required information. Also, there was a misinterpretation as to what qualifies as public advertising.

By not following the N.D.C.C. surrounding the CMAR selection process, the guaranteed maximum price contract may have been awarded incorrectly.

North Dakota state law states the following:

N.D.C.C. 48-01.2-04, states in part, the governing body shall advertise by publishing for three consecutive weeks.

N.D.C.C. 48-01.2-20, section 1, states in part, the governing body shall create a selection committee composed of: an administrative individual from the governing body, a registered architect, a registered engineer, and a licensed contractor.

N.D.C.C. 48-01.2-20, section 3, states in part, the selection committee shall establish the content of the request for qualifications, which must include the list of members of the selection committee, the qualifications evaluation criteria and the relative weighting of each, and the number of persons to be included in the final list.

N.D.C.C. 48-01.2-20, section 6, states in part, evaluation criteria cannot be weighted at more than 20% and no less than 5%.

### RECOMMENDATION

We recommend that the University of North Dakota review the Construction Management At-Risk selection process to ensure compliance with the N.D.C.C.

### UNIVERSITY OF NORTH DAKOTA RESPONSE

Agree, Procurement Services and Facilities Management will implement the following processes in FY22 are as follows:

- In addition to directly sending the solicitation to over 16 vendors, UND will now post solicitations in the local newspapers and the Builders Exchange.
- UND will use an outside ND licensed engineer until UND's NE licensed engineer obtains his ND license; this will ensure evaluators are licensed in the state of ND for contractor and engineer evaluation requirements.
- In addition to noting the N.D.C.C. pertaining to CMaR solicitation, UND will now include the evaluation sheet with the CMaR solicitation.
- Capping evaluation worksheet criteria not to allow percentages higher than 20%.
- Revising the CMaR template to include committee member names. UND considers this change to increase the risk of collusion between vendors. UND will address this N.D.C.C. with N.D.U.S.



# Audit Procedures

## ENDOWMENT FUND

### SCOPE

This audit of the University of North Dakota in regard to the endowment objectives is for the two-year period ended June 30, 2020.

The University's endowment operations are solely located at its main campus in Grand Forks, North Dakota which was included in the audit scope.

### METHODOLOGY

To meet this objective, we:

- Interviewed appropriate agency personnel.
- Reviewed endowment processes and procedures.
- Inspected documentary evidence.
- Reviewed the Investment Management Agreement between the University of North Dakota and the University of North Dakota Foundation.
- Reviewed the pooled investment reconciliation compared to the endowment fund listing to determine completeness of endowment funds.
- Selected a random sample of endowment funds to ensure the distribution from the endowment was proper and in compliance with N.D.C.C. 59-21, North Dakota State Board of Higher Education Policy 810 and the Investment Management Agreement between the University of North Dakota and the University of North Dakota Foundation.
- Tested a judgmental sample of endowment expenses to verify compliance with the donor's intent expressed in the endowment agreement (N.D.C.C. 15-10-12).

- Tested investment management fees charged to verify the fees were in accordance with the Investment Management Agreement between the University of North Dakota and the University of North Dakota Foundation as well as N.D.C.C. 59-21-02.

PRIMARY OBJECTIVE

INTERNAL CONTROL

As required by auditing standards, we planned our audit work to assess the effectiveness of those internal controls that were significant to our audit objectives. Specifically, our work related to internal control included the following components and underlying principles based on guidance issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

COMPONENT: CONTROL ENVIRONMENT

**Principal:** Management should demonstrate a commitment to recruit, develop, and retain competent individuals.

COMPONENT: CONTROL ACTIVITIES

- Principal:** Management should design control activities to achieve objectives and respond to risks.
- Principal:** Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
- Principal:** Management should implement control activities through policies.

COMPONENT: INFORMATION AND COMMUNICATION

**Principal:** Management should use quality information to achieve the entity's objectives.

The specific internal control testing completed for this audit objective is identified below:

- Verified expenses were properly approved.
- Verified North Dakota State Board Higher Education approval was obtained for renovation/remodel or construction of a new building.

- Verified proper approval of student scholarships and waivers.
- Verified that faculty had valid, current contracts, and renewals.
- Verified supervisory and student evaluations were being performed in accordance with the faculty handbook.
- Verified a complete and central official personnel file record was maintained per the faculty handbook.

There were no deficiencies identified.

SCOPE

This audit of the University of North Dakota is for the two-year period ended June 30, 2020.

The University of North Dakota has operations in the following locations. Each location was included in the audit scope:

- The main campus in Grand Forks, North Dakota.
- The School of Medicine & Health Sciences campus office in Fargo, Bismarck, and Minot, North Dakota.

METHODOLOGY

To meet this objective, we:

- Non-statistical sampling was used and the results were projected to the population. Where applicable, populations were stratified to ensure that an appropriate sample was obtained.
- Interviewed appropriate agency personnel.
- Analyzed financial data in ConnectND to determine areas of risk.
- Inspected documentary evidence.
- Reviewed the University of North Dakota policies and procedures.

- Tested compliance with appropriate laws and regulations (2019 House Bill 1003, Chapter 3, Sections 2, 18, 25, and 26).

- Reviewed adequacy of blanket bond coverage by comparing coverage to state bonding guidelines (N.D.C.C. 26.1-21-08 and N.D.C.C. 26.1-21-10(1)).

- Selected a random sample of vouchers to ensure that expense were made for lawful and official purpose (N.D.C.C. 44-08-05.1).

- Selected a judgmental sample of capital construction projects to ensure compliance with procurement laws and procedures (N.D.C.C. 15-10-12.1, N.D.C.C. 48-01.2, N.D.C.C. 54-44.7 and North Dakota University System procedure 902).

- Selected a random sample of scholarship and waiver expenses to ensure compliance with law (N.D.C.C. 15-10-12, N.D.C.C. 15-10-18, N.D.C.C. 54-12-35, N.D.C.C. 37-07.1).

- Selected a sample of private grant and contract awards to ensure expense were made in line with the specific purpose of the grant/contract award (N.D.C.C. 15-10-12).

- Ensured the proper leases and amount were included in the executive budget (N.D.C.C. 54-44.1-06).

- Verified that an annual inventory of fixed assets took place (N.D.C.C. 44-04-07).

- Ensured the proper amounts and uses of carryover funds was reported to the subsequent appropriation committee (N.D.C.C. 54-44.1-11).

- Tested a random sample of faculty contracts and personnel files for compliance with N.D.C.C. 54-06-21,

State Board of Higher Education policies 605 and 607, and the University of North policies regarding contracts, evaluations, and compensation.

## **AUTHORITY AND STANDARDS**

This biennial audit of the University of North Dakota has been conducted by the Office of the State Auditor pursuant to authority within North Dakota Century Code Chapter 54-10.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The criteria used to evaluate internal control is published in the Committee of Sponsoring Organizations of the Treadway Commission publication Internal Control – Integrated Framework.



# Responses to LAFRC Audit Questions

## **1. WHAT TYPE OF OPINION WAS ISSUED ON THE FINANCIAL STATEMENTS?**

The revenues, expenses and appropriation information for the University of North Dakota was obtained from the Annual Financial Report of the North Dakota University System; however, the related note disclosures are not included in accordance with generally accepted accounting standards, so an opinion is not applicable. An unmodified opinion was issued on the annual financial report of the North Dakota University System.

## **2. WAS THERE COMPLIANCE WITH STATUTES, LAWS, RULES, AND REGULATIONS UNDER WHICH THE AGENCY WAS CREATED AND IS FUNCTIONING?**

Other than the Findings 2020-01, 2020-02, and 2020-03 in this report, the University of North Dakota was in compliance with significant statutes, laws, rules, and regulations under which it was created and is functioning.

## **3. WAS INTERNAL CONTROL ADEQUATE AND FUNCTIONING EFFECTIVELY?**

Yes. We did not identify any deficiencies in internal control that were significant within the context of our audit objectives.

## **4. WERE THERE ANY INDICATIONS OF LACK OF EFFICIENCY IN FINANCIAL OPERATIONS AND MANAGEMENT OF THE AGENCY?**

No.

## **5. HAS ACTION BEEN TAKEN ON FINDINGS AND RECOMMENDATIONS INCLUDED IN PRIOR AUDIT REPORTS?**

Except for Finding 2020-02 in this report, the University of North Dakota has implemented all recommendations in this report.

## **6. WAS A MANAGEMENT LETTER ISSUED? IF SO, PROVIDE A SUMMARY BELOW, INCLUDING ANY RECOMMENDATIONS AND THE MANAGEMENT RESPONSES.**

No, a management letter was not issued.



# LAFRC Audit Communications

## **7. IDENTIFY ANY SIGNIFICANT CHANGES IN ACCOUNTING POLICIES, ANY MANAGEMENT CONFLICTS OF INTEREST, ANY CONTINGENT LIABILITIES, OR ANY SIGNIFICANT UNUSUAL TRANSACTIONS.**

There were no significant changes in accounting policies, management conflicts of interest, contingent liabilities, or significant unusual transactions identified.

## **8. IDENTIFY ANY SIGNIFICANT ACCOUNTING ESTIMATES, THE PROCESS USED BY MANAGEMENT TO FORMULATE THE ACCOUNTING ESTIMATES, AND THE BASIS FOR THE AUDITOR'S CONCLUSIONS REGARDING THE REASONABLENESS OF THOSE ESTIMATES.**

The most significant accounting estimates for the University of North Dakota include the fair value of investments, useful lives of capital assets, allowance for doubtful accounts, scholarship allowance, net pension liability and other post-employment benefits liability. The estimate for the fair value of investments is based on using quoted prices in active markets and discounted cash flow models. Estimated useful lives are used to compute depreciation on capital assets and are based on industry standards and experience. Management's estimate of the allowance is based on aging categories. The estimate for scholarship allowance is based on the difference between the tuition rates and charges and the amount actually paid by students and/or third parties making payments on behalf of students. The net pension liability and other post-employment benefits liability is based on the actuary's calculation based on plan provisions and census date for plan participants. We evaluated the key factors and assumptions used to develop the fair value of investments, estimated useful lives, allowance for doubtful accounts, scholarship allowance, net pension liability and OPEB liability in determining that they are reasonable in relation to the financial statements taken as a whole.

## **9. IDENTIFY ANY SIGNIFICANT AUDIT ADJUSTMENTS.**

Significant audit adjustments were not necessary.

## **10. IDENTIFY ANY DISAGREEMENTS WITH MANAGEMENT, WHETHER OR NOT RESOLVED TO THE AUDITOR'S SATISFACTION RELATING TO A FINANCIAL ACCOUNTING, REPORTING, OR AUDITING MATTER THAT COULD BE SIGNIFICANT TO THE FINANCIAL STATEMENTS.**

None.

## **11. IDENTIFY ANY SERIOUS DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT.**

None.

## **12. IDENTIFY ANY MAJOR ISSUES DISCUSSED WITH MANAGEMENT PRIOR TO RETENTION.**

This is not applicable for audits conducted by the Office of the State Auditor.

*Continued on following page*

**13. IDENTIFY ANY MANAGEMENT CONSULTATIONS WITH OTHER ACCOUNTANTS ABOUT AUDITING AND ACCOUNTING MATTERS.**

None.

**14. IDENTIFY ANY HIGH-RISK INFORMATION TECHNOLOGY SYSTEMS CRITICAL TO OPERATIONS BASED ON THE AUDITOR'S OVERALL ASSESSMENT OF THE IMPORTANCE OF THE SYSTEM TO THE AGENCY AND ITS MISSION, OR WHETHER ANY EXCEPTIONS IDENTIFIED IN THE SIX AUDIT REPORT QUESTIONS TO BE ADDRESSED BY THE AUDITORS ARE DIRECTLY RELATED TO THE OPERATIONS OF AN INFORMATION TECHNOLOGY SYSTEM.**

ConnectND Finance, Human Capital Management (HCM) and Campus Connection are high-risk information technology systems critical to the University of North Dakota.

None of the exceptions identified in the six audit report questions are directly related to these systems.



# Financial Statements

## Revenues and Expenses

REVENUES AND OTHER SOURCES	JUNE 30, 2020	JUNE 30, 2019
Student Tuition and Fees	\$ 153,000,034	\$ 146,542,969
Federal Grants and Contracts	76,975,586	74,424,427
State and Local Grants and Contracts	17,868,658	14,082,548
Nongovernmental Grants and Contracts	21,607,912	24,179,676
Sales and Services of Educational Departments	41,487,841	45,677,787
Auxiliary Enterprises	27,158,978	32,977,291
Other	791,023	642,508
State Appropriations	104,550,867	99,491,747
Gifts	14,082,657	12,470,892
Endowment and Investment Income	4,822,882	4,620,509
Insurance proceeds	281,154	144,653
Gain on Disposal of Capital Assets	-	2,704,122
Tax Revenues	5,465,998	4,690,844
State Appropriations - Capital Assets	6,144,292	2,840,599
Capital Grants and Gifts	6,485,236	1,288,115
<b>Total Revenue and Other Sources</b>	<b>\$ 480,723,118</b>	<b>\$ 466,778,687</b>

Source: North Dakota University System Annual Financial Report

Continued on following page

# Financial Statements

## Revenues and Expenses

EXPENSES AND OTHER USES	JUNE 30, 2020	JUNE 30, 2019
Salaries and Wages	\$ 306,321,627	\$ 298,062,524
Operating Expenses	98,183,950	110,836,243
Data Processing	7,345,788	6,128,592
Depreciation	24,876,568	25,390,035
Scholarships and Fellowships	9,990,112	9,779,746
CARES Act Aid to Students	2,866,762	-
Cost of Sales and Services	10,394,797	7,091,863
Interest on Capital Asset-Related Debt	7,670,048	4,467,729
Loss on Disposal of Capital Assets	3,969,726	-
Other	4,689,644	554,738
<b>Total Expenses and Other Uses</b>	<b>\$ 476,309,022</b>	<b>\$ 462,311,470</b>
<b>Revenue Over Expenses</b>	<b>\$ 4,414,096</b>	<b>\$ 4,467,217</b>

NET POSITION	JUNE 30, 2020	JUNE 30, 2019
Net Position-Beginning of the Year, as restated	\$ 587,426,293	\$ 582,959,069
Net Position-End of the Year	\$ 591,840,389	\$ 587,426,286

Source: North Dakota University System Annual Financial Report

# Appropriations

For the Biennium Ended June 30, 2020

EXPENSES BY LINE ITEM	FINAL APPROPRIATION	EXPENSES	UNEXPENDED APPROPRIATIONS
Operating Expenses	\$ 903,185,223	\$ 470,707,444	\$ 432,477,779
Capital Assets	4,411,566	1,504,992	2,906,574
Capital Asset Carryover	9,807,792	4,686,743	5,121,049
Capital Asset - Off System	203,078,778	30,271,962	172,806,816
Capital - Off System - Carryover	21,611,434	5,430,090	16,181,344
Capital Building Fund	8,723,602	-	8,723,602
<b>Totals</b>	<b>\$ 1,150,818,395</b>	<b>\$ 512,601,231</b>	<b>\$ 638,217,164</b>

EXPENSES BY SOURCE	FINAL APPROPRIATION	EXPENSES	UNEXPENDED APPROPRIATIONS
General	\$ 158,139,947	\$ 78,152,029	\$ 79,987,918
Special	979,099,491	434,226,717	544,872,774
Federal	13,578,957	222,485	13,356,472
<b>Totals</b>	<b>\$ 1,150,818,395</b>	<b>\$ 512,601,231</b>	<b>\$ 638,217,164</b>

Source: ConnectND Financials

# Appropriations

For the Year Ended June 30, 2019

EXPENSES BY LINE ITEM	FINAL APPROPRIATION	EXPENSES	UNEXPENDED APPROPRIATIONS
Operating Expenses	\$ 875,144,280	\$ 875,144,280	-
Capital Assets	13,411,566	3,651,215	9,760,351
Capital Asset Carryover	5,116,803	5,108,909	7,894
Capital Improvement - Off System	187,842,841	55,316,968	132,525,873
Capital - Off System - Carryover	8,241,059	1,677,254	6,563,805
<b>Totals</b>	<b>\$ 1,089,756,549</b>	<b>\$ 940,898,626</b>	<b>\$ 148,857,923</b>

EXPENSES BY SOURCE	FINAL APPROPRIATION	EXPENSES	UNEXPENDED APPROPRIATIONS
General	\$ 154,976,557	\$ 145,208,312	\$ 9,768,245
Special	934,779,992	795,690,314	139,089,678
<b>Totals</b>	<b>\$ 1,089,756,549</b>	<b>\$ 940,898,626</b>	<b>\$ 148,857,923</b>

Source: ConnectND Financials



# Status of Prior Recommendations

## Noncompliance Surrounding Faculty Personnel Files (Finding 18-01)

### Partially Implemented

**Recommendation:** We recommend that the University of North Dakota maintain an official personnel file and perform annual evaluations as required to ensure compliance with N.D.C.C., State Board of Higher Education policy, and the University of North Dakota's faculty handbook.

**Status:** Partially Implemented. From our testing, we concluded that the University of North Dakota did perform annual evaluations as required, however we still noted a centrally located official personnel file was missing for five faculty members. See Finding 2020-02.

## Inadequate Controls Surrounding Flexplace (Finding 18-02)

### Not Implemented - N/A

**Recommendation:** We recommend the University of North Dakota implement controls to ensure all Flexplace agreements and supporting documents are properly retained, approved, and tracked.

**Status:** Not Implemented – N/A. Due to the nature of workplace flex agreements, the timing of when the recommendation was issued, and the unprecedented and unexpected but necessary shift of employees working remotely due to the worldwide Covid-19 pandemic, it was determined testing for implementation of this recommendation would have not been conducted under normal working conditions and may have given inaccurate results.



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