



NORTH DAKOTA OFFICE OF THE STATE AUDITOR

State Auditor Joshua C. Gallion

North Dakota Indian Affairs Commission

For the Two-Year Period Ended June 30, 2022

Client Code 316





WHAT WE LOOKED AT AND WHY

North Dakota state law requires that our team perform an audit once every two years. This included a review of financial transactions and determining that expenditures are correct. Our audit reports any errors, internal control weaknesses or potential violations of law identified in significant or high-risk functions of the agency.

WHAT WE FOUND

This audit did not identify any areas of concern.



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HAVE QUESTIONS? ASK US.

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Introduction

North Dakota Indian Affairs Commission

May 10, 2023

We are pleased to submit this audit of the North Dakota Indian Affairs Commission for the two-year period ended June 30, 2022. 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.

Allison Bader was the audit manager. Inquiries or comments relating to this audit may be directed to the audit manager by calling (701) 328-2241. We wish to express our appreciation to the North Dakota Indian Affairs Commission 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.

ConnectND: The accounting system for North Dakota.

Emergency Commission: A group of elected officials that have the authority to transfer or expend money appropriated by the North Dakota Legislative Assembly. Additional information can be found in N.D.C.C. Chapter 54-16.

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.

North Dakota Administrative Code (N.D.A.C.): Codification of all rules of state administrative agencies.

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.

Purchasing Card: The purchasing card is a credit card program administered by the Office of Management and Budget.



Audit Results

▼ PRIMARY OBJECTIVE

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

CONCLUSION

No areas of concern were identified.



Audit Procedures

Primary Objective

INTERNAL CONTROL

We obtained an understanding of internal control through inquiries, observations, and inspection of documentation and electronic data records. We planned our audit work to assess the design, implementation, and operating effectiveness of those internal controls that were significant to our audit objectives.

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

- Segregated preparation and approval of expenditures is tested statewide in the audit of the State of North Dakota.

There were no deficiencies identified.

SCOPE

This audit of the North Dakota Indian Affairs Commission is for the two-year period ended June 30, 2022.

The North Dakota Indian Affairs Commission's sole location is its Bismarck office which was included in the audit scope.

METHODOLOGY

To meet this objective, we:

- Interviewed appropriate agency personnel.
- Observed the Commission's processes and procedures.
- Observed the North Dakota Indian Affairs Commission's processes and procedures.

- Queried the ConnectND (PeopleSoft) system for data analysis. Significant evidence was obtained from ConnectND.
- Inspected documentary evidence.
- Analyzed and tested expenditures to determine North Dakota Indian Affairs Commission did not expend more than appropriated (N.D.C.C 54-16-03).
 - 2019 Session Laws HB 1005 Section 1.
- Analyzed accounts charged to each appropriation class to determine that expenditures were not charged to an inappropriate class to circumvent appropriation spending authority (N.D.C.C 54-16-03).
- Reviewed non-appropriated fund activity to ensure North Dakota Indian Affairs Commission had legislative approval for non-appropriated expenditures (N.D.C.C. 54-44. 1-09).
 - Statewide Conference Fund authorized by OMB Policy 211.
 - Indian Affairs Commission Fund authorized under N.D.C.C. 54-36-03.
- Analyzed Conference Fund activity and determined that the fund was closed out within 60 days of the end of the Strengthening Government to Government Relationships & Partnership conference (OMB Policy 211).
- Selected a random sample of travel expenditures to ensure compliance with amounts paid within the law (N.D.C.C. 44-08-04 1-7, 54-06-09 1-6).
- Analyzed and tested high-risk expenditures to ensure goods and services were properly procured. (N.D.C.C. 54-44.4, N.D.C.C. 48-01.2, N.D.A.C. Article 4-12, and OMB State Procurement Manual guidelines).

- Selected a random sample of purchasing card expenditures to ensure that receipts support individual purchasing card charges and that the purchase was reasonably related to the function of the agency.
- Selected a random sample of expenditures, including those made with purchasing cards, to test the accurate recording of payments in the state's accounting system related to appropriation class, funds, and account, and reasonableness of the purchase related to the function of the agency. (N.D.C.C. 54-44.1-09, N.D.C.C 44-08-05).

AUTHORITY AND STANDARDS

This biennial audit of the North Dakota Indian Affairs Commission 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 standards used to evaluate internal control are published in the publication Standards for Internal Control in the Federal Government issued by the Comptroller General of the United States (Green Book, GAO-14- 704G).

Financials

Revenues and Expenditures

REVENUES AND OTHER SOURCES	JUNE 30, 2022	JUNE 30, 2021
Grants	\$ 150,000	\$ 150,000
Donations	30,500	-
Conference Registration Fees	1,825	-
Miscellaneous Revenue	1,510	-
Total Revenue and Other Sources	\$ 183,835	\$ 150,000

EXPENDITURES AND OTHER USES	JUNE 30, 2022	JUNE 30, 2021
Salaries and Benefits	\$ 359,425	\$ 415,769
Professional Services	190,183	129,257
Professional Development	51,660	6,535
Information Technology Services	24,453	24,877
Travel	14,321	5,718
Office and Miscellaneous Supplies	3,218	4,359
Equipment	2,917	3,917
Other Operating Expenses	1,617	5,492
Total Expenditures and Other Uses	\$ 647,794	\$ 595,924

Source: ConnectND Financials

Appropriations

For the Year Ended June 30, 2022

	FINAL APPROPRIATION	EXPENDITURES	UNEXPENDED APPROPRIATIONS
Expenditures by Line Item			
Salaries and Wages	\$ 910,106	\$ 359,424	\$ 550,682
Operating Expenses	185,609	53,367	132,242
Totals	1,095,715	412,791	682,924
Expenditures by Source			
General	1,095,715	412,791	682,924
Totals	\$ 1,095,715	\$ 412,791	\$ 682,924

For the Biennium Ended June 30, 2021

	FINAL APPROPRIATION	EXPENDITURES	UNEXPENDED APPROPRIATIONS
Expenditures by Line Item			
Salaries and Wages	\$ 870,079	\$ 830,324	\$ 39,755
Operating Expenses	228,560	154,644	73,916
CARES Act Funding - 2020	20,915	20,915	-
Totals	1,119,554	1,005,883	113,671
Expenditures by Source			
General	1,098,639	984,968	113,671
Other	20,915	20,915	-
Totals	\$ 1,119,554	\$ 1,005,883	\$ 113,671

Source: ConnectND Financials



Status of Prior Recommendations

Appropriations Exceeded (Finding 2020-01)

Implemented

Recommendation: We recommend the North Dakota Indian Affairs Commission ensure compliance with appropriation limits set by the North Dakota Legislature. We also recommend the North Dakota Indian Affairs Commission track expenses incurred when monitoring appropriation spending.

Status: Implemented. The Commission did not overspend appropriation for the biennium ended June 30, 2021.



Office of the
State Auditor


NORTH DAKOTA STATE AUDITOR
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