

STATE AUDITOR
ROBERT R. PETERSON



Phone (701)328-2241
Fax (701)328-1406

STATE OF NORTH DAKOTA
OFFICE OF THE STATE AUDITOR
STATE CAPITOL
600 E. BOULEVARD AVENUE – DEPT 117
BISMARCK, NORTH DAKOTA 58505

Overview of Auditing for the State of North Dakota
Including the Office of the State Auditor's
External Quality Control Report

2015-17 Biennium

July 31, 2015

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Introduction

The powers and duties of the State Auditor are set out in North Dakota Century Code (NDCC) Chapter 54-10. The Office of the State Auditor fulfills these responsibilities by performing annual financial statement audits; biennial operational audits; a biennial audit of the State's federal financial assistance; information system audits; and performance audits. NDCC section 54-35-02.2 states that it is the duty of the Legislative Audit and Fiscal Review Committee (LAFRC) to:

“...study and review audit reports as selected by the committee from those submitted by the state auditor, confer with the auditor and deputy auditors in regard to such reports, and when necessary, confer with representatives of the department, agency, or institution audited in order to obtain full and complete information in regard to any and all fiscal transactions and governmental operations of any department, agency, or institution of the state.”

The Office of the State Auditor believes the LAFRC plays an important accountability role in the governance of the State of North Dakota. The Office of the State Auditor appreciates the active interest the LAFRC has taken in the fiscal affairs and operations of the state and the relationship that has developed with the LAFRC and Legislative Council staff.

This report provides a summary of the types of audits conducted by the State Audit Division of the Office of the State Auditor, and the Division's relationship with the LAFRC.

In addition to audits of individual state agencies, the Division of State Audit performs three state-wide audits. The state-wide audits include: the audit of the State of North Dakota's Basic financial statements, which are included in the State's Comprehensive Annual Financial Report (CAFR); the University System financial statement audit; and the biennial audit of the State's Federal financial assistance (often referred to as the “Single Audit”). Information system audits are also performed on the state's information systems.

The audit of the State's BFS has been done by the Office of the State Auditor since the CAFR was first published in 1991. The first University System audit was for the fiscal year ended June 30, 1996. The office has been performing single audit work since 1984 as a condition of the State receiving Federal funds. The first state-wide single audit was for the two fiscal years ended June 30, 1992. Examples of information systems audits include the service organization audit of the Information Technology Department (ITD), ConnectND Finance audit and the NDUS ConnectND Student Administration system.

For biennial agency audits, the NDCC gives the State Auditor the responsibility to determine the contents of audit reports. In the year 2000, with the needs of our stakeholders in mind, the Office of the State Auditor changed from following financial statement audit standards to following the performance audit standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The main disadvantage of following financial statement audit standards is that those standards limit an audit's objective to giving an opinion on the financial statements. Following the performance audit standards gives us the flexibility to set our audit objectives to best meet the needs of our stakeholders.

Biennial agency audits (often referred to as operational audits) objectives include providing reliable audited financial statements and answering the following questions:

- What are the highest risk areas of the agency's operations and is internal control adequate in these areas?

- What are the significant and high-risk areas of legislative intent applicable to the agency and are they in compliance with these laws?
- Are there areas of agency operations where we can help to improve efficiency or effectiveness?

There are approximately 90 regularly scheduled audits of state entities. The Office of the State Auditor does not have the statutory authority to conduct financial statement audits for certain agencies, such as the Bank of North Dakota, State Fair Association and the North Dakota Development Fund. A complete list of state agencies not audited by the Office of the State Auditor is provided in Appendix B of this report. Each of these entities (components) receives an annual financial statement audit by a CPA firm. For CAFR audits we rely on these audits and make reference to the other auditors in our opinions. Audit reports can be found at:

<http://www.nd.gov/auditor/reports.htm>.

The University System financial statements also include components (specifically foundations) which are audited by CPA firms. We will rely on these audits and thus we will make reference to other auditors in our report.

Authority for performance audits is contained in subsection 4 of NDCC ¶ 54-10-01, which grants the State Auditor the power to: “Perform or provide for performance audits of state agencies as determined necessary by the state auditor or the legislative audit and fiscal review committee.” Performance audits are statutorily required to be performed in accordance with *Government Auditing Standards*. The Office of the State Auditor has been conducting performance audits since 1991. Audit reports can be found at the internet link noted above.

According to NDCC ¶ 54-10-27, the Office of the State Auditor is responsible for receiving audit reports of the occupational and professional boards, which are audited by CPA firms or our Division of Local Government Audits. There are 42 of these entities, most of which receive audits once every two years. Appendix C contains a listing of these boards which are described in Title 43 of the North Dakota Century Code.

Auditing Standards

The Office of the State Auditor takes pride in following the industry's highest auditing standards. These standards include generally accepted auditing standards, as prescribed by the American Institute of Certified Public Accountants (AICPA), and *Government Auditing Standards*, issued by the Comptroller General of the United States. The type and scope of an audit determines which auditing standards must be followed. Financial statement audits are done in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*. As discussed previously, performance audits and biennial agency operational audits follow the performance audit standards included in *Government Auditing Standards*.

Relating to financial statement audits, *Government Auditing Standards* and U.S. generally accepted auditing standards require us to communicate the following information to those charged with governance, we make these communications to the Legislature through the Legislative Audit and Fiscal Review Committee.

Required Financial Statement Communications

Financial auditing standards require certain communications with those charged with governance. Those charged with governance means the person(s) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. The Legislative Assembly meets this definition for the State of North Dakota. Given the Legislative Audit and Fiscal Review Committee's responsibilities, we make these required communications to this committee.

Auditing standards point out the importance of proper governance to an entity's control environment. This includes oversight of the financial reporting process by those charged with governance. These auditing standards also emphasize the importance of auditor two-way communication with those charged with governance. To facilitate the required communications we will primarily contact the Chairman of the Legislative Audit and Fiscal Review Committee unless notified of a different preference. We will also communicate with the full committee if circumstances warrant such communications.

Specifically we would like input from the Legislative Audit and Fiscal Review Committee relating to:

- The committee's views about the risks of fraud and whether the committee has knowledge of any fraud or suspected fraud affecting the state.
- Concerns about the integrity or competence of senior management.
- Any areas in which the Committee wishes to request the State Auditor to undertake additional procedures.
- Other matters the Committee believes are relevant to the audit of the financial statements.

Two way communications with those charged with governance are important to the audit process. We welcome input from any legislator. Legislators are encouraged to contact the office of the State Auditor with any audit related concerns. For financial, information system, performance or operational audits you are welcome to contact the State Auditor, Ron Tolstad, M.Acc., CPA at (701) 328-2243 or any other auditor in our office.

Audit Scope

We will audit the financial statements of the governmental activities, the business-type activities,

the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of the State of North Dakota, the North Dakota University System and various other state agencies.

Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany basic financial statements. As part of our engagements, we will apply certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtain during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis, and;
- Budgetary schedules.

Our engagements also include reporting on supplementary information other than RSI that accompanies financial statements. We will subject such supplementary information to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole.

Additional information accompanying the basic financial statements may not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our audit reports will disclaim an opinion. Typically this is limited to transmittal letters and the statistical section of the comprehensive annual financial report.

Audit Objectives

The objective of our financial statement audits is the expression of opinions as to whether basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information when considered in relation to the financial statements taken as a whole. Our financial statement audits will be conducted in accordance with generally auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with management in advance. If, for any reason, we are unable to complete an audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of our engagements.

We will also provide reports (that do not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial

statements as required by *Government Auditing Standards*.

For the Federal Single Audit, objectives include reports on internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The reports on internal control and compliance will each include a statement that the report is intended solely for the information and use of the Governor, Legislative Audit and Fiscal Review Committee, and management and are not intended to be and should not be used by anyone other than these specified parties.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management, with oversight of those charged with governance, is also responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements in conformity with U.S. generally accepted accounting principles.

Management, with oversight of those charged with governance, is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

Management, with oversight of those charged with governance, is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this report. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements of studies. Management is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as planned corrective actions.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that a material misstatement may exist and not be detected by us even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws, or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from the Attorney General as part of audit engagements. At the conclusion of our audit, we will also require certain written representations from management about the financial statements and related matters.

Audit Procedures – Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risk of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

For the Federal Single Audit, as required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no

opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards* and OMB Circular A-133.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

For the Federal Single Audit, OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB Circular A-133 Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the state's major programs. The purpose of these procedures will be to express an opinion on the state's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Component Audits

As noted earlier certain state agencies and college and university foundations (components) are audited by CPA firms. For state audits the State Auditor contracts for all but two state entities and performs report reviews on all agency audits. Foundation audits are arranged for by the foundations and the state auditor has no involvement with the audits.

After gaining an understanding of component auditors and determining that the components financial statements are prepared using the same financial reporting model as used by the group, and that the audits are conducted in accordance with generally accepted auditing standards and the component audit reports are not restricted as to use, we intend to make reference to component auditors in our audit reports.

Audit Timing

The State of North Dakota (CAFR) and University System (NDUS) financial statement audits are for fiscal years ending June 30. Interim work for the NDUS audit starts annually approximately in April. The majority of field work is completed for both audits in late summer through November. Both audits are normally completed in early December. Other state agency financial audits are typically started in late summer and are completed in October.

The Federal Single Audit is a two year audit for periods ending in even years. Planning and interim work typically begins early in even numbered years. Currently Single Audits are due nine months after the audit period.

Agency biennial operational audits are typically ongoing with an effort to balance the number of audits completed each year.

Audits Performed By Independent CPA Firms

As discussed earlier, the Office of the State Auditor does not have the statutory authority to audit all state agencies. Agencies that cannot be audited by the Office of the State Auditor are audited by CPA firms.

At the request of the Office of the State Auditor certain other state agencies are also audited by CPA firms. When this is done, it is because the Office of the State Auditor does not have sufficient resources to audit the entity. Additionally, state law requires most occupational or professional boards to provide for an audit. Boards with less than \$50,000 are required to file an annual report with the State Auditor.

CPA firms auditing state agencies are required to follow the document entitled "*Guidelines to Independent Certified Public Accountants Performing Audits of State Agencies*". This document was originally developed by the LAFRC, and has been amended by the Office of the State Auditor, with input from the LAFRC.

Audits performed by CPA firms are paid for by the state agency being audited. Appendix B lists those audits done by CPA firms.

Presentation of Audit Reports

Audits when finalized are available for presentation to the LAFRC. Several weeks before a LAFRC meeting, a listing is prepared and sent to the Legislative Council indicating which audits have been finalized and are available for presentation to the LAFRC. Only those reports selected for presentation will be formally presented at a LAFRC meeting.

The length and detail of the presentation of reports depends upon the desire of the LAFRC members. In recent years, the presentation has concentrated primarily on state audit findings and recommendations, and the specific list of comments which the LAFRC has asked all auditors to make.

As a general rule, the results of audits are presented to the LAFRC by the Office of the State Auditor or the CPA firm who performed the audit. Representatives from state agencies are allowed to make any comments they wish at the LAFRC meetings concerning their reports.

In accordance with state law, working papers from an audit in progress are not public records and are exempt from the open record laws. Audit reports are not considered public information until they are substantially complete. We have defined substantially complete to mean the auditees' responses to any recommendations have been received and included in the audit report.

Audit Recommendations and Implementation

Significant audit findings are included in the audit reports along with recommendations. The state agencies are asked to respond in writing to all recommendations appearing in the audit report. Their responses are included after the auditor's findings and recommendations. In those instances where the Office of the State Auditor believes that the state agency's response is inappropriate, inaccurate, or misleading, a concluding response will be added by the Office of the State Auditor.

Any recommendations not implemented during the next audit period are included in the audit report as prior recommendations not implemented, provided the recommendations are still applicable.

Performance auditors follow up on recommendations approximately 18 months after the audit has been issued.

Audits of the State Auditor's Office

The Office of the State Auditor is audited every two years by an independent CPA firm that is contracted with by the Legislative Council. The audit report and the results of the audit are presented to the Legislative Audit and Fiscal Review Committee.

Additionally, as required by *Government Auditing Standards*, the Office of the State Auditor receives an external peer review once every three years. This peer review is conducted by the National State Auditor's Association (NSAA). The NSAA selects audit professionals from other state audit organizations to perform an independent assessment of our compliance with auditing standards. The last external quality control review was completed June 6, 2014 and resulted in a clean opinion. This opinion, along with our letter of comments, is included in this report as Appendix A. This report can also be found at http://www.nd.gov/auditor/reports/nsaa_14.pdf

Appendix A

External Quality Control Report

Report on the System of Quality Control

For the Period March 1, 2013

Through March 31, 2014



National State Auditors Association

June 6, 2014

Mr. Robert R. Peterson
State Auditor
State Capitol
600 E. Boulevard - 3rd Floor
Bismarck, North Dakota 58505-0060

Dear Robert R. Peterson:

We have reviewed the system of quality control of North Dakota Office of the State Auditor (the office) in effect for the period March 1, 2013 through March 31, 2014. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with professional standards. In addition, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with professional standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control of North Dakota Office of the State Auditor in effect for the period March 1, 2013 through March 31, 2014 has been suitably designed and was complied with during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. The North Dakota Office of the State Auditor has received a peer review rating of *pass*.

Team Leader
National State Auditors Association
External Peer Review Team

Concurring Reviewer
National State Auditors Association
External Peer Review Team

Appendix B

State Audits Performed by CPA Firms

As of June 30, 2015

1. Bank of North Dakota ¹
 - a. Ag PACE Fund ¹
 - b. Beginning Farmer Revolving Loan Fund ¹
 - c. Community Water Facility Loan Fund ¹
 - d. Developmentally Disabled Facility Loan Fund ¹
 - e. Guaranteed Student Loan Program ¹
 - f. Medical Facility Infrastructure Loan Program ¹
 - g. PACE Fund ¹
 - h. Rebuilders Loan Program ¹
 - i. Student Loan Trust Program ¹
2. Building Authority ¹
3. CollegeSave ²
4. Department of Trust lands ¹
5. Housing Incentive Fund ¹
6. Housing Finance Agency ¹
7. Job Service North Dakota ¹
8. Legislative Assembly ³
9. Legislative Council ³
10. Mandan Remediation Trust ²
11. Development Fund ⁴ (NDCC § 10-30.3-08)
12. Office of the State Auditor ³
13. Public Employees Retirement System ¹
14. Public Finance Authority ¹
15. Retirement and Investment Office ¹
16. State Fair Association ⁴ (NDCC § 4-02.1-18)
17. Workforce Safety & Insurance ¹

¹ Audits contracted for by the State Auditor.

² Audits contracted by the Trust.

³ Audits contracted for by the Legislative Council.

⁴ The board of directors for this entity contracts with a CPA firm for audits in accordance with the NDCC section referenced.

Appendix C

Occupational and Professional Boards ¹

As of June 30, 2015

- | | |
|---|---|
| 1. Abstractor's Board of Examiners | 23. Board of Pharmacy |
| 2. Board of Accountancy | 24. Board of Plumbing |
| 3. Board of Addiction Counseling Examiners | 25. Board of Podiatric Medicine |
| 4. Board of Architecture | 26. Board of Psychologists Examiners |
| 5. Board of Athletic Trainers | 27. Board of Reflexology |
| 6. Board of Barber Examiners | 28. Board of Registration for Professional Engineers and Land Surveyors |
| 7. Board of Chiropractic Examiners | 29. Board of Registration for Professional Soil Classifiers |
| 8. Board of Clinical Laboratory Practice | 30. Board of Social Work Examiners |
| 9. Board of Cosmetology | 31. Board of Veterinary Medical Examiners |
| 10. Board of Counselor Examiners | 32. Board of Water Well Contractors |
| 11. Board of Dental Examiners | 33. Education Standards and Practices Board |
| 12. Board of Dietetic Practice | 34. Electrical Board |
| 13. Board of Examiners for Nursing Home Administrators | 35. Examining Committee for Physical Therapists |
| 14. Board of Examiners on Audiology and Speech-Language Pathology | 36. Firemen's Association |
| 15. Board of Funeral Service | 37. Marriage and Family Therapy Licensure Board |
| 16. Board of Hearing Instrument Specialists | 38. Peace Officer Standards and Training Board |
| 17. Board of Law Examiners | 39. Private Investigative & Security Board |
| 18. Board of Massage | 40. Real Estate Appraiser Qualifications and Ethics Board |
| 19. Board of Medical Examiners | 41. Real Estate Commission |
| 20. Board of Nursing | 42. Respiratory Care Examining Board |
| 21. Board of Occupational Therapy Practice | |
| 22. Board of Optometry | |

¹ NDCC 54-10-27 states in part:

“Instead of providing for an audit every two years, an occupational or professional board that has less than fifty thousand dollars of annual receipts may submit an annual report to the state auditor. The report must contain the information required by the state auditor. The state auditor also may make any additional examination or audit determined necessary in addition to the annual report.”