

NORTH CAROLINA GENERAL ASSEMBLY
1969 SESSION

CHAPTER 458
SENATE BILL 505

1 AN ACT TO PLACE THE AUTHORITY IN THE STATE AUDITOR FOR INSTALLING
2 OR CHANGING ACCOUNTING SYSTEMS IN STATE DEPARTMENTS,
3 INSTITUTIONS OR AGENCIES.
4

5 The General Assembly of North Carolina do enact:
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7 **Section 1.** G.S. 147-58(17) is rewritten to read as follows:

8 "(17) The auditor may, as often as he deems advisable, conduct a detailed review
9 of the bookkeeping and accounting systems in use in the various
10 departments, institutions, commissions, boards and agencies which are
11 supported partially or entirely from State funds. Such examinations would be
12 for the purpose of evaluating the adequacy of systems in use by these
13 agencies and institutions. In instances where the Auditor determines that
14 existing systems are outmoded, inefficient or otherwise inadequate, he shall
15 prescribe and supervise the installation of such changes, as, in his judgment,
16 appear necessary to secure and maintain internal control and facilitate the
17 recording of accounting data for the purpose of preparing reliable and
18 meaningful financial statements and reports. In all cases in which major
19 changes in the accounting systems are made, he will be responsible for
20 seeing that the new system is designed to accumulate information required
21 for the preparation of Budget Reports and other financial reports required by
22 the Budget Division of the Department of Administration. In instances in
23 which departments, institutions, boards, commissions and agencies feel it
24 desirable to revise or alter existing accounting systems, said agencies or
25 institutions shall request the Auditor to make a survey of their systems for
26 the purpose of seeing if such a change is desirable, including the advisability
27 of purchasing or renting accounting equipment. Requisitions for the
28 purchase of accounting equipment or contracts for the rental of accounting
29 equipment for any State department, institution, or agency shall be approved
30 by the Auditor.

31 **Sec. 2.** Amend G.S. 143-22 by striking out the following words and phrases
32 beginning after the word "State", in the sixth line: "and for the purpose of determining whether
33 the proper system of modern accounting is had in such departments, institutions, commissions
34 and agencies and to require and direct the installation of the same whenever, in his opinion, it is
35 necessary and proper in order to acquire and to secure a perfect correlated and control system in
36 the accounting of all departments, institutions, commissions, divisions, and State agencies
37 including every department or agency handling or expending State funds". Also amend G.S.
38 143-22 by striking out the last two lines reading as follows: "All auditing systems or uses
39 prescribed, or to be prescribed hereunder, shall be administered by the Auditor."
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41 **Sec. 3.** Amend G.S. 143-3 by rewriting the second paragraph thereof to read as
42 follows: "The Director shall have power to have the books and accounts of any of such
43 agencies or persons audited, and supervise generally the budget accounts of such departments,
institutions and agencies within the terms of this article. The Director may require that the cost

1 of making all audits shall be paid from the regular maintenance appropriation made by the
2 General Assembly for such department, institution or agency which may be thus audited."
3 **Sec. 4.** All laws and clauses of laws in conflict with this Act are hereby repealed.
4 **Sec. 5.** This Act shall be in full force and effect from and after July 1, 1969.
5 In the General Assembly read three times and ratified, this the 12th day of May,
6 1969.