

GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 913
HOUSE BILL 517

AN ACT TO REVISE THE STATUTES RELATING TO THE STATE AUDITOR.

The General Assembly of North Carolina enacts:

Section 1. Article 5 of Chapter 147 is repealed except for G.S. 147-62, 63 and 64 which are recodified as provided herein.

Sec. 2. Chapter 147 of the General Statutes is amended by adding a new Article 5A to read:

"ARTICLE 5A.

"Auditor.

"§ 147-64.1. **Auditor's salary; office location.**—The salary of the State Auditor shall be the same as for superior court judges as set by the General Assembly in the Budget Appropriations Act. The Auditor's office shall be in the City of Raleigh.

"§ 147-64.2. **Legislative policy and intent.**—The General Assembly is ultimately responsible for authorizing the expenditure of public moneys, designating the sources from which moneys may be collected, and shaping the administrative structure to perform the work of government throughout the State, and is held finally accountable for how the funds are spent and what is accomplished with them. The Legislature should, therefore, provide the basic direction for audits of State agencies.

In the interest of reducing audit overlap and expense at all levels of government, the General Assembly and the Auditor should promote, to the extent possible, coordinated nonduplicating audits of public programs and activities of all governmental levels throughout the State.

It is the intent of this Article that all State agencies, and entities supported, partially or entirely, by public funds be subject to audit under the policy guidance of the Auditor. Such audits shall be made to assist in furnishing the General Assembly, the Governor, the executive departments and agencies of the State, the governing bodies and executive departments of the political subdivisions of the State, and the public in general with an independent evaluation of public program performance.

"§ 147-64.3. **Legislative and management control system.**—It is the intent of this Article that the State Auditor shall perform or coordinate all audit functions for State government. As appropriate, all State agencies are encouraged to establish, maintain, and use effective systems of management control. The adequacy of these control systems will be reviewed by the Auditor. The Auditor may, at his discretion, use such reviews to limit his audit activity or to suggest guidelines, make recommendations, and provide assistance where necessary within the resources available.

"§ 147-64.4. Definitions.—The words and phrases used in this Article have the following meanings:

(1) 'Audit'. An independent review or examination of government organizations, programs, activities, and functions. The purpose of an audit is to help ensure full accountability and assist government officials and employees in carrying out their responsibilities. The elements of such an audit are:

- a. Financial and compliance: to determine whether financial operations are properly conducted, whether the financial reports of an audited entity are presented fairly, and whether the entity has complied with applicable laws and regulations; and,
- b. Economy and efficiency: to determine whether the entity is managing or utilizing its resources (such as personnel and property) in an economical and efficient manner and the causes of any inefficiencies or uneconomical practices, including inadequacies in laws and regulations, management information systems, administrative policies and procedures, or organizational structures; and,
- c. Program results: to determine whether the desired results or benefits are being achieved, whether the objectives established by the General Assembly or other authorizing body are being met, and whether the agency has considered alternatives which might yield desired results at lower costs.
- d. An audit may include all three elements or only one or two. It is not intended or desirable that every audit include all three. Economy and efficiency and program result audits should be selected when their use will meet the needs of expected users of audit results.

(2) 'Accounting system'. The total structure of records and procedures which discover, record, classify, and report information on the financial position and operating results of a governmental unit or any of its funds, balanced account groups, and organizational components.

(3) 'Federal agency'. Any department, agency, or instrumentality of the federal government and any federally owned or controlled corporation.

(4) 'State agency'. Any department, institution, board, commission, committee, division, bureau, officer, official or any other entity for which the State has oversight responsibility, including but not limited to, any university, mental or specialty hospital, community or technical college, technical institute, clerk of court.

"§ 147-64.5. Cooperation with Joint Legislative Commission on Governmental Operations and other governmental bodies.—(a) Joint Legislative Commission on Governmental Operations. The Auditor shall furnish copies of any and all audits requested by the Joint Legislative Commission on Governmental Operations. Accordingly, the Auditor shall, upon request by the chairmen, appear before the Commission to present findings and answer questions concerning the results of these audits. The Commission is hereby authorized to use these audit findings in its inquiries concerning the operations of State agencies and is empowered to require agency heads

to advise the Commission of actions taken or to be taken on any recommendations made in the report or explain the reasons for not taking action.

(b) Requests for Auditor assistance. Committees of the General Assembly, the Governor, and other State officials may make written requests that the Auditor undertake, to the extent deemed practicable and within the resources provided, a specific audit or investigation; provide technical assistance and advice; and provide recommendations on management systems, finance, accounting, auditing, and other areas of management interest.

(c) Cooperation with other governmental bodies. The Auditor shall cooperate, act, and function with other audit or evaluation organizations in the State, with appropriate councils or committees of other states, with governing bodies of the political subdivisions of the State, and with federal agencies in an effort to maximize the extent of intergovernmental audit coordination and thereby avoid unnecessary duplication and expense of audit effort. Nothing in this Article is intended nor shall it be construed as giving the Auditor control over the internal auditors of any agency.

"§ 147-64.6. Duties and responsibilities.—(a) It is the policy of the General Assembly to provide for the auditing of State agencies by the impartial, independent State Auditor.

(b) The duties of the Auditor are independently to examine into and make findings of fact on whether State agencies:

- (1) Have established adequate operating and administrative procedures and practices; systems of accounting, reporting and auditing; and other necessary elements of legislative or management control.
 - (2) Are providing financial and other reports which disclose fairly, consistently, fully, and promptly all information needed to show the nature and scope of programs and activities and have established bases for evaluating the results of such programs and operations.
 - (3) Are promptly collecting, depositing, and properly accounting for all revenues and receipts arising from their activities.
 - (4) Are conducting programs and activities and expending funds made available in a faithful, efficient, and economical manner in compliance with and in furtherance of applicable laws and regulations of the State, and, if applicable, federal law and regulation.
 - (5) Are determining that the authorized activities or programs effectively serve the intent and purpose of the General Assembly and, if applicable, federal law and regulation.
- (c) The Auditor shall be responsible for the following acts and activities:
- (1) Audits made or caused to be made by the Auditor shall be conducted in accordance with generally accepted auditing standards as prescribed by the American Institute of Certified Public Accountants, the United States General Accounting Office, or other professionally recognized accounting standards-setting bodies.
 - (2) Financial and compliance audits may be made at the discretion of the Auditor without advance notice to the organization being audited. Audits of economy and efficiency and program results shall be

discussed in advance with the prospective auditee unless an unannounced visit is essential to the audit.

- (3) The Auditor, on his own initiative and as often as he deems necessary, or as requested by the Governor or the General Assembly, shall, to the extent deemed practicable and consistent with his overall responsibility as contained in this act, make or cause to be made audits of all or any part of the activities of the State agencies.
- (4) The Auditor, at his own discretion, may, in selecting audit areas and in evaluating current audit activity, consider and utilize, in whole or in part, the relevant audit coverage and applicable reports of the audit staffs of the various State agencies, independent contractors, and federal agencies. He shall coordinate, to the extent deemed practicable, the auditing conducted within the State to meet the needs of all governmental bodies.
- (5) The Auditor is authorized to contract with federal audit agencies, or any governmental agency, on a cost reimbursable basis, for the Auditor to perform audits of federal grants and programs administered by the State departments and institutions in accordance with agreements negotiated between the Auditor and the contracting federal audit agencies or any governmental agency. In instances where the grantee State agency shall subgrant these federal funds to local governments, regional councils of government and other local groups or private or semiprivate institutions or agencies, the Auditor shall have the authority to examine the books and records of these subgrantees to the extent necessary to determine eligibility and proper use in accordance with State and federal laws and regulations.

The Auditor shall charge and collect from the contracting federal audit agencies, or any governmental agencies, the actual cost of all the audits of the grants and programs contracted by him to do. Amounts collected under these arrangements shall be deposited in the State Treasury and be budgeted in the Department of State Auditor and shall be available to hire sufficient personnel to perform these contracted audits and to pay for related travel, supplies and other necessary expenses.

- (6) The Auditor is authorized and directed in his reports of audits or reports of special investigations to make any comments, suggestions, or recommendations he deems appropriate concerning any aspect of such agency's activities and operations.
- (7) The Auditor shall charge and collect from each examining and licensing board the actual cost of each audit of such board. Costs collected under this subdivision shall be based on the actual expense incurred by the Auditor's office in making such audit and the affected agency shall be entitled to an itemized statement of such costs.

Amounts collected under this subdivision shall be deposited into the General Fund as nontax revenue.

- (8) The Auditor shall examine as often as may be deemed necessary the accounts kept by the Treasurer, and if he discovers any irregularity or deficiency therein, unless the same be rectified or explained to his satisfaction, report the same forthwith in writing to the General Assembly, with copy of such report to the Governor and Attorney General. In addition to regular audits, the Auditor shall check the treasury records at the time a Treasurer assumes office (not to succeed himself), and therein charge him with the balance in the treasury, and shall check the Treasurer's records at the time he leaves office to determine that the accounts are in order.
- (9) The Auditor may examine the accounts and records of any bank or financial institution relating to transactions with the State Treasurer, or with any State agency, or he may require banks doing business with the State to furnish him information relating to transactions with the State or State agencies.
- (10) The Auditor may, as often as he deems advisable, conduct a detailed review of the bookkeeping and accounting systems in use in the various State agencies which are supported partially or entirely from State funds. Such examinations will be for the purpose of evaluating the adequacy of systems in use by these agencies and institutions. In instances where the Auditor determines that existing systems are outmoded, inefficient, or otherwise inadequate, he shall prescribe and supervise the installation of such changes, as in his judgment, appear necessary to secure and maintain internal control and facilitate the recording of accounting data for the purpose of preparing reliable and meaningful financial statements and reports. In all cases in which major changes in the accounting systems are made, he will be responsible for seeing that the new system is designed to accumulate information required for the preparation of budget reports and other financial reports. In instances in which State agencies wish to develop, upgrade, revise, or otherwise alter their accounting systems, said agencies shall request the Auditor to make a survey of their systems to ascertain if the change is desirable. To the extent that he deems necessary and within available resources, the Auditor shall review the proposed changes in the system which may include an examination of the system's justification, design, documentation, controls, applications and specifications, or any other related documentation he may determine necessary in formulating his opinion on the requested change. Equipment or related software to be used, in whole or in part, to operate the accounting system may be acquired only upon the prior written approval of the Auditor.

- (11) The Auditor shall transmit to the General Assembly annually a complete statement of the funds of the State, of its revenues and of the public expenditures during the preceding fiscal year, with copies of such statements furnished to the Governor and to such other persons as may be deemed advisable. This Comprehensive Annual Financial Report shall be prepared in accordance with generally accepted principles of governmental accounting. Accordingly, each and every State agency is hereby required to furnish by September 1 of each year financial statements to the Auditor for all its funds prepared in accordance with generally accepted principles of governmental accounting and in the form required by the Auditor. Furthermore, the Auditor shall, through appropriate tests, satisfy himself concerning the propriety of the data presented in said comprehensive report and express the appropriate auditor's opinion in accordance with generally accepted auditing standards.
- (12) The Auditor shall provide in a written statement to the Governor and Attorney General, and other appropriate officials, such facts as are in his possession which pertain to the apparent violation of penal statutes or apparent instances of malfeasance, misfeasance, or nonfeasance by an officer or employee.
- (13) At the conclusion of an audit, the Auditor or his designated representative shall discuss the audit with the official whose office is subject to audit and submit necessary underlying facts developed for all findings and recommendations which may be included in the audit report. On audits of economy and efficiency and program results, the auditee's written response shall be included in the final report if received within 30 days from receipt of the draft report.
- (14) The Auditor shall provide copies of each audit report to the General Assembly, the Governor, the Chief Executive Officer of each agency audited, and other persons as the Auditor deems appropriate. He shall also file a copy of the audit report in the Auditor's office, which will be a permanent public record; provided, nothing in this subsection shall be construed as authorizing or permitting the publication of information whose disclosure is otherwise prohibited by law.
- (15) It is not the intent of the audit function, nor shall it be so construed, to infringe upon or deprive the General Assembly and the executive or judicial branches of State government of any rights, powers, or duties vested in or imposed upon them by statute or the Constitution.

(d) Reports and work papers. The Auditor shall maintain for 10 years a complete file of all audit reports and reports of other examinations, investigations, surveys, and reviews issued under his authority. Audit work papers and other evidence and related supportive material directly pertaining to the work of his office shall be retained according to an agreement between the Auditor and State Archives. To promote intergovernmental cooperation and avoid unnecessary duplication of audit effort,

pertinent work papers and other supportive material related to issued audit reports may be, at the discretion of the Auditor and unless otherwise prohibited by law, made available for inspection by duly authorized representatives of the State and federal government who desire access to and inspection of such records in connection with some matter officially before them.

Except as provided above, or upon subpoena issued by a duly authorized court or court official, audit work papers shall be kept confidential.

"§ 147-64.7. Authority.—(a) Access to persons and records.

- (1) The Auditor and his authorized representatives shall have ready access to persons and may examine and copy all books, records, reports, vouchers, correspondence, files, investments, and any other documentation of any State agency. The review of State tax returns shall be limited to matters of official business and the Auditor's report shall not violate the confidentiality provisions of tax laws.
 - (2) The Auditor and his duly authorized representatives shall have such access to persons, records, papers, reports, vouchers, correspondence, books, and any other documentation which is in the possession of any individual, private corporation, institution, association, board, or other organization which pertain to:
 - a. Amounts received pursuant to a grant or contract from the federal government, the State, or its political subdivisions.
 - b. Amounts received, disbursed, or otherwise handled on behalf of the federal government or the State. In order to determine that payments to providers of social and medical services are legal and proper, the providers of such services will give the Auditor, or his authorized representatives, access to the records of recipients who receive such services.
 - (3) The Auditor shall, for the purpose of examination and audit authorized by this act, have the authority, and will be provided ready access, to examine and inspect all property, equipment, and facilities in the possession of any State agency or any individual, private corporation, institution, association, board, or other organization which were furnished or otherwise provided through grant, contract, or any other type of funding by the State of North Carolina, or the federal government.
 - (4) All contracts or grants entered into by State agencies or political subdivisions shall include, as a necessary part, a clause providing access as intended by this section.
 - (5) The Auditor and his authorized agents are authorized to examine all books and accounts of any individual, firm, or corporation only insofar as they relate to transactions with any agency of the State.
- (b) Experts; Contracted Audits.
- (1) The Auditor may obtain the services of independent public accountants, qualified management consultants, or other professional

persons and experts as he deems necessary or desirable to carry out the duties and functions assigned under the act.

- (2) No State agency may enter into any contract for auditing services which may impact on the State's comprehensive annual financial report without consultation with, and the prior written approval of, the Auditor, except in instances where audits are called for by the Governor under G.S. 143-3 and he shall so notify the Auditor. The Auditor shall prescribe policy and establish guidelines containing appropriate criteria for selection and use of independent public accountants, qualified management consultants, or other professional persons by State agencies and governing bodies to perform all or part of the audit function.

(c) Authority to administer oaths, subpoena witnesses and records, and take depositions.

- (1) For the purposes of this Article the Auditor or his authorized representative shall have the power to subpoena witnesses, to take testimony under oath, to cause the deposition of witnesses (residing within or without the State) to be taken in a manner prescribed by law, and to assemble records and documents, by subpoena or otherwise. The subpoena power granted by this section may be exercised only at the specific written direction of the Auditor or his chief deputy.
- (2) In case any person shall refuse to obey a subpoena, the Auditor shall invoke the aid of any North Carolina court within the jurisdiction of which the investigation is carried on or where such person may be, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, contracts, agreements, and other records. Such court may issue an order requiring such person to appear before the Auditor or officers designated by the Auditor, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"§ 147-64.8. Independence.—The Auditor shall maintain independence in the performance of his authorized duties. Except as otherwise provided by law, neither the General Assembly nor the Governor nor any department or agency of the executive or judicial branches of State government shall have the authority to limit the scope, direction, or report of an audit undertaken by the Auditor. No State regulatory agency shall by any fiscal or administrative requirements attempt to limit the scope, direction, or report of an audit undertaken by the Auditor.

"§ 147-64.9. Rules and regulations.—The Auditor shall make and enforce such reasonable rules and regulations as are necessary for the operation of his office. The Auditor shall install an adequate accounting system for his office and shall keep or cause to be kept a complete, accurate, and adequate record of all fiscal transactions of his office.

"§ 147-64.10. Powers of appointment.—The Auditor may, subject to the provisions of the State Personnel Act, appoint all employees necessary to perform the duties and functions assigned to him by the provisions of this Article.

Except where otherwise provided in this Article, all powers and duties vested in the Auditor may be delegated by him to deputies, assistants, employees, or other auditors, consultants, professionals, and experts, whose services are obtained in accordance with the provisions of this act; but the Auditor shall retain responsibility for the powers and duties so delegated.

"§ 147-64.11. Review of office.—The Auditor may, on his own initiative and as often as he deems necessary, or as requested by the General Assembly, cause to be made a quality review audit of the operations of his office. Such a 'peer review' shall be conducted in accordance with standards prescribed by the accounting profession. Upon the recommendation of the Advisory Budget Commission, the Joint Legislative Commission on Governmental Operations may contract with an independent public accountant, qualified management consultant, or other professional person to conduct a financial and compliance, economy and efficiency, and program result audit of the State Auditor.

"§ 147-64.12. Conflict of Interest.—(a) To preserve the independence and objectivity of the audit function, the Auditor and his employees may not, unless otherwise expressly authorized by statute, serve in any capacity on an administrative board, commission, or agency of government of a political subdivision of the State or any other organization that, under the provisions of this act, they have the responsibility or authority to audit. Nor shall they have a material, direct or indirect financial, or other economic interest in the transactions of any State agency.

(b) The Auditor shall not conduct an audit on a program or activity for which he had management responsibility or in which he has been employed during the preceding two years. The General Assembly shall otherwise provide for the necessary audit of programs and activities within the meaning of this subsection.

"§ 147-64.13. Construction.—This Article shall be construed liberally in the aid of its declared purpose. It is the intent of this Article that the establishment of the Office of the Auditor and the duties, powers, qualifications, and purposes herein specified shall take precedence over any conflicting part or application of any other law.

"§ 147-64.14. Severability.—If any provision of this Article or the application thereof to any person, State agency, political subdivision, or circumstance is held invalid, such invalidation shall not affect other provisions or applications of this Article which can be given effect without the invalid provision of application, and to this end the provisions of this Article are declared severable."

Sec. 3. G.S. 7A-11 is amended by rewriting the seventh sentence to read as follows: "The operations of the Clerk of the Supreme Court shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 4. G.S. 7A-20(b) is amended by rewriting the last sentence to read as follows: "The operations of the Court of Appeals shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 5. G.S. 7A-108 is amended by rewriting the last paragraph to read as follows: "The operations of the Administrative Office of the Courts and the Clerks of Superior Court shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 6. G.S. 20-183.20 is rewritten to read:

"§ 20-183.20. Inspection of financial records of Commission.— Pursuant to Article VI(e) of the Compact, the operations of the Vehicle Equipment Safety Commission shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 7. G.S. 58-191 is amended by deleting the last sentence of the first paragraph.

Sec. 8. G.S. 86A-7(d) is repealed.

Sec. 9. G.S. 88-15 is amended: (1) in the catch line by deleting "; audit", (2) in the last sentence of the second paragraph by deleting the words ", said warrants to be drawn by the secretary of the Board and approved by the State Auditor", and (3) in the fourth paragraph by deleting the first sentence.

Sec. 10. G.S. 90-281 is amended by deleting the last sentence.

Sec. 11. G.S. 93B-4 is rewritten to read:

"§ 93B-4. Audit of occupational licensing boards; payment of costs.—The books, records, and operations of each occupational licensing board shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes.

The cost of all audits shall be paid from funds of the occupational licensing board audited."

Sec. 12. G.S. 105-267.1 is amended by deleting the words "the State Auditor shall issue his warrant for the amount so illegally collected, to the person entitled thereto,".

Sec. 13. G.S. 106-335 is amended by deleting the words "on warrants approved by the auditor,".

Sec. 14. G.S. 113-315.35 is rewritten to read:

"§ 113-315.35. Audit.—The operations of the North Carolina Seafood Industrial Park Authority shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 15. G.S. 114-2(7) is amended by deleting the words "by the Auditor".

Sec. 16. G.S. 115C-29(b)(7) is repealed.

Sec. 17. G.S. 115C-447 is amended in the last paragraph by deleting the words ", in consultation with the State Board of Education,".

Sec. 18. G.S. 115D-58.5 is amended by rewriting subsection (c) to read: "(c) The operations of each institution shall be subject to oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes.", and is further amended by repealing subsection (d).

Sec. 19. G.S. 116-36.1(d), 116-36.2(a) and 116-36.3(a) are amended by deleting the reference "G.S. 147-58" in each section and substituting the reference "Article 5A of Chapter 147 of the General Statutes".

Sec. 20. G.S. 116-209.14 is amended by rewriting the last sentence to read as follows: "The operations of the authority shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 21. G.S. 123A-23 is amended by rewriting the last sentence as follows: "The operations of the authority shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 22. G.S. 126-64 is amended in the second sentence by deleting the words "the State Auditor".

Sec. 23. G.S. 130-177 is amended by deleting the last sentence of the eighth paragraph.

Sec. 24. G.S. 135-39.1 is rewritten to read:

"§ 135-39.1. Auditing of the Plan.—The Board of Trustees of the Teachers' and State Employees' Comprehensive Major Medical Plan and the Plan Administrator shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 25. G.S. 136-10 is rewritten to read:

"§ 136-10. Audit.—The operations of the Department of Transportation shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 26. G.S. 137-31.5 is rewritten to read:

"§ 137-31.5. Audit.—The operations of the Corporation shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 27. G.S. 138-6(a)(1) is amended by deleting the last sentence.

Sec. 28. G.S. 140-8 is rewritten to read:

"§ 140-8. Audit.—The operations of the North Carolina Symphony Society, Inc., shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 29. G.S. 140-13 is rewritten to read:

"§ 140-13. Audit.—The operations of the North Carolina Art Society, Inc., shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 30. Articles 4, 5, 5A, 6 and 7 of Chapter 142 of the General Statutes are repealed.

Sec. 31. G.S. 143-20 is amended in the catch line by deleting the words "and audits" and is further amended by deleting the last sentence of the paragraph.

Sec. 32. Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-20.1. Annual Financial Statements.—Beginning with fiscal years ending in 1984 and each and every year thereafter, all State agencies shall prepare annual financial statements on all funds administered by them no later than 60 days subsequent to the close of the fiscal year then ended in accordance with generally accepted accounting principles as described in authoritative pronouncements and interpreted and/or prescribed by the State Auditor, and in such form as he may require. The State Auditor shall publish guidelines specifying the procedures to implement the necessary

records, procedures, and accounting systems to reflect these statements on the proper basis of accounting.

Accordingly, the State Auditor shall combine the financial statements for the various agencies into a Comprehensive Annual Financial Report for the State of North Carolina in accordance with generally accepted accounting principles. These statements, with the Auditor's opinion, shall be published as the official financial statements of the State and shall be distributed to the Governor, members of the General Assembly, heads of departments, agencies and institutions of the State and other interested parties. The State Auditor shall notify the Director of the Budget of any and all State agencies which have not complied fully with the requirements of this provision within the specified time, and the Director of the Budget shall employ whatever means necessary, including the withholding of allotments, to ensure immediate corrective actions."

Sec. 33. G.S. 143-106 is repealed.

Sec. 34. G.S. 143-127 is amended by deleting the words "by the Auditor".

Sec. 35. G.S. 143-154 is amended in the first sentence by deleting the words "State Auditor's".

Sec. 36. G.S. 143-155 is repealed.

Sec. 37. G.S. 143-166(b)(2) is repealed.

Sec. 38. G.S. 143-166(f) is amended by rewriting the second sentence to read: "The operations of the Board shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 39. G.S. 143-203 is repealed.

Sec. 40. G.S. 143B-74.1 is amended by deleting from the second sentence the following: "; such records and books shall be available for audit at any time by the State Auditor of North Carolina, and shall be annually audited by him in the same manner as audits are made of other State agencies and departments" and by substituting the words:

"The operations of the Commission shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 41. G.S. 143B-410 is amended in the first sentence by inserting a period after the word "Administration" and deleting the remaining language.

Sec. 42. G.S. 143B-426.18 is rewritten to read:

"§ 143B-426.18. Audit.—The operations of the North Carolina Agency for Public Telecommunications shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 43. G.S. 143B-464 is rewritten to read:

"§ 143B-464. Audit.—The operations of the State Ports Authority shall be subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

Sec. 44. G.S. 147-6 is amended as follows: (1) in the catch line by deleting the words "of State Auditor", (2) in the first sentence by deleting the words "by the State Auditor", and (3) by rewriting the second sentence to read: "The officer of State or head of any department thereof shall file an itemized statement of the salaries, bills for purchase of equipment and other expenses of his department, and warrants shall be

drawn on the State Treasurer for the payment of all salaries, purchases of equipment, and expenses as authorized by law, to be paid by the said officer of State or head of any department thereof, as evidenced by statements so approved and filed."

Sec. 45. G.S. 147-11 is amended in the third sentence by deleting the words "the State Treasurer on a warrant issued by the Auditor." and substituting the words "a warrant drawn on the State Treasurer."

Sec. 46. G.S. 147-12(1) is amended by deleting the words ", and for the purpose of paying the expenses of such visitation the Auditor is hereby directed to draw an order on the Treasurer in favor of the Governor to pay his expenses for each visitation".

Sec. 47. G.S. 147-16(2) is amended by deleting the words ", which shall be paid upon the warrant of the Auditor".

Sec. 48. G.S. 147-31 is repealed.

Sec. 49. G.S. 147-62 is recodified as G.S. 143-3.3.

Sec. 50. G.S. 147-63 is amended by deleting the words "the auditor to draw his warrant therefor" and substituting the words "a warrant be drawn therefor", and is recodified as G.S. 143-3.4(a).

Sec. 51. G.S. 147-64 is amended in the second sentence by deleting the words "The Auditor shall not draw his warrant" and substituting the words "A warrant shall not be drawn", and is recodified as G.S. 143-3.4(b).

Sec. 52. G.S. 147-68 is amended in subsection (a) by deleting the words "by the State Disbursing Officer or the State Auditor or the State Treasurer in the lawful exercise of their duties and responsibilities" and is further amended in subsection (b) by deleting the words "of the State Disbursing Officer or the State Auditor or the State Treasurer, and".

Sec. 53. G.S. 147-76 is amended by deleting the words "with the Auditor,".

Sec. 54. G.S. 147-84 is rewritten to read:

"§ 147-84. Refund of excess payments.—Whenever taxes or other receipts of any kind are or have been by clerical error, misinterpretation of the law, or otherwise, collected and paid into the State Treasury in excess of the amount found legally due the State, said excess amount shall be refunded to the person entitled thereto."

Sec. 55. G.S. 147-85 is amended by deleting the last sentence.

Sec. 56. G.S. 163-107(b) is amended by rewriting the second sentence to read: "If the fee was paid to the State Board of Elections, the chairman of that board shall cause a warrant to be drawn on the Treasurer of the State for the refund payment."

Sec. 57. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 22nd day of July, 1983.