

§ 147-64.7. Authority.

(a) Access to Persons and Records. –

- (1) The Auditor and the Auditor's authorized representatives shall have ready access to persons and may examine and copy all books, records, reports, vouchers, correspondence, files, personnel files, investments, and any other documentation of any State agency. Upon demand of the Auditor, access shall extend to databases, datasets, and digital records necessary for any purpose within the authority of the Auditor, including performing audits of any type, assessing government efficiency, risk assessment, fraud detection, audit planning, and evidence gathering. 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. Notwithstanding confidentiality provisions of tax laws, the Auditor may use and disclose information related to overdue tax debts in support of the Auditor's statutory mission.
- (2) For audits or investigations conducted under G.S. 147-64.6(c)(25), the Auditor and the Auditor's duly authorized representatives shall have access to persons, records, papers, reports, vouchers, correspondence, books, databases, datasets, digital records, and any other documentation that is in the possession of any publicly funded entity which pertain to either of the following:
 - 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, the State, or its political subdivisions. In order to determine that payments to providers of social and medical services are legal and proper, the providers of these services shall give the Auditor, or the Auditor's authorized representatives, access to the records of recipients that receive these services.
- (3) The Auditor shall, for the purpose of examination and audit 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 publicly funded entity 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. Audits and investigations of publicly funded entities are limited as provided in G.S. 147-64.6(c)(25).
- (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 the Auditor's authorized representatives may examine all books and accounts of any individual, firm, or corporation only insofar as they relate to transactions with any agency of the State.

(a1) Hearing. – If a person fails or refuses to provide to the Auditor or the Auditor's authorized representatives the access described in subsection (a) of this section, the Auditor may commence an action in superior court for a show cause hearing. The person shall appear at the hearing and show cause why the person failed or refused to comply with subsection (a) of this section. The court may issue an injunction to the person to comply with subsection (a) of this section.

(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. 143C-2-1 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.

(d) No Waiver. – The production of documents or information required by this section does not constitute a waiver or an impairment of the attorney-client privilege or the attorney work-product privilege. (1983, c. 913, s. 2; 1999-188, s. 1; 2006-203, s. 116; 2007-484, s. 34.5; 2019-19, s. 4; 2025-83, s. 6.)