



CHAPTER 147
ARTICLE 5A - AUDITOR

N.C.G.S. § 147-64.6.

Duties and responsibilities.

SOURCE	LAST AMENDMENT IN THIS TEXT	RETRIEVED	SOURCE FINGERPRINT
General Statutes of North Carolina, as published by the General Assembly	S.L. 2025-83, s. 10 — twenty-seventh act in the lineage	21 September 2026, 03:31 UTC	7083bf6d05b330f7c13530a6 - 662a1fbb3e41de005cb6a421 - 7e846ecd6bc92cca

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

§ 147-64.6(b) Areas of Examination. - The duties of the Auditor are independently to examine into and make findings of fact on whether State agencies have done or are doing all of the following:

- (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 that 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 these 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 of the State, and, if applicable, federal law.
- (5) Are determining that the authorized activities or programs effectively serve the intent and purpose of the General Assembly and, if applicable, federal law.

- (6) Are adhering to statutory requirements that include conditions precedent, classifications, and similar eligibility or qualifying standards to assure that statutory intent is carried out while the requirements are in effect.
- (7) Are not engaging in an improper governmental activity as provided in G.S. 147-64.6B, including misappropriation, mismanagement, waste of State resources, fraud, or a violation of State or federal law.

§ 147-64.6(c)

Responsibilities. - The Auditor is 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 the Auditor's own initiative and as often as the Auditor deems necessary, or as requested by the Governor or the General Assembly, shall, to the extent deemed practicable and consistent with the Auditor's overall responsibility as contained in this Article, make or cause to be made audits of all or any part of the activities of the State agencies. Each State agency receiving a financial statement audit by the Auditor under this subdivision shall prepare a financial statement and supplementary information in the format required by the Auditor. Financial statements and supplementary information prepared as required by this subdivision shall be completed and submitted to the Auditor not later than 60 days after the deadline for the State agency's Comprehensive Annual Financial Report submission as established by the State Controller.
- (4) The Auditor, at the Auditor's 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. The Auditor shall coordinate, to the extent deemed practicable, the auditing conducted within the State to meet the needs of all governmental bodies.

- (5) The Auditor may 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 State agencies 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 subgrants these federal funds to local governments, regional councils of government, and other local groups or private or semiprivate institutions or agencies, the Auditor may 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.

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 the Auditor 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 shall, in the Auditor's reports of audits or reports of investigations, make any comments, suggestions, or recommendations the Auditor deems appropriate concerning any aspect of the State agency's activities and operations.
- (7) The Auditor may charge and collect from each examining and licensing board the actual cost of each audit of the board. Costs collected under this subdivision shall be based on the actual expense incurred by the Auditor's office in making the audit, and the affected State agency is entitled to an itemized statement of the costs. Amounts collected under this subdivision shall be deposited into the General Fund as nontax revenue.
- (8) The Auditor shall examine as often as necessary the accounts kept by the State Treasurer, and if the Auditor discovers any irregularity or deficiency in the accounts, unless the irregularity or deficiency is rectified or explained to the Auditor's satisfaction, report it in writing to the General Assembly and provide a copy of the report to the Governor and Attorney General. In addition to regular audits, the Auditor shall check the Treasurer's records at the time a new Treasurer assumes office and charge the Treasurer with the balance in the accounts and shall check the Treasurer's records at the time the Treasurer 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 the Auditor may require banks doing business with the State to furnish the Auditor information relating to transactions with State agencies.
- (10) The Auditor may, as often as the Auditor deems advisable, conduct a detailed review of the bookkeeping and accounting systems in use in the various State agencies that are supported partially or entirely from State funds. These examinations shall be for the purpose of evaluating the adequacy of systems in use by these State agencies. In instances where the Auditor determines that existing systems are outmoded, inefficient, or otherwise inadequate, the Auditor shall recommend changes to the State Controller. The State Controller shall prescribe and supervise the installation of these changes, as provided in G.S. 143B-426.39(2).
- (11) The Auditor shall, through appropriate tests, satisfy himself or herself concerning the propriety of the data presented in the Comprehensive Annual Financial Report and shall express the appropriate auditor's opinion in accordance with generally accepted auditing standards.
- (12) The Auditor shall provide a report to the Governor and Attorney General, and other appropriate officials, of facts in the Auditor's possession that pertain to the apparent violation of criminal statutes or apparent instances of malfeasance, misfeasance, or nonfeasance by an officer or employee.
- (13) At the conclusion of an audit, the Auditor or the Auditor's 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 that 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 15 to 30 days from receipt of the draft report. The length of time shall be determined by the Auditor and shall be commensurate with the number and complexity of the findings.

- (14) The Auditor shall notify the General Assembly, the Governor, the Chief Executive Officer of each agency audited, and other persons as the Auditor deems appropriate that an audit report has been published, its subject and title, and the locations, including State libraries, at which the report is available. The Auditor shall then distribute copies of the report only to those who request a report. The copies shall be in written or electronic form, as requested. The Auditor shall also file a copy of the audit report in the Auditor's office, which will be a permanent public record. In addition, the Auditor may publish on his or her website any reports from audits of State agencies not directly conducted by the Auditor. If the report is the result of an investigation of a unit of local government subject to Article 3 of Chapter 159 of the General Statutes, the Auditor shall notify the Local Government Commission that a report has been published with respect to that unit of local government. Nothing in this subsection shall be construed as authorizing or permitting the publication of information whose disclosure is otherwise prohibited by law.
- (15) The audit and investigation function does not 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.
- (16) The Auditor is responsible for receiving reports of allegations of the improper governmental activities as provided in G.S. 147-64.6B. The Auditor shall adopt policies and procedures necessary to provide for the investigation or referral of these allegations.
- (17) Repealed by Session Laws 2009-136, s. 2, effective June 19, 2009.
- (18) Repealed by Session Laws 2010-31, s. 6.15(b), effective July 1, 2010.
- (19) Whenever the Auditor believes that information received or collected by the Auditor may be evidence of a violation of any of the provisions of Chapter 138A of the General Statutes, Chapter 120C of the General Statutes, or Article 14 of Chapter 120 of the General Statutes, the Auditor shall report that information to the State Ethics Commission and the Secretary of State as appropriate. The Auditor is bound by interpretations issued by the State Ethics Commission as to whether or not any information reported by the Auditor under this subdivision involves or may involve a violation of Chapter 138A of the General Statutes, Chapter 120C of the General Statutes, or Article 14 of Chapter 120 of the General Statutes. Nothing in this subdivision limits the Auditor's authority under subdivision (1) of this subsection.

- (20) Whenever the Auditor believes that information received or collected by the Auditor may be evidence of criminal misconduct, the Auditor shall report that information to either the State Bureau of Investigation or the district attorney for the county where the alleged misconduct occurred. Nothing in this subdivision limits the Auditor's authority under subdivision (1) of this subsection.
- (21) If an audit or investigation undertaken by the Auditor results in a finding that a private person or entity has received public funds as a result of fraud, misrepresentation, or other deceptive acts or practices while doing business with a State agency, the Auditor shall submit a detailed written report of the finding, and any additional necessary supporting documentation, to (i) the Department of Revenue in accordance with G.S. 105A-6A(a) and (ii) the State Purchasing Officer or the appropriate official, as applicable. A report submitted under this subsection may include a recommendation that the private person or entity be debarred from doing business with the State or a State agency.
- (22) Verification audits for compliance with statutory requirements, with or without advance notice to the State agency being audited, may be initiated at the discretion of the Auditor or as requested by the Governor or General Assembly.
- (23) The Auditor shall make appointments to the State Board of Elections.
- (24) The Auditor may engage in an audit or investigation of any publicly funded entity. Any such audit or investigation conducted shall be limited to the State or federal funds received, disbursed, or otherwise handled by the publicly funded entity.

§ 147-64.6(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 the Auditor's authority. Audit work papers and other evidence and related supportive material directly pertaining to the work of the Auditor's 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, and notwithstanding the provisions of G.S. 126-24, pertinent work papers and other supportive material related to an audit or investigation made pursuant to this section 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 the records in connection with some matter officially before them, including criminal investigations.

Except as provided in this section, or upon an order issued in Wake County Superior Court upon 10 days' notice and hearing finding that access is necessary to a proper administration of justice, audit work papers and related supportive material are confidential, including any interpretations, advisory opinions, or other information or materials furnished to or by the State Ethics Commission under this section.

§ 147-64.6(e)

Access to Records. - The Auditor may examine the accounts and records of any organization or State agency relating to a verification audit for compliance with a statutory condition precedent, classification, or other similar eligibility or qualifying standard.

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I
27 ACTS

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.



Nº	YEAR	ACT	CHARACTER
01	1983	c. 913, s. 2	ENACTED
02	1983	1985 (Reg. Sess., 1986), c. 1024, ss. 24, 25	AMENDED
03	1987	c. 738, s. 62	AMENDED
04	1989	c. 236, s. 2	AMENDED
05	1999	S.L. 1999-188, s. 2	AMENDED
06	2001	S.L. 2001-142, s. 2	AMENDED
07	2001	S.L. 2001-424, ss. 9.1(a), 15.2(c)	AMENDED
08	2002	S.L. 2002-126, s. 27.2(b)	AMENDED
09	2002	S.L. 2002-159, s. 48	AMENDED
10	2004	S.L. 2004-129, s. 46	AMENDED
11	2008	S.L. 2008-215, ss. 1(a), 2, 3	AMENDED

12	2009	S.L. 2009-136, s. 2	AMENDED
13	2010	S.L. 2010-31, s. 6.15(b)	AMENDED
14	2010	S.L. 2010-194, s. 27	AMENDED
15	2014	S.L. 2014-100, ss. 25.2, 25.3	AMENDED
16	2015	S.L. 2015-241, s. 25.1(b)	AMENDED
17	2015	S.L. 2015-268, s. 7.4	AMENDED
18	2017	S.L. 2017-6, s. 3	AMENDED
19	2018	S.L. 2018-5, s. 27.1	AMENDED
20	2018	S.L. 2018-146, ss. 3.1(a), (b), 6.1	AMENDED
21	2019	S.L. 2019-19, ss. 2, 3	AMENDED
22	2020	S.L. 2020-78, s. 18.1	AMENDED
23	2021	S.L. 2021-112, s. 3	AMENDED
24	2021	S.L. 2021-191, s. 1(a)	AMENDED
25	2024	S.L. 2024-57, s. 3A.3(b)	AMENDED
26	2025	S.L. 2025-25, s. 29(5)	AMENDED
27	2025	S.L. 2025-83, s. 10	AMENDED

APPARATUS II
4 AUTHORITIES

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 147-64.6B	(b)(7)	<i>"improper governmental activity as provided in"</i>
G.S. 143B-426.39(2)	(c)(10)	<i>"of these changes, as provided in"</i>
G.S. 105A-6A(a) and (ii)	(c)(21)	<i>"Department of Revenue in accordance with"</i>
G.S. 126-24	(d)	<i>"effort, and notwithstanding the provisions of"</i>

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 147-64.6 (2025).

PINPOINT

N.C. Gen. Stat. § 147-64.6(a) (2025).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

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HISTORY PARENTHETICAL, AS PRINTED BY THE STATE

(1983, c. 913, s. 2; 1985 (Reg. Sess., 1986), c. 1024, ss. 24, 25; 1987, c. 738, s. 62; 1989, c. 236, s. 2; 1999-188, s. 2; 2001-142, s. 2; 2001-424, ss. 9.1(a), 15.2(c); 2002-126, s. 27.2(b); 2002-159, s. 48; 2004-129, s. 46; 2008-215, ss. 1(a), 2, 3; 2009-136, s. 2; 2010-31, s. 6.15(b); 2010-194, s. 27; 2014-100, ss. 25.2, 25.3; 2015-241, s. 25.1(b); 2015-268, s. 7.4; 2017-6, s. 3; 2018-5, s. 27.1; 2018-146, ss. 3.1(a), (b), 6.1; 2019-19, ss. 2, 3; 2020-78, s. 18.1; 2021-112, s. 3; 2021-191, s. 1(a); 2024-57, s. 3A.3(b); 2025-25, s. 29(5); 2025-83, s. 10.)

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