

Chapter 11

The Governor speaks English and finds it useful

In Chapter 10, *Audit Chaos*, I explained how the Office of the State Auditor (OSA) has an unfunded mandate to examine all counties and that 28 counties have been released from that unfunded mandate; but, what about the other counties? Have any other counties requested to be released? The answer is “Yes.”

Two counties have requested to be released from Minnesota State Statute 6.48 and to be audited by a private CPA firm for audit years 2009 to 2011, and both requests were denied. Mahnomem County made their request on May 19, 2008 and was denied on August 7, 2008 ([click here to see request and denial letters](#)) and Cook County made their request by email on April 23, 2008 and was denied over the phone on a date unknown ([click here to see email request](#)). Why the disparity in treatment? The answer goes back to 2003.

When Tim Pawlenty was elected governor in 2002, the State was facing a shortfall, and he asked all department heads and Constitutional Officers to cut 15% from their budgets. State Auditor Pat Anderson was elected in the same year and was vigorously enthusiastic about making robust cuts in the budget for the Office of the State Auditor.

State Auditor Anderson was able to release 28 counties from the unfunded mandate for audits and accomplish this cut.

State Auditor Rebecca Otto has not been able to restore the 2003 budget cuts, so she has not been able to bring the released counties back under the unfunded OSA mandate. Furthermore, because the two counties requesting release have been included in the current budget of the Audit Practice Division, there is no compelling incentive for State Auditor Otto to grant them their release. [How about the Single Audit deadline? What about the letters to counties from DHS?](#) There, I just gave two compelling incentives to grant them their release.

The Mahnomem County case is the most interesting. According to an email from the private CPA firm that submitted the bid to audit Mahnomem County, the privatized bid would have saved \$30,000 in audit costs. For those who are unfamiliar with Mahnomem County, it is a very poor county with a [per capita income](#) 42% below state average. It lies entirely within the White Earth Indian Reservation. A \$30,000 savings in audit costs would be a significant savings to Mahnomem County saving a family of four about \$24.

Ask Jeff A Question

This chapter's selected question is from Becky in Marine on St. Croix.

Becky asks, "You do not have to be a CPA to be State Auditor, why are you making a big fuss over being a CPA?"

Jeff's Answer: In the Minnesota Constitution, the original intent of concept of the State Auditor was not to represent an individual examining or inspecting the records of local governments. The word auditor in the title State Auditor* was originally intended to represent an individual who would audit the claims of state business before paying the bills. The same is true for County Auditor. The County Auditor audits the claims of county business before paying the bills. The original intent of the State Auditor was to act as the State's Finance Officer. The State Legislature rewrote the original intent of State Auditor in the Reorganization Act of 1973 (Gov. Wendy Anderson - DFL) without allowing the voters to discuss the merits of an Amendment to the Constitution (See Chapter 2, *Strange But True*). The big loser in this reorganization scandal is, as always, the taxpayer.

As a result, we can (and do) elect individuals as State Auditor who do not meet the minimum functional qualifications to do the job. Auditing Standards issued by the Comptroller General of the United States require a CPA Certificate in order to opine on a set of financial statements (express an opinion), i.e., to determine whether the books are cooked.

The Minnesota Constitution does not have such a requirement. If the State Legislature would have allowed the people to debate the merits of the Reorganization Act of 1973 in a Constitutional Amendment, the people may have turned down the Reorganization Act, required the State Auditor to meet the minimum qualifications set by the Comptroller General or eliminated the elected position of State Auditor. It seems likely that if the Minnesota Constitution were to be written today, some qualifications would attend the position of State Auditor.

Since the Reorganization Act of 1973, elected officials have used the Office of the State Auditor as a political springboard in order to establish statewide name recognition before advancing to a higher office. Again, the loser in this scandal is the taxpayer. They unintentionally elect individuals who have to hire a Deputy State Auditor (Mazuma Czar) in order to do their job, and the Deputy State Auditor serves at the beck and call of the elected official.

Now Becky, this is a serious internal control weakness; a taxpayer does not have to be an auditor to understand it, and it must be debated in public. That is one of the reasons I am running for State Auditor. I am a CPA and there has never been a CPA as Minnesota State Auditor. I do not have to hire a Deputy Czar in order to do my job.

The Constitution does not require our Governor to speak English, but I think we might all agree that it is a useful skill for the job. Likewise, being a CPA adds powerful capacity to the OSA.—Jeff Wiita, CPA

One last note; in 1998, the voters were allowed to debate the merits of the elected position of State Treasurer, and they amended the Minnesota Constitution and eliminated the elected position of State Treasurer. When the people have the power, they use it wisely.

* auditor *a)* a person authorized to audit accounts *b)* a public official who audits government accounts, distributes revenues, assesses real-estate, inspects scales, etc.

Address all your questions directly to me at [Contact Jeff](#). Please include name and town, name and town, if you wish to opine.

Blog Spot Links related story on my campaign by

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Family Vacation (insightful trip to Russia continued)

In Russia, you have to take a Princess Tour if you do not have a tourist visa. If you have a tourist visa, you would have to stay with a government certified tour guide.



Peterhof Palace

Our first Princess Tour in Russia was to Peterhof Palace near St. Petersburg. On our bus ride there, I first noticed the poor craftsmanship on the new construction. I then noticed that the old buildings were dirty. They appeared to be covered with pollution. I noticed that the flags were stained with the same pollution. The streets were wet, but it did not rain that night. There were no senior citizens.

The scaffolding that was being used would never pass OSHA inspection. The parks were not mowed, and hence, no one was in the parks. People were working in ditches with shovels and nylon bags. There were no mini excavators or mini loaders like a Bobcat.

As we traveled to Peterhof, I started smelling pollution. I ask Sandy if she could smell it. She said yes, and sure enough, we saw a power plant in the distance.

At Peterhof, I saw a palace leafed in gold and other riches. I started to realize what the Czars did to the people. They accumulated all of this wealth by force and contributed nothing to society except larger and larger churches to their patron saints.

I saw my first senior citizen. She was a little old lady who was sweeping the street with a homemade broom of straw.

It became very clear, big government takes away the craftsman's incentive to do good work, creates dangerous working conditions, destroys the environment, and removes senior citizens. Where did they go? I did not find out until the next morning. But, the streets are clean.

The time for government accountability has come.

Sincerely,

Jeff Wiita, CPA

Prepared and paid for by Jeff Wiita, CPA for State Auditor
http://www.jeffforstateauditor.com/Home_Page.html

Contact Jeff