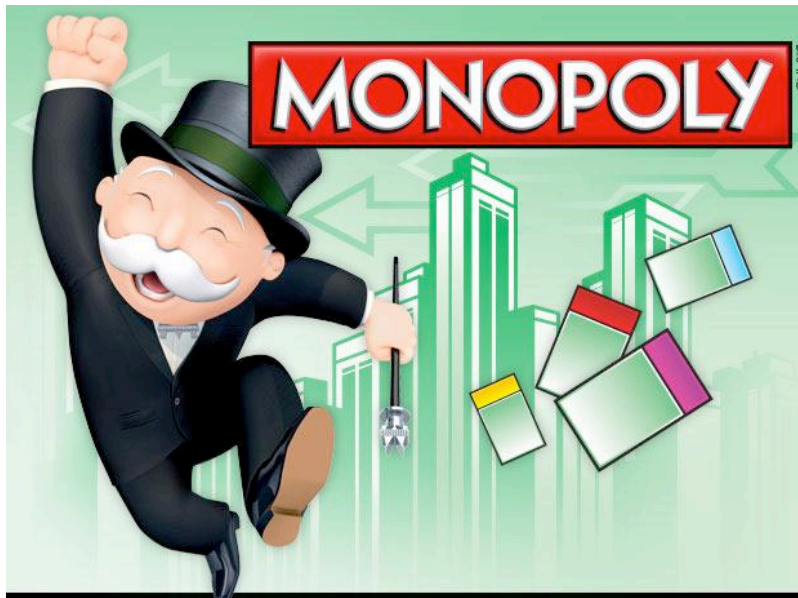


Chapter 13

Different OSA Division, Same OSA Problem

Speaking to activists and delegates during my campaign travels to BPOUs, a concern has arisen. I have talked to two mayors, one city finance officer and one economist who have expressed concerns over the information that is available from the Government Information Division (GID) of the Office of State Auditor (OSA). My prior chapters have been focused on the Audit Practice Division (APD). While the APD makes up 64.6% of the budgeted expenditures of the OSA and GID makes up only 6.1%, it is GID that is most useful to analysts and policy wonks. GID is supposed to provide the type of transparency favored by concerned voters and the watchful eye of the media.

State statute requires cities to submit their audited financial statement information to the OSA by June 30. The information is entered online into the State Auditor Form Entry System (SAFES) via an Excel spreadsheet. The information is not available for comparison until after all information has been compiled. For calendar year ending 2007, the information was not released until January 15, 2009.



Your eyes are not deceiving you; the 2007 Minnesota City Finances Report was issued more than 12 months after the calendar year ended and more than six months after the June 30, 2008 submission deadline. From the eye of a certified public accountant (CPA), there are serious data entry issues resulting in a stunning lack of timely reporting within the GID. Data should be made available to anyone requesting it as the data

becomes available; not when every last city has completed its submission and certainly not when all data entry has been completed for every city.

The issue that Minnesota mayors and finance officers have with GID is that the information is stale and not very useful for comparison purposes when they prepare their budgets. State Statute 275.07 requires certification of tax levy by the proper authorities to the county auditor on or before five working days after December 20. For budget year 2010, that date would be December 28, 2009. The most current information available for comparative analysis is year ending 2007. That information would be somewhat useless for budgeting. The mayors and finance officer told me

that the more current the information, the more useful the comparison when preparing the budget and certified levy.

A related matter is the difficulty of accessing multiple data sets. For an economist or other GID data client, it is problematic and cumbersome to be unable to compare more than two cities at a time and only one year at a time. The taxpayers deserve data access that is more user-friendly. The solution is the application of the correct skill set within the GID to permit more easily manipulated data sets in the Excel format.

Lack of timeliness and transparency appears to be endemic throughout the OSA. It plagues the Audit Practice Division and the Government Information Division. These are serious but surmountable problems. A sober approach to management and accounting reform in the OAS will yield positive results.

Ask Jeff A Question

This chapter's selected question is from Bill in Hinckley.

Bill asks, "What can the State Auditor do once fraud has been uncovered?"

Jeff's Answer: That is a question asked by many taxpayers. The State Auditor does not have persecutory powers. Depending on the jurisdiction, "the State Auditor shall file with the city attorney thereof and with the county attorney of the county in which such city is located, and these officials of the law shall institute such proceedings, civil or criminal, as the law and the public interest require." If there is a conflict of interest, the county attorney may ask another county attorney to handle the file.



For example, under State Auditor Judi Dutcher, there was a special investigation in the City of Brooklyn Park (report issued July 17, 2002). Even though State Auditor Dutcher was an attorney and a former city prosecutor, she had no authority to prosecute the individuals involved. She had to file the evidence with County Attorney Amy Klobuchar.

For reasons that are obscure, County Attorney Klobuchar decided that she had a conflict of interest in the Brooklyn Park matter, so she gave the file to the Dakota County Attorney. The Dakota County Attorney decided that their caseload was too large, so they decided not to prosecute. Furthermore, the statute of limitations on a criminal case is three years. Hence, there is nothing anyone can do about the problem today.

This may sound like a "good ol' boy" case, and it probably was; State Auditor Dutcher did the only thing she could do. The moral of this story is, "elections have consequences." As you know, the voters promoted County Attorney Klobuchar to U.S. Senator where she provides a veto-proof 60th voted in the Senate.

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

Current Event, Propitious Trends

The [American Institute of Certified Public Accountants \(AICPA\)](#) recently announced its support of legislation ([H.R. 4410](#)) introduced in the U.S. House of Representatives by Reps. Collin Peterson, D-Minn., and Mike Conaway, R-Texas. The purpose of this bill is to require the U.S. Comptroller General to be a CPA.

“Taxpayers are rightly demanding ever-increasing accountability and transparency from the U.S. government,” said AICPA President and CEO Barry Melancon, CPA. “It is essential that the comptroller general have the education, skills, background, training, and discipline of a CPA.” [SmartBrief](#) [WebCPA\(12/28\)](#)

Taxpayers are rightly demanding ever-increasing accountability and transparency from the U.S. government. It is essential that the comptroller general have the education, skills, background, training, and discipline of a CPA. ---Barry Melancon

Blog Spot Links related story on my campaign by

[Speed Gibson](#)

Endorsement

[Terry Stone, BPOU Chair of Koochiching County](#)

Family Vacation

Our next “port of call” was Tallinn, Estonia. Tallinn has an Old Town (upper and lower) section and a greater Tallinn section, and my family was able to visit both. Our bus tour was of the greater Tallinn area with a stop at the Old Town. What became very obvious was the prosperous atmosphere of Tallinn compared to St. Petersburg,

Russia. I realized while in Estonia that the Iron Curtain still exists, but it moved from Eastern Europe to the border of Russia.

We were able to explore the medieval Old Town area on foot. The lower town is a quaint medieval village; it was like walking into a Disney classic movie. The medieval charm of the Old Town survived the bombing raids of the Soviets during World War II.

Tallinn is a gateway between Europe and Russia, and, hence, became a historic battleground for many to conquer.

The Danish Kingdom and the Teutonic Knights forced Christianity upon the local people. The Germans and the Protestant Reformation converted the population to Lutheran.



Tallinn, Estonia (Lower Old Town)

Sweden ruled Tallinn in the mid 15th century, and eventually surrendered the city to Imperial Russia in the early 17th century. In the early 19th century, the German Empire ruled, there was a war of independence, and Soviet Russia acknowledged the independence. During World War II, the Soviet Union occupied the area; then Nazi Germany occupied the area, and eventually the area was annexed into the Soviet Union. In August 1991, Estonia got their independence from the U.S.S.R.

I was facing very violent world history. I do not know if most Americans understand how fragile and precious our independence and freedoms are. It became very obvious that we must protect them for future generations, and we must teach our children to love what has been entrusted to us by our founding fathers.

Our next “port of call” was Gdansk, Poland (Home of the Solidarity Movement).

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