

Chapter 16

How to Eliminate a Political Welfare Check

I thought long and hard about writing the final chapter of my Plan, and it has become painfully obvious that I am going to have to reveal the extended version of my Plan. Before I do that, I would like you to know why this has been such a difficult decision.

The extended version of the Plan may become a distraction to the urgent problem of untimely audits. In [Chapter 15](#), I addressed the advancing Single Audit deadline and the threatening sanction letters sent to counties that were in noncompliance with the deadline. Fixing this problem is paramount to the extended version of my Plan, and the only way to fix the problem and protect the taxpayer was outlined in [Chapter 14](#).

CHAPTER TOPIC SUMMARY	
Chapter 1	Self-Introduction as a candidate for State Auditor.
Chapter 2	Reviews the historic functions of the OSA and the 1973 Reorganization Act.
Chapter 3	Short cautionary tale of partisan politics in the OSA.
Chapter 4	Arne Carlson's remarkable position on the OSA.
Chapter 5	Short illustration of covert bi-partisan politics to protect the OSA.
Chapter 6	The real and growing problem behind untimely audits.
Chapter 7	Special treatment for large OSA clients at the cost of smaller clients.
Chapter 8	History of the Single Audit Act and present conditions.
Chapter 9	Insidious consequences of missing the Single Audit deadline.
Chapter 10	Interactive list of 28 counties released to CPA firms.
Chapter 11	An explanation of the disparity in treatment between counties.
Chapter 12	Who's auditing the 28 released counties?
Chapter 13	Problems within an additional OSA division.
Chapter 14	Outlines my OSA Plan for protecting the taxpayer.
Chapter 15	Discusses the advancing Single Audit deadline and implications for the OSA.
Chapter 16	The combining of the OSA with the Legislative Auditor's Office.

In [Chapter 2](#), I explained what the functions of the State Auditor were before the 1973 Reorganization Act, how the Public Examiners Office was split in half, how the local governmental oversight of examinations were given to a State Auditor without other further duties.

In [Chapter 3, 4 & 5](#), I explained how the 1973 Reorganization Act created partisan politics in local governmental audits and how politicians on both sides protect the OSA. Both parties use this office to create statewide name recognition before advancing their political careers to governor or U.S. Senator at the expense of the taxpayer. The effect is to write a check for political capital for which the public pays; essentially much of the OSA is a *de facto* political welfare check.

All during that time, in the real world, pressure was building to comply with shorter and shorter federal Single Audit deadlines; that pressure continues to build today. When

the caldron blows, the taxpayers will be left with public oversight of neither how tax money is spent nor of the audit work papers of governmental entities.

Finally, before I disclose the final chapter, the reader must understand the *Golden Rule* of auditing. It is "*Independence in Fact and Appearance.*"

The second general auditing standard is: "*The auditor must maintain independence in mental attitude in all matters relating to the audit.*" This standard requires the Office of the State Auditor (OSA) to be non-partisan and apolitical. This is a Catch-22 because the State Auditor is an elected partisan position. The OSA cannot maintain the appearance of independence. As a result, no one takes the State Auditor seriously when he or she speaks except, of course, partisan minded individuals.

By conspicuous contrast, when the Legislative Auditor speaks he has a broad and attentive audience because the Legislative Auditor is *appointed* and reports to the Legislative Audit Committee. This committee is a bi-partisan commission with 6 members from the House of Representatives and 6 from the Senate, equally divided between the majority and minority parties.



Guillotine

The final chapter of my Plan is very short. Once I have replaced the Audit Practice Division with a Peer Review Division, I have plans to lobby the state legislature to horizontally transfer the remaining functions of the State Auditor back to the Legislative Auditor and to re-create the Public Examiner's Office. This would eliminate all partisan politics and create integrity in local governmental audits (protecting the *Golden Rule*).

Once the audit functions of the OSA have been transferred to the Legislative Auditor, I have plans for lobbying the state legislature for a Constitutional amendment to eliminate the elected position of State Auditor (*eliminating the political Welfare check*). To complete this concept, I have plans for advocating the advantages of passing the Constitutional amendment and for articulating these advantages to the electorate.

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At that time, the reversal of the constitutionally dubious 1973 Reorganization Act will be corrected and complete. There is precedent for such a measure. In 1998, the

voters were allowed to debate the merits of the elected position of State Treasurer. The voters amended the Minnesota Constitution and eliminated the elected position of State Treasurer. When the people have the power, they use it wisely.

Ask Jeff A Question

This chapter's selected question is from Mike in Big Lake. Mike asks, "What is the State Auditor's salary?"

Jeff's Answer: \$102,258 and, from my point of view, way too much. The number of employees in their respective Constitutional Offices determines the salary of the State Auditor and the Secretary of State; unless budget constraints disturb the formulary.

Frozen: 2009 salaries for elected state officers

Governor Tim Pawlenty
\$120,303

Attorney General Lori Swanson
\$114,288

Lt. Gov. Carol Molnau
\$78,197

Secretary of State Mark (ACORN) Ritchie
\$90,227

State Auditor Rebecca Otto
\$102,258

Source: Minnesota Department of Management and Budget

When Mary Kiffmeyer was Secretary of State, she was paid less than State Auditor Pat Anderson who oversaw approximately 120 employees. Mary was disconcerted because she did not think the number of employees should be used in the compensation of the Attorney General, Secretary of State and State Auditor because it does not accurately measure the level of responsibility and encourages growth of government.

The employees of the Audit Practice Division were included in the calculation of the total employees when determining the salary of State Auditor. This was the case even though 65% of the employees in the State Auditor's Office fall under the Audit Practice Division (and auditing standards require the Audit Practice Division to be managed by a Deputy State Auditor who is a licensed CPA). If the employees of the Audit Practice Division were subtracted from the State Auditor calculation, State Auditor Pat Anderson would have been paid less than Secretary of State Mary Kiffmeyer.

This system is seriously flawed because it is designed to influence and encourage the growth of government (self preservation) and discourages the reduction of government. If this fact were widely known, there would likely be enthusiastic Tea Party protests against the elected position of State Auditor.

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\(12/28\)](#)

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Blog Spot Links related story on my campaign by

[Speed Gibson](#)

Endorsement

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

Family Vacation

The last day of the European family vacation took us on a bus tour to Brussels, Belgium. Brussels is a beautiful city, which avoided the wrath of World War II and is the *de facto* capital city of the European Union.

From this family vacation, I had carefully chosen venues of historical significance. Two such locations in Brussels were unforgettable.

On the first day of the vacation, my mother-in-law, Dian (the truncated spelling is correct) tripped and broke her arm. Sandy adjusted our tours to accommodate the unfortunate event. While sightseeing Brussels, Dian got tired. Sandy and the girls

were full of tourist energy, so I told them to go take pictures and I would sit with Dian on the steps of this old building in the square of old Brussels. So, off they went.

About thirty minutes later, a group of young adults (college age) started to gather in front of the old building where we were sitting. They were very excited and were



climbing up on the wall of the old building to get their picture taken with a plaque on the wall. I could not see what the plaque said at the time, but I did notice the patch on the backpack of the individual that appeared to be the leader of the group. The patch was a circle. On the upper half were the words, "Working Class Kids," and on the lower half were the words, "Against Fascism." In the center of the patch were two hammers. I pointed this patch out to Dian.

I kind of knew what was in front of me, but I did not know what all of the excitement was with the plaque. Eventually, one of the kids sat down on the steps next to me. I asked him what all of the excitement was about. Well, he didn't speak English, so he called his friend over who had the backpack with the patch. I asked him what all of the excitement was about, and he told me.

I was sitting on the steps of the pub where Karl Marx wrote *The Communist Manifesto*. My suspicion was confirmed. These kids were Communists and proud of it. I regret not asking where they were from. I wish I knew.



Often, I think, if it wasn't for Dian's broken arm and the Communist kids, I would have never been sitting on those steps and I might have left without knowing that this building was the genesis of Stalin's philosophy which killed five times more people than Hitler's fascism. What an eye-opening event.

The time for government accountability has come.

Sincerely,

Jeff Wiita, CPA

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Contact Jeff