

Chapter 2

STRANGE BUT TRUE

As a candidate for State Auditor, I've had the opportunity to travel and meet with BPOU members. The two questions they frequently ask are— why is the State Auditor an elected office and why is there both a State Auditor and a Legislative Auditor?

These seemingly different questions share a common historical background.

The State Auditor is an elected Constitutional Officer whose original intended function was accounting for the finances of the State; not auditing.

It is a professional office, not a policy making position. This means that the State Auditor does not vote on legislation and does not have the authority to sign bills into law.

We are led, then, to the question of just what happened to the original intent of the Minnesota Constitution?

Rightly or wrongly, as governmental finances evolved, the finances of the State required more and more expertise; finances went from a simple receipt and disbursement system to the issuance of debt and cash flow management. Having realized this, in 1973, the State Legislature reorganized the State without amending the Minnesota Constitution.

In the Reorganization Act of 1973, the State Legislature created the Department of Finance and transferred the finance responsibility from the State Auditor's Office. Concurrently, the responsibility for the collection of revenues was transferred from the State Treasurer's Office to a newly created Department of Revenue. That left the State Treasurer with the sole function of reconciling the State checking account and the State Auditor was about to be left with no function whatsoever.

At the time, the State Auditor was Conservative Caucus member Rolland Hatfield, and the State was organized with a Liberal Caucus and a Conservative Caucus. As the story goes, Hatfield insisted that, as a Constitutional Officer, he must have some duties. So, in the great wisdom of the State Legislature, they split the Public Examiner's Office in half.

A perfectly functioning office called the Public Examiner's Office had its oversight of local governments given to the Office of the State Auditor. The oversight of the Executive Branch remained with the Public Examiner's Office which was renamed the Office of the Legislative Auditor. [\(Read more on the history of the OLA here\)](#)

Because the State Auditor is an elected official, this reorganization maneuver made the oversight of local governments political; made inappropriately, but that's the way it is today.

The Legislative Auditor's Office is bipartisan and is consequently considered nonpartisan. It is ostensibly independent, and I would argue that it is, in fact, independent. ([Read more on LAC here](#))

A final change was made in June of 2008 when the Department of Finance was combined with the Department of Employee Relations. The resulting entity is Minnesota Management & Budget whose name became effective in [March 2009](#).

For more information on the State Auditor's Office before 1973, go to [Public Examiner's Office](#) of my website.

The only remaining loose end to this story is the demise of the State Treasurer's Office. In 1998, a Constitutional Amendment was passed to abolish the Office of the State Treasurer effective January 6, 2003.

No story is complete without a reminder that I'm running for the Office of State Auditor. While important, this race gets relatively little attention. If you are so inclined, a contribution to a smaller race yields a bigger bang for the buck; and I can assure that contributions will be well accounted and audited. ([Click here to make a contribution](#))

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](#)