

Chapter 5 Covert Bi-partisan Politics

The Office of the State Auditor (OSA) has an unfunded mandate to audit all counties. This means that counties are required to be audited by the OSA and billed for the audit on an hourly basis. However, 28 counties were released from the unfunded mandate for a three-year period and were, therefore, audited by private CPA firms for audit years 2006 to 2008. These counties have been released again for audit years 2009 to 2011.

The unfunded mandate also includes all three first class cities (i.e, Minneapolis, St. Paul, and Duluth) but not small cities. Private CPA firms audit the small cities. Contrary to widely held belief; the State Auditor's Office **does not** audit school districts. Interestingly, this exclusion includes Anoka Hennepin School District, even though this district is larger than any municipality audited by the State Auditor's Office. All Minnesota school districts are audited by CPA firms.

The State would obviously benefit from a uniform system of auditing, so, why the inconsistencies in what should be a standardized system of auditing governmental entities?

There is no good reason; the situation evolved through pure covert bi-partisan politics-- the logical consequence of political influence on an office that would much better be managed by a professional CPA. As we observed in Chapter 2 *Strange But True*, this endemic structural shortcoming has its roots in the Reorganization Act of 1973.

My Mission Statement is to treat all municipalities equally, and my Plan explains the step-by-step vision that I have for the State Auditor's Office.



HEADS I WIN



TAILS YOU LOSE

Today's story encompasses the entire 26 years that I have worked for the State Auditor's Office. Every election brings the possibility of a change of guard. I have watched governmental auditors hold their breath every time a new elected official takes office.

It makes no difference which party captures the Office. It is inevitable; the first thing the opposing party proposes is the elimination of the unfunded mandate.

When a Democrat is elected State Auditor, the Republicans author the bill to eliminate the unfunded mandate. The government unions always twist some arms, and the bill is tabled in committee. Conversely, when a Republican is elected, the Democrats author the bill. The government unions, along with the elected Republican State

Auditor, take action and get the author to withdraw the bill, or they get the bill tabled. From the standpoint of accountability, it makes no difference which candidate is elected; the outcome does not change. Taxpayers might call this covert bi-partisan politics or a two-tailed quarter.

Ask Jeff A Question

This chapter's selected question is from Mark in Roseville.

Mark asks, "Can you please explain why the OSA does not audit Hennepin County?"

Jeff's Answer: The answer is detailed and the timing is very pertinent. When I started with the OSA in 1983, I asked the same question. At the time, State Statute exempted Hennepin County from government oversight. The Statute was repealed in 1991 (See Chapter 3 Overt Partisan Politics Rears its Ugly Head). Even after the repeal, the OSA still has never audited Hennepin County. The problem is staffing and special treatment to large municipalities who apply for the GFOA Certificate of Achievement for Excellence in Financial Reporting. I will explain more about these two critical covert partisan and bi-partisan, respectively, elements in my next chapter. Thanks, Mark for the lead-in.

Address all your questions directly to me at Contact Jeff. Please include name and town.

Blog Spot Links related story on my campaign by

Speed Gibson

New Feature: **Family**



Every morning when I get up, I thank God for my family. I met my wife, Sandy, at Lakewood Town Hall's New Year's Eve Party in 1983. Her family was the family band performing that night, and she was playing the accordion.

Because there were no single girls at the party, something from within told me to ask Sandy to dance. With permission, of course, from her dad and because her dad and sister were also playing the accordion, she was able to get away for a while without disrupting a polka, schottische, or waltz.

In the interest of full disclosure, I'm now ready to release a previously well-kept secret: I, too, played the accordion for many years while I was growing-up.

At the end of the night, I said goodbye, and Sandy said, "How about going to Perkins for a sundae?" I often tell people that Sandy asked me on the first date. What I haven't told people, until now, is that I asked her for the first dance, and we have been dancing for 26 years.

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