

Today's Message

Today's Message is *exemption*. I often hear conservatives say that they want to run government more like a business. In the business world, only a licensed Certified Public Accountant (CPA) can opine on a set of financial statements. If we did not have such a requirement, commerce as we know it would be greatly impaired.

If you were going to a lending institution to borrow money, the bank may want a financial statement with an opinion from a licensed CPA. Without the opinion, there is no integrity to the financial statements. The bank would be taking a lot more risk and hence would require a much higher interest rate.

The CPA license is an industry benchmark. It tells the public that the individual holding the license has met industry standards of independence, integrity and objectivity. That includes being nonpartisan and non-ideological. It also means that the holder has met all legal requirements. The lender is given a certain level of *confidence* that you have not shopped around for an opinion.

Often, when I tell voters that the State of Minnesota has never had a State Auditor who has been a CPA, they are shocked. When I tell them that I am the only candidate seeking the Republican endorsement for State Auditor who is an actual CPA, the after shock is almost as surprising as the initial tremor.

The next question they ask is, "How can the State Auditor get buy signing an opinion if he or she is not a licensed CPA?" Well,

the short answer is this. Only in politics can legislators pass laws that *exempt* themselves, rationalize the *exemption* in their minds, and convince delegates/voters to accept the *exemption* status. All I have to say is *ObamaCare*.

This leads to a story. Many years ago, around 1992, I was given the assignment to audit Olmsted County. Olmsted County was required to have a *dual opinion* on their financial statements. I had never seen it before, and I have never seen it since. Before that time, only the elected State Auditor signed the opinion on the financial statements. Olmsted County issued some debt, and their bond counsel noticed that the State Auditor was not a licensed CPA. They considered this a serious internal control weakness; as a result, they wrote into the debt covenant that the County had to be audited by a licensed CPA entity. They did not consider the State Auditor's Office a reputable audit entity.

For many years, Olmsted County had to pay for two financial audits; one by the State Auditor's Office and one by Deloitte & Touche. Eventually, the State Auditor's Office started to have a Deputy State Auditor, who was a licensed CPA, *cosign* the Independent Auditor's Report.

The debt that was issued with the CPA requirement was retired and the issue went away. *Or, did it?* When a Deputy State Auditor, who is a licensed CPA, serves at the *beck and call* of an elected official who is an unlicensed CPA, has the internal control weakness disappeared or has it been *camouflaged*? Can the elected official shop around for their ideal compliant

marionette?

This is only one of the many solid arguments for eliminating the elected position of State Auditor, combine the State Auditor's Office with the Legislative Auditor's Office, and recreate the [pre-1973 Public Examiner's Office](#) that was considered nonpartisan and apolitical.

The other candidates do not want to discuss this issue or similar government reform. They appear to be satisfied with the *status quo*. The next election is not about replacing a Democrat with a Republican; it is about replacing the *status quo*.

The next time you see a candidate or receive a phone call from a candidate for State Auditor, ask him or her about eliminating the elected position of State Auditor. If you think the idea has merits because it is based on limited government and a business model for government, talk to other delegates to the State Convention.

At the State Convention, you can "Help Eliminate the Elected Position of State Auditor" by voting for [Jeff Wiita CPA](#) for State Auditor. Remember, we do not have *Card Check* in the GOP at the State Endorsing Convention. Your vote is *private*.

If you are interested in reading other [Today's Messages](#) or my [Chapter Series](#), please go to my website www.JeffForStateAuditor.com.

Keep Smiling 😊

Jeff Wiita, CPA