

Final Exam (Part 2)

Question 1

Which of the following statement(s) is/are true:

- A. Candidates for Minnesota State Auditor have to be a Certified Public Accountant (CPA).
- B. A Low-Fat/Low Cholesterol Diet is healthier than a Low Carb (carbohydrate) Diet.
- C. Candidates for Minnesota Attorney General have to be an attorney.
- D. Carbon dioxide is plant food, not pollution. Studies consistently show that higher CO₂ levels increase the mass of plant root, trunk, leaves and fruit, resulting in a booming biosphere.
- E. All of the above.

A. Incorrect:

There is no Constitutional requirement for the State Auditor to be a CPA; even though such a provision makes sense to most people. To conservatives, this may sound ominous, even alarming, but there simply are no such requirements for State Auditor. An individual could be a High School dropout or simply politically ambitious and be elected State Auditor.

According to auditing standards issued by the Comptroller General of the United States, an individual must be a Certified Public Accountant to opine on a set of financial statements (i.e, express an opinion, sign an Auditor's Report, etc). It is required that each person who opines on a set of financial statements in Minnesota shall possess an active CPA license. Past State Auditors have used a classical technique to circumvent these requirements. The dubious tradition is to hire a Deputy State Auditor (Deputy Czar) who is a CPA. The Deputy Czar then provides legitimacy by co-signing the Auditor's Report. This is a serious internal control weakness because the Deputy Czar serves at the "beck and call" of the State Auditor. To make a bad situation considerably worse, opining on internal controls is among the functions of the State Auditor.