

March 25, 1976

motion that I had up there was to return the bill to add as I recall \$135,000 which was about what the auditor used last year for these people that were doing the management audit as I understood it. I was going to offer the amendment to be sure that what is being proposed in the change in fact could be accomplished. Now, obviously if \$185,000 is spend here it would be a little ridiculous to spend another \$135,000 over there. I would like to be clarified one more time, so that three or four months from now we find out that we don't have anything, that the funds that were used last year in the auditors office will not be needed. Those jobs... I would like to know if those jobs will be eliminated or not, and how large a staff? Are you going to move those same people over to the legislative council staff, at least not the same individuals perhaps, but the same number of positions. Senator Bereuter, if you would clarify that for me I would know whether or not to withdraw the other motion that I have.

SENATOR BEREUTER: Senator Warner, I would like to be able to clarify that for you, but I am not sure that I can. I will tell you what I know about the situation and then you can tell me if you think that helps clarify it. I visited with the State Auditor, we have a definition problem. He uses the term performance audit to include financial, operational, management audits. He uses that as an all inclusive term to cover it. Therefore, there is some problem in definitions. We did...he did request one-quarter million dollars for this up-coming fiscal year to perform, as our staff understands it, and even after conversing with him they understand it for the management audit function which we are transferring over. We gave him instead \$200,000. Now we have taken out the \$200,000 since it is being moved to the legislature under 799, and instead Senator Anderson is proposing \$160,000 which is the amount that he received for that function, as we understand it, this fiscal year. Now, the State Auditors position is that he would prefer to keep all three functions, all three types of audits there, naturally, I think that is a rather natural reaction. I asked him specifically, and he feels that all three go together, and there is some merit in that, but I asked him specifically, do you think that you could perform these three together? These three types of audits in different places? He said yes, I think that we could as long as we have a cooperative arrangement with the legislature. So, he is not adamant in keeping the management audit. He does feel however, that some of that \$250,000 that he was asking for had to do with operational aspects and financial aspects of audits. Our staff does not think that is the case. They interpret his request as being specifically for the management part of the over-all audit function and that he is funded through other means for continuing to conduct the financial audits and the so-called operational audits. I'll be happy to respond further, but that is what I know at this point, and then I asked him to get together again yesterday if there were any more problems in definitions.

SENATOR WARNER: Two quick questions. First, would it be correct to assume that under existing statutes or the passage of, what is it? 799? Could the Legislative Council contract with the auditor office using a portion of this