

LEGISLATIVE RESEARCH SERVICES

30th Alaska Legislature
LRS Report 19.010
August 14, 2018
research@akleg.gov



(907) 465-3991 phone
(907) 465-3908 fax

State Auditor as an Elected Position

Michael Crabb, Manager

What states currently have the state auditor (or similar position) as an elected position? In these states, is the state auditor established by the state constitution? What are the roles and responsibilities of those elected state auditors? What reporting requirements are there for those elected state auditors? How are states with and without an elected state auditor fairs economically?

The state auditor is either part of the executive or legislative branch of state government and may be elected or appointed, depending on the state.¹ In instances where the auditor is an appointee, the appointment is usually done directly by either the executive or legislative branch of government. However, some states choose to use a nomination and confirmation process that, depending on the state, may involve both an executive branch official and state legislature.

Terms of office range between two and 10 years. In some states, the state auditor's term may be indefinite as they serve at the pleasure of the appointing body.

States that elect their state auditor or similar position

The Council of State Governments reported in 2017 that 24 states currently elect the state auditor by public vote.² These states are Alabama, Arkansas, Delaware, Indiana, Iowa, Kentucky, Massachusetts, Minnesota, Missouri, Mississippi, Montana, Nebraska, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Utah, Vermont, Washington, West Virginia and Wyoming.

Statutory or constitutional authority for state auditor position

The establishment or basis for the state auditor position among the 50 states falls into one of three categories: statutory, constitutional, or a hybrid of both statutory and constitutional. The table on the next page identifies each state's legal basis for the establishment of the state auditor position. As you can see, six states have the state auditor position established by constitution, 20 states by statute, and 24 states are a hybrid.

¹ In some jurisdictions, individuals functioning as state auditors are titled comptrollers or controllers.

² The Council of State Governments, *The Book of the States 2017*, Chapter 4: State Executive Branch (Table 4.10) at <http://knowledgecenter.csg.org/kc/system/files/4.10.2017.pdf>.

Establishment of State Auditor Position

State	Statutory	Constitutional	Hybrid	State	Statutory	Constitutional	Hybrid
Alabama	X			Montana			X
Alaska			X	Nebraska		X	
Arizona	X			Nevada	X		
Arkansas	X			New Hampshire	X		
California	X			New Jersey			X
Colorado			X	New Mexico			X
Connecticut	X			New York			X
Delaware			X	North Carolina		X	
Florida			X	North Dakota			X
Georgia	X			Ohio			X
Hawaii		X		Oklahoma			X
Idaho	X			Oregon			X
Illinois			X	Pennsylvania			X
Indiana	X			Rhode Island	X		
Iowa			X	South Carolina	X		
Kansas	X			South Dakota	X		
Kentucky			X	Tennessee			X
Louisiana			X	Texas	X		
Maine	X			Utah			X
Maryland	X			Vermont			X
Massachusetts			X	Virginia			X
Michigan		X		Washington			X
Minnesota		X		West Virginia	X		
Mississippi		X		Wisconsin	X		
Missouri			X	Wyoming	X		
Source: The Council of State Governments, <i>The Book of the States 2017, Chapter 4: State Executive Branch, (Table 4.27)</i> at http://knowledgecenter.csg.org/kc/system/files/4.27.2017.pdf .							

Roles and responsibilities of elected state auditors

Whether elected or appointed, a state auditor's scope of authority and roles and responsibilities vary from state to state and are usually defined in law. Generally, state auditors fulfill the role of financial manager for state government and act as a watchdog over other state agencies and local governments. These auditors perform internal audits and investigate fraud allegations to ensure that funds are used for the purposes intended by law and that state and local governments hold themselves to the highest standards of financial accountability.

In short, state auditors are charged with making state government work better. Responsibilities of the state auditor include, but are not limited to performing special investigations of fraud, conducting

financial and performance audits, producing annual reports, conducting studies, promoting accountability and transparency, and improving performance.

Reporting requirements for those elected state auditors to other elected officials

Of the 24 states that elect a state auditor, all serve as officers of the executive branch. In most cases, the state auditor is the head of a state agency and, as such, is accountable to another elected official. However, the state auditors of at least two states that elect their state auditors, Delaware and Kentucky, head independent agencies that reside within the executive branch but are not subject to oversight or control by executive branch officials.³

Economies of states with and without an elected state auditor

Gross Domestic Product (GDP) is one of the most widely used measures of an economy's output or production.⁴ It is defined as the total value of goods and services produced in a specific time. The GDP is considered an accurate indication of an economy's size and is probably the single best indicator of economic growth, while GDP per capita has a close correlation with the trend in living standards over time. The "Survey of Current Business, June 2018 Regional Quarterly Report," released by the U.S Bureau of Economic Analysis, identifies real GDP for each state and provides a percentage change in real GDP by state.⁵

Only two of the 24 states that elect state auditors - Utah and Washington - have experienced economic growth faster than the U.S. between 2011-2016 and 2016-2017. Conversely, 13 states with elected state auditors have seen their economies lag the U.S., while the remaining nine states have all experienced varying degrees of economic growth during this same period.⁶ For those states that do not elect a state auditor, eight states have experienced economic growth faster than the U.S., 14 states have seen their economies lag the U.S., while the remaining four states have all experienced economic growth.

State auditors, as part of their roles and responsibilities, typically identify and recommend ways of improving financial reporting, internal accounting controls, measuring performance, and increasing operational efficiencies. Attempting to establish a relationship between a state's economic performance and the role of a state auditor position is difficult, at best, and a matter of great conjecture. For example, a state auditor's influence on the economic well-being of a state would be

³ Delaware Auditor of Accounts Office at <https://auditor.delaware.gov/auditor-mission-statement/>.
Kentucky Auditor of Public Accounts Office at <https://auditor.ky.gov/about/Pages/AuditorsOfficeHistory.aspx>.

⁴ In economics, a real value of a good or other entity has been adjusted for inflation, enabling comparison of quantities as if prices had not changed.

⁵ The Journal of the U.S Bureau of Economic Analysis, "Survey of Current Business, June 2018, Regional Quarterly Report," at <https://bea.gov/scb/2018/06-june/0618-regional-quarterly-report.htm#real-gdp>.

⁶ The 13 states with elected state auditors that lagged the U.S. economy are Alabama, Arkansas, Delaware, Kentucky, Missouri, Mississippi, Montana, New Mexico, New York, Ohio, Pennsylvania, Vermont, and Wyoming.

difficult to identify and measure compared to impacts of national and state policy, as well as industrial trends and geopolitical events.

We hope this is helpful. If you have questions or need additional information, please let us know.