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### Minutes of the thirteenth meeting of the Executive Committee

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**MONTANA CONSTITUTIONAL CONVENTION**  
STATE CAPITOL • HELENA, MONTANA 59601 • TELEPHONE 406/449-3750

EXECUTIVE COMMITTEE

Place of Meeting: Room 430-31

Date Meeting Held: 1/27/72  
Hour Meeting Held: 1:35 p.m.

Committee Chairman: Thomas F. Joyce

MINUTES OF THE THIRTEENTH MEETING OF THE EXECUTIVE COMMITTEE

SUBJECT OF MEETING: Presentations by State Auditor Omholt, State Treasurer Stephenson, and Deputy Legislative Auditor Dean Reed.  
Roll Call:

Thomas F. Joyce, Chairman	<u>Present</u>
J. C. Garlington, Vice Chairman	<u>Present</u>
Harold Arbanas	<u>Present</u>
Betty Babcock	<u>Present</u>
James R. Felt	<u>Present</u>
Fred J. Martin	<u>Present</u>
Richard B. Roeder	<u>Present</u>
Margaret S. Warden	<u>Present</u>
Archie O. Wilson	<u>Present</u>

INTERESTED PERSONS TESTIFYING:

<u>Name</u>	<u>Occupation or Title</u>
E. V. "Sonny" Omholt	State Auditor
Alex Stephenson	State Treasurer
Dean Reed	Deputy Legislative Auditor

The committee met briefly before the presentations scheduled for today to plan for the meeting with former Governor Babcock. Discussion commenced on questions of interest to be asked. Mrs. Babcock mentioned that he would have a prepared statement and it was decided to ask questions relevant to his statement.

Mr. Martin then introduced Mr. Hal Sterns, Editor of the Harlowton Times and President of the Montana Historical Society.

Mr. E. V. "Sonny" Omholt, State Auditor was first to speak this afternoon. His prepared statement is attached as Exhibit A.

The floor was then open for questions by committee members. Topics discussed were functions of the auditor in auditing state departments, the effect of reorganization, the need for an independent auditing system in the state, the need for retaining constitutional boards, auditor's opinion of a merit system, functions other than audits performed, the advantages of retaining the office as an elective position, issuing of warrants and hail insurance.

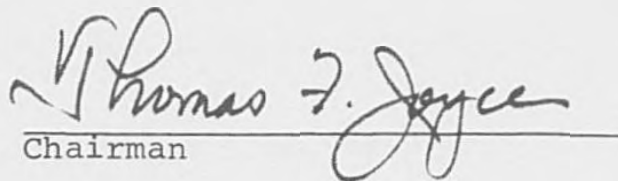
A brief recess was taken and then Mr. Alex Stephenson, State Treasurer spoke on the primary responsibilities and duties of his office. His statement is attached as Exhibit B and forms a part of these minutes.

Following the presentation the committee discussed with Mr. Stephenson his thinking on a merit system, whether the Investment Board should be an integral part of the office, staffing and if there were any requirements regarding employment of a CPA and effects of reorganization.

Next to speak was Mr. Dean Reed, Deputy Legislative Auditor who appeared for Mr. Morris Brusett, Legislative Auditor who was out of town. Mr. Reed first gave an educational background of both he and Mr. Brusett. The legislative auditor's office was created in 1967 to assist the legislature in giving them an independent evaluation of the executive and judicial branches of state government. The Legislative Audit Committee consists of eight members, four from each house and is bipartisan. Also mentioned were the appropriations received from the time the office was created until the present time. Mr. Reed listed the audits that have been performed to date and stated they have no authority to enforce any of the implementations they might make in their audits. He closed by telling of several recommendations that his office had made which have been put into effect and in his opinion increased the efficiency in various areas of government.

The committee then discussed various topics with Mr. Reed which pertained to the state auditor, if a duplication of service exists and if there are adequate accounting procedures, investments, data processing procedures, departments yet to be audited and duties of the state examiner as compared to the legislative auditor.

Time of Adjournment: 5:15 p.m.

  
Chairman

  
Secretary