

adjustments. But I don't think you'll want to. I think it will work well. So I support the amendments and the bill.

SPEAKER NICHOL: Now, Senator Beutler, would you like to close, please.

SENATOR BEUTLER: This little book here is called the Rules of Professional Conduct, rules and regulations that pertain to public accounting. These are the rules and regulations and the ethical code that would apply to the State Auditor's Office in the event you saw fit to require them to be a public accountant. One of the things that it does is require integrity and objectivity. A licensee shall not, in the performance of professional services, knowingly misrepresent facts, nor subordinate his judgement to others. Right now there is nothing to do about a Public Auditor who knowingly misrepresents the facts, or who chooses to avoid reasonable accounting principles. Now the standard speaks about accounting principles too. It says a licensee shall not express an opinion that financial statements are presented in conformity with generally accepted accounting principles. If such statements contain any departure from an accounting principle which has a material effect on the financial statements taken as a whole unless the licensee can demonstrate that due to unusual circumstances the financial statements would otherwise have been misleading, and so on and so forth. A few years ago, in this state, we had a situation where the CPAs, who were the deputies of the Public Auditor, would not sign off on particular reports because they were in violation of generally accepted accounting principles. But it didn't matter, the reports went on anyway because the Public Auditor signed off on them and he wasn't bound by those ethics and those standards. That is getting back to the reason why I think it is important that the Public Auditor be a CPA. I think I passed out to you Section 84-314 of the statutes which says the deputy auditor shall have not less than five years experience as an auditor, and in addition shall be a certified public accountant. Then in addition to that the auditor has the authority and has in effect appointed two assistant deputies who shall be certified public accountants with at least five years experience. So, again, it always seems to me that we are talking about the obvious, that a man who supervises others in their professional capacity ought to have more knowledge and higher ethical standards than the people that they are supervising. Yet we have this