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To the Editor,

Our review on the discretionary funds included in the 2004-05 state budget approved by the General Assembly was not an "audit." It was a fact-finding review requested by the Attorney General's Office.

Our staff, who are experts in financial matters, conducted a professional review to see if the funds were properly accounted for. We are continuing to check the non-profit agencies that received grants, as information warrants, making sure that those state funds were properly used and accounted for.

Our auditors routinely deal with state and federal laws, as well as accounting standards that govern how state money is to be handled and recorded. We do not routinely deal with issues like constitutional questions and personnel laws. Those matters are best left to the Attorney General's Office, which has the expertise to rule on them.

Our review was impartial, non-political, fair, and comprehensive. We examined the numbers, followed the money trail, and presented the Attorney General with the facts he needs to determine whether laws have been broken. Additionally, our review addressed a number of systemic issues, which we believe negatively contributed to this situation.

Our professional staff takes great pride in complying with the standards of the auditing profession, that preclude using audits for political or personal purposes. Our review on the discretionary funds, which we noted was an atypical sort of review for us, met those standards. Because it is impossible to include all of the review's details in this letter, I encourage citizens to view the review on our office's web site, www.ncauditor.net.

Sincerely,

Leslie W. Merritt, Jr.

Leslie W. Merritt, Jr., CPA, CFP
State Auditor of North Carolina