



State of New Mexico
OFFICE OF THE STATE AUDITOR

Auditing to protect New Mexico resources

Annual audits best way to prevent financial abuse and misuse

FY2020 Budget Request

- FY20 Budget request:
\$4,062,500
 - \$447,200 above FY19
 - Recruiting and retaining professional level staff
 - GF increase of 609,000
 - Audit Fund (OSF)
decrease \$25,900
- 35 authorized FTEs
 - Expansion: 3 FTEs
 - \$280,000+ for conservatorship audits
 - \$80,000+ for audit help to small political subdivisions like acequias

Guardianship: \$280,000 ↑

- Funds three additional FTE's to serve as staff auditors for the new OSA Conservator and Audit Division
- Currently, three existing OSA staff are shouldering this workload, funded by SB 19 and going to the Audit Fund
 - Judges make referrals to OSA requesting a review and evaluation
 - Upon completion of an audit, OSA provides written report of findings and recommendations
 - Auditors can testify before the court and present their findings (in-person or via phone)
 - Random audits of all corporate guardians contracts
 - OSA has concluded approx. 200 corporate guardian audits



Nambe, NM: OSA Audit training for small local public bodies like acequias.

Grant Fund for small local public bodies: \$80,000 ↑

- Acequias and other small government entities—mutual domestic water consumer associations, land grants, and special districts—required to comply with state audit rules before they qualify for state funding like capital outlay
- Too often, these small entities don't realize they are non-compliant until an emergency, like a damaged or flooded gate, forces them to seek state funding.
- These grants help smaller agencies stay in compliance with the Audit Act

Recruitment and Retention

- Recruitment and Retention is a challenge with professional level services where audit professionals earn much more in the private sector
- Budget request returns office to pre-FY2015 levels with an average 1.3% yearly increase from FY2015 levels (\$3,077,500) to FY2020 request (\$3,277,300)
- This will enable OSA to pay salaries to current and new staff auditors that are more competitive

Continuing use of Audit Fund for operational activities is unsustainable and the fund will be depleted within two years.