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NEW MEXICO STATE AUDITOR



FY2023 BUDGET REQUEST

LFC, SUBCOMMITTEE A

ACCOUNTABILITY,
TRANSPARENCY, AND
EXCELLENCE

October 28, 2021

OSA Agency Overview

Accountability, transparency, and excellence
in government for all New Mexicans.

- ▶ Pursuant to the Audit Act every government agency in New Mexico receiving or expending public funds is required to account for that money daily and submit a report to the OSA annually.
- ▶ OSA is responsible for examining the financial affairs and transactions of approximately 1,000 governmental entities annually and as otherwise deemed necessary.

OSA Agency Overview

The office consists of 38 FTE, under the following structure:

- ▶ Administrative Division
- ▶ Financial Audit Division (FAD)
- ▶ Compliance and Regulation Division (C&R)
 - ▶ Conservatorship Report Review & Audit Division
- ▶ Special Investigation Division (SID)
- ▶ Government Accountability Office (GAO)

SERVICE DURING COVID-19

- ▶ **Safety & Flexibility:** The OSA is doing its part to protect New Mexicans by limiting social contact, and in turn limiting the spread of COVID-19 to greatest extent we can.
- ▶ **Digital Accessibility:** The OSA has a strong commitment to accessibility for all and we've taken steps to ensure uninterrupted public service and compliance with the Audit Rule.
- ▶ **Robust Services & Support:** The adaptability and good work of all of our stakeholders during these difficult times are to be commended. In some ways the crises have been an incredible opportunity to improve processes and enhance efficiency in ways that support our underlying, collective, and respective missions.

OSA Service to New Mexico

Financial Audit Division

- **Primary function of the OSA is to ensure the financial affairs of every agency are thoroughly examined and audited**
- **Oversight responsibility Independent Public Accountants (IPAs)**
- **Roughly 450 property dispositions reviewed annually with substantive guidance provided**
- **OSA staff support to Local Public Bodies**

SPS GRANT FUNDING

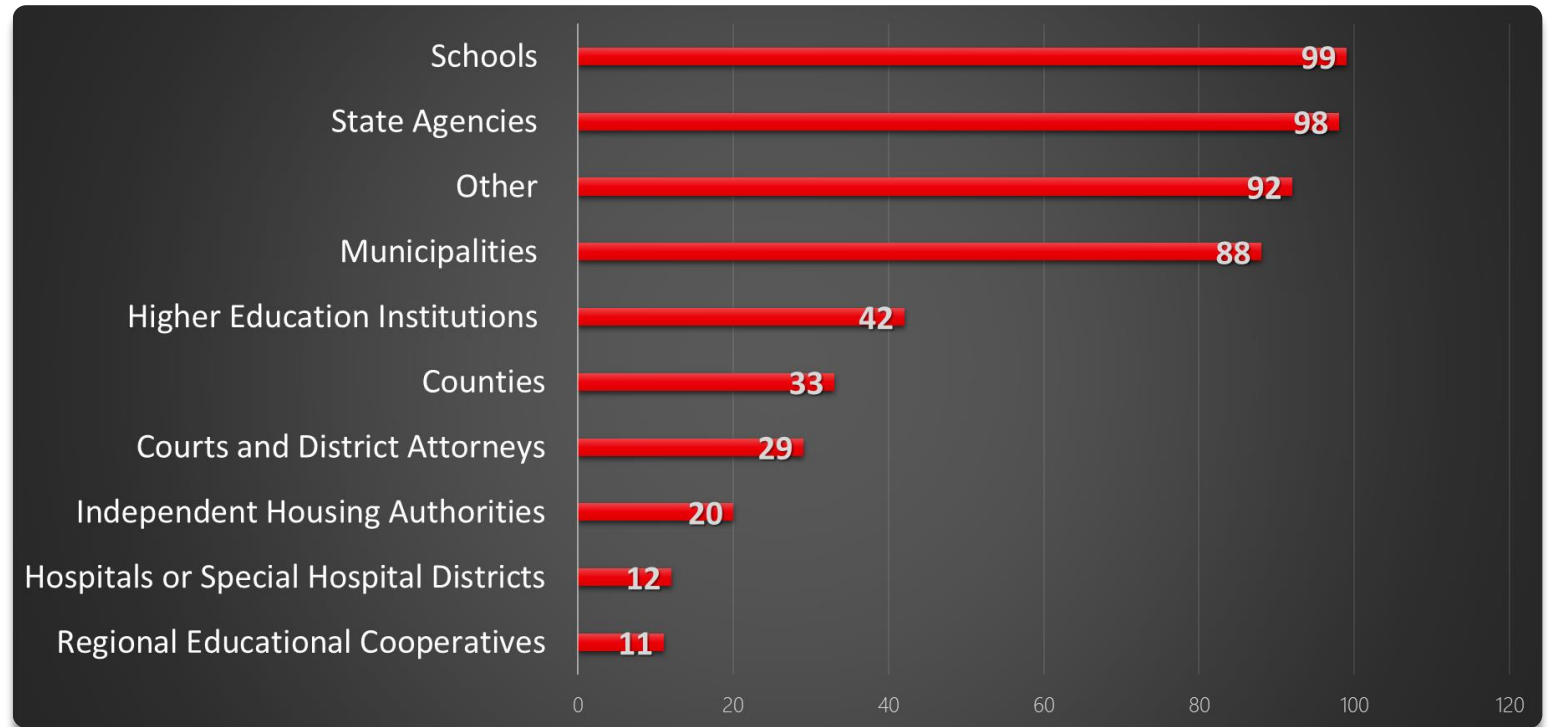
Annually, the OSA awards a limited number of grants to small political subdivisions to help cover auditing costs.

- ▶ Many organizations that fall under the tier system of review rely on the assistance these grants provide to become compliant or remain compliant with audit requirements.
- ▶ The process is highly competitive and includes a rigorous application process that includes a review of the entities overall financial need and whether completing the engagement will prevent the entity from losing state or federal fundings (such as capital outlay funds)

Firm Performing Work	# of Awards	# of LPBs	Total Awards
OSA	4	4	\$ 5,200.00
IPA	10	9	\$ 17,034.38
Total Award			\$ 22,234.38

FY2020 Governmental Agency Audit Snapshot

► As of July 12, 2021, 524 agencies received full financial audits for FY20; substantially all of which were conducted by IPAs



OSA's Expanding Service to New Mexico

Conservatorship Report Review & Audit Division

- **Effective July 1, 2021, the OSA is required to review all conservators' reports filed with the district courts and conduct full audits upon acceptance for further review.**
- **Increased accountability and transparency for conservators who have duties to some of New Mexico's most vulnerable populations.**
- **A minimum of three additional FTE necessary to avoid an unfunded mandate.**

OSA Service to New Mexico

Government Accountability Office and Special Investigation Division

- **Critical communications to stakeholders through work of the GAO**
 - Risk advisories, reviews, bulletins, transparency reports
 - Expanded training and education
 - OSA news and media and press inquiries
 - Constituent services and outreach
- **Special Investigations Division conducts examinations related to waste, fraud, and abuse in government**
 - 300+ reports alleging waste, fraud, or abuse received and reviewed annually
 - Referrals to IPAs and law enforcement for greater risk mitigation practices

COOPERATIVE AGENCY OVERSIGHT



To assist agencies in lessening the risks linked to high-dollar emergency procurements.



To advise New Mexicans how they can effectively protect themselves from fraudsters.



To warn New Mexicans of fraudsters perpetuating identity theft scams.

The OSA has issued joint Risk Advisories together with oversight entities to alert both governmental agencies and the general public of various risks. The objective of these advisories and partnerships are to provide governmental agencies and New Mexicans with guidance and best practices in an effort toward proactive risk mitigation.

REPORTING ALLEGATIONS OF GOVERNMENTAL WASTE, FRAUD, & ABUSE



- ▶ Reports may be made anonymously through our online portal at www.osafraud.org or by calling 1-866-OSA-FRAUD (1-866-672-3728).
- ▶ You may also speak to an investigator by calling 505-476-3800
- ▶ You may write to the office at:
New Mexico Office of the State Auditor
2540 Camino Edward Ortiz, Suite A
Santa Fe, NM 87505

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THANK YOU!

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