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AN ACT

RELATING TO PUBLIC FINANCES; PROVIDING FOR INDEPENDENT AUDITS
BY PUBLIC HOUSING AUTHORITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 12-6-3 NMSA 1978 (being Laws 1969,
Chapter 68, Section 3, as amended) is amended to read:

"12-6-3. ANNUAL AND SPECIAL AUDITS.--

A. The financial affairs of every agency shall be
thoroughly examined and audited each year by the state
auditor, personnel of the state auditor's office designated
by the state auditor or independent auditors approved by the
state auditor. The comprehensive annual financial report for
the state shall be thoroughly examined and audited each year
by the state auditor, personnel of the state auditor's office
designated by the state auditor or independent auditors
approved by the state auditor. The audits shall be conducted
in accordance with generally accepted auditing standards and
rules issued by the state auditor.

B. In addition to the annual audit, the state
auditor may cause the financial affairs and transactions of
an agency to be audited in whole or in part.

C. Annual financial and compliance audits of
agencies under the oversight of the financial control
division of the department of finance and administration

1 shall be completed and submitted by an agency and independent
2 auditor to the state auditor no later than sixty days after
3 the state auditor receives notification from the financial
4 control division to the effect that an agency's books and
5 records are ready and available for audit.

6 D. In order to comply with United States
7 department of housing and urban development requirements, the
8 financial affairs of a public housing authority that is
9 determined to be a component unit in accordance with
10 generally accepted accounting principles, other than a
11 housing department of a local government or a regional
12 housing authority, at the public housing authority's
13 discretion, may be audited separately from the audit of its
14 local primary government entity. If a separate audit is
15 made, the public housing authority audit shall be included in
16 the local primary government entity audit and need not be
17 conducted by the same auditor who audits the financial
18 affairs of the local primary government entity."

19 Section 2. Section 12-6-4 NMSA 1978 (being Laws 1969,
20 Chapter 68, Section 4) is amended to read:

21 "12-6-4. AUDITING COSTS.--The reasonable cost of all
22 audits shall be borne by the agency audited, except that:

23 A. a public housing authority other than a
24 regional housing authority shall not bear the cost of an
25 audit conducted solely at the request of its local primary

1 government entity; and

2 B. the administrative office of the courts shall
3 bear the cost of auditing the magistrate courts. A
4 metropolitan court shall be treated as a single agency for the
5 purpose of audit and shall be audited as a unit, and the cost
6 of the audit shall be paid from the appropriation to the
7 metropolitan court. The district courts of all counties
8 within a judicial district shall be treated as a single agency
9 for the purpose of audit and shall be audited as a unit, and
10 the cost of the audit shall be paid from the appropriation to
11 each judicial district. The court clerk trust account and the
12 state treasurer account of each county's district court shall
13 be included within the scope of the judicial district audit."=

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