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SENATE BILL 141

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Cynthia Nava and Jimmie C. Hall

FOR THE LEGISLATIVE EDUCATION STUDY COMMITTEE

AN ACT

RELATING TO AUDITS; REMOVING THE REQUIREMENT THAT THE PUBLIC
EDUCATION DEPARTMENT APPROVE SCHOOL DISTRICT AND CHARTER SCHOOL
INDEPENDENT AUDITORS.

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

SECTION 1. Section 12-6-14 NMSA 1978 (being Laws 1969,
Chapter 68, Section 14, as amended) is amended to read:

"12-6-14. CONTRACT AUDITS.--

A. The state auditor shall notify each agency
designated for audit by an independent auditor, and the agency
shall enter into a contract with an independent auditor of its
choice in accordance with procedures prescribed by rules of the
state auditor; provided, however, that an agency subject to
oversight by [~~the state department of public education or~~] the
[~~commission on~~] higher education department shall receive

underscored material = new
~~[bracketed material] = delete~~

underscored material = new
[bracketed material] = delete

1 approval from [~~its oversight agency~~] the department prior to
2 submitting a recommendation for an independent auditor of its
3 choice. The state auditor may select the auditor for an agency
4 that has not submitted a recommendation within sixty days of
5 notification by the state auditor to contract for the year
6 being audited, and the agency being audited shall pay the cost
7 of the audit. Each contract for auditing entered into between
8 an agency and an independent auditor shall be approved in
9 writing by the state auditor. Payment of public funds may not
10 be made to an independent auditor unless a contract is entered
11 into and approved as provided in this section.

12 B. The state auditor or personnel of [~~his~~] the
13 state auditor's office designated by [~~him~~] the state auditor
14 shall examine all reports of audits of agencies made pursuant
15 to contract. Based upon demonstration of work in progress, the
16 state auditor may authorize progress payments to the
17 independent auditor by the agency being audited under contract.
18 Final payment for services rendered by an independent auditor
19 shall not be made until a determination and written finding
20 that the audit has been made in a competent manner in
21 accordance with the provisions of the contract and applicable
22 rules by the state auditor."