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AN ACT

RELATING TO AUDITS; REMOVING THE REQUIREMENT THAT THE PUBLIC
EDUCATION DEPARTMENT APPROVE SCHOOL DISTRICT 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 a state-chartered charter school subject to oversight by
the public education department or an agency subject to
oversight by the higher education department shall receive
approval from its oversight agency prior to submitting a
recommendation for an independent auditor of its choice. The
state auditor may select the auditor for an agency that has
not submitted a recommendation within sixty days of
notification by the state auditor to contract for the year
being audited, and the agency being audited shall pay the
cost of the audit. Each contract for auditing entered into
between an agency and an independent auditor shall be

1 approved in writing by the state auditor. Payment of public
2 funds may not be made to an independent auditor unless a
3 contract is entered into and approved as provided in this
4 section.

5 B. The state auditor or personnel of the state
6 auditor's office designated by the state auditor shall examine
7 all reports of audits of agencies made pursuant to contract.
8 Based upon demonstration of work in progress, the state
9 auditor may authorize progress payments to the independent
10 auditor by the agency being audited under contract. Final
11 payment for services rendered by an independent auditor shall
12 not be made until a determination and written finding that the
13 audit has been made in a competent manner in accordance with
14 the provisions of the contract and applicable rules by the
15 state auditor."

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