

HOUSE CONSUMER AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR
HOUSE BILL 345

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

AN ACT

RELATING TO THE STATE AUDITOR; REQUIRING THE STATE AUDITOR TO
SELECT AT LEAST TWENTY-FIVE CAPITAL OUTLAY PROJECTS THAT WERE
FUNDED BY STATE FUNDS FOR SPECIAL AUDITS EACH YEAR; PROVIDING
NOTIFICATION.

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

SECTION 1. A new section of the Audit Act is enacted to
read:

"~~[NEW MATERIAL]~~ STATE AUDITOR--CAPITAL OUTLAY PROJECTS--
AUDITS--REPORTS.--

A. Each fiscal year, the state auditor shall select
at least twenty-five capital outlay projects funded by the
state general fund, the severance tax bonding fund, general
obligation bonds, special funds or other sources of state money
for special audits that focus on the capital outlay funds

.192329.3

underscoring material = new
[bracketed material] = delete

1 expended. The state auditor may contract for the audits, which
2 shall be conducted in accordance with generally accepted
3 auditing standards and rules issued by the state auditor.

4 B. The state auditor shall select the capital
5 outlay projects using a risk-based approach, including the
6 identification and assessment of financial, compliance and
7 operational risks related to the state agency, the local
8 government or other recipient, if applicable, and the capital
9 outlay project. In selecting a capital outlay project for
10 audit, the state auditor shall consider the following criteria:

11 (1) a recipient is not otherwise reviewed
12 pursuant to the Audit Act; and

13 (2) at least fifty percent of the capital
14 award has been expended.

15 C. The state auditor shall notify applicable state
16 agencies that have oversight of the capital outlay funds, the
17 department of finance and administration and the legislative
18 finance committee of the capital outlay projects selected for
19 special audits. Once a special audit report of a capital
20 outlay project is released and becomes public record, the state
21 auditor shall provide the report to the state agency audited or
22 other recipient, if applicable, the department of finance and
23 administration and the legislative finance committee."