

Timothy M. Keller
State Auditor



Sanjay Bhakta, CPA, CGFM, CFE, CGMA
Deputy State Auditor

State of New Mexico
OFFICE OF THE STATE AUDITOR

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Contact: Justine Freeman
justine.freeman@osa.state.nm.us
505-476-3819

State Auditor Releases Audit of Operation Stonegarden Grant

Concerns identified in the management of U.S. Department of Homeland Security grant funds

SANTA FE – Today, the Office of the State Auditor released an audit that raised concerns with the management of grant funds from the Operation Stonegarden Grant Program. The audit was requested by the Dona Ana Sheriff’s Office to examine the use of grant funds it received from the U.S. Department of Homeland Security to support border-related law enforcement activities in fiscal year 2012 and 2013.

“The use of public funds along our border should be transparent and accounted for no differently than all other tax dollars that are spent in our state,” stated Auditor Keller. “We appreciate the Sheriff’s office for initiating the investigation and for their openness to improve financial practices.”

The audit was conducted by the independent public accounting firm Kubiak Melton & Associates and focused on expenditures, with an emphasis on overtime (time-and-a-half) paid to supervisors. The audit found a lack of internal controls that allowed upper management to flex their normal work schedules and assign and participate in overtime projects without any additional approval. This resulted in the consumption of large amounts of salary grant resources for management overtime. Four salaried management positions were paid an extra \$71,100 in 2013 and \$61,400 in 2012 in overtime. An hourly management employee received an extra \$15,800 in 2013 and \$18,500 in 2012.

The report highlights the importance of maintaining financial controls over federal grants within the State of New Mexico. The actions were consistent with the Sheriff’s policy in place at the time, but fell short of best practices and created an opportunity for abuse. The audit recommends that corrective actions be taken to strengthen internal controls related to overtime and segregation of duties.

The report and cover letter are available here:

http://osanm.org/media/audits/5007_Dona_Ana_County_FY2013_Sheriff_Department_August_2015.pdf

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