



State of New Mexico
OFFICE OF THE STATE AUDITOR

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**State Auditor Balderas Highlights Steps to Remedy
Gadsden Independent School District's Late Audits**

Santa Fe, NM —State Auditor Hector Balderas announced today he has taken several steps to remedy Gadsden Independent School District's (GISD) late audits. GISD currently has three outstanding audits from 2006, 2007, and 2008. The delays are largely due to high staff turnover in the District's Finance Department and problems associated with the previous accounting system used by the District.

The status of the GISD late audits was brought to Balderas shortly after he took office in January 2007, and he and his staff have monitored the GISD auditing process the past two years. In October 2007, Balderas reviewed and approved a corrective action plan for GISD to correct the late audit problem. The plan expressed that high staff turnover and extended position vacancies in GISD's Finance Department created backlogs in workloads. In the plan, GISD indicated that it had implemented measures to remedy the problems in its Finance Department.

In addition, Balderas approved professional service contracts to conduct the audits of 2007 and 2008 in an effort to ensure that all administrative hurdles were cleared so that GISD could complete its audits in a timely manner. Balderas also engaged GISD Finance Department personnel and the firm contracted to perform GISD's audits, Gibson, Ruddock, Patterson, LLC (Gibson), to determine the causes for the late audits. Balderas determined that the audit delays were also attributed to the old accounting system used by GISD which made it difficult for the District to perform its fixed asset and cash reconciliations. The District's inability to provide this financial information prevented Gibson from conducting the outstanding audits.

To remedy the issue, Balderas reviewed and approved a scheduled process for completion of the audits that takes into account GISD's problems with staff turnover and reconciliations. The 2006 and 2007 outstanding audits will be submitted no later than January 2009. The 2008 audit will be submitted no later than May 2009. Balderas took

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added administrative action and directed that an expedited priority review of the audits be conducted by his office.

State Auditor Balderas and Secretary of Education Veronica Garcia have had discussions with GISD Superintendent Cynthia Nava to review the proposed timeline. They have also agreed to meet monthly to discuss the GISD progress and address any concerns or issues pertaining to the audit process.

“I remain committed to improving the auditing process at the GISD,” Balderas concluded. “Open communication and clear objectives will help protect taxpayer dollars and promote fiscal management.”

The State Auditor conducts and oversees audits of nearly 600 governmental entities, making sure they are completed in a timely and efficient manner within professional standards. The State Auditor's Office then reports to the citizens of New Mexico on the accountability of state and local governments.

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