

2016

FIRM PROFILE

FIRM PROFILE INSTRUCTIONS

THE FIRM PROFILE MUST BE BOUND AND ORGANIZED IN THE FOLLOWING FORMAT OR IT WILL NOT BE CONSIDERED RECEIVED BY THE OFFICE OF THE STATE AUDITOR:

SECTION #1 – FIRM INFORMATION

- a) Complete the firm information questionnaire.
- b) Attach a copy of your New Mexico firm permit to practice after item 1a.
- c) Attach current evidence of professional liability insurance after item 1b.
- d) Attach a copy of your current organizational chart after item 1c.
- e) If applicable, attach an **original** completed Contingency Subcontractor Form after item 1d.
- f) Answer the question on the form about staff with experience working on performance audits.

SECTION #2 – PEER REVIEW & SANCTION INFORMATION

- a) Complete the peer review questionnaire.
- b) Attach the peer reviewer's quality review letter after item 2a.
- c) Attach the firm's peer review letter after item 2b.
- d) For rating of "pass with deficiencies," attach the firm's response letter after item 2c.
- e) Attach the letter of acceptance after item 2d.
- f) Indicate whether the firm received deficiency comments from the Feds regarding Single Audit testwork.
- g) Indicate whether the firm has been sanctioned by an Inspector General (IG) or the AICPA

SECTION #3 – LATE AUDIT REPORTS

- a) Provide a list of audit reports that were submitted late based on the due date shown in the Audit Rule for FY 15 audits.
- b) Provide a list of all outstanding audit reports and the number of hours needed to complete those outstanding audits.

SECTION #4 – PROFESSIONAL SERVICE CONTRACTS

- a) List all professional service contracts that your firm entered into from January 1, 2015 through the date the firm profile was submitted for review.

SECTION #5 – STAFF INFORMATION AND CPE

- a) List all audit managers and the required information, and provide a copy of each manager's CPA license.
- b) List all audit staff members and the required information.
- c) List of staff with 80 hours of GAGAS CPE and experience working on GAGAS performance audits.
- d) Submit individual profile worksheets for each audit manager and staff member.

FIRM ATTESTATION AND CERTIFICATION FORMS

2016 FIRM PROFILE

SECTION 1 - FIRM INFORMATION

Firm Information (All areas must be completed or indicate N/A).

Firm Name: _____

Contact Person: _____

Contact Person for Audit Reports: _____

Mailing Address: _____

Physical Address: _____

Phone #: _____ Fax #: _____

E-mail address: _____ Web Page Address: _____

<i>Firm Information</i>	YES	NO	N/A	COMMENTS
a) Is a copy of a current firm permit to practice attached?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
b) Is a copy of the current professional liability insurance attached (Section 2.2.2.8(J) NMAC)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
c) Is a copy of the firm's organizational chart attached?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
d) If the firm has only one individual qualified to manage an audit and sign the report pursuant to GAGAS 3.76 (2011 YB) and Section 61-28B-17B NMSA 1978, is a completed Contingency Subcontractor Form attached? (Section 2.2.2.8(L)(1) NMAC)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

SECTION 2 - PEER REVIEW & SANCTION INFORMATION

Name of Peer Review Program the Applicant Firm is enrolled in: _____

Name of Firm Who Performed Peer Review: _____

Peer Review Rating on Firm
Who Performed the Review
Per Section 2.2.2.14(B)(5)(a) NMAC. _____
A rating of "pass" is required.

Applicant Firm's Peer Review Rating (check one) Pass Pass With Deficiencies Fail Pending

Location where Peer Review was Performed: _____
(Section 2.2.2.14(B)(3) (office of the firm under review or "other")

List the New Mexico government audit(s) selected for review and include the fiscal year end of each report:

GAGAS (Yellow Book) Section 3.82 2011 Revision, requires that "Audit organizations performing audits and attestation engagements in accordance with GAGAS must have an external peer review performed by reviewers independent of the organization being reviewed at least once every 3 years." Qualifications of the reviewers and requirements of the review are listed in Sections 3.82 to 3.107.

According to the *AICPA Standards for Performing and Reporting on Peer Reviews*, effective for peer reviews commencing on or after January 1, 2009, the peer review deadline is: (1) eighteen months from the date the firm enrolled in the Program or should have enrolled, whichever is earlier, if the firm performs engagements requiring a peer review; or (2) if the firm had not previously performed engagements requiring a peer review, eighteen months from the year-end of the firm's first engagement requiring a peer review.

SECTION 2 - PEER REVIEW & SANCTION INFORMATION CONTINUED

External Peer Review

COMMENTS

➤ What year was the peer review performed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	2015	2014	2013	
	YES	NO	N/A	
➤ Is a copy of your peer reviewer's peer review letter on <i>their</i> peer review attached?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
➤ Is a copy of your firm's peer review letter on your peer review attached?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
➤ If the peer review rating was "pass with deficiencies, did you attach a copy of your response letter?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
➤ Is a copy of the letter of acceptance attached?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
➤ What opinion was issued on your firm's peer review?				
• Pass	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• Pass with deficiencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• Fail	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
➤ Peer review has NOT been performed because				
• new firm	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• firm is currently past due	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• other – indicate reason in comment section	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Sanctions

AUDIT FIRM EXPLANATION REQUIRED FOR YES ANSWERS

	YES	NO	N/A	
➤ Has the IPA or Firm received deficiency comments from a federal reviewer regarding the quality of Single Audit testwork?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
➤ Has the IPA or Firm been sanctioned for substandard work by an Inspector General (IG) or the AICPA?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

SECTION 5 - STAFF INFORMATION

CPE Requirements - Section 3.76 of the 2011states that “Auditors performing work under GAGAS, including planning, directing, performing field work, or reporting on an audit or attestation engagement under GAGAS, should maintain their professional competence through continuing professional education (CPE). **Therefore, each auditor performing work under GAGAS should complete, every 2 years, at least 24 hours of CPE that directly relates to government auditing, the government environment, or the specific or unique environment in which the audited entity operates. For auditors who are involved in any amount of planning, directing, or reporting on GAGAS assignments and those auditors who are not involved in those activities but charge 20 percent or more of their time annually to GAGAS assignments should also obtain at least an additional 56 hours of CPE (for a total of 80 hours of CPE in every 2-year period) that enhances the auditor’s professional proficiency to perform audits. Auditors required to take the total 80 hours of CPE should complete at least 20 hours of CPE in each year of the 2-year period.**

The GAO issued *Government Auditing Standards: Guidance on GAGAS Requirements for Continuing Professional Education, GAO-05-568G, April 2005*. It provides guidance to auditors and audit organizations regarding the implementation of these Yellow Book CPE requirements. The guide is available on the web if you search for GAO-05-568G. The managers listed below and on the following page and other audit staff working on GAGAS audits must meet the applicable CPE requirements described above. **Pursuant to 2.2.2.8(A) NMAC, continuing professional education must be included in the firm profile for all staff that the firm will use on any New Mexico governmental audit engagements.**

LIST OF AUDIT MANAGERS

<i>Name of Audit Manager</i>	<i>NM CPA License to Practice</i>	<i>Copy of CPA License Attached?</i>	<i>Hours Available for Audits of gov. agencies in N.M.</i>	<i>Individual Profile Must Be Attached</i>	<i>List the total number of CPE hours within 2 years in subjects directly related to governmental auditing or the specific or unique environment in which the agency operates</i>	<i>List the total number CPE Hrs within 2 years that directly enhance the auditor’s professional proficiency to perform audits</i>
	Y N <input type="checkbox"/> <input type="checkbox"/>	Y N <input type="checkbox"/> <input type="checkbox"/>		Y N <input type="checkbox"/> <input type="checkbox"/>	(24 Hour Requirement)	(Additional 56 Hour Requirement)
	Y N <input type="checkbox"/> <input type="checkbox"/>	Y N <input type="checkbox"/> <input type="checkbox"/>		Y N <input type="checkbox"/> <input type="checkbox"/>		
	Y N <input type="checkbox"/> <input type="checkbox"/>	Y N <input type="checkbox"/> <input type="checkbox"/>		Y N <input type="checkbox"/> <input type="checkbox"/>		
	Y N <input type="checkbox"/> <input type="checkbox"/>	Y N <input type="checkbox"/> <input type="checkbox"/>		Y N <input type="checkbox"/> <input type="checkbox"/>		

INDIVIDUAL CPE ATTESTATION AND CERTIFICATION

I, _____, hereby attest that I have the authority to certify the CPE submitted in this firm profile on behalf of the firm of _____, and that the CPE for each individual identified on this firm's Individual Profile Worksheet meets Government Auditing Standards for CPE contained in the United States Government Accountability Office's *Guidance on GAGAS Requirements for Continuing Professional Education*, Publication No. GAO-05-568G GAGAS CPE, April 2005.

I understand that the auditors identified on this firm's Individual Profile Worksheet will be performing audit work in accordance with GAGAS. As such, I understand that each of them must meet GAGAS CPE requirements, consisting of 24 hours of CPE every two years that directly relates to government auditing, the government environment, or the specific or unique environment in which the audited entity operates. In addition, auditors of this firm who are involved in any amount of planning, directing or reporting on GAGAS audits, and auditors who are not involved in those activities but who charge 20 percent or more of their time annually to GAGAS audits, must obtain an additional 56 hours of CPE (for a total of 80 hours of CPE in every 2-year period) that enhances the auditor's professional proficiency to perform audits. I hereby certify that the auditors identified on this firm's Individual Profile Worksheet have met the CPE requirements delineated herein.

I understand that the submitted information, if misrepresented or incomplete, may be grounds for immediate removal from the list of firms approved by the Office of the State Auditor for fiscal year 2016 audit engagements. To the extent allowed by law, the firm of _____ agrees to and shall defend, indemnify and hold harmless the Office of the State Auditor from all actions proceedings, claims, demands, attorney's fees and all other liabilities and expenses of any kind from any source which may arise out of misrepresented or incomplete information submitted in this firm profile.

Print Name Print Title

Signature Date

Supervisor's Name Print Title

Signature Date

Note: your firm must notify the Office of the State Auditor regarding any change in the firm profile information (i.e., change in staff members, professional liability insurance, peer review, etc.) as soon as the updated information is available. (2.2.2.8(J) and (L) NMAC)

FIRM PROFILE ATTESTATION AND CERTIFICATION

I, _____, hereby attest that I have the authority to certify the information submitted in this firm profile on behalf of the firm of _____.

Furthermore, I hereby certify that all the information submitted in this firm profile is true, accurate and complete to the best of my knowledge. I understand that the submitted information, if misrepresented or incomplete, may be grounds for immediate removal from the list of firms approved by the Office of the State Auditor for fiscal year 2016 audit engagements.

To the extent allowed by law, the firm of _____ agrees to hold harmless and not take any action seeking to hold liable the Office of the State Auditor for any damages on account of misrepresented or incomplete information submitted in this firm profile.

Print Name

Print Title

Signature

Date

Supervisor's Name

Print Title

Signature

Date

STATE OF NEW MEXICO
AUDIT CONTRACT ADDENDUM
CONTINGENCY SUBCONTRACTOR FORM

Pursuant to Section of 2.2.2.8(L)(1) NMAC *Requirements for Contracting and Conducting Audits of Agencies* the Contractor hereby enters into an agreement with _____, hereinafter referred to as the Contingency Subcontractor, to subcontract a portion (or all) of the services to be performed under all the Contractor's outstanding audit contracts, in the event the Contractor becomes incapacitated. The Contractor will be deemed "incapacitated" if the Contractor is unable to complete services under outstanding audit contracts due to the Contractor's impairment by reason of mental illness, physical illness, or other cause.

Regarding all outstanding audit contracts the Contractor has at the time the Contractor becomes incapacitated, the Subcontractor may have the following responsibilities (depending on when the Contractor becomes incapacitated):

- (1) oversight and supervision of the Contractor's audit staff (if applicable) or the Subcontractor's audit staff, for the completion of all audit field work, audit documentation preparation, report drafting, and other nonaudit services;
- (2) review of all audit documentation;
- (3) issuance and signing of the audit report;
- (4) timely submission of audit report to the State Auditor;
- (5) correction of any deficiencies indicated by the State Auditor;
- (6) Submission of the final report to the State Auditor;
- (7) production and distribution of all copies of the report per the audit contract;
- (8) electronic HUD submissions (if applicable);
- (9) billing and collection of contract amounts per the audit contract;
- (10) payment of wages to the Contractor's audit staff (if applicable) from the audit contract proceeds;
- (11) requests for justifiable contract amendments from the State Auditor; and
- (12) distribution of a percentage of all the contract profits to my firm based on the percentage of completion when the Contractor became incapacitated.

These Subcontractor responsibilities regarding the Contractor's outstanding audit contracts will be carried out by the Subcontractor in accordance with all applicable auditing standards and Section 2.2.2. NMAC, the Audit Rule.

Responsibility for the audit will be shared based on the percentage of completion at the time the Contractor becomes incapacitated.

_____ Remain with the Contractor; or
_____ Be shared between the Contractor and Subcontractor.

The audit report will be signed by the Contractor and Subcontractor if the Contractor is able to sign the report. Otherwise the report will be signed by the Subcontractor.

The Subcontractor is authorized by the Contractor to bill the audit client for work performed and enter into a temporary employee/employer relationship with the Contractor's audit staff (if applicable) during the completion of the Contractor's outstanding audit contracts.

SUBCONTRACTOR

CONTRACTOR

(Signature)

(Signature)

NAME: _____

NAME: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____