

MEMORANDUM

DATE: November 10, 2015

TO: INDEPENDENT PUBLIC ACCOUNTANTS (IPA)

FROM: SANJAY BHAKTA
DEPUTY STATE AUDITOR

SUBJECT: **REQUEST TO SUBMIT FIRM PROFILES AND FIRM INFORMATION FORMS FOR 2016 AUDITS– DUE JANUARY 5, 2016**

Pursuant to Section 2.2.2.8(A) NMAC, (the Audit Rule), a CPA firm must submit a firm profile to the Office of the State Auditor (OSA) for review and approval, in order to be added to, or remain on the State Auditor's list of IPAs approved to conduct audits and agreed-upon procedures (AUPs) engagements of New Mexico governmental entities. Firms that want to qualify for performing only AUPs engagements pursuant to 2.2.2.16(D)(1) NMAC should complete and submit the 2016 firm information form. **A hard copy of your completed firm profile or firm information form must be postmarked or delivered to the OSA no later than Tuesday January 5, 2016 at 5:00 pm.** Firm profiles and firm information forms that are not postmarked or delivered by the due date may not be processed in the initial round of reviews, resulting in the firm being added to the list late.

The **firm profile** consists of 5 sections that will provide the OSA with the following:

- Contact Information;
 - Copy of New Mexico firm Permit to Practice;
 - Evidence of Professional Liability Insurance;
 - A firm organizational chart;
 - A contingency Subcontractor Form, (if applicable);
- Peer Review Details;
 - Whether the firm received deficiency comments from a federal reviewer regarding Single Audit testwork;
 - Whether the firm is sanctioned by an Inspector General (IG) or the AICPA;
- Late Audit Report Information;
- Listing of Professional Service Contracts;
- Lists of all audit managers and audit staff who will be working on GAGAS audits;
- List of staff with 80 hours of GAGAS CPE who have experience working on performance audits in accordance with GAGAS audits;
- Individual Staff Information and Continuing Professional Education (CPE);

- Individual CPE Attestation and Certification Form; and
- Firm Profile Attestation and Certification.

The **2016 firm information** form consists of 5 sections that will provide the OSA with the following:

- Contract Information;
 - Copy of New Mexico firm Permit to Practice;
 - Evidence of Professional Liability Insurance;
- Peer Review Details;
- Late Audit Report Information;
- Listing of Professional Service Contracts;
- The lists of all audit managers and audit staff who will be working on AUPs; and
- Firm Information Attestation and Certification.

The firm profile forms and firm information forms can be downloaded from the OSA website at www.saonm.org. The IPA firm will need a copy of Adobe Acrobat Reader installed on the firm's computer in order to view the firm profile forms and firm information forms on the OSA website. Download Acrobat Reader by clicking on the Acrobat Icon. If additional space is required on any of the forms provided, you may insert a separate sheet in a similar format with the required information. The OSA encourages firms to carefully check the firm profile and firm information form prior to submission to the OSA. **Please note that incomplete, unorganized or unbound submissions will be returned to the firm and will not be considered received by the OSA.**

After OSA staff members review the firm profiles and firm information forms submitted by the due date, the OSA will publish a new list of approved IPAs for 2016, on the OSA website by approximately March 15, 2016. If a firm is approved to perform audits, then the firm is automatically qualified to also contract to perform AUP engagements. Firms that submit the firm information form that get approved will be qualified to perform **only** AUP engagements. On or about March 15, 2016, government agencies will be notified that they may seek proposals for their annual financial and compliance audits or agreed-upon procedures engagements for the fiscal year ending June 30, 2016. If your firm fails to submit a completed firm profile or firm information form by January 5, 2016, then your firm will not be included on the initial list for 2016. Additionally, firms that submit the firm profile or firm information form timely, that do not meet the requirements noted in the firm profile, will appear on the approved list, but will be "conditionally approved" pending OSA receipt of the required missing documentation, pursuant to Section 2.2.2.8(C) NMAC.

The OSA will be providing Audit rule trainings as usual in the 2016 timeframe.

If you have any questions about the download process for obtaining the firm profile form or the firm information form, contact Art Baca at (505) 476-3800. For questions about the firm profile, the firm information form, contracting or other related issues, please contact Bernadet Martinez or Frank Valdez at (505) 476-3800. Thank you for your attention regarding this matter.

Please submit completed firm profiles to:

**Office of the State Auditor
2540 Camino Edward Ortiz, Ste #A
Santa Fe, New Mexico 87507**