



# Audit Rule Training 2016

**New Mexico Office of the  
State Auditor**

# Agenda

- **Welcome and Introductions – Sarita Nair**
- **State of Auditing in New Mexico – State Auditor Tim Keller**
- **Contracting for Audit Services – Frank Valdez**  
– **BREAK**
- **Changes to the Audit Rule – Sanjay Bhakta**
- **Combating Fraud, Waste and Abuse – Kevin Sourisseau**



# State of Auditing in NM

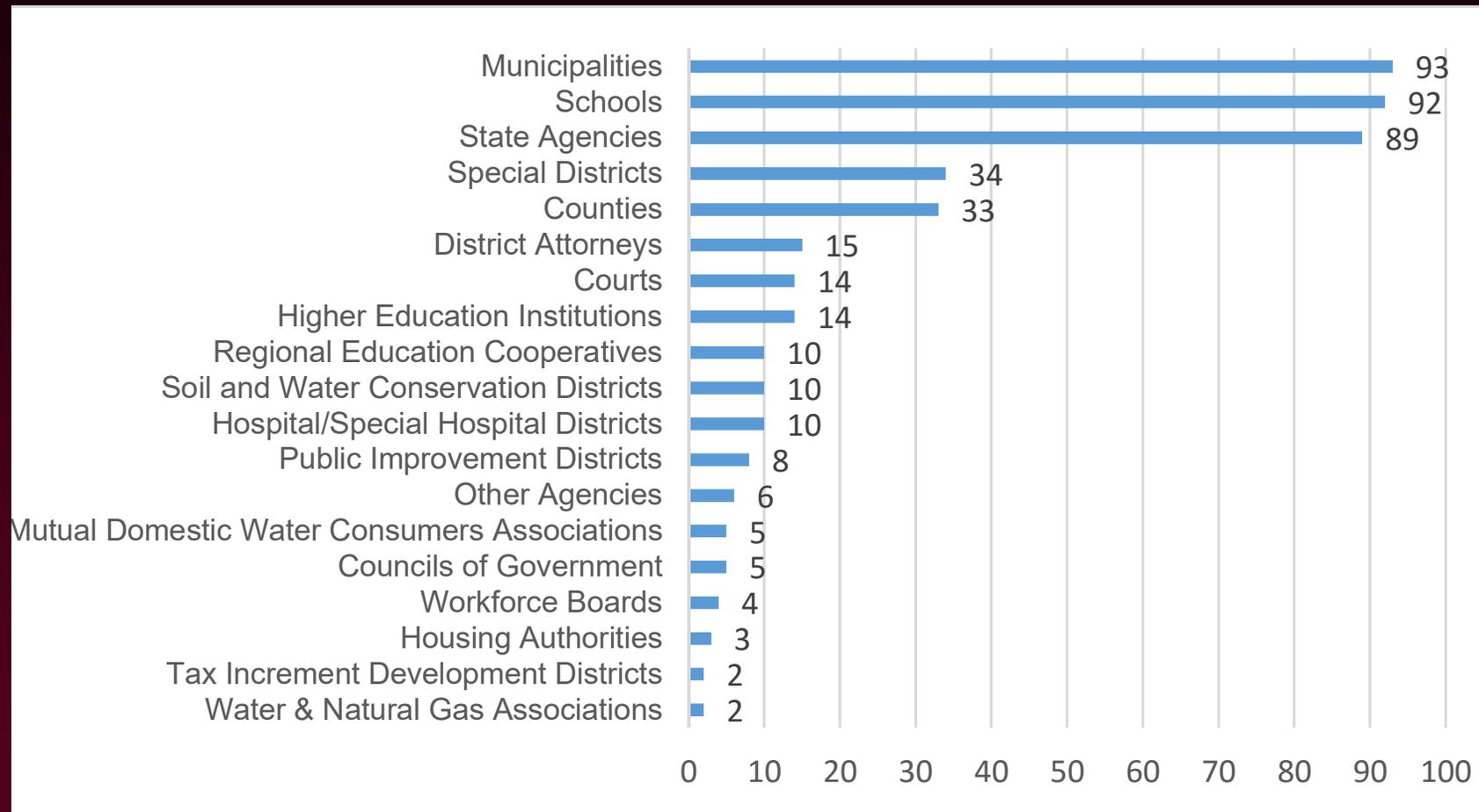
**Timothy M. Keller**  
**State Auditor**

# **State Auditor's Vision**

**Helping government work better by combating fraud, waste and abuse**

- **Annual Audit Accountability**
- **Accessible and responsive to audited entities and IPAs**
- **Support for At Risk Entities**
- **Government Accountability Office (GAO)**
- **Enhanced Special Investigations**

# New Mexico Government Agencies Audits



# **New Mexico Government Agencies AUPs and Certifications**

- **Mutual Domestic Water Associations**
- **Land Grants**
- **Acequias and ditch associations**
- **Special districts**
- **Irrigation districts**
- **Soil & Water districts**

**500+ Total agencies eligible for tier system**

# Annual Audit Accountability

- **New At Risk categories**
- **Enforcement of quarterly reporting**
- **Finding comparisons and calibration**
- **Oversight of IPAs**
- **Special audit integration - Referrals**
- **New contracting system**
- **Audit rotation rule changes**
- **Balance Reconciliation and CAFR**
- **Supporting more training**
  - **Associations, DFA, etc.**

# At Risk Entities

| Type             | Agency # | Agency Name  | Last Year of Audit Act Compliance | Most Recent Financial Audit Opinion |
|------------------|----------|--|-----------------------------------|-------------------------------------|
| State Agency     | 795      | Department of Homeland Security and Emergency Management | FY14                              | Unmodified                          |
| State Agency     | 790      | Department of Public Safety                              | FY14                              | Unmodified                          |
| State Agency     | 669      | Health Policy Commission                                 | FY09                              | Unqualified                         |
| State Agency     | 605      | Martin Luther King, Jr. Commission                       | FY13                              | Unmodified                          |
| State Agency     | 662      | Miners' Colfax Medical Center                            | FY14                              | Disclaimer                          |
| Special District | 4031     | North Central Solid Waste Authority                      | FY09                              | Adverse                             |
| Special District | 4060     | Pojoaque Valley Irrigation District                      | FY14                              | AUP (No Opinion)                    |
| Special District | 4098     | Ramah Water & Sanitation District                        | FY12                              | AUP (No Opinion)                    |
| Special District | 4080     | Rio San Jose Flood Control District                      | FY04                              | Unqualified                         |
| Special District | 4039     | Vermejo Conservancy District                             | FY13                              | Unmodified                          |
| Special District | 4090     | Yah-ta-hey Water & Sanitation District                   | FY06                              | Disclaimer                          |
| Municipality     | 6060     | City of Espanola   | FY13                              | In Review                           |
| Municipality     | 6100     | Town of Lake Arthur                                      | FY12                              | AUP(No Opinion)                     |
| Municipality     | 6020     | Village of Capitan                                       | FY14                              | Unmodified                          |
| Municipality     | 6032     | Village of Cimarron                                      | FY13                              | Unmodified                          |
| Municipality     | 6072     | Village of Folsom  | FY11                              | Unqualified                         |
| Municipality     | 6110     | Village of Los Lunas                                     | FY14                              | Unmodified                          |
| Municipality     | 6146     | Village of Reserve                                       | FY14                              | Unmodified                          |
| Municipality     | 6175     | Village of Tijeras                                       | FY14                              | Unmodified                          |
| Hospital         | 2084     | Roosevelt General Hospital                               | FY13                              | Unmodified                          |
| County           | 5033     | Cibola County  | FY14                              | Multiple Opinion                    |

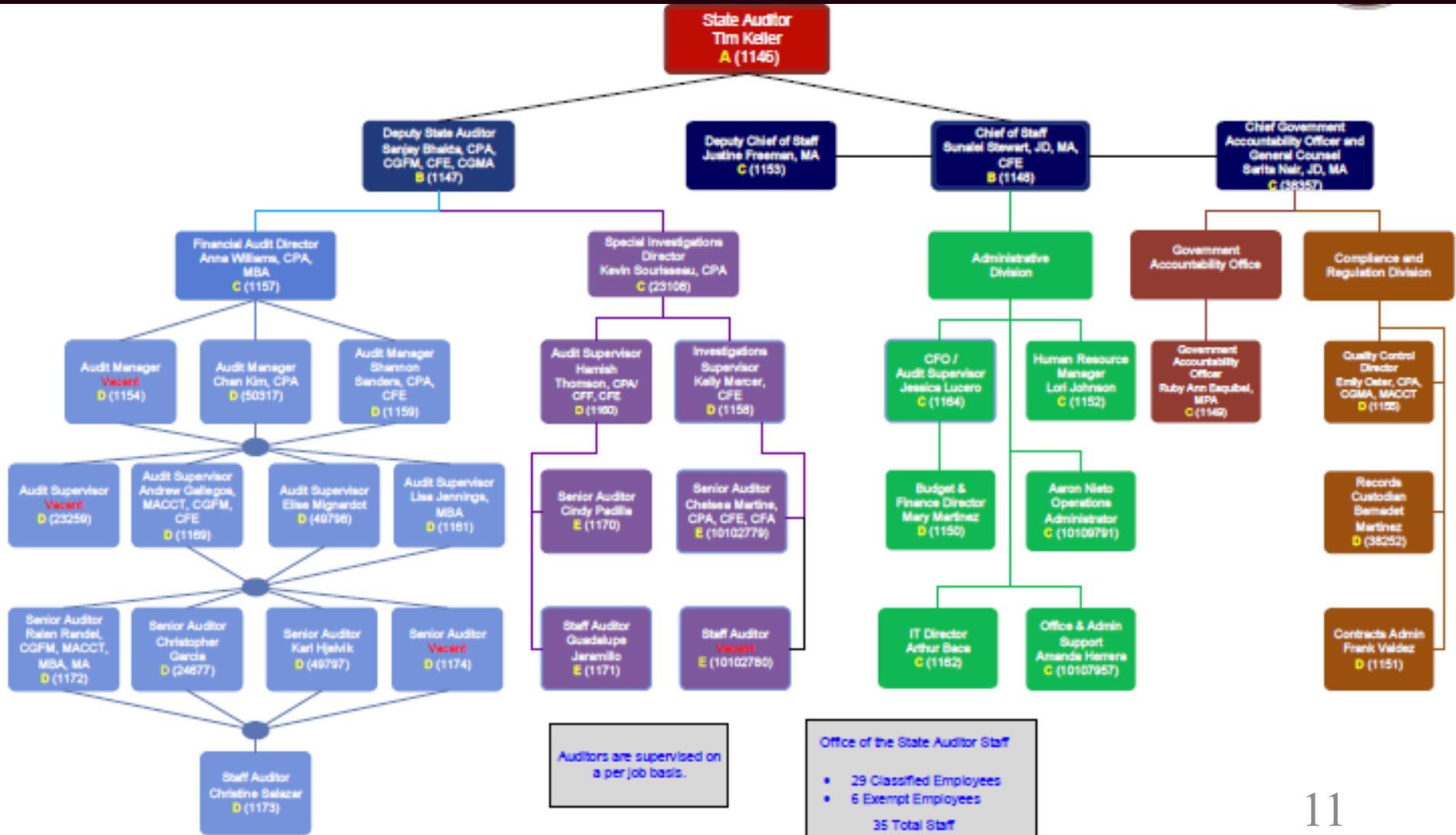
# Accessible and Responsive to Entities and IPAs

- **Developed online contracting submission system**
- **First open Audit Rule promulgation process**
  - Incorporated comments to Audit Rule
- **Integrated relationship with entity associations**
- **Annual metrics up**
  - contract and audit turn around time, out earlier
- **Advisory committee**
  - Former IPAs, government administrators
  - Past OSA staff
  - Forensic accountants and academics

# Support for At Risk Entities

- **Small Political Subdivision (SPS) audit support program**
  - \$300,000 in funds allocated
  - 3x demand for audit support
  - Basic need based criteria for evaluation
- **Increased in-house capabilities**
  - More CPAs
  - More in-house audit and special investigation work
- **Integration with representative associations**
  - Land Grants, Acequias, Mutual Domestic, etc.

# Your OSA Team



# Government Accountability Office

The Government Accountability Office (GAO) is a division of the Office of the State Auditor, focused on bringing transparency and accountability to the agencies that receive and spend public money. The GAO aims to make the important information buried in the 900+ audits and financial reports that New Mexico state and local agencies produce each year accessible and understandable to the public.



# GAO Projects

- **Full Reports**
  - Fund Balance Report, State Agencies FY14
  - Fund Balance Report, State Agencies FY15
  - Findings, FY14
- **Risk Advisories – Warn about common issues**
  - School Personnel Act
  - Utility Billing (coming soon)
- **Transparency Reports – Shine light on specific issues**
  - Fund Balances, Counties and Municipalities FY14
  - Lodgers' Tax
  - Title IX (coming soon)
- **Bulletins – Highlight new technical issues**
  - GASB 77 Is Coming

# Opinions & Findings Summary

| <i><b>Opinions</b></i>        | <u><b>2014</b></u> | <u><b>2015</b></u> | <u><b>2014%</b></u> | <u><b>2015%</b></u> |
|-------------------------------|--------------------|--------------------|---------------------|---------------------|
| Adverse                       | 1                  | 1                  | 0.2%                | 0.2%                |
| Disclaimer                    | 6                  | 14                 | 1.3%                | 2.3%                |
| Multiple                      | 3                  | 1                  | 0.7%                | 0.2%                |
| Qualified                     | 17                 | 15                 | 3.8%                | 2.4%                |
| Unmodified                    | <u>425</u>         | <u>587</u>         | 94.0%               | 95.0%               |
| <b>Total Audits</b>           | <b>452</b>         | <b>618</b>         |                     |                     |
| <i><b>Findings</b></i>        | <u><b>2014</b></u> | <u><b>2015</b></u> | <u><b>2014%</b></u> | <u><b>2015%</b></u> |
| Material-Non<br>Compliance    | 38                 | 39                 | 1.9%                | 2.3%                |
| Material Weakness             | 282                | 216                | 13.9%               | 12.4%               |
| Not Significant<br>Deficiency | 994                | 878                | 48.9%               | 50.6%               |
| Significant Deficiency        | <u>719</u>         | <u>603</u>         | 35.4%               | 34.7%               |
| <b>Total Findings</b>         | <b>2033</b>        | <b>1736</b>        |                     |                     |

# Summary of Modified Opinions FY15

## Adverse

Village of Questa

## Qualified

City of Texico  
City of Truth or Consequences  
City of Truth or Consequences-Component Unit  
Clayton Municipal Schools  
De Baca Family Practice Clinic, Inc.  
Eunice Special Hospital District  
Gallup Housing Authority  
General Services Department  
Lower Rio Grande Public Water Works Authority  
Mora MDWCA  
NM Public School Facilities Authority  
Rio Arriba County  
Roosevelt County  
Town of Vaughn  
Village of San Jon  
NM Renewable Energy Transmission Authority

## Disclaimer

Central Consolidated School District  
Creative Education Preparatory Institute  
Harding County  
Health Science Academy  
Lordsburg Municipal School District  
Roy Municipal Schools  
Southwest Aeronautics, Mathematics, and Science Academy  
Southwest Learning Centers

Town of Bernalillo  
Town of Estancia

Village of Columbus  
Village of Wagon Mound

## Multiple

City of Rio Communities

# Entities with the Most Findings Overall in FY 2015

|     |                                       |     |
|-----|---------------------------------------|-----|
| 1.  | Public Education Department           | 204 |
| 2.  | Albuquerque Public Schools            | 51  |
| 3.  | Taos Municipal Schools                | 46  |
| 4.  | Santa Fe Public Schools               | 26  |
| 5.  | City of Albuquerque                   | 20  |
| 6.  | Central Consolidated Schools          | 19  |
| 7.  | Town of Springer                      | 19  |
| 8.  | Belen Consolidated Schools            | 16  |
| 9.  | Hidalgo County                        | 16  |
| 10. | Town of Peralta                       | 16  |
| 11. | Santa Rosa Consolidated Schools       | 15  |
| 12. | Gallup-McKinley County Public Schools | 14  |
| 13. | Harding County                        | 14  |
| 14. | Roosevelt County                      | 14  |
| 15. | Eunice Special Hospital District      | 13  |
| 16. | Tucumcari Municipal Schools           | 13  |
| 17. | City of Lovington                     | 12  |
| 18. | Corrections Department                | 12  |
| 19. | Department of Health                  | 12  |
| 20. | New Mexico Highlands University       | 12  |

# Finding Trends FY15

- **Most Common Findings Statewide Were:**
  1. **State Law Compliance (271) (#1 for State Agencies & Schools)**
  2. **Lack of Policies, Procedures, Controls(222) (#1 for Municipalities)**
  3. **Expense and Expenditures (188)**
  4. **Budgetary Compliance (175)**
  5. **Cash and Investments (137)**
  6. **Payroll/Related Liabilities(115)**
  7. **Travel and Per Diem (110)**
  8. **Financial Reporting (103)**
  9. **Grant Compliance (95)**
  10. **Capital Assets (89)**

# Fund Balance Report State Agencies FY 2015

## Fund Balances Overall

- The significant generic types of funds, excluding the General Fund, with significant balances are:
- Business and enterprise funds (\$1.4 billion – 38% of statewide balances) .
- Capital outlay or public works projects (\$1.2 billion – 34% of statewide balances).
- Executive branch special revenue funds (\$501 million – 11% of statewide balances).

# Agencies with largest fund balances FY 2015

| Agency   | FY15 Balance  | FY14 Balance  |
|--|---------------|---------------|
| 1. New Mexico Finance Authority                              | \$500,001,655 | \$458,552,499 |
| 2. New Mexico Environment Department                         | \$368,713,920 | \$352,395,869 |
| 3. Department of Transportation                              | \$316,321,997 | \$398,607,881 |
| 4. New Mexico Mortgage Finance Authority                     | \$245,095,000 | \$242,230,000 |
| 5. Department of Workforce Solutions                         | \$232,364,954 | \$139,012,868 |
| 6. Office of the State Treasurer                             | \$159,679,720 | \$221,035,892 |
| 7. Office of the State Engineer-Interstate Stream Commission | \$72,587,475  | \$67,727,602  |
| 8. Department of Game and Fish                               | \$62,821,560  | \$60,948,099  |
| 9. Office of Superintendent of Insurance                     | \$56,731,934  | \$57,521,610  |
| 10. New Mexico Public School Insurance Authority             | \$45,897,676  | \$48,152,354  |
| 11. New Mexico Economic Development Department               | \$43,235,763  | \$19,888,185  |
| 12. Department of Information Technology                     | \$37,570,962  | \$71,699,993  |
| 13. Taxation and Revenue Department                          | \$34,405,773  | \$33,746,131  |
| 14. Energy, Minerals & Natural Resources Department          | \$32,503,341  | \$35,567,727  |
| 15. Higher Education Department                              | \$26,524,767  | \$19,219,859  |
| 16. Children, Youth & Families Department                    | \$26,066,960  | \$23,261,867  |
| 17. Corrections Department                                   | \$25,951,858  | \$17,739,544  |
| 18. Office of the Attorney General                           | \$23,380,402  | \$30,777,907  |
| 19. Workers' Compensation Administration                     | \$14,178,993  | \$10,422,486  |
| 20. New Mexico Spaceport Authority                           | \$11,277,308  | \$13,976,340  |

# Capital Outlay Best Practices

To help mitigate unnecessary accumulation of funds relating to infrastructure or capital outlay:

- Fully fund projects up front
- Ensure state and local priorities are aligned
- Follow existing guidelines from LFC and DFA
- Cut red tape
- Require project progress audits and establishing and enforcing specific expiration or reversion dates.

# Local vs State Priorities



# Partial Funding



# Cutting Red Tape



# On The Horizon

- **Annual Audits**
  - New in-house audits
  - Refined referral process
  - New contract system
  - Rotation rule and CAFR impacts
  - Component unit
  - Fund balance categorization
- **At Risk and SPS Support**
  - Focus on Land Grants
  - Budget uncertainty
  - Perennial late entities
  - Rural Financial Manager Scholarship Program Bill
- **GAO**
  - Audit of inventory of sexual assault evidence kits
  - Findings Report Vol II
  - GASB 77 working groups
  - Dedicated revenues
- **SID**
  - Procurement focus
  - OSI
  - Utility billing accuracy
  - Student activity funds

# **We Need Your Help**

- **To successfully help government work better**
  - **OSA be more disciplined about the annual audit process**
  - **IPAs and entities provide more input and participate in OSA changes from the start**
  - **OSA supplement annual audits with special investigations**
  - **OSA, IPAs and entities work together to reduce findings**
  - **OSA, IPAs and entities be proactive about At Risk entity support, AUPs and SPS work**



# Contracting for Audit Services

**Frank Valdez**

**Management Analyst**

**[Frank.Valdez@osa.state.nm.us](mailto:Frank.Valdez@osa.state.nm.us)**

# Audit Fee History (4 Year)

| PERIOD       | AUDITS | CONTRACT AMOUNT | HOURS   | AVERAGE     |          | TOTAL | IPA'S      |           |
|--------------|--------|-----------------|---------|-------------|----------|-------|------------|-----------|
|              |        |                 |         | PER AUDIT   | PER HOUR |       | REC'D CONT | CONT/ IPA |
| 30-Jun-12    | 512    | \$17,873,198.39 | 161,457 | \$34,908.59 | \$110.70 | 70    | 64         | 8         |
| Fee Decrease |        | \$912,651.40    |         |             |          |       |            |           |
| 30-Jun-13    | 516    | \$18,700,223.26 | 166,247 | \$36,240.74 | \$112.48 | 73    | 66         | 7.82      |
| Fee Increase |        | \$827,024.87    |         |             |          |       |            |           |
| 30-Jun-14    | 566    | \$19,616,231.20 | 169,969 | \$34,657.65 | \$115.41 | 82    | 67         | 8.45      |
| Fee Increase |        | \$916,007.94    |         |             |          |       |            |           |
| 30-Jun-15    | 612    | \$20,170,205.15 | 174,962 | \$32,957.85 | \$115.28 | 80    | 66         | 9.27      |
| Fee Increase |        | \$553,973.95    |         |             |          |       |            |           |

# **Basic Overview of the Financial Audit Process**

- 1. Submission of Firm Profiles**
- 2. Develop the list of approved Audit Firms**
- 3. State Auditor's Office will select which audits we will perform**
- 4. Finalize Audit Rule, Audit Rule trainings & update financial compliance audit contracts**
- 5. Send notification letters to Agencies/IPA's**
- 6. Agencies must submit draft contract by due date listed in NMAC 2.2.2.8.J**
- 7. IPAs conduct financial audits**
- 8. Delivery and review of audit reports**
- 9. Progress and final payments**

## Selecting an Auditor

- **Agency must receive written notification from the State Auditor before beginning the selection process (sent 3/7)**
- **All required documents can be found at [www.osanm.org](http://www.osanm.org)**
  - **2016 Audit Rule**
  - **List of approved audit firms**
  - **Past contract information**

# Basic Overview of the Contract Approval Process

1. Agency gets bids or goes through RFP process.
2. Agency enters all information in OSA-Connect.

**NEW: No IPA recommendation form.**

3. Agency reviews and sends draft contract to OSA through OSA-Connect.

**NEW: Do not obtain signatures before OSA approval.**

**NEW: Do not send hard copy contracts to OSA.**

4. Draft contracts undergo a three step review and approval process.

# Basic Overview of the Contract Approval Process

5. If contract is approved, OSA sends Agency a letter of approval by email.

**NEW: OSA will not sign contracts.**

6. If contract is rejected, OSA sends Agency a letter of rejection by email, and Agency must start a new contract on OSA-Connect.

7. After OSA approval, Agency gets signatures, any DFA or oversight approval, and sends PDF of final, signed contract to OSA by email.

**NEW: OSA will not send contract to DFA.**

**NEW: Agencies requiring DFA approval must send OSA approval letter with contract.**

**NEW: Do not send paper contracts to OSA.**

# Where to Find Contracting Instructions and Documents

## www.saonm.org

About Tim Keller

About the New Mexico Office of the State Auditor

Financial Audits

Tiered System Reporting

Special Audits & Investigations

Procuring Contracts

For Audit Firms

Laws & Regulations

FAQs

Helpful Links

Contact Us



## NEW MEXICO

Office of the State Auditor

Tim Keller | NM State Auditor

Elected for Better Government

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### Welcome to the Office of the State Auditor

As your elected State Auditor, it is my mission to help government work better throughout New Mexico. This means providing transparency, oversight, and accountability for all government spending; and advocating for better policy choices that ensure funds are put to work educating our children and strengthening our economy. Together, we can fight financial fraud, waste and abuse to ensure every New Mexican gets a fair shake from government.

In the Spirit of the Land of Enchantment,

Timothy Keller



### News & Announcements

- 02.17.15 Auditor Keller Statement on Initiative to Determine Effectiveness of Tax Incentives
- 02.14.15 Auditor Keller Statement on Initiative to Audit Education Policies
- 02.05.15 Auditor Keller Releases State's "At Risk" List
- 01.29.15 Summary of FY14 State Agency Audit Findings by Finding Type
- 01.23.15 Auditor Keller Announces Legislative Agenda
- 01.15.15 Auditor Keller Announces Major New

VIEW ALL NEWS

### Report Fraud Now

Call Our Hotline: 1-866-OSA-FRAUD or Report Online



### Government Agencies At-Risk

State Auditor's Watch List for Taxpayer Dollars

### Audit Report Search

Transparency and Accountability Portal

Enter search terms

e.g. "santa fe public schools"

Advanced Search

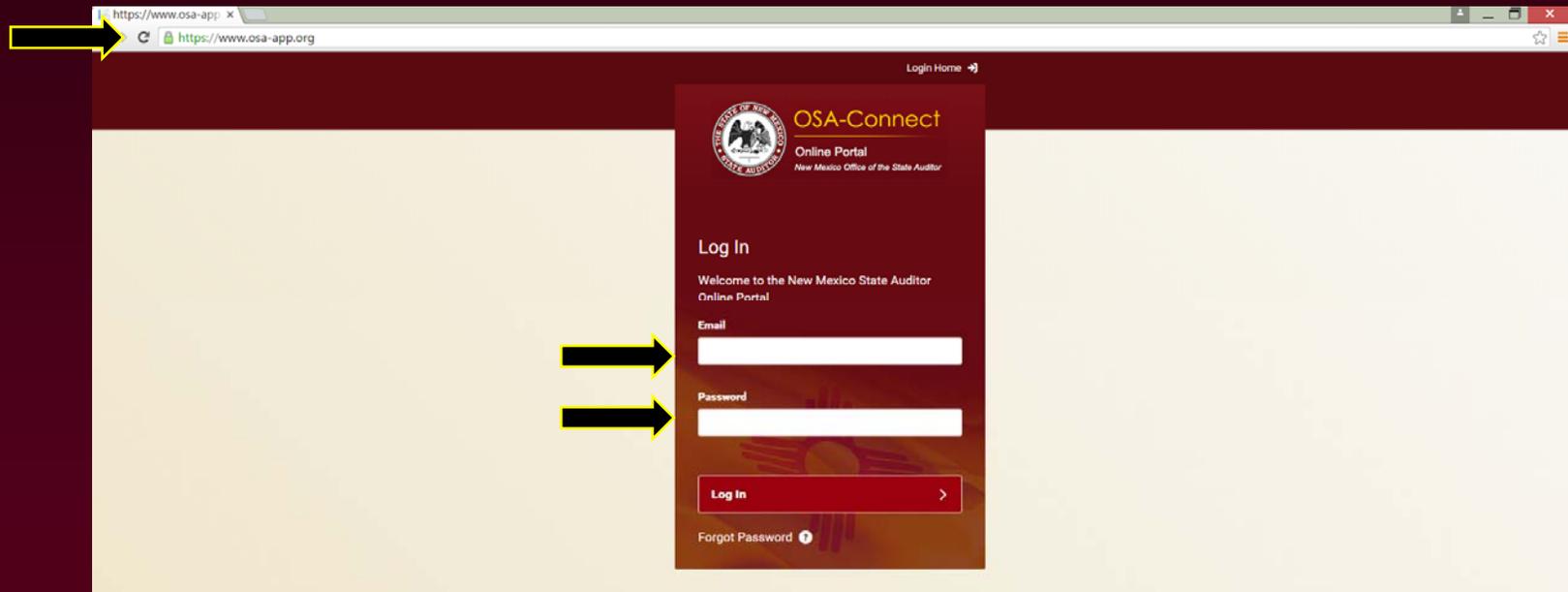
New Mexico Office of the State Auditor 2540 Camino Edward Ortiz, Suite A Santa Fe, NM 87507 Phone: 505.476.3800 Fax: 505.827.3512 Job Opportunities »

About Tim Keller About NMOSA Financial Audits Tiered System Reporting Special Audits & Investigations Procuring Contracts For Audit Firms Laws & Regulations FAQs Helpful Links Contact Us Sitemap Home

# Instructions for OSA-Connect

## Getting Started

1. You can find the OSA-Connect website at [www.osa-app.org](https://www.osa-app.org). This will take you to the login screen. You may want to bookmark this site for future reference.
2. If you received an email from OSA, use your email address and temporary password to log into the system.



The screenshot shows a web browser window with the URL <https://www.osa-app.org>. The page features the OSA-Connect logo and the text "Online Portal" and "New Mexico Office of the State Auditor". The login form includes the following elements:

- Log In** header
- Welcome to the New Mexico State Auditor Online Portal
- Email** label above a text input field
- Password** label above a text input field
- Log In** button with a right-pointing arrow
- [Forgot Password](#) link with a question mark icon

Annotations include a yellow arrow pointing to the browser address bar and two black arrows pointing to the Email and Password input fields.

# Instructions for OSA-Connect

## Getting Started

3. First, review the Agency Dashboard to confirm that your user profile is associated with the correct agency. If the agency is not correct, please contact Frank Valdez at Frank.Valdez@osa.state.nm.us.



**OSA-Connect**

Online Portal  
New Mexico Office of the State Auditor

**Agency Dashboard** >

**Agency Profile**

**View Past Contract Forms**

**FAQs**

## Agency Dashboard

Select from the list of agencies below you are assigned to.

Search:

Show  entries

**Agency Name**

**View Agency**

Office of the State Auditor

View

< Previous **1** Next >

Showing 1 to 1 of 1 entries

# Instructions for OSA-Connect

## Getting Started

3. First, review the Agency Dashboard to confirm that your user profile is associated with the correct agency. If the agency is not correct, please contact Frank Valdez at [Frank.Valdez@osa.state.nm.us](mailto:Frank.Valdez@osa.state.nm.us).
4. Next, click "View" next to your agency, or click "Agency Profile" on the menu on the left side of the page, to go to the Agency Profile Page.

**OSA-Connect**  
Online Portal  
New Mexico Office of the State Auditor

**Agency Dashboard** >

**Agency Profile** ←

**View Past Contract Forms**

**FAQs**

## Agency Dashboard

Select from the list of agencies below you are assigned to.

Search:  Show  entries

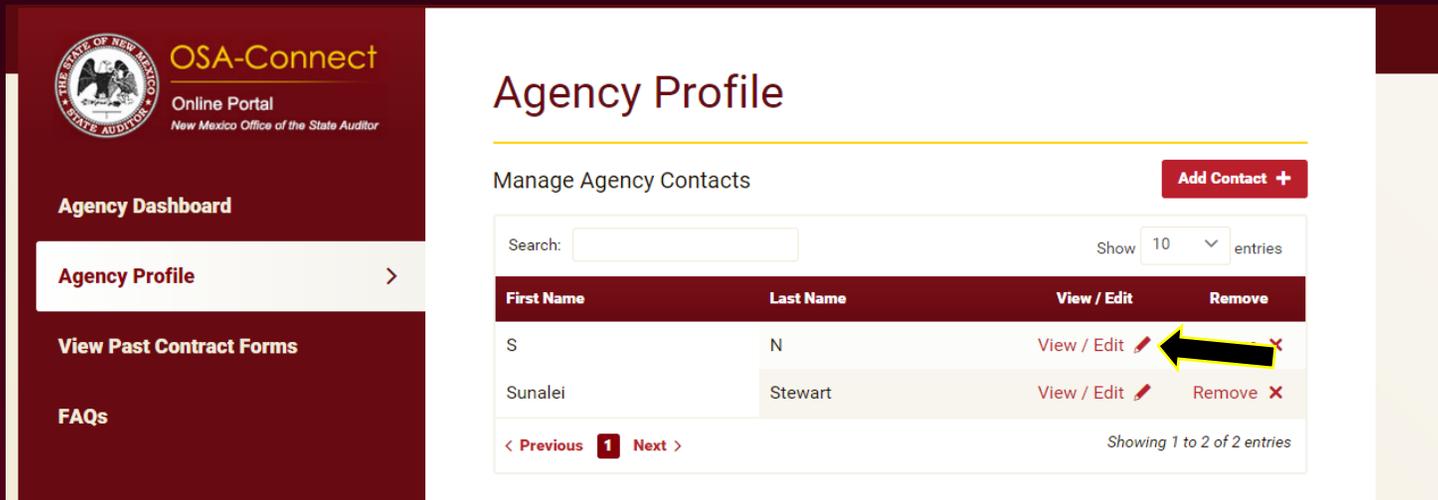
| Agency Name                   | View Agency  |
|-------------------------------|--|
| Office of the State Auditor ← | View  ← |

< Previous **1** Next > Showing 1 to 1 of 1 entries

# Instructions for OSA-Connect

## Getting Started

5. At the top of the Agency Profile page you will see an area called "Manage Agency Contacts." Please click on "View/Edit."



The screenshot displays the OSA-Connect Online Portal interface. On the left is a navigation sidebar with the following items: Agency Dashboard, Agency Profile (highlighted with a right-pointing arrow), View Past Contract Forms, and FAQs. The main content area is titled "Agency Profile" and contains a "Manage Agency Contacts" section. This section includes a search bar, a "Show 10 entries" dropdown, and an "Add Contact +" button. Below these is a table with the following data:

| First Name | Last Name | View / Edit   | Remove   |
|------------|-----------|---|--|
| S          | N         | View / Edit  |         |
| Sunalei    | Stewart   | View / Edit  | Remove  |

At the bottom of the table, there are navigation links: "< Previous 1 Next >" and a status indicator "Showing 1 to 2 of 2 entries". A yellow arrow points to the "View / Edit" link in the first row of the table.

# Instructions for OSA-Connect

## Getting Started

6. You can make changes to your contact information here. You can also change your password here.
7. Click on "Save Information." This will take you back to the Agency Profile Page.

The screenshot displays the OSA-Connect online portal interface. On the left is a dark red sidebar with the following navigation options: Agency Dashboard, Agency Profile, View Past Contract Forms, and FAQs. The main content area is titled "View / Edit Contact" and contains the following fields:

- Agency Contact Details**
- First Name:** Input field containing "S"
- Last Name:** Input field containing "N"
- Salutation:** Dropdown menu with "Prof." selected
- Title:** Input field containing "ggf"
- Email Address:** Input field containing "sarita.abq@gmail.com"
- Confirm Email Address Optional:** Empty input field
- Phone Number:** Input field containing "5055557894"
- Old Password Optional:** Empty input field
- New Password Optional:** Empty input field
- Confirm New Password Optional:** Empty input field

At the bottom of the form is a red button labeled "Save Information" with a right-pointing chevron. A black arrow points to this button from the right.

# Instructions for OSA-Connect

## Preparing a Contract

1. Click “View Contract Forms” on the left side of the page, to go to the View Contract Forms Page.
2. Check the list of existing contracts to make sure that you or someone from your agency has not already begun a contract. You can click on “View” to review any contracts that may be listed as “In Progress.”
3. If you do not see an existing contract, click the button that says “Generate Form +”.

**OSA-Connect**  
Online Portal  
New Mexico Office of the State Auditor

**Agency Dashboard**

**Agency Profile**

**View Contract Forms** >

**FAQs**

### View Contract Forms

Before you generate a new contract, please check the table below to see if one has already been created.

[Generate Form +](#)

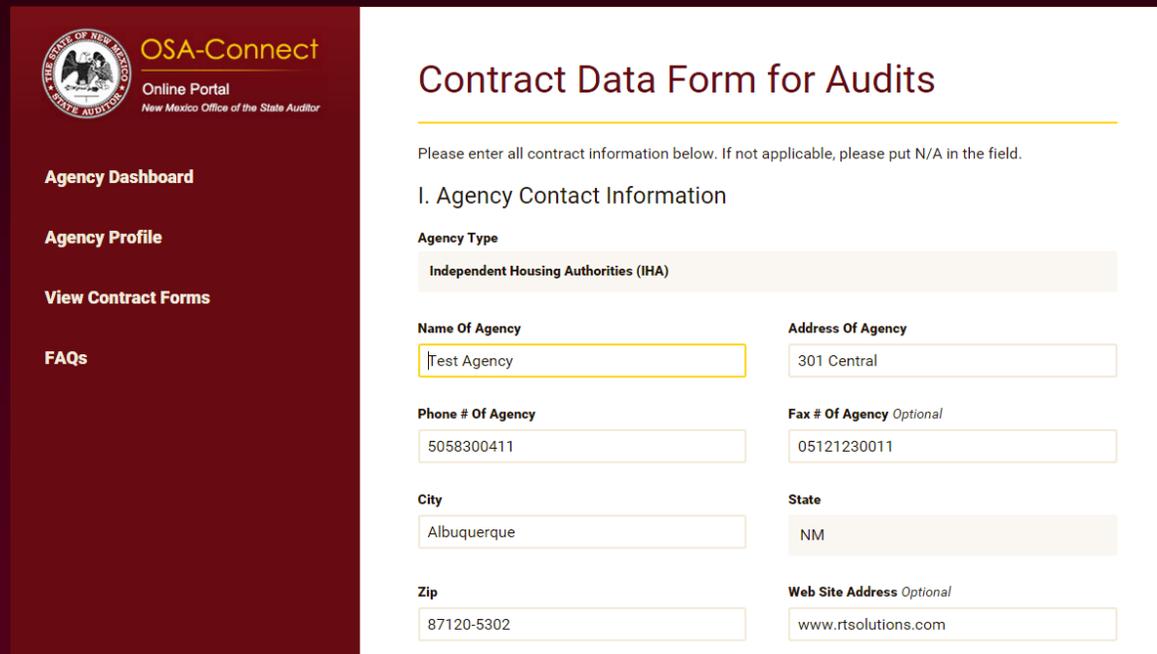
Search:  Show 10 entries

| Last Updated ^      | Fiscal Year v | Last Updated By v | Status v    | View Contract        |
|---------------------|---------------|-------------------|-------------|----------------------|
| 3/4/2016 2:59:55 PM |               | Averi Easley      | In Progress | <a href="#">View</a> |
| 3/4/2016 8:21:21 AM | 2017          | Averi Easley      | In Progress | <a href="#">View</a> |
| 3/4/2016 8:14:49 AM | 2015          | Averi Easley      | In Progress | <a href="#">View</a> |

# Instructions for OSA-Connect

## Preparing a Contract

4. This will take you to a page titled “Contract Data Form for Audits.” The contact information for your agency will be populated already. Please review and make any changes.



 **OSA-Connect**  
Online Portal  
New Mexico Office of the State Auditor

**Agency Dashboard**

**Agency Profile**

**View Contract Forms**

**FAQs**

### Contract Data Form for Audits

Please enter all contract information below. If not applicable, please put N/A in the field.

#### I. Agency Contact Information

**Agency Type**  
Independent Housing Authorities (IHA)

|  |  |
|--|--|
| <b>Name Of Agency</b>                    | <b>Address Of Agency</b>                         |
| <input type="text" value="Test Agency"/> | <input type="text" value="301 Central"/>         |
| <b>Phone # Of Agency</b>                 | <b>Fax # Of Agency <i>Optional</i></b>           |
| <input type="text" value="5058300411"/>  | <input type="text" value="05121230011"/>         |
| <b>City</b>                              | <b>State</b>                                     |
| <input type="text" value="Albuquerque"/> | <input type="text" value="NM"/>                  |
| <b>Zip</b>                               | <b>Web Site Address <i>Optional</i></b>          |
| <input type="text" value="87120-5302"/>  | <input type="text" value="www.rtsolutions.com"/> |

# Instructions for OSA-Connect

## Preparing a Contract

### 5. Complete the following:

- a. Enter all Agency Head Contact Information
- b. Review or enter Agency Contact Information (should be pre-populated)
- c. Enter Recommended Independent Public Accountant (IPA) information
- d. Enter Important Dates – Fiscal year should be in four digit (20--) form. Select start and completion dates from the drop down calendar.
- e. Check the appropriate button to indicate whether your agency has a single audit

III. Important Dates

For Which Fiscal Year (FY) Is This Recommendation Being Made: 2016

Estimated Audit Start Date:

Estimated Completion Date:

IV. Single Audit Requirement

Please check the box below that applies to your agency (a Single Audit should have been included in the procurement if the agency expended \$750,000 or more of federal funds):

My agency procured an annual financial and compliance audit without a Single Audit.

My agency procured an annual financial and compliance audit with a Single Audit.

# Instructions for OSA-Connect

## Preparing a Contract

6. Check the appropriate button to indicate whether you are contracting pursuant to a multi-year proposal.

### V. Multi Year Certification

Please check the appropriate box below:

- This is a multi-year award. 
- This is a one year procurement award for only the fiscal year indicated in Section III.

This request applies to the chosen year of a multi-year proposal:

- Year 1
  - Year 2
  - Year 3 
-

# Instructions for OSA-Connect

## Preparing a Contract

7. Complete the fee and hour breakdown. Only one year will appear if you state that this is a one-year procurement. The subtotals and totals will automatically calculate. If you selected “This is a one year procurement”: then only one year will appear in the Fee and Hour box.

### VI. Fee and Hour Breakdown

*Do not use commas - numbers only*

| Category                         | [Year 1]<br>Hours | [Year 1]<br>Cost |
|----------------------------------|-------------------|------------------|
| Financial Statement Audit        |                   | [\$]             |
| Financial Statement Preparation  |                   | [\$]             |
| Federal Single Audit             |                   | [\$]             |
| Other allowed non-audit services |                   | [\$]             |
| Component Units                  |                   | [\$]             |
| Other                            |                   | [\$]             |
| SUBTOTAL                         |                   | <b>[\$] 0.00</b> |
| Gross Receipts Tax               |                   | [\$]             |
| TOTAL                            | <b>0</b>          | <b>[\$] 0.00</b> |

# Instructions for OSA-Connect

If you choose “This is a multi-year award,” example:  
Your agency got a multi-year proposal in 2015 for FY15, FY16 and FY17.  
Select “This is multi-year award.”

Under, “This request applies to the chosen year of a multi-year proposal:”  
Select “Year 2.”

## V. Multi Year Certification

Please check the appropriate box below:

- This is a multi-year award. 
- This is a one year procurement award for only the fiscal year indicated in Section III.

This request applies to the chosen year of a multi-year proposal:

- Year 1    Year 2     Year 3

In the chart put FY15 data in the Year 1 column.  
Put FY16 data in the Year 2 column.  
Put FY17 data in the Year 3 column.

## VI. Fee and Hour Breakdown

*Do not use commas - numbers only*

| Category                         | [Year 1]<br>Hours | [Year 1]<br>Cost | [Year 2]<br>Hours | [Year 2]<br>Cost | [Year 3]<br>Hours | [Year 3]<br>Cost |
|----------------------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|
| Financial Statement Audit        |                   | [\$]             |                   | [\$]             |                   | [\$]             |
| Financial Statement Preparation  |                   | [\$]             |                   | [\$]             |                   | [\$]             |
| Federal Single Audit             |                   | [\$]             |                   | [\$]             |                   | [\$]             |
| Other allowed non-audit services |                   | [\$]             |                   | [\$]             |                   | [\$]             |
| Component Units                  |                   | [\$]             |                   | [\$]             |                   | [\$]             |
| Other                            |                   | [\$]             |                   | [\$]             |                   | [\$]             |
| <b>SUBTOTAL</b>                  |                   | <b>[\$] 0.00</b> |                   | <b>[\$] 0.00</b> |                   | <b>[\$] 0.00</b> |
| Gross Receipts Tax               |                   | [\$]             |                   | [\$]             |                   | [\$]             |
| <b>TOTAL</b>                     | <b>0</b>          | <b>[\$] 0.00</b> | <b>0</b>          | <b>[\$] 0.00</b> | <b>0</b>          | <b>[\$] 0.00</b> |

# Instructions for OSA-Connect

## Preparing a Contract

8. Verify the total contract price for the year for which you are contracting in the box labeled: “For the current fiscal year, total amount payable including New Mexico Receipts Tax And Expenses, Shall Not Exceed:” You do not need to include a \$ sign or any commas; they will automatically appear when you move to the next box.

9. If your agency uses an internal tracking number, enter that number under “Agency Contract Reference Number.”

10. Enter the number of copies of the audit report your agency will require.

11. Enter any “Other provisions.”

For The Current Fiscal Year, Total Amount Payable Including New Mexico Receipts Tax And Expenses, Shall Not Exceed:

Additional Information

Agency Contract Reference Number *Optional*

Number Of Copies To Be Delivered By The Contractor To The Agency

Other Provisions

# Instructions for OSA-Connect: Saving

## Saving, Printing and Submitting a Contract

1. At any time, you may scroll to the bottom of the page and click “Save Information.” Green text will read “! Information Saved Successfully”. Then you can continue working.



Agency Contract Reference Number *Optional*

Number Of Copies To Be Delivered By The Contractor To The Agency

Other Provisions

---

**Save Information** ↓    **Preview & Submit** ↻



 **Information saved successfully** ←



**OSA-Connect**

Online Portal

New Mexico Office of the State Auditor

## Contract Data Form for Audits

---

Please enter all contract information below. If not applicable, please put N/A in the field.

# Instructions for OSA-Connect: Saving

## Saving, Printing and Submitting a Contract

2. When you are done entering all required information, click on “Preview and Submit.”



Agency Contract Reference Number *Optional*

Number Of Copies To Be Delivered By The Contractor To The Agency

Other Provisions

Save Information ↓    Preview & Submit ↻

A yellow arrow points to the "Preview & Submit" button.

If you missed any required information, the application will return you to the Contract Data Form page and will indicate the missing information.

Agency Head Contact Information

Name Of Agency Head

Title Of Agency Head

Agency Head Email Address

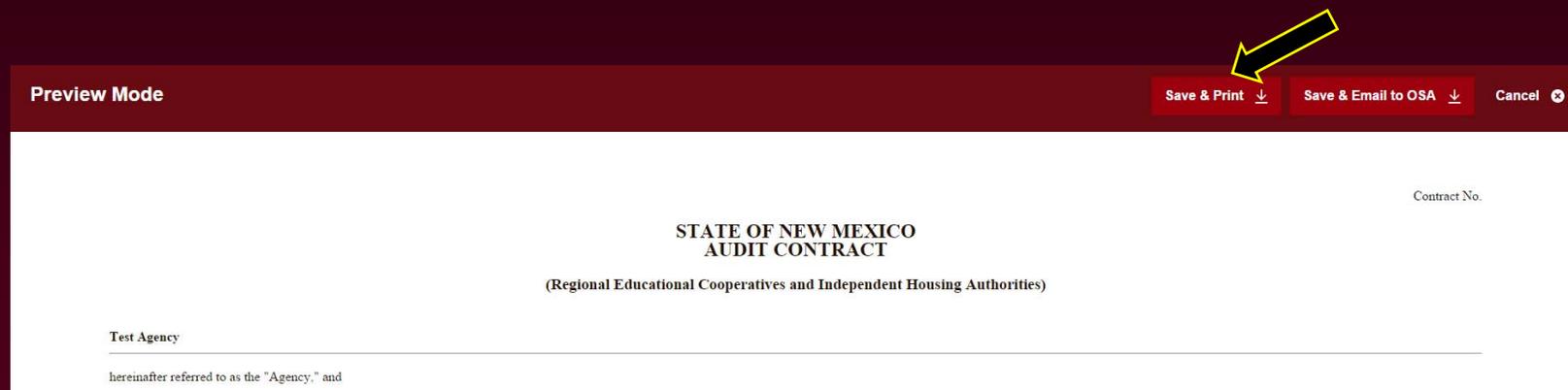
Red error messages with exclamation marks are present in the Title Of Agency Head and Email Address fields, with yellow arrows pointing to them.

TIP: If the “Other Provisions” field comes up as mandatory, enter “None.”

# Instructions for OSA-Connect: Saving

## Saving, Printing and Submitting a Contract

3. If you have entered all of the required information, the application will generate an HTML version of your contract. From here, if you click “Save & Print,” the application will download an HTML version of the contract that you can print or email to others in your agency or your IPA. If that is all you want to do at the time, you can then hit “Cancel” or back on your browser, log out and come back later.



# Instructions for OSA-Connect: Returning

## Saving, Printing and Submitting a Contract

4. When you return to OSA-Connect, you should see the contract you were working on as “In Progress” on the View Contract Forms screen.

**OSA-Connect**  
Online Portal  
New Mexico Office of the State Auditor

**Agency Dashboard**

**Agency Profile**

**View Contract Forms** >

**FAQs**

### View Contract Forms

Before you generate a new contract, please check the table below to see if one has already been created. [Generate Form +](#)

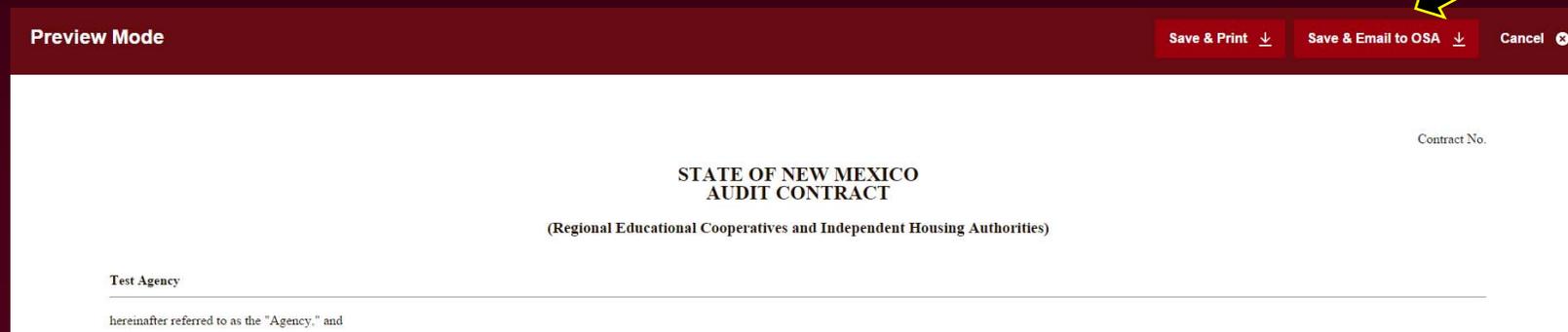
Search:  Show 10 entries

| Last Updated ^      | Fiscal Year v | Last Updated By v | Status v    | View Contract        |
|---------------------|---------------|-------------------|-------------|----------------------|
| 3/4/2016 2:59:55 PM |               | Averi Easley      | In Progress |                      |
| 3/4/2016 8:21:21 AM | 2017          | Averi Easley      | In Progress | <a href="#">View</a> |
| 3/4/2016 8:14:49 AM | 2015          | Averi Easley      | In Progress | <a href="#">View</a> |

# Instructions for OSA-Connect: Submitting

## Saving, Printing and Submitting a Contract

5. When you are ready to submit the draft contract to OSA, from the screen where you enter contract data, click on “Preview & Submit,” which will take you to the HTML version of your contract. Then click “Save & Email to OSA.” In addition to downloading the HTML version of the contract, the application will send the draft to the OSA and a confirmation message will appear at the top of the screen.



Preview Mode

Save & Print ↓ Save & Email to OSA ↓ Cancel ⌵

Contract No.

STATE OF NEW MEXICO  
AUDIT CONTRACT

(Regional Educational Cooperatives and Independent Housing Authorities)

Test Agency \_\_\_\_\_  
hereinafter referred to as the "Agency," and

# **Process for Contract Approval**

## **2.2.2.8.K**

- **The OSA will receive your draft contract via email directly from the application. You do not need to email your contract.**

**The OSA considers:**

- **Compliance with Audit Rule, completeness of contract**
- **Issues in past years**
- **Workload of IPA**
- **Restrictions on IPA**

**One phase of technical approval**

**Two phases of substantive approval**

## Process for Contract Approval 2.2.2.8.K

- OSA will review your draft contract and notify you in a letter sent by email that your contract has been approved, rejected for errors, or rejected because of some other reason.
- **If your contract is rejected, you will need to start a new contract to correct the errors.** Once a contract is submitted, it cannot be edited.

## Process for Contract Approval 2.2.2.8.K

- Only after the OSA approves your contract, you will circulate the contract for signatures.
- If your agency requires approval from the Department of Finance & Administration (DFA) or some other oversight agency, you are responsible for getting the hard copy contracts and OSA approval letter to DFA.
- When the contract is completely signed (including DFA signatures), **you will send us a final, signed version in PDF by email.**

# Summary of Changes

## Unlike past years

- There is no IPA recommendation form.
- You will not send hard copy contracts to OSA.
- OSA will not sign the contract.
- OSA will not send the contract to DFA.
- Your letter from OSA will be the only documentation of approval of your IPA and contract.

## At the current time, OSA-Connect is not available for:

- Contracts for fiscal years other than FY2016.
- Contracts with special provisions other than those that can be specified in “Other Provisions.”

# Common Errors We Used to See on Audit Contracts

- ~~Using a different audit contract~~
- Re-typing or editing the audit contract
- ~~Recommendation of on-site manager does not match on-site manager on contract~~
- Contract is incomplete
  - ~~Failure to fill out dates~~
  - ~~Enter the number of copies of the report the agency is requesting~~
  - ~~Insert the name of the audit manager from the recommended firm~~

## Potential New Errors

- Forgetting to **SAVE** before logging out
- Forgetting to click **SUBMIT** when done
- Entering contract price data for multi-year proposals in the wrong column
- Sending hard copies to OSA
- Adding a signature page for OSA

# Please “bear” with us!

Although we are very excited about new efficiencies, new systems have new problems...

Thank you for being patient with us and your fellow agencies!



# Auditor Recommendation Due Dates

## 2.2.2.8.J.11

- Regional Education Cooperatives, Independent Housing Authorities, Hospitals and Special Hospital Districts - **April 15**;
- School Districts, Counties, and Higher Education - **May 1**;
- Local Workforce Investment Boards and combined County/Municipality governments - **May 15**;
- Local Public Bodies that do not qualify for the tiered system - **May 15**;
- Councils of Governments, District Courts, District Attorneys, State Agencies and the State of New Mexico CAFR - **June 1**;

# Auditor Recommendation Due Dates

## 2.2.2.8.J.11 cont.

- Local Public Bodies that qualify for the tiered system pursuant to Subsections A and B of Section 2.2.2.16 NMAC should follow the procedures at Subsection D of Section 2.2.2.16 NMAC, and submit the required Recommendation Form for Tiered System Local Public Bodies and the completed signed agreed upon procedures contract to the State Auditor - **July 1**; and
- Component units being audited by a separate firm, **15 days before the primary government's due date**.
- Charter Schools that are chartered by the Public Education Department (PED) and agencies that are subject to oversight by the Higher Education Department (HED) have the additional requirement of **submitting their IPA recommendation to PED or HED for approval prior to submitting the recommendation to the State Auditor (Section 12-6-14(A) NMSA 1978)**.

**Note: Agencies need to allow adequate time for submission to oversight agencies.**

# Contract Rejection

- The Office will notify the agency with a checklist indicating the reason(s) for the rejection. Rejected contracts move to the end of the queue.
- Even when the agency's recommendation and related contract are submitted without errors and omissions, **the State Auditor reserves the right to reject the IPA recommendation** for reasons described at Subsection K of Section 2.2.2.8 NMAC

# Procedures for Obtaining Audit Services 2.2.2.8

- Even when the agency's recommendation and related contract are submitted without errors and omissions, **the State Auditor reserves the right to reject the IPA recommendation** for reasons described at Subsection K of Section 2.2.2.8 NMAC
- The State Auditor will promptly communicate the decision, including the reason(s) for disapproval, to the agency, at which time the agency shall promptly submit a different recommendation through a new draft contract.
- The agency may submit a written request to the State Auditor for reconsideration of the disapproval.

# Engagement Letter Issues

## 2.2.2.8.U(5)

- The audit engagement letter shall not include any fee contingencies.
- The engagement letter shall not be interpreted as amending the contract.
- Nothing in the engagement letter can impact or change the amount of compensation for the audit services. Only a contract amendment submitted pursuant to Paragraph 3 of Subsection U of 2.2.2.8, NMAC may amend the amount of compensation for the audit services set forth in the contract.
- **OSA eliminated requirement of sending your engagement letter to OSA!**

# **Progress Payments**

## **2.2.2.8.Q**

- **Agencies can pay up to 70% of the contract amount without State Auditor Approval**
  - **The agency must monitor audit progress and make progress payments only up to the percentage that the audit is completed.**
- **Progress payments from 70% to 90% require State Auditor approval after being approved by the agency.**
- **When component unit audits are part of a primary government's audit contract, requests for progress payment approvals should be submitted by the primary government for both the primary government and the component unit.**

## Final Payment - 2.2.2.8.Q

- The State Auditor's determination with respect to final payment shall be stated in the letter accompanying the release of the report to the agency.
- Final payment to the IPA by the agency prior to review and release of the audit report by the State Auditor is considered a violation of Section 12-6-14(B), NMSA 1978 and this rule and should be reported as an audit finding.
- If this statute is violated, the IPA may be removed from the list of approved auditors.

***Note: If the Office has sent your release letter for your audit report, the authorization to make final payment is listed in the letter.***

# Afternoon Sessions for More Detail

- **1:00 to 1:50**
- **Track A: Online Contracting Portal – Live demonstrations of OSA Connect with hands-on support available. (Instructor Frank Valdez and/or Sarita Nair)**
  
- **2:00 to 2:50**
- **Track A: Online Contracting Portal – Live demonstrations of OSA Connect with hands-on support available. (Instructor Frank Valdez and/or Sarita Nair)**
- 
- **3:00 to 3:50**
- **Track A: What's New in Auditor Procurement – Guidance for procurement professionals on new requirements in the Audit Rule and Uniform Guidance for Federal Funds (Instructors Sanjay Bhakta and Emily Oster)**
- 
- **4:00 to 4:50**
- **Track A: Amendments and Special Contracts – Guidance on how to prepare, submit and get timely approval on contract amendments and special contracts (Instructor Sarita Nair)**

# Break





# Changes to Audit Rule Overview

**Sanjay Bhakta, CPA, CGFM, CFE, CGMA**

**Deputy State Auditor**

**[Sanjay.Bhakta@osa.state.nm.us](mailto:Sanjay.Bhakta@osa.state.nm.us)**

# Agenda

- **Achievements**
- **Changes to Audit Rule Overview**
  - **General Improvements**
  - **Additions to Auditor Work**
  - **Contracting Changes**
  - **What Did Not Change**
  - **Looking Ahead**

# Achievements

- **Collaborating with DFA Statewide Financial Reporting and Accountability Bureau (CAFR Group) on State Agency issues**
- **FY15 audit report reviews completed on time**
- **Workpaper reviews completed on time**
- **Audit Rule opened for public comment for the first time in history**

# Changes to Audit Rule Overview

# General Improvements

- **Clarify that firm profiles must include all staff in the firm who would be working on the firm's engagements (2.2.2.8.K(2)(m))**
- **The criteria for disqualification from the OSA's list of approved firms now include excessively deficient audit reports and/or workpapers (2.2.2.8.G)**
- **In accordance with the current interpretation of the NM Public Accountancy Board, if a CPA is performing any type of attest work his/her firm must apply for a firm permit (2.2.2.14.B(9))**

## **General Improvements (cont'd)**

- **For 2016, the Rule was**
  - **reorganized and shortened, additional revisions are planned for 2017**
  - **streamlined to omit items that can be better addressed through policies**
  - **updated to reflect the implementation of the Uniform Guidance for Federal Awards**
  - **modernized to include instructions regarding IPA recommendation letters and contracts for the new online processes of the OSA (OSA-Connect)**

# **General Improvements, *Uniform Guidance for Federal Awards***

- **Threshold raised to \$750,000 in total federal expenditures (previously \$500,000)**
- **Agencies that receive and expend federal awards must follow the Uniform Guidance for Federal Awards procurements requirements from Sections 200.317 to 200.326 and Section 200.509**
  - **Written standards of conduct covering conflicts of interest**
  - **In RFP for audit services, the non-Federal entity must request a copy of the audit organization's peer review report which the auditor is required to provide under GAGAS**

## **Additions to Auditor Work, *All Entities***

- **Electronic versions of the summary of findings report, the vendor schedule, and the completed fund balance form must be submitted with the PDF audit report (2.2.2.9.B(3))**
- **Templates of the documents are being developed and will be available at [www.saonm.org](http://www.saonm.org) before the end of the fiscal year**

## **Additions to Auditor Work, *All Entities (cont'd)***

- **Audit workpapers must include a written audit program for fund balances and net position that includes tests for proper classification pursuant to GASBS 54, 34 and 46 (2.2.2.10.F)**
- **DFA/LGD budget set-asides must be reflected in the classification**

## **Additions to Auditor Work, *Schools***

**Required compliance testing related to:**

- School Athletics Equity Act  
(2.2.2.10.G(20) & 2.2.2.12.C(4)(a))**
- School Personnel Act  
(2.2.2.10.G(19))**

**(Eliminated: requirement to test earmarked funds.)**

## **Additions to Auditor Work, *State Agencies***

- **Auditors of state agencies must obtain a confirmation of cash at the individual agency level from the State Treasurer's Office (2.2.2.10.M(3)(f))**
- **Treasurer's Office has initiated development of a confirmation process**
- **Point of Contact – State Cash Manager Edward Gallegos**
- **<http://www.nmsto.gov/>**

# **Additions to Auditor Work, *Special Audits***

- **All reports for special audit, attestation, performance audit, or forensic audit engagements should report as findings any fraud, illegal acts, non-compliance or internal control deficiencies (2.2.2.15.B(6))**
- **Findings should include:**
  - **Criteria**
  - **Cause**
  - **Effect or impact**
  - **Recommendation**
  - **Agency response**

# Contracting Changes

- **OSA recommends that the price criteria not be weighted more than fifteen percent of the total criteria for audit and AUP requests for proposal (2.2.2.8.J(8)(d))**

## Rotation Rule

- **Regardless of audit contract price, an IPA that has conducted a specific agency audit or agreed upon procedures engagement for a period of six years cannot conduct those services for that agency for a period of two years (2.2.2.8.K(1)(b)(i))**
  - **Limited exceptions apply for auditors who have performed > 6 years but are in the middle of a multi-year proposal**
  - **Draft wording was amended in response to comments received at public hearing**

# What Did Not Change

- **Deadlines are the same**
- **Vendor schedule still required**
- **Findings spreadsheet still required**
- **Finding corrective action plan with timeline and responsible employee designation still required**

# Looking Ahead

## **GASB Statement No. 77 – FY17**

- **Required disclosures regarding “tax abatement agreements”**
- **Disclosures include the names of the program(s), the taxes being abated, the authority for the agreement, the eligibility criteria, the mechanism by which taxes are abated, any provision for recapturing abated taxes and the commitments made by recipients of the abatement**
- **Intergovernmental disclosure – critical for schools**
- **Look for our bulletins**

# Afternoon Sessions for More Detail

- **1:00 to 1:50**
- **Track B: GASB 68 – Lessons learned in the first year of GASB 68 implementation (Instructor Emily Oster)**
- 
- **2:00 to 2:50**
- **Track B: New Uniform Circular – Guidance on implementing the new requirements of the Uniform Guidance for Federal Funds (Instructor Marty Mathisen)**
- 
- **3:00 to 3:50**
- **Track B: New Schedules – Guidance and tips for preparing schedules required by the Audit Rule and a preview of GASB 77 (Instructors Sarita Nair and Anna Williams)**
- 
- **4:00 to 4:50**
- **Track B: Common Report Deficiencies and misc. new standards – Insight into the most common problems the OSA encounters in audits and tips on new standards (Instructors Sunalei Stewart and Anna Williams)**



# Combating Fraud, Waste and Abuse

**Kevin Sourisseau, CPA,  
Special Investigations Director  
Kevin.Sourisseau@osa.state.nm.us**

**Sunalei Stewart, JD, CFE, Chief of Staff  
Sunalei.Stewart@osa.state.nm.us**

# Special Audits

- **NMSA 1978, § 12-6-3 (C) states, “In addition to the annual audit, the state auditor may cause the financial affairs and transactions of an agency to be audited in whole or in part.”**
- **NMAC 2.2.2.15 (Special Audits, Attestation Engagements, Performance Audits and Forensic Audits)**
  - **OSA designated**
  - **Agency-initiated**

## Special Audits

- **NMAC 2.2.2.15.B (6) (Required Reporting).** Reports must state the applicable standards and findings should include condition, criteria, cause, effect, recommendation, and management response with corrective action plan.
- **NMAC 2.2.2.15.C (Agency-initiated).** With exception of agencies authorized by statute to conduct performance and forensic audits, contracts relating to financial fraud, waste or abuse must be approved by the OSA.

# Special Audits

(Since January 2015)

- **Torrance County (Special Audit)**
- **Village of Hatch (Special Audit)**
- **City of ABQ/TASER (Risk Review)**
- **McKinley County Sheriff's Office (Special Audit)**
- **City of Alamogordo (Special Audit)**
- **Cibola County (IPA Referral - Indictment)**
- **Eastern New Mexico University - Roswell (Designation)**
- **City of Santa Fe (Designation)**
- **Taxation and Revenue Department (Predicate Investigation)**
- **Dona Ana Sheriff's Office's Stonegarden Grant (Special Audit)**
- **San Juan College Food Vendor (Special Audit)**
- **Public Education Department (Special Audit)**
- **City of Moriarty (Designation)**
- **City of Ruidoso Downs (Designation)**
- **Town of Estancia (Designation)**
- **Cebolleta Land Grant (Designation)**

# Trends / Risk Advisories

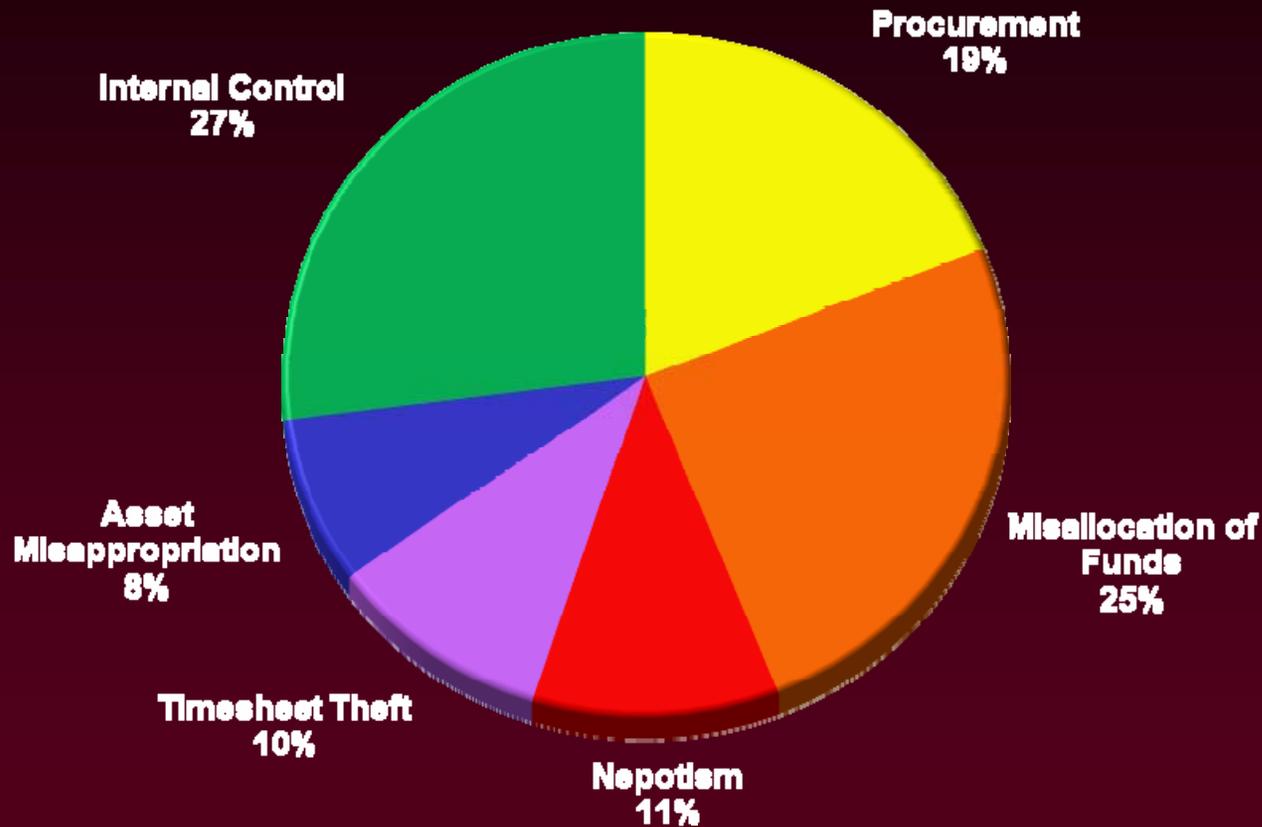
- **Background Checks / Licensure (Risk Advisory, November 2015)**
- **Utilities**
- **Cash Reconciliation**
- **School Activity Funds**
- **Others?**

# Investigations

- In addition to conducting and overseeing special audits, investigators handle hundreds of active cases.
- The OSA Fraud Hotline provides a confidential process for individuals to report financial wrongdoing.
- During calendar year 2015, SID opened about 250 new cases.
- About 350 cases were resolved since January of 2015.

# Breakdown of OSA Complaints

## CASES



# OSA Fraud Hotline



- [www.osafraud.org](http://www.osafraud.org)
- 1-866-**OSA-FRAUD**  
or 1-866-672-3728



# Notification of Criminal Violations

- **NMSA 1978, § 12-6-6 (Criminal violations)**
  - An agency or independent auditor shall report a violation of a criminal statute in connection with financial affairs immediately to the state auditor.
- **NMAC 2.2.2.10.K (2) (Audit Rule)**
  - Must be in writing
  - Include an estimate of \$ involved
  - Detailed description of the violation, including names of persons involved and any action taken or planned
- **Whoever discovers the issue must report directly to the OSA (responsibility cannot be delegated).**
- **Law enforcement may be notified concurrently.**

# OSA Referrals to IPAs

## Why do we send IPA referrals?

- Alert IPA to issues potentially affecting planning and risk assessment
- Leverage resources
- Ensure any relevant findings are included in current year report

# OSA Referrals to IPAs

**What do you do when you get a referral from the OSA?**

- Confirm receipt in writing**
- Call OSA and verify you understand the issue early in the process**
- Review any reports or supporting documentation supplied with referral**
- Provide a detailed written response of the results of the review in a timely manner and prior to submission of the draft annual report**
- Document procedures performed and the result of any test work completed (note if any findings will be included in the annual report)**

## **OSA Referrals to IPAs**

**Untimely or inadequate response could result in:**

- Delay of report review**
- Delay of report release**
- Work paper review**
- Unhappy clients that rely on you for the timely release of their reports**

## **Confidentiality and Special Audits**

- **NMAC 2.2.2.15.A (Reports of Fraud, Waste or Abuse). Sources are confidential. Files and records related to a case are confidential audit documentation and may not be disclosed prior to the release of an audit report (except to those working on the engagement).**
- **Referrals from SID are confidential.**
- **Violations of confidentiality are considered as part of firm profile assessment and may result in a firm restriction.**

# Afternoon Sessions for More Detail

- **1:00 to 1:50**
- **Track C: Payroll and Related Liabilities – Common problems and tips for improved compliance in the areas of payroll and liabilities, the most common finding statewide (Instructor Ray Roberts)**
- 
- **2:00 to 2:50**
- **Track C: State Law Compliance – Common problems and tips for improved compliance in the areas of state law compliance, the second most common finding statewide (Instructor Audrey Jaramillo)**
- 
- **3:00 to 3:50**
- **Track C: Budget and Grant Compliance – Common problems and tips for improved compliance in the areas of state law compliance, the third most common finding statewide (Instructor Audrey Jaramillo)**
- 
- **4:00 to 4:50**
- **Track C: Risk Advisory and Trends in SID – An update on hot topics in Special Investigations (Instructors Sunalei Stewart and/or Kevin Sourisseau)**

# Contact Us

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