

**Wayne A. Johnson**  
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**Legislature Fails to Pass Critically Needed Improvements to the Audit Act**  
*Auditor Johnson Establishes a Task Force to Develop Solutions*

SANTA FE – A bill sponsored by Senator Stuart Ingle that would have required a single comprehensive audit of state agencies was tabled Tuesday in the House Appropriations and Finance Committee, on a motion made by Chair Patricia Lundstrom.

Senate Bill 316 received a message from Governor Martinez and unanimously passed the Senate. “The state auditor’s office is required by law to audit the comprehensive annual financial report for the state,” Auditor Johnson said, “but under current law, the Department of Finance and Administration (DFA) will never be able to produce that report on time.”

The current structure of the Audit Act means that New Mexico is the only state in the country that has not adopted procedures for timely completion of a comprehensive statewide audit. Secretary Duffy Rodriguez of the DFA reported to the committee that New Mexico’s outdated process means that the state’s bond rating suffers year after year.

In response to the bill’s demise, State Auditor Wayne Johnson announced the creation of a task force to address the issue. “We have spoken with representatives from the New Mexico Society of Certified Public Accountants and the DFA, and I am convening this task force to work on legislation during the interim, as well as develop the framework for the administrative rules that would accompany the new law,” said Auditor Johnson. “We must fix a process that unnecessarily lowers the state’s bond rating, costing potentially millions of dollars due to higher interest payments on bonds. Since the House of Representatives failed to act, my office is moving forward with our partners to find a solution.”

The legislative session ended at noon today.

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