

## 2020 Audit Rule Summary of Key Changes

**2.2.2.5:** Effective Date now March 10, 2020.

**2.2.2.7:** Entire section reformatted and additional definitions added:

**C. Definitions beginning with the letter “C”:**

(3) “**CYFD**” means the New Mexico children youth and families department.

**D. Definitions beginning with the letter “D”:**

(2) “**DOH**” means the New Mexico department of health.

(3) “**DOT**” means the New Mexico department of transportation.

**H. Definitions beginning with the letter “H”:**

(2) “**HSD**” means the New Mexico human services department.

**R. Definitions beginning with the letter “R”:**

(3) “**Report**” means a document issued as a result of an annual financial and compliance audit, special audit, attestation engagement, performance audit, forensic audit, or AUP engagement regardless of whether the document is on the contractor’s letterhead or signed by the contractor.

**T. Definitions beginning with the letter “T”:**

(2) “**TRD**” means the New Mexico taxation and revenue department.

**2.2.2.8 (A):** The firm profile due date has been changed from the 1st business day in January to the 5th business day in January.

**2.2.2.8 (F)(3):** The agency is encouraged to request multiple year proposals for audit and AUP services.

**2.2.2.8 (F)(8)(d):** unsigned contract deadline for CAFR now July 31.

**2.2.2.8 (G):** State auditor approval/disapproval has been changed to approval/rejection of unsigned contract.

**2.2.2.8 (L)(1):** This section has been deleted.

**2.2.2.8 (L)(2):** This section (which is now section (1)) has been expanded to include the 12-6-6 letter and applies to directly or sub contracted IPAs.

**2.2.2.8 (L)(3):** This section (now section 2) has been modified to be specific to requests for contracts made by the state auditor.

**2.2.2.8 (M):** This section has been updated to accommodate making final payments to IPAs in the case an audit report cannot be publicly released due to ongoing law enforcement investigations.

**2.2.2.9 (A)(5):** This section has been updated to indicate the late audit notification sent by the IPA to OSA, with the reason for the late report, is subject to audit confidentiality requirements.

**2.2.2.9 (A)(6):** Section (6) has been added which states that “[t]he due date of any report not listed in Subsection A of 2.2.2.9 NMAC shall be the date specified in the contract.”

**2.2.2.9 (B)(3):** This section contains updates regarding the report addressee and electronic schedules.

**2.2.2.9 (B)(4)(a):** This section has been updated to include information about the 5 day waiver per 12-6-5 NMSA 1978.

**2.2.2.9 (B)(4)(b):** This section has added to include provisions detailing the number of copies and when delivery of the Report is authorized.

**2.2.2.10 (A)(1):** This section has been updated to include a reference regarding the agency responsibility to provide requested audit documentation.

**2.2.2.10 (D)(4):** This section has been updated to comply with the most recent version of GAGAS.

**2.2.2.10 (H)(1):** This section has been updated to indicate certain communications are confidential.

**2.2.2.10 (J)(6):** This section has been updated to clarify what testing procedures IPAs shall conduct when evaluating an agencies compliance pursuant to the Public Employees Retirement Act.

**2.2.2.10 (J) (7):** This section has been updated to clarify what testing procedures IPAs shall conduct when evaluating an agencies compliance pursuant to the Educational Retirement Act.

**2.2.2.10 (L)(1):** This section has been updated to clarify prior year finding number format.

**2.2.2.10 (L)(1)(f):** This section has been updated to clarify that AUP reports are not required to include a summary of audit results.

**2.2.2.10 (M)(1):** This section has been expanded to allow agencies and IPAs the flexibility to choose how exit conferences and board presentations occur and includes telephonic and virtual options. Additionally, OSA pre-approval is no longer required.

**2.2.2.10 (M)(3):** This section has been updated to clarify that agencies may submit draft copies of financial statements in certain situations prior to the release of the audit report.

**2.2.2.10 (N)(2):** This section has been modified to include the word “alleged” and clarifies how a notification shall be made to OSA.

**2.2.2.10 (X):** This section has been deleted.

**2.2.2.10 (BB):** This section has been deleted.

**2.2.2.10 (CC)(8):** This section has been added regarding referring readers of state agency reports to the statewide CAFR for the state’s OPEB liability (Now AA).

**2.2.2.11:** This entire section has been repealed.

**2.2.2.12 (A)(17):** This section has been deleted. It is no longer necessary due to the updates made to 2.2.2.10 (M).

**2.2.2.12 (C)(3)(d):** This section has been deleted and may be Replaced with a schedule to specifically address risks associated with school activity funds.

**2.2.2.12(C)(3)(f):** Sub-funds replaces Functions and budgetary comparisons has been deleted.

**2.2.2.12 (F):** This section has been deleted.

**2.2.2.12 (G)(3):** (Now F) the requirement to submit the electronic version of the schedule of asset management costs has been removed.

**2.2.2.13(C):** New section “(2) the IPA’s eligibility to perform future engagements may be limited in number or type of engagement pursuant to Subsection D of 2.2.2.8 NMAC”.

**2.2.2.14 (A):** This section has been modified to comply with the most recent version of GAGAS.

**2.2.2.15 (A)(4):** This section has been modified to reference referrals to appropriate law enforcement authorities.

**2.2.2.15 (B)(8):** This section was modified to clarify exit conference information required to be included in the report.

**2.2.2.15 (B)(13):** This section has been updated to accommodate making final payments to IPAs in the case a special audit report cannot be publicly released due to ongoing law enforcement investigations.

**2.2.2.16 (A):** This section has been modified to clarify how to determine the correct type of financial reporting for a local public body.

**2.2.2.16 (C)(3):** This section has been updated to state current tier certifications will not be accepted if prior year compliance has not been achieved.

**2.2.2.16 (E):** This section has been added to reference statutory compliance regarding providing requested AUP engagement documentation.

**2.2.2.16 (F)(2):** (now G) This section has been updated to accommodate making final payments to IPA's in the case an AUP report cannot be publicly released due to ongoing law enforcement investigations.

**2.2.2.16 (G)(2):** (now H) This section has been updated to indicate the late AUP notification sent by the IPA to OSA, with the reason for the late report, is subject to audit confidentiality requirements.

**2.2.2.16 (J):** Repeal of the requirement that the OSA must authorize the final payment to the IPA after the five-day waiting period.