



State of New Mexico Office of the State Auditor

CONSTITUENT SERVICES
(505) 476-3821

MEMORANDUM

Date: June 10, 2020
To: Stakeholders of the Office of the State Auditor
From: State Auditor Brian S. Colón, Esq., CFE
Re: Audit Due Dates and Our Commitment to Accountability and Transparency

To All Our Stakeholders,

The Office of the State Auditor (OSA) wishes you all the best during these unprecedented times and hopes you are adapting successfully to emerging and ongoing challenges. We received various inquiries concerning due dates for audit reports. During this time of public health and economic crises, we want to highlight the continuing and heightened significance of accountability and transparency in governmental financial matters. At the OSA, our critical function and operations remain ongoing, and we appreciate our stakeholders' diligence in continuing to engage in the process of timely review of financial affairs and transactions in government.

It is important the established financial reporting deadlines remain unchanged as government oversight is a matter of obligation and duty to the public. Therefore, as a procedural matter, we would like to remind agencies, local public bodies, and independent public accountants (IPAs) of the required late notification under the Audit Rule, at 2.2.2.9(A)(5) NMAC:

As soon as the auditor becomes aware that circumstances exist that will make an agency's audit report be submitted after the applicable due date provided in Subsection A of 2.2.2.9 NMAC, the auditor shall notify the state auditor in writing. This notification shall consist of a letter, not an email. However, a scanned version of the official letter sent via email is acceptable. The late audit notification letter is subject to the confidentiality requirements detailed at Subsection M of 2.2.2.10 NMAC. This does not prevent the state auditor from notifying the Legislative Finance Committee or applicable oversight agency pursuant to Subsections F and G of Section 12-6-3 NMSA 1978. There shall be a separate notification for each late audit report. The notification shall include a specific explanation regarding why the report will be late, when the IPA expects to submit the report and a concurring signature by a duly authorized representative of the agency.

Office of the State Auditor

Stakeholder Memorandum

June 10, 2020

Page 2

This notification and related information will assist the OSA in providing information regarding potential obstacles that occurred during the audit process, including those that relate to or stem from COVID-19 nuances.

Although there is a required finding associated with late reports, it is not intended to be punitive, and we anticipate this data to be useful for tracking rippling impacts arising out of the pandemic. We want to stress the importance of agencies and local public bodies working together with your IPAs to navigate this unprecedented course through the audit process in support of accountability and transparency as we all have an important role to play for excellence in government.

During this process, agencies should also assess the material impact of inventory counts when they occur, and document accordingly.

We are grateful with improved and robust digital communications we have witnessed from our stakeholders and appreciate your efforts, from virtual meetings, to working substantially with electronic documents. The adaptability and good work of all of our stakeholders during these difficult times are to be commended. In some ways the crises have been an incredible opportunity to improve processes and enhance efficiency in ways that support our underlying, collective, and respective missions, and I am honored to work with all of you to make the most out of difficult situations.

If you have any questions do not hesitate to contact us. We are honored to have the opportunity to work with all of our stakeholders to address your concerns and better serve the public.

Thank you.