

Exhibit 1

From: [Pamela A. Moon](#)
To: [Liza Kerr](#)
Cc: [Jackie Sanchez](#); [Frank Valdez](#)
Subject: Comment for Public Hearing
Date: Wednesday, February 10, 2021 3:17:06 PM
Attachments: [image001.gif](#)
[image004.jpg](#)
[image005.png](#)

Dear Ms. Kerr,

I would like the OSA to consider allowing governments to enter into three year contracts with IPAs. Currently the parties are required to enter a new audit contract every year.

This is on page 5 of the Audit Rule:

“(3) The agency is encouraged to request multiple year proposals for audit and AUP services, however the term of the contract shall be for one year only. The parties shall enter a new audit contract each year. . . .”

Best regards,

Pamela Moon

Director of Accounting and Budget

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February 26, 2021

Exhibit 2

Brian S. Colón, Esq.
New Mexico State Auditor
2540 Camino Edward Ortiz, Suite A
Santa Fe, NM 87507

Dear Mr. Colón:

We appreciate the hard work and thought that goes into updating the State Audit Rule every year and we thank you for the opportunity to participate in the process. Our firm has reviewed the proposed changes to the NM State Audit Rule for 2021 and wanted to provide our comments on the proposed changes as noted below:

- 2.2.2.10 (J)(6) – Added language requiring IPA’s to evaluate “and test internal” controls as related to PERA.
 - The AICPA SLG Audit Guide already requires auditors to test census information at each participating entity. We don’t feel that a requirement to test internal controls at each entity would be needed for additional audit support.
- 2.2.2.10 (J)(7) – Added language requiring IPA’s to evaluate “and test internal” controls as related to ERA.
 - Same as above
- 2.2.2.10 (J)(17) – Added language regarding NMRHCA to reflect requirements for PERA and ERA: “The IPA shall evaluate and test internal controls regarding employee eligibility for NMRHCA and other benefits. IPAs shall evaluate risk associated with employees excluded from NMRHCA and test that employees are properly excluded.”
 - Same as above

In addition, when looking at the Draft State Audit Rule some areas of questions that have arisen in the course of public practice, we had the additional questions and /or recommendation:

- 2.2.2.8 (F)(3) – With the change from a six to eight year rotation requirement, is there a clarification needed for how many years the multiple year proposal cannot exceed?
- GASB Statement No. 84 implementation – Has the Office considered a requirement to test the classification of funds which were previously reported as Agency funds for proper implementation of GASBS No. 84?

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Again, we appreciate the opportunity to contribute to the process of updating the State Audit Rule and continuing to partner with the Office of the State Auditor in order to better serve the citizens of the State of NM. We also thank you and everyone at the office for consideration of our thoughts and for your time and service to our state.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alan D. Bowers, Jr.", with a stylized flourish at the end.

Alan D. "A.J." Bowers, Jr., CPA, CITP
Partner
Carr, Riggs, & Ingram, LLC