

NOTICE OF PROPOSED RULEMAKING AND PUBLIC HEARING

The Office of the State Auditor is in the process of amending 2.2.2 NMAC, Requirements for Contracting and Conducting Audits of Agencies ("Audit Rule"). The Audit Rule establishes policies, procedures, rules, and requirements for contracting and conducting financial audits, special audits, attestation engagements, performance audits, and forensic engagements of governmental agencies and local public bodies of the state of New Mexico and is governed by Sections 12-6-1 to 12-6-14 NMSA 1978 ("Audit Act"). The amendments to the Audit Rule are proposed pursuant to the Audit Act, at Section 12-6-12 NMSA 1978 and Subsection A of Section 12-6-3 NMSA 1978. Section 12-6-12 NMSA 1978 states "[t]he state auditor shall promulgate reasonable regulations necessary to carry out the duties of his office, including regulations required for conducting audits in accordance with generally accepted auditing standards."

A copy of the full text of the proposed amendments to the Audit Rule is available on the Office of the State Auditor's website, at <https://www.saonm.org/auditing/financial-audits/state-auditor-rule>. The Office of the State Auditor will consider adopting the proposed new Audit Rule at a public hearing on February 28, 2022, at 1:30 p.m. The hearing will be a virtual meeting and members of the public may attend, listen, and participate via live streaming or telephone. Please see the prior link for additional information on attending the virtual public hearing.

Public comment is allowed prior to and at the public hearing on February 28, 2022. Please e-mail written comments on the proposed Audit Rule to Liza Kerr, Director of Compliance and Quality Control, at Liza.Kerr@osa.state.nm.us between January 25, 2022 and February 28, 2022. If you are unable to e-mail comments, you may deliver written comments to the Office of the State Auditor, 2540 Camino Edward Ortiz, Suite A, Santa Fe, New Mexico 87507, as soon as possible and no later than February 24, 2021. All written comments shall be posted to the Office of the State Auditor's website within three days of receipt and can also be accessed from the link above.

Proposed amendments to the Audit Rule include the following: (i) clarifying certain definitions; (ii) adding language for agencies requiring a report to be released by a specific date; (iii) removing specific cites to Generally Accepted Government Audit Standards and referring to the most recent revision of those standards; (iv) requiring amounts reverted to the State to be included in Supplemental Information schedules or the notes; (v) updating requirements for component unit presentation to be at the discretion of the independent public accountant; and (vi) requiring an electronic version of the Financial Data Schedule instead of a hard copy. To the extent applicable, the full text for relevant technical information that served as a basis for proposed changes is available at gasb.org, and gao.gov.

If you are an individual with a disability who is in need of auxiliary aid or service to attend or participate in the public hearing, please contact the Office of the State Auditor at least one week prior to the public hearing. Please contact Liza Kerr at 505-476-3822 or Liza.Kerr@osa.state.nm.us if any such assistance is needed.

At the start of the meeting, the Office of the State Auditor shall announce the names of those members of the public body participating remotely. All members of the Office of the State Auditor participating remotely shall identify themselves whenever they speak and be clearly audible to the other members of the public body and to the public. The Office of the State Auditor shall suspend discussion if the audio or video is interrupted until restored.