

TITLE 12 TRADE, COMMERCE AND BANKING
CHAPTER 17 CREDIT UNIONS
PART 12 QUALIFIED EXTERNAL AUDITORS

12.17.12.1 ISSUING AGENCY: Financial Institutions Division of the Regulation and Licensing Department, P. O. Box 25101, Santa Fe, New Mexico 87504.
[12.17.12.1 NMAC – N, 8/14/2000]

12.17.12.2 SCOPE: All credit unions chartered by the State Of New Mexico.
[12.17.12.2 NMAC – N, 8/14/2000]

12.17.12.3 STATUTORY AUTHORITY: Sections 58-11-3 & 58-11-38 NMSA 1978.
[12.17.12.3 NMAC – N, 8/14/2000]

12.17.12.4 DURATION: Permanent
[12.17.12.4 NMAC – N, 8/14/2000]

12.17.12.5 EFFECTIVE DATE: August 14, 2000 unless a later date is cited in the history note at the end of a section.
[12.17.12.5 NMAC – N, 8/14/2000]

12.17.12.6 OBJECTIVE: The objective is to establish requirements for qualifying a person or firm to perform a comprehensive annual audit of the books and affairs of any credit union where an audit by a certified public accountant would cost 5% or more of the credit union's previous year's net income.
[12.17.12.6 NMAC – N, 8/14/2000]

12.17.12.7 DEFINITIONS: [RESERVED]
[12.17.12.7 NMAC – N, 8/14/2000]

12.17.12.8 QUALIFIED EXTERNAL AUDITORS:

A. The supervisory committee of a qualified credit union [with concurrence by the board of directors] may show proof of exceeding the 5% standard and develop an alternate audit plan to utilize a person or firm that is not a certified public accountant or experienced in credit union audits to lessen the financial impact of the audit on the credit union. This plan must be acceptable to and approved by the Financial Institutions Division.

B. The plan must be submitted to the Financial Institutions Division for approval at least 30 days prior to implementation. The request should include the following qualification information regarding the person or firm included in the plan:

- (1) Resume [of principals involved in the audit]
- (2) Background in accounting internal routines and controls
- (3) Knowledge of account and cash reconciliation
- (4) Knowledge of journal entry and adjusting
- (5) Knowledge of financial institution regulatory laws [i.e. Bank Secrecy Act, etc.]

[12.17.12.8 NMAC – N, 8/14/2000]

HISTORY of 12.17.12 NMAC [RESERVED]