

**A JOINT MEMORIAL**  
**REQUESTING AN AGGRESSIVE APPLICATION OF PUBLIC ACCOUNTANCY**  
**REGULATIONS AND STANDARDS.**

**WHEREAS, New Mexicans rely on the expert and professional audit opinions of public accountants; and**

**WHEREAS, the public trust in an international accounting firm and other auditors of publicly traded companies has recently been shaken by allegations that the ethical and professional standards of the accounting profession were not adhered to and not properly enforced in the audits of a recently bankrupt major publicly traded corporation; and**

**WHEREAS, public funds are used for audits of the state, counties, municipalities, state educational institutions and other political subdivisions; and**

**WHEREAS, state law requires auditors conducting audits of the state, counties, municipalities, state educational institutions and other political subdivisions to report any violation of law or violation of standard accounting practices; and**

**WHEREAS, state law requires the state auditor to examine and audit the financial affairs of every agency in accordance with generally accepted auditing standards; and**

**WHEREAS, the New Mexico society of certified public**

accountants and the New Mexico society of public accountants have committees of public accountants who review and approve required peer reviews within the accounting profession; and

WHEREAS, the New Mexico public accountancy board is responsible for protecting the public interest by regulating the practice of public accountancy through enforcement and licensing measures;

NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO that the New Mexico public accountancy board be requested to aggressively apply its regulations and peer review program to ensure that public accountants conducting audits of the state, counties, municipalities, state educational institutions and other political subdivisions strictly adhere to the professional standards and requirements adopted by the public accounting profession in an appropriate climate of professional independence; and

BE IT FURTHER RESOLVED that the New Mexico public accountancy board and the state auditor, in conjunction with the New Mexico society of certified public accountants and the New Mexico society of public accountants, work to ensure strict adherence to public accountancy regulations and standards; and

BE IT FURTHER RESOLVED that the New Mexico public accountancy board and the state auditor report their findings

and recommendations to the legislative finance committee by  
December 1, 2002; and

BE IT FURTHER RESOLVED that copies of this memorial be  
transmitted to the state auditor, the New Mexico public  
accountancy board, the New Mexico society of certified public  
accountants and the New Mexico society of public accountants.