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**HOUSE JOINT MEMORIAL 76**

**45TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2002**

**INTRODUCED BY**

**Luciano "Lucky" Varela**

**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**

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1 the state, counties, municipalities, state educational  
2 institutions and other political subdivisions to report any  
3 violation of law or violation of standard accounting  
4 practices; and

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

8 WHEREAS, the New Mexico society of certified public  
9 accountants and the New Mexico society of public accountants  
10 have committees of public accountants who review and approve  
11 required peer reviews within the accounting profession; and

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

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

25 BE IT FURTHER RESOLVED that the New Mexico public

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1       accountancy board and the state auditor, in conjunction with  
2       the New Mexico society of certified public accountants and the  
3       New Mexico society of public accountants, work to ensure  
4       strict adherence to public accountancy regulations and  
5       standards; and

6               BE IT FURTHER RESOLVED that the New Mexico public  
7       accountancy board and the state auditor report their findings  
8       and recommendations to the legislative finance committee by  
9       December 1, 2002; and

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