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HOUSE BILL 155

**48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007**

INTRODUCED BY

Patricia A. Lundstrom

AN ACT

RELATING TO AUDITS OF STATE AGENCIES; REDUCING AUDIT  
REQUIREMENTS FOR CERTAIN STATE AGENCIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 12-6-3 NMSA 1978 (being Laws 1969,  
Chapter 68, Section 3, as amended) is amended to read:

"12-6-3. ANNUAL AND SPECIAL AUDITS.--

A. The financial affairs of every agency shall be  
thoroughly examined and audited each year by the state auditor,  
personnel of [~~his~~] the state auditor's office designated by  
[~~him~~] the state auditor or [~~by~~] independent auditors approved  
by [~~him~~] the state auditor. The comprehensive annual financial  
report for the state shall be thoroughly examined and audited  
each year by the state auditor, personnel of [~~his~~] the state  
auditor's office designated by [~~him~~] the state auditor or [~~by~~]

underscoring material = new  
[bracketed material] = delete

underscored material = new  
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1 independent auditors approved by [~~him~~] the state auditor.

2 B. For individual state agencies with total annual  
3 budgets in excess of one million dollars (\$1,000,000), the  
4 audits shall be conducted in accordance with generally accepted  
5 auditing standards and rules issued by the state auditor. For  
6 individual state agencies with total annual budgets of one  
7 million dollars (\$1,000,000) or less, the audits may be reviews  
8 conducted in accordance with generally accepted auditing  
9 standards and rules issued by the state auditor.

10 [~~B-~~] C. In addition to the annual audit, the state  
11 auditor may cause the financial affairs and transactions of an  
12 agency to be audited in whole or in part.

13 [~~C-~~] D. Annual financial and compliance audits of  
14 agencies under the oversight of the financial control division  
15 of the department of finance and administration shall be  
16 completed and submitted by an agency and independent auditor to  
17 the state auditor no later than sixty days after the state  
18 auditor receives notification from the financial control  
19 division to the effect that an agency's books and records are  
20 ready and available for audit."

21 Section 2. EFFECTIVE DATE.--The effective date of the  
22 provisions of this act is July 1, 2007.