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SENATE BILL 263

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

INTRODUCED BY

Ben D. Altamirano

AN ACT

RELATING TO PUBLIC FINANCES; PROVIDING FOR INDEPENDENT AUDITS  
BY PUBLIC HOUSING AUTHORITIES.

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~~]

underscored material = new  
[bracketed material] = delete

1 independent auditors approved by [~~him~~] the state auditor. The  
2 audits shall be conducted in accordance with generally accepted  
3 auditing standards and rules issued by the state auditor.

4 B. In addition to the annual audit, the state  
5 auditor may cause the financial affairs and transactions of an  
6 agency to be audited in whole or in part.

7 C. Annual financial and compliance audits of  
8 agencies under the oversight of the financial control division  
9 of the department of finance and administration shall be  
10 completed and submitted by an agency and independent auditor to  
11 the state auditor no later than sixty days after the state  
12 auditor receives notification from the financial control  
13 division to the effect that an agency's books and records are  
14 ready and available for audit.

15 D. In order to comply with United States department  
16 of housing and urban development requirements, the financial  
17 affairs of a public housing authority other than a regional  
18 housing authority, at the public housing authority's  
19 discretion, may be audited separately from the audit of its  
20 local primary government entity. If a separate audit is made,  
21 the public housing authority audit need not be integrated into  
22 the local primary government entity audit and need not be  
23 conducted by the same auditor who audits the financial affairs  
24 of the local primary government entity."

25 Section 2. Section 12-6-4 NMSA 1978 (being Laws 1969,

.164170.1

underscored material = new  
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1 Chapter 68, Section 4) is amended to read:

2 "12-6-4. AUDITING COSTS.--The reasonable cost of all  
3 audits shall be borne by the agency audited, except that:

4 A. a public housing authority other than a regional  
5 housing authority shall not bear the cost of an audit conducted  
6 solely at the request of its local primary government entity;  
7 and

8 B. the administrative office of the courts shall  
9 bear the cost of auditing the magistrate courts. A  
10 metropolitan court shall be treated as a single agency for the  
11 purpose of audit and shall be audited as a unit, and the cost  
12 of the audit shall be paid from the appropriation to the  
13 metropolitan court. The district courts of all counties within  
14 a judicial district shall be treated as a single agency for the  
15 purpose of audit and shall be audited as a unit, and the cost  
16 of the audit shall be paid from the appropriation to each  
17 judicial district. The court clerk trust account and the state  
18 treasurer account of each county's district court shall be  
19 included within the scope of the judicial district audit."