SENATE BILL 641

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

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AN ACT

RELATING TO THE STATE FISC; REQUIRING EACH STATE AGENCY TO HAVE
A CURRENT AUDIT WITH NO MATERIAL WEAKNESSES OR SIGNIFICANT
DEFICIENCIES BEFORE A BUDGET FOR THE SUCCEEDING FISCAL YEAR IS
APPROVED OR BEFORE CAPITAL OUTLAY FUNDS ARE RELEASED FOR THE
STATE AGENCY; REQUIRING THE STATE AUDITOR TO PROVIDE THE
DEPARTMENT OF FINANCE AND ADMINISTRATION WITH A RELEASE FOR
BUDGET FORM STATING THAT A STATE AGENCY IS CURRENT WITH ITS
AUDITS AND THE AUDITS HAVE NO MATERIAL WEAKNESSES OR
SIGNIFICANT DEFICIENCIES.

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

SECTION 1. A new section of Chapter 6, Article 3 NMSA 1978 is enacted to read:

"[NEW MATERIAL] CURRENT AUDITS--BUDGETS NOT APPROVED FOR NONCOMPLIANT AGENCIES.--

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- In order to safeguard state taxpayers' money, the state is obligated to ensure that its agencies have sufficient and effective internal controls to protect their operational and capital budgets.
- The state budget division of the department of В. finance and administration shall not approve a state budget for a state agency for the succeeding fiscal year if the state agency has an outstanding annual audit or an annual or special audit with material weaknesses or significant deficiencies that have not been successfully resolved.
- The state board of finance shall not include in a bond sale or the department of finance and administration shall not release general fund or other appropriations for capital outlay to a state agency that has an outstanding annual audit or an annual or special audit with material weaknesses or significant deficiencies that have not been successfully resolved.
- The state auditor shall submit to the department of finance and administration a "release for budget" form that states a state agency is current on its annual audit and does not have an annual or special audit with material weaknesses or significant deficiencies that have not been successfully resolved."