



## State of New Mexico Office of the State Auditor

### SENT VIA EMAIL

March 20, 2025

Small Local Public Bodies  
Subject to the Audit Act

*Re: Second Notification- Contracting for Audit or Agreed-Upon Procedures Services to Achieve Compliance with the Audit Act*

Dear Small Local Public Bodies Subject to the Audit Act,

In accordance with the Audit Act, NMSA 1978, Sections 12-6-1 through 12-6-14, and the Audit Rule, 2.2.2 NMAC, the Office of the State Auditor (OSA) hereby notifies Small Local Public Bodies (LPB) subject to the tiered system of reporting whose engagements will not be conducted directly by the OSA to seek proposals for Tier Certifications or Agreed-Upon Procedures engagements for any years outstanding to achieve compliance with the Audit Act.

The OSA has received a special appropriation from the New Mexico State Legislature to assist small LPB's, not in compliance with the Audit Act, to come into compliance. This funding can pay costs to assist the small LPB to get books and records ready for the tier procedures and for the actual cost of the tier engagement. Funding is available on a first come first serve basis and is available throughout the remainder of the fiscal year.

As a reminder, the Audit Act authorizes the State Auditor to select an auditor for any entity that does not select an auditor within 60 days of notification. Official notifications are sent out annually to every agency and LPB and are also posted on the OSA website. This year OSA is permitting small LPB's not in compliance, 60 days from the date of this second notification, to contact our Office and arrange for the appropriate type of tier engagement. Funds from the special appropriation can be used to cover associated costs.

Any small LPB that does not comply with this notification within 60 days is subject to the State Auditor selecting an auditor to perform the appropriate tier engagement. If the State Auditor is required to select an auditor under these circumstances state law prohibits using the special appropriation to cover costs. Compliance with the Audit Act is not discretionary, it is mandatory. Therefore, under these circumstances, associated costs are the responsibility of the small LPB.

The following items are on our website at [www.osa.nm.gov](http://www.osa.nm.gov):

- **Local Public Body Financial Assistance Application Form**
- **Local Public Body Fall 2024 Updates**
- **List of Approved IPAs** – This list includes IPAs who submitted firm profiles and were approved by the OSA to conduct financial audits and/or agreed upon procedures engagements.

For more information on the Local Public Body Assistance program please contact Manuel Luna [manuel.luna@osa.nm.gov](mailto:manuel.luna@osa.nm.gov) or at 505 394 1600.

Thank you and do not hesitate to contact the OSA with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Joseph M. Maestas". The signature is written in a cursive style with a large initial "J".

Joseph M. Maestas, P.E., C.F.E  
New Mexico State Auditor

Cc: Ricky Bejarano, Deputy State Auditor  
Susanne Roubidoux, General Counsel