



State of New Mexico Office of the State Auditor

Date: March 16, 2026

Agencies and Local Public Bodies
Subject to the Audit Act

Re: Notification- Contracting for Audit or Agreed-Upon Procedures Services for Fiscal Year 2026

Dear Agencies and 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 the agencies whose audits will not be conducted directly by the OSA to seek proposals for audits of Fiscal Year 2026. The Audit Rule and the audit contracts reflect the OSA's continued focus on production of a timely statewide Annual Comprehensive Financial report, increased accountability, and enhanced accessibility to audit results.

As a reminder, all agency audit and agreed upon procedure contracts must be submitted through the OSA-Connect portal (www.osa.nm.gov). All local public bodies that fall under the tiered system must submit a certification or contract for an agreed-upon procedures engagement through OSA-Connect. The deadlines for all agencies to submit a draft contract to the OSA using the online OSA-Connect portal are available in Section 2.2.2.8 NMAC of the Audit Rule. Agencies and IPAs must ensure contract recommendations are approved prior to work commencing. The OSA will not process hard copy contracts and will not sign contracts. Each agency's contract will be sent electronically for review and approval. The OSA will transmit an approval or rejection letter to each agency, and if approved, the agency will obtain the necessary signatures through the OSA-Connect System's e-signature process. After the contract has been electronically signed by all parties, the contract status will be updated to executed status within OSA-Connect. Contracts will be processed in the order they are submitted.

- To obtain access to OSA-Connect, please contact Bernadet Martinez at bernadet.martinez@osa.nm.gov.
- To obtain assistance with the e-signature process, please contact helpdesk@osa.nm.gov.

Through the OSA's annual review of IPA firms, IPAs may be restricted regarding governmental audit work in the State of New Mexico under the Audit Rule. It is the responsibility of each IPA to contract in accordance with any restrictions and notify existing or potential clients of restrictions exist.

Office of the State Auditor

March 16

Page 2

The following items are on our website at www.osa.nm.gov:

- **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. Inclusion on this list does not mean in every instance that an IPA is free from restriction.
- **Progress Billing Form** – Please copy the form onto your IPA letterhead for use in progress billing pursuant to 2.2.2.8(M)(3) NMAC.

For delivery and release of audit reports, the OSA requires submission of an electronic copy of the draft report, management representation letter, and the IPA review guide. The OSA requires submission of **final** audit reports or **final** AUP reports through the OSA-Connect portal.

Please submit correspondence to the following e-mail or physical address:

Office of the State Auditor
2540 Camino Edward Ortiz, Suite #A
Santa Fe, New Mexico 87507
Bernadet.martinez@osa.nm.gov

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

Sincerely,



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

Cc: Donna M. Trujillo, Deputy State Auditor
Andrew Vallejos, General Counsel
Independent Public Accountants