

PEER REVIEW REPORT

September 18, 2026

We have reviewed the system of quality control of the New Mexico Office of the State Auditor (the office) in effect for the period January 1, 2026, to August 31, 2026. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.

Opinion

In our opinion, the system of quality control of New Mexico Office of the State Auditor in effect for the period January 1, 2026, to August 31, 2026, has been suitably designed and complied with to provide the office with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of pass, pass with deficiencies, or fail. **The New Mexico Office of the State Auditor has received a peer review rating of pass.**

Basis for Opinion

Our review was conducted in accordance with *Government Auditing Standards* and the policies and procedures for external peer reviews established by the National State Auditors Association.

In planning our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with professional standards sufficient to assess the risks implicit in its audit function. Based on our assessments, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests included the application of the office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with professional standards. Our procedures included:

- Gaining an understanding of the office's organizational structure, relevant audit mandates, and personnel involved in the quality control process.
- Gaining an understanding of the population and relevant attributes of engagements performed during the period.
- Reviewing the office's written policies and procedures for conducting engagements.
- Evaluating elements of the quality control system, as described in *Government Auditing Standards*.
- Conducting a survey of audit staff regarding their understanding and compliance with professional standards.
- Visiting the office in Santa Fe, New Mexico.

- Interviewing staff and management regarding their understanding and application of professional standards.
- Assessing independence, qualifications, and continuing professional education for a selection of staff who conduct the engagements.
- Reviewing reports and audit documentation for selected engagement to determine compliance with professional standards and the office's policies.

We believe that the procedures we performed provide a reasonable basis for our opinion.

Responsibilities and Limitations

The office is responsible for establishing and maintaining a system of quality control designed to provide reasonable assurance that engagements comply in all material respects with professional standards. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

There are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and may not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may deteriorate due to changes in the system or changes in the conditions within which the system operates.

When an office receives a peer review rating of pass, it means that the office's system of quality control is appropriately designed and is being complied with to provide the office with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects.



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