

NM Financial Health: State Auditor releases report

Written by Staff Reports

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City of Gallup on the ‘nice’ list

SANTA FE –State Auditor Tim Keller recently released “The Findings Report: A Summary of New Mexico’s Governmental Financial Audits.” The third annual report from the Office of the State Auditor compiles information that would otherwise remain buried deep within thousands of pages of annual audits.

The report allows policymakers and the public to easily access comparative information about the financial health of hundreds of state agencies, counties, municipalities, schools, and courts.

The Fiscal Year 2016 report compiles and analyzes data from the audits of 461 government entities across New Mexico government. The report provides a snapshot of financial health from information compiled from audits including audit opinions, types of audit findings, and audit findings that repeated from year-to-year. The report also identifies entities that have improved since the previous fiscal year.

“In order for New Mexicans to hold our governments accountable, we need to know how our tax

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dollars are being handled,” Keller stated, in a news release. “This report turns hundreds of annual audits into a useful tool that allows New Mexicans to easily check on entities they care about like state agencies, counties, cities and schools. This is the third year we’ve compiled this data, giving folks the chance to look at year-to-year progress, or lack of progress, in their communities.”

The report identifies the following information regarding the entity’s most recent audit:

Audit Opinions: a determination of whether the financial statements accurately reflect the position and activities of the entity.

The vast majority of New Mexico’s governmental entities, 94 percent, are providing reliable financial information to the public. However, 26 entities, or six percent, had unfavorable audit opinions, including disclaimed opinions for Department of Homeland Security and Emergency Management (FY15), the Office of Superintendent of Insurance, the Northern New Mexico College, the Towns of Bernalillo, Estancia and Vaughn; and the Villages of Capitan (FY15) and Maxwell.

Audit Findings: the number of audit findings indicates whether entities follow accounting practices and comply with federal and state laws (fewer findings is better).

There were over 1700 total findings across audited entities, a four percent improvement since FY15. Thirty percent of all entities had no findings at all however the frequency and severity of findings across governmental entities show that a few especially challenged entities are in dire need of improvement. The entities with over 30 findings are: Public Education Department (184), Albuquerque Public Schools (52), Northern New Mexico College (37), Deming Public Schools (37), the Town of Estancia (34), and the Office of Superintendent of Insurance (31). For each agency, the number of findings includes its component units such as charter schools, housing authorities, and hospitals.

Over 600 of all audit findings were repeated from a previous year, indicating a need for those entities to focus on corrective action plans to address weaknesses. The entities with the most repeated findings are Public Education Department, Taos Municipal Schools, Albuquerque Public Schools, Cibola County (FY15), the Central Consolidated School District, and the Village

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of Cimarron (FY15). For each agency, the number of findings includes its component units such as charter schools, housing authorities, and hospitals.

Audit Improvements: many entities made improvements in reducing the total number of findings or the audit opinion they received from year-to-year. Some of the improved entities are: Alamogordo Municipal Schools, City of Gallup, City of Rio Communities, Rio Arriba County, and Eunice Special Hospital District.