

Gallup tops auditor's comprehensive report

Written by By Lealia Nelson Sun Correspondent
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The New Mexico Office of the State Auditor released its Findings Report Sept. 22.

The report is a comprehensive list of state local government financial workings. This report focused on three main areas: audit opinion, types of annual findings, and repeated findings. The Findings report gave the City of Gallup a Qualified Opinion.

According to the Findings Report, a qualified opinion states that the auditor concludes misstatements, individually, or in the aggregate, are material, but not pervasive to the financial statements.

New Mexico State Auditor Timothy Keller said that historically the city of Gallup has had challenges. However, with the upcoming audit due in October, Keller is “optimistic the city will do better,” he said. “They [city] are proactively trying to handle problems and that is new.”

OSA Deputy Chief of Staff Justine Freeman said the data from the last audit is at least 18 months old. The upcoming audit due in October will have more up to date information.

Keller said for the City of Gallup some of the biggest issues have been Grant compliance. But the “largest chunk” of reoccurring problems was the Housing Authority, Keller said. The city faced problems with purchase orders and fixed asset depreciation. There were lots of issues, he said.

“Looking forward to improving in October,” he said.

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The report concluded that 40 percent of all recorded findings were repeated findings from previous years, while 60 percent were new findings.

Out of 93 municipalities, the City of Gallup had the most findings with a total of 31 discrepancies. Gallup was also at the top of the list for repeat discrepancies, for municipalities, with 26 findings.

According to the Findings Report, 94 percent of the 449 state and local governmental entities audited received "unmodified" opinions. In that case, the auditor concludes that the financial findings are presented fairly, the report stated.

For those entities who didn't make the cut, the report found a total 2,033 discrepancies. The audit report stated the severity of the findings for "financially challenged entities need improvement."

"Correcting these underlying causes of the repeat findings should be a top priority for government managers," the report stated.

The state auditors office is working with entities to reduce repeat findings. This involves working with the manager and their response to each finding. This should identify the issues for "correction," the report stated.

The 2015 audit rule requires management to identify the employee's position tasked with implementing this corrective action and requires the auditor to report on the status of the corrective action plan.