



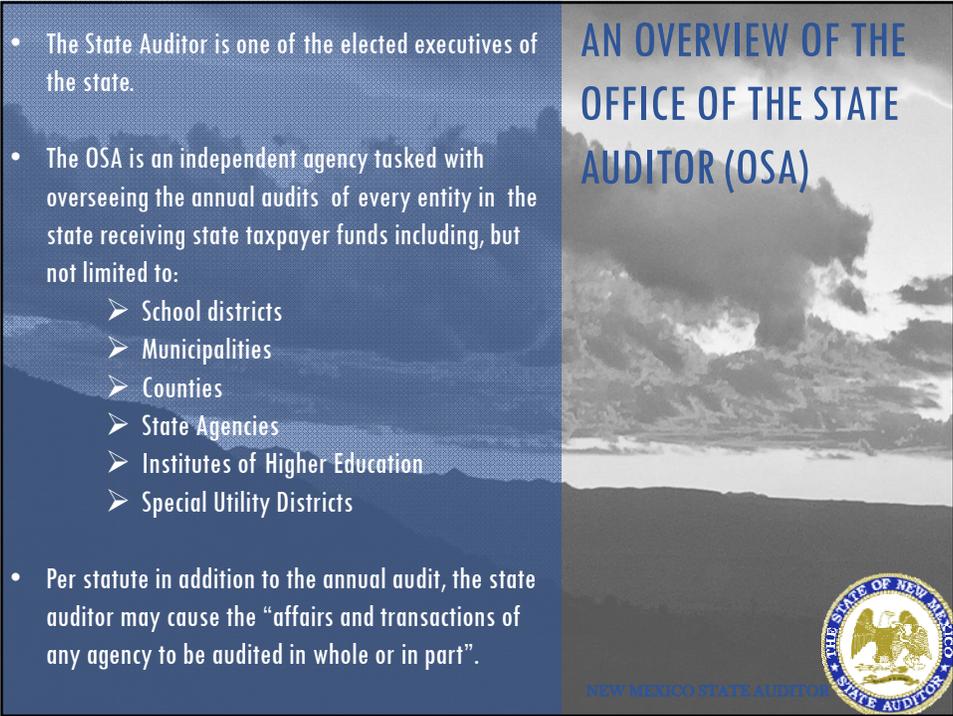
# OFFICE OF THE STATE AUDITOR

Dream Bigger Summit  
 Creating a More Inclusive New Mexico  
 October 28, 2019  
Updates from the OSA

Natalie Cordova, CPA  
 Elise Mignardot, CPA



BRIAN S. COLÓN, ESQ.  
 State Auditor

- The State Auditor is one of the elected executives of the state.
- The OSA is an independent agency tasked with overseeing the annual audits of every entity in the state receiving state taxpayer funds including, but not limited to:
  - School districts
  - Municipalities
  - Counties
  - State Agencies
  - Institutes of Higher Education
  - Special Utility Districts
- Per statute in addition to the annual audit, the state auditor may cause the “affairs and transactions of any agency to be audited in whole or in part”.

## AN OVERVIEW OF THE OFFICE OF THE STATE AUDITOR (OSA)



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**Office of the State Auditor**  
*Accountability, Transparency and Excellence!*

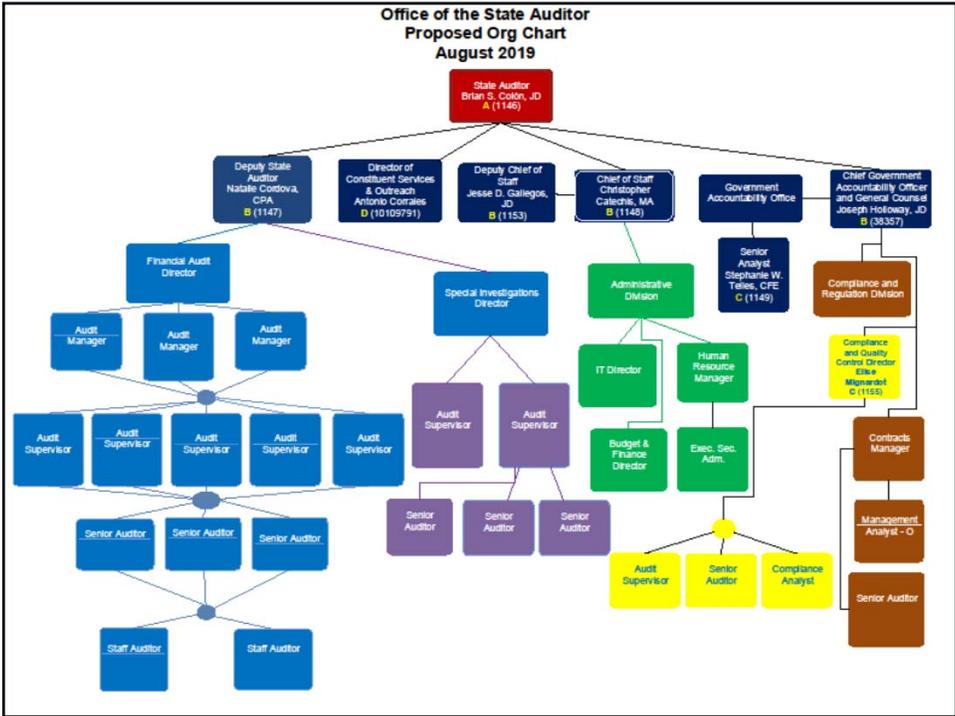
Inside the Office of the State Auditor

- The OSA's responsibilities include over 700 annual financial and compliance audits and other similar procedures for small political subdivisions.
- Our Office has a confidential "Fraud Hotline" for individuals to report fraud, waste and abuse of taxpayer dollars.
- The government accountability office provides the public and policy makers with reports that consolidate data from audit reports in a user friendly format.
- The Courts and the Legislature have recently requested our assistance to identify and evaluate risks associated with guardianships and conservatorships and make recommendations for improvements.

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WHO ARE WE? OSA DIVISIONS:

- Executive Team: Leadership to all office operations, and the Government Accountability Office
- Financial Audit: Financial and Compliance Audits, Agreed Upon Procedures (AUP's) and Report Review
- Special Investigations: Special Audits, Fact Finding Investigations, and Fraud Hotline
- Compliance & Quality Control: Contracting, Accounting Standard and Statute Research, Audit Rule, and Firm Profiles
- Administrative: Information Technology, Budget and Finance, and Human Resources.
- New: Three new positions have been approved by the Legislature for Guardianships and Conservatorships!



## WHY THE OSA?

Recent investigations involved the embezzlement of funds from Protected Persons. There have been criminal charges and indictments. Stolen funds may never be recovered.

- Under the state constitution the OSA serves as an independent representative of the people.
- A need exists regarding guardians and conservators and associated funds of protected persons.
- OSA staff have the background and experience to help identify risks and red flags associated with financial balances and are uniquely situated to provide independent accountability.



- Identify risks related to guardianships and conservatorships. This process is called “risk assessment”. Risks can be financial, contractual, compliance, or even ethical.
- Communicate the risks: Provide judges and others with information about risks to increase awareness. Judges can ask conservators for more information or make a referral to our Office.
- Monitor for risks: Examine any referrals and also review other forms on a sample basis. Select appropriate samples.
- Re-evaluate and make recommendations: New risks may be identified. Forms may need updating to provide better information.

**WHY THE OSA:  
THE OFFICE’S ROLE  
RELATED TO  
CONSERVATORSHIPS  
AND GUARDIANSHIPS**



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## Partnership with the AOC

The Office of the State Auditor is working with Administrative Office of the Courts (AOC) to:

- Identify risks and red flags, and
- Provide recommendations pertaining to guardianship and/or conservatorship of protected persons.

- OSA completed items identified within the scope section of the Memorandum of Understanding (MOU) for referrals from District Courts and Developmental Disabilities Planning Council (DDPC) contract guardians' compliance.
- OSA reviewed court orders appointing guardians and conservators, and also reviewed annual conservator and guardianship reports.
- Also as part of the MOU, the OSA has produced a report containing observations and recommendations based on the review. The report will be publicly released upon final review.

WORK OSA HAS COMPLETED AT THIS TIME PURSUANT TO THE INITIAL MOU:



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## WHAT WORK DID OSA PERFORM?

- Gained an understanding
- Conducted in-depth interviews with various parties
- Designed review test programs for conservators and guardians
- Reviewed conservator-related court referrals
- Reviewed DDPC contract guardians

## NEXT STEPS — WHERE WE GO FROM HERE :

### Administration:

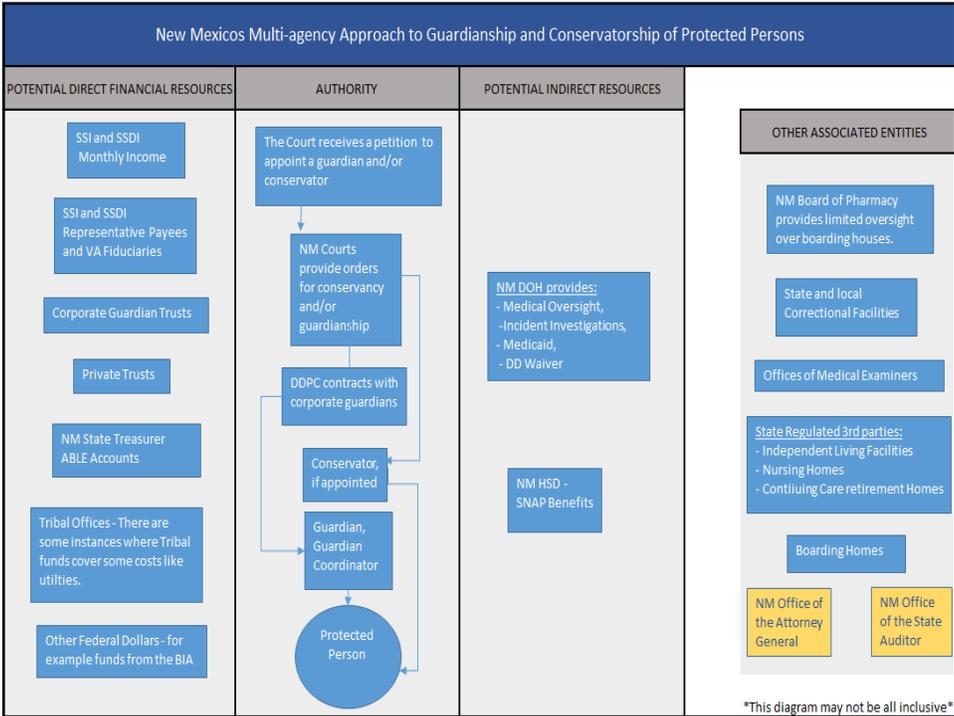
- A new MOU – currently being reviewed by OSA and AOC
- 3 new Positions funded by the Legislature currently posted

### Process Improvements:

- Design tools and training for Judges
- Design tools and information for other interested parties

### Risk Analysis:

- Every protected person and circumstances are unique
- Continue to identify potential risk areas
- Make recommendations
- Follow-up



**CONTACT INFO:**

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