

Monday, June 3, 2024

**Office of the State Auditor Releases
City of Santa Fe
Fiscal Year 2023 Audit to the Public**

SANTA FE, June 3, 2024 – The City of Santa Fe’s Fiscal Year 2023 (FY23) Audit is now available to the public. This is the third annual financial audit that the City has completed in the last eleven months. Highlights from the Audit:

- The Independent Auditor’s report on the FY23 financial statements expresses an unmodified opinion. This is the best opinion type, and it means that the auditor concluded that the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles.
- The FY23 audit report identified 13 findings, an overall decrease of 4 from the FY22 audit report which identified 17 findings, and 9 from the FY21 audit report which identified 22 findings.
- Eight of the findings from the FY22 audit were resolved in the FY23 audit, demonstrating the progress that the City is making to improve internal controls over financial information and implement improvements to business processes.
- The Independent Auditor’s report on compliance for each major federal program and on internal control over compliance expresses an unmodified opinion on the Community Development Block Grants (CDBG) program and the COVID-19 –Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. Unmodified is the best opinion type, and it means that the auditors concluded that the City complied, in all material respects, with Federal grant requirements.
- The Independent Auditor’s report on compliance for each major federal program and on internal control over compliance expresses a qualified opinion on the Airport Improvement Program.
- A modified opinion means that the auditors concluded that the City complied, in all material respects, with Federal grant requirements, except for certain instances of noncompliance identified in the auditor’s report.

Mayor Alan Webber said, “Today I’m pleased to celebrate three kinds of good news. First, the City is caught up on its audits. Second, as far as our financial statements are concerned, we received a clean audit, the

best type of opinion you can get. And third, our number of findings continues to decrease. Each of these would be good news on its own. All three together represent a terrific accomplishment and something we can all be proud of.”

Emily K. Oster, Finance Director for the City of Santa Fe, said, "The dedicated and professional staff of the City have worked tirelessly to get caught up on audits, and we did it! In the time that a municipality normally completes one audit, we did three. Additionally, 47 percent of the FY22 audit findings were resolved in the FY23 audit. This shows substantial progress towards achieving our goal of timely and accurate financial reporting."

The City worked with its Independent Public Accountant, Carr Riggs & Ingram CPAs, to submit the FY23 external financial statement and compliance audit to the New Mexico Office of the State Auditor (OSA) on Thursday, May 16, 2024. The FY23 audit covers the time period beginning July 1, 2022, and ending June 30, 2023. Carr Riggs & Ingram CPAs will present the FY23 audit report to the Finance Committee and to the Governing Body this month.

The City is actively working with its auditors and accounting consulting team to prepare for the FY24 audit. The City’s goal is to submit the FY24 audit to the State Auditor’s Office by the due date of December 15, 2024.

Findings Summary:

Of the 17 findings identified in the FY22 audit, 8 (47%) were resolved in the FY23 audit. The FY23 audit report identified 13 findings. nine were repeated from FY22, and four are new.

Breakdown of the 13 findings in FY23:

- There are seven material weaknesses. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented or detected and corrected on a timely basis.
- There are two other matters that are required to be reported by the State Audit Act (Section 12-6-5 NMSA 1978).

- There are five instances of other noncompliance that are required to be reported by the State Audit Act (Section 12-6-5 NMSA 1978).

Additional City Actions:

- The City has taken action to fill key positions, improve business practices, update critical software, and get caught up on financial reporting.
- In the past 21 months, the City has hired a Finance Director, Purchasing Officer, Controller, and Accounting Officer. These key staff members bring substantial experience and knowledge of governmental accounting, financial reporting, and auditing.
- The Munis ERP system was successfully upgraded in January 2023. The new version of the system provides additional functionality needed to improve business practices through modernization and automation.
- The City is actively working with its auditors and accounting consulting team on preparing for the FY24 audit.
- The Finance Director's goal is to submit the FY24 audit to the State Auditor's Office by the due date of December 15, 2024.

[Click here for a link to search for and view the report on the OSA website.](#)