

**NEW MEXICO HIGHLANDS UNIVERSITY  
FINDINGS & QUESTIONED COSTS  
FISCAL YEAR 2023  
CORRECTIVE ACTION PLAN**

Section	Reference	Audit Report Page #	Description	Type	Team Lead	11-15-24 Update
<b>Financial Statement Findings</b>						
	2023-001 (2021-002, 2021-013, 2021-14)	110-112	Improper Recording, Document Retention and Processing of Payroll	Material Weakness	VPFA, HR Director and Comptroller	<b>In Progress.</b> Progress has been made to resolve, not complete. Issues with Paycom continue. Audit work is still being done. Majority of personnel paperwork was found for the audit sample. Auditors need to provide an update on this audit finding. Internal Audit has been paused to complete financial statement audit. Internal review with several departments is being done to review contract workflow and develop electronic process for contracts.
	2023-002 (2022-002)	113	Control of Capital Assets	Significant Deficiency	Purchasing Director and Comptroller	<b>Resolved.</b> FY24 Capital Asset reconciliations that were prepared in the VPFA office have been compared to the Purchasing Departments records, the records agree.
	2023-003 (2021-001)	114	Account Reconciliations	Material Weakness	VPFA and Comptroller	<b>In progress.</b> FY24 General Ledger reconciliations have been prepared for majority of accounts that are grouped in the Statement of Net Assets.
	2023-004	115	Fund Accounting	Significant Deficiency	VPFA, Comptroller and Budget Manager	<b>Resolved.</b> VPFA reconciled the debt service fund (October 2023). This situation should not occur in the future; VPFA internal protocols updated.
	2023-005	116	Purchasing Card Program (Pcard) Purchases	Significant Deficiency	VPFA, Comptroller and Purchasing Director	<b>Resolved.</b> Accounts Payable will post transactions like this to Pcard receivables & ensure vendor credits are received before expense is reclassified to department FOAP.
	2023-006	117	Management of Professional Consultants	Significant Deficiency	VPFA	<b>Resolved.</b> Work with these consultant vendors has ended. Process being contracted to appropriately manage and oversee "if" consulting services are used.
	2023-007	118	Non-Compliance with the Board of Regents Open Meetings Resolution	Other Non-Compliance	NMHU Board of Regents and President's Office	<b>Resolved.</b> Board meeting notices & agendas will be placed on the University website in accordance with the Board's Open Meetings Resolution.
	2023-008	119	Non-Compliance with the Inspection of Public Records Act	Other Non-Compliance	President's Office and Custodian of Public Records	<b>Resolved.</b> Inspection of Public Records procedures has been placed at Rodgers Administrative Building in a non-removable display. NMHU has purchased and implemented Next Request software to track & monitor any correspondence necessary to process an IPRA request (June 2023).
<b>Federal Award Findings</b>						
	2023-009 (2022-005)	120	Procurement, Small Purchase	Significant Deficiency in internal Controls over Compliance, Non-Compliance and Questioned Costs greater than \$25k)	VPFA, Comptroller and Office of Research and Sponsored Projects	<b>Resolved.</b> Procurement policies are being updated to comply with all relevant federal procurement requirements and will be reviewed regularly for revisions. Training/procedures worked in conjunction with ORSP and affected departments.
	2023-010	121	Reporting Controls over Special Reporting	Significant Deficiency in Internal Controls over Compliance	VPFA, Comptroller and Office of Research and Sponsored Projects	<b>Resolved.</b> This grant has ended (June 30, 2023). This grant was not assigned a dedicated Principal Investigator (PI); all future grants will be assigned a proper PI.
<b>NMSA Findings</b>						
	2023-011	122	Expenditures in Excess of Budget	Other Matter	VPFA, Comptroller and Budget Manager	<b>In Progress.</b> Final audit journal entries to be posted. Report of Actuals will be updated. Final FY24 reconciliation of budget to actual will be completed during the audit.
	2023-012	123	Pay Rate Controls	Other Matter	VPFA and HR Director	<b>Resolved.</b> Various Internal controls have been implemented throughout the HR/Payroll process to ensure pay rate controls i.e. segregation of duties, proper and complete authorization of changes, review and approval, and document retention.
<b>Foundation Findings</b>						
	2023-013	124	Bank Reconciliation Did Not Reconcile to the General Ledger	Other Matter	Foundation Financial Consultant	<b>Resolved.</b> The variance is a book variance carried over from prior year(s). A correcting entry was made in FY24 so that beginning balances were rolled forward appropriately. Foundation now processes a secondary review of both Cash Account and Cash GL balances and ensures that they are both in balance at each month end.