

**NEW MEXICO HIGHLANDS UNIVERSITY
FINDINGS & QUESTIONED COSTS
FISCAL YEAR 2024
CORRECTIVE ACTION PLAN**

Section	Reference	Audit Report Page #	Description	Type	Team Lead	Updated 5/28/25; Submitted to HED 6/02/25; Approved by NMHU BOR 6/20/25
Financial Statement Findings						
	2024-001 (2021-002)	114-117	Improper Recording, Document Retention and Processing of Payroll	Material Weakness	VPFA, HR Director and Comptroller	In Progress: Payroll and HR have implemented systems to improve payroll accuracy and internal controls. PR established a checks and balances process for payroll verification, while HR conducts monthly benefits audits and reorganized to add tech roles that minimize data errors. HR and payroll meet biweekly to address issues and develop solutions. The primary focus is on enhancing communication, ensuring proper documentation, and strengthening internal procedures.
	2024-002 (2021-001)	117-118	Account Reconciliations	Material Weakness	VPFA and Comptroller	In Progress: Beginning January 2025, NMHU initiated a monthly soft close process. Most asset and accounts payable reconciliations are complete, with ongoing work in areas such as fixed assets, assets held by others, GASB 87 and 96, financial aid, & Payroll. Grant-related accounts (AR, unbilled, and unearned revenue) are prioritized, with reconciliations followed by billing to ensure accuracy. SAR journal entries are processed quarterly, and aging reports are reviewed monthly. Some accounts remain unreconciled due to aged balances & lack of supporting documentation, which has delayed full soft close completion.
Federal Award Findings						
	2024-003	119-121	Control over Payroll	Material Weakness in Internal Controls over Compliance & Material Noncompliance	ORSP, Comptroller & HR	In Progress: Improvements have been made by identifying the root causes of incorrect FOAPs in Paycom. Human Resources and Payroll now hold bi-weekly meetings to review the payroll process, provide staff training, and review payroll before final submission. Additionally, weekly meetings with Paycom are held to address and resolve mapping issues.
	2024-004	122-123	Control over Non-Payroll	Material Weakness in Internal Controls over Compliance	Grant personnel, ORSP, Purchasing, Business, VPFA	In Progress: The Office of Research and Sponsored Programs (ORSP) offers a Post-Award Guidance Manual on its website to help Principal Investigators and university staff navigate grant and contract compliance. The manual ensures proper review, approval, and signatures for budget and compliance processes. ORSP also supports verification efforts to improve payroll accuracy related to executed contracts.
	2024-005 (2022-005)	124-125	Procurement, Small Purchase	Significant Deficiency in Internal Controls over Compliance with Questioned Costs Greater than \$25K	Purchasing	In Progress: Creation and implementation of a step-by-step workflow are being integrated by July 1, 2025. Tentative dates for department trainings are being discussed.
	2024-006	126-127	Activities Allowed and Allowable Costs	Significant Deficiency in Internal Controls over Compliance	ORSP & Grant Pls	In Progress: The Office of Research and Sponsored Programs (ORSP) offers a Post-Award Guidance Manual on its website to help Principal Investigators and university staff navigate grant and contract compliance. The manual ensures proper review, approval, and signatures for budget and compliance processes. ORSP also supports verification efforts to improve payroll accuracy related to executed contracts.
NMSA Findings						
	2024-007	127-128	Control of Capital Assets	Other Matter	Purchasing & Comptroller	In Progress: Management is utilizing one fixed asset system software listing to do the inventory throughout the year. Inventory will be completed by 5/30/2025. New fixed assets for FY25 will be updated end of June or July.
	2024-008	128	Late Submission of Audit Report	Noncompliance	VPFA	Resolved: With the implementation of soft month-end closes and standardized office procedures, deadlines have been assigned to ensure the timely submission of required documents. A dedicated team lead has been assigned to oversee and enforce adherence to these deadlines and submissions.
Foundation Finding						
	2024-009	129	Bank Reconciliation Did Not Reconcile to the General Ledger	Other Matter	Foundation Consultant	In Progress: Foundation staff and contractors will review the General Ledger (GL) balance and ending bank balance figures each month to ensure accuracy. An additional support ticket has been opened with the software provider (Blackbaud) to address discrepancies related to incorrect beginning GL balance entries. These discrepancies have persisted for two years, as staff and contractors have been unable to make the necessary corrections within the software. The resolution will require backend adjustments by Blackbaud. Foundation staff and contractors will ensure that the resulting variance is corrected in the current fiscal year.
Highlands Stable Isotopes Corporation Finding						
	2024-010	130	Open Meetings Act	Other Noncompliance	VPFA	Resolved: Meeting schedules and alerts have been implemented to ensure compliance with HSI Corporation bylaws.