

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

Section	Reference	Audit Report Page #	Description	Type	Team Lead	Updated 2/25/25; Submitted to HED 2/28/25; Approved by NMHU BOR 4/03/25
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: Management made key improvements in FY24, including streamlined document management, enhanced payroll and benefits oversight, and stronger internal controls. HR and payroll now collaborate biweekly to refine processes and ensure accuracy.
	2024-002 (2021-001)	117-118	Account Reconciliations	Material Weakness	VPFA and Comptroller	In Progress: A month-end soft close process has been commenced in Jan 2025 and followed to ensure proper recording and reconciliation of the general ledger accounts.
Federal Award Findings						
	2024-003	119-121	Control over Payroll	Material Weakness in Internal Controls over Compliance & Material Noncompliance	ORSP, Comptroller & HR	In Progress: Implementing signature workflows. Staff training will ensure proper approval processes, with supervisor training held in Jan 2025. We will seek a software solution to automate time and effort reports, linking payroll data to the general ledger.
	2024-004	122-123	Control over Non-Payroll	Material Weakness in Internal Controls over Compliance	Grant personnel, ORSP, Purchasing, Business, VPFA	In Progress: We will examine the documentation in the sample provided to CRI to see where the breakdown in control is occurring and revise our process.
	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: Purchasing updated its policy in June 2024 to align with federal guidelines and chose self-certification in Oct 2024. Staff training is ongoing, with initial sessions finishing by Jan 2025.
	2024-006	126-127	Activites Allowed and Allowable Costs	Significant Deficiency in Internal Controls over Compliance	ORSP & Grant PIs	In Progress: We will evaluate, revise processes, and update policies as needed. ORSP will ensure compliance and monitor for deficiencies throughout FY25.
NMSA Findings						
	2024-007	127-128	Control of Capital Assets	Other Matter	Purchasing & Comptroller	In Progress: Management plans to use one fixed asset system software listing to do the inventory throughout the year.
	2024-008	128	Late Submission of Audit Report	Noncompliance	VPFA	In Progress: With the proposed plan of a month-end soft close, we will have set deadlines at year end to sufficiently meet the audit deadline.
Foundation Finding						
	2024-009	129	Bank Reconciliation Did Not Reconcile to the General Ledger	Other Matter	Foundation Consultant	In Progress: Foundation staff are reviewing monthly balances for accuracy and working with Blackbaud to correct a longstanding general ledger balance discrepancy. The software provider will make the adjustments, ensuring the variance is resolved this fiscal year.
Highlands Stable Isotopes Corporation Finding						
	2024-010	130	Open Meetings Act	Other Noncompliance	VPFA	In Progress: Management will comply with HSI Corporation bylaws.