

**NEW MEXICO HIGHLANDS UNIVERSITY**

**FINDINGS & QUESTIONED COSTS**

**FISCAL YEAR 2023**

**CORRECTIVE ACTION PLAN**

Section	Reference	Audit Report Page #	Description	Type	Team Lead	Status
<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	Progress has been made to resolve, not complete. First paycheck date with Paycom was 1/05/24. HR & Payroll are still correcting errors that were imported into Paycom from Banner. Paycom implementation work is ongoing. Historical HR audit over wages, retirement & benefits has not been started (scheduled to begin by May). HR & Payroll departments are fully staffed as of March 2024.
	2023-002 (2022-002)	113	Control of Capital Assets	Significant Deficiency	Purchasing Director and Comptroller	In Progress. The Business Office & Purchasing Office will work together to reconcile each office's activity for asset deletion & additions for each fiscal year. We will begin Fixed Asset work in April & reconcile monthly going forward.
	2023-003 (2021-001)	114	Account Reconciliations	Material Weakness	VPFA and Comptroller	In Progress. The Business Office is developing a reconciliation format & a month end close process (April 2024).
	2023-004	115	Fund Accounting	Significant Deficiency	VPFA, Comptroller and Budget Manager	Resolved. 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	Resolved. 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	Resolved. Work with these consultant vendors has ended. NMHU will more closely monitor contracts to ensure deliverables are met.
	2023-007	118	Non-Compliance with the Board of Regents Open Meetings Resolution	Other Non-Compliance	NMHU Board of Regents and President's Office	Resolved. 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	Resolved. 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	Resolved. This HEERF grant has ended (June 30, 2023). COVID related expenses historically posted to an unrestricted fund. All restricted fund expenses should post to a restricted fund.
	2023-010	121	Reporting Controls over Special Reporting	Significant Deficiency in Internal Controls over Compliance	VPFA, Comptroller and Office of Research and Sponsored Projects	Resolved. 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	In Progress. The VPFA Office is working to develop more accurate budget projections (April 2024).
	2023-012	123	Pay Rate Controls	Other Matter	VPFA and HR Director	In Progress. The HR Department is in a rebuilding stage. The department is training & developing internal controls to ensure complete, fully approved documents are processed by HR, correct pay rates are entered into Paycom & documentation is retained & filed in personnel files (ongoing throughout FY24).
<b>Foundation Findings</b>						
	2023-013	124	Bank Reconciliation Did Not Reconcile to the General Ledger	Other Matter	Foundation Financial Consultant	Resolved. 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.