

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

Section	Reference	Audit Report Page #	Description	Type	Team Lead	06-03-2024 Update
Financial Statement Findings						
	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. HR & Payroll are still correcting errors that were imported into Paycom from Banner. Paycom implementation work is ongoing. Payroll was processed during the ransom attack. Historical HR audit over wages, retirement, benefits, leave and personnel files began on April 15, 2024. Initial results are as expected, large total overpayments and some underpayments are noted and personnel files are missing documentation.
	2023-002 (2022-002)	113	Control of Capital Assets	Significant Deficiency	Purchasing Director and Comptroller	In Progress. The work on this was delayed due to the ransom attack as VPN access is required to complete work within the network. VPN access has been restored and work has continued .
	2023-003 (2021-001)	114	Account Reconciliations	Material Weakness	VPFA and Comptroller	In Progress. The work on this was delayed due to the ransom attack as VPN access is required to complete work within the network. VPN access has been restored and work has continued .
	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. Process being constructed to appropriately manage and oversee "if" consulting services are used.
	2023-007	118	Non-Compliance with the Board of Regents Open Meetings	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).
Federal Award Findings						
	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. 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	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.
NMSA Findings						
	2023-011	122	Expenditures in Excess of Budget	Other Matter	VPFA, Comptroller and Budget Manager	In Progress. The VPFA Office worked closely with current, interim and incoming Presidents, Chief of Staff, all VPs, Deans and Financial Aid to finalize FY24 and FY25 Budgets. Budget was submitted to HED on May 21st. Reconciliation of budget to actual will be completed after year-end close.
	2023-012	123	Pay Rate Controls	Other Matter	VPFA and HR Director	Resolved. 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.
Foundation Findings						
	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.