

| NORTHERN NEW MEXICO COLLEGE                      |                     |   |  |                         |                 |   |
|--|---------------------|---|--|-------------------------|-----------------|---|
| FINDINGS   |                     |   |  |                         |                 |   |
| FISCAL YEAR 2023                                 |                     |   |  |                         |                 |   |
| CORRECTIVE ACTION PLAN - updated as of 6/30/2024 |                     |   |  |                         |                 |   |
| Section  | Reference           | Description   | Type   | Responsible Party       | Target/Timeline | Status  |
| <b>Financial Statement Findings</b>              |                     |   |  |                         |                 |   |
|  | 2023-001 (2022-003) | Trial Balance Maintenance and Account Reconciliation  | Material Weakness                            | CFO/Lead Accountant     | FY24            | The College has made significant progress in establishing timely reconciliation procedures under the newly implemented Enterprise Resource System (ERP). The College believes that a midyear implementation of the new ERP contributed to the delay in producing a Trial Balance in FY23 and we would not expect the same result as this circumstance will not exist in the upcoming fiscal year. |
| <b>Federal Award Findings</b>                    |                     |   |  |                         |                 |   |
|  | 2023-002 (2022-012) | Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance - Payroll | Material Weakness and Material Noncompliance | Grant Manager           | FY24            | The College has reestablished the Grant Manager position and is currently up to date with Time and Effort reporting. In addition, the College through the Grant Manager has increase communication regarding compliance and will complete reviews more frequently than the requirement. The College believes that this will reduce the possibility of missed certifications due to turnover.      |
|  | 2023-003 (2022-013) | Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Performance - Payroll | Significant Deficiency                       | Human Resources/Payroll | FY24            | The College transitioned to a new payroll service that is administered through a shared service. With this, the College has reassessed its process and procedure. Additionally, the new time keeping software offers additional workflow and audit features to ensure time is routed and approved by the appropriate personnel and documented within the system.                                  |
|  | 2023-004            | Special Tests and Provisions - Gramm-Leach-Bliley Act - Student Information Security                  | Significant Deficiency                       | CIO                     | FY24            | NNMC Chief Information Officer has finalized the review of the Colleges written program and determined the College to be in compliant for FY24.   |
| <b>NMSA Findings</b>                             |                     |   |  |                         |                 |   |
|  | 2023-005 (2022-014) | Late Audit Report   | Other Noncompliance                          | CFO                     | FY24            | The College believes that the midyear implementation of the new ERP contributed to the delay and we would not expect the same result as this circumstance will not exist in the upcoming fiscal year.   |
| <b>Foundation Findings</b>                       |                     |   |  |                         |                 |   |
|  | 2023-006 (2022-022) | Late Audit Report   | Other Noncompliance                          | CFO                     | FY24            | the College believes that the midyear implementation of the new ERP contributed to the delay and we would not expect the same result as this circumstance will not exist in the upcoming fiscal year.   |