

NORTHERN NEW MEXICO COLLEGE

AUDIT FINDINGS

December 2017 - NOTE: COLLEGE WAS CLOSED FROM 12/18/2017 THROUGH 1/2/2017 - VERY FEW CHANGES WERE MADE WITH REGARD TO FINDINGS

FINDING NUMBER	OPEN OR CLOSED	FINDING NAME	DESCRIPTION	TYPE OF FINDING	CATEGORY	TARGET COMPLETION DATE	DATE COMPLETED	COMPLETED BY	INTERNAL AUDITOR VALIDATION DATE	RECORD OF EFFORT	COMMENTS
2013-001	OPEN	BANK RECONCILIATIONS	Timeliness and review process (repeated and updated)	Material Weakness	Cash & Investments	12/1/2017				December 2017 and January 2018 - The bank reconciliation process has been developed, implemented, and documented. Bank reconciliations for the College's operating account, the largest, are up to date as of December 2017. All smaller accounts are now in the process of completion so that they can be audited. November 2017 - There was a bit of a snag on the bank side of the reconciliation pertaining to deposits. Although we received numbered deposit slips, the slips did have an appropriate scan line so that they could be loaded into the system and read electronically in order to match to the deposit numbers in Banner. This has been corrected and will be tested by November 21, 2017. Our contractor has made significant headway in documenting the cash reconciliation procedures utilizing	
2013-002	OPEN	BANK RECONCILIATIONS	Timeliness and review process - Foundation (repeated and updated)	Material Weakness	Cash & Investments	12/1/2017				December 2017 and January 2018 - The bank reconciliation process has been developed, implemented, and documented. A contractor has been engaged in order to work toward completion of foundation bookkeeping, accounting and other tasks that	
2013-003	OPEN	CAPITAL ASSETS	Physical Inventory Certification & Safeguarding (repeated and updated)	Significant Deficiency	Capital Assets	6/1/2018				December 2017 and January 2018 - No change for December 2017. November 2017 - Research continues on a number of items. Completion percentage: 94%	
2013-007	OPEN	DISASTER RECOVERY PLAN AND PASSWORD POLICIES	Repeated and updated	Significant Deficiency	Information Technology	8/11/2017				December 2017 and January 2018 - No change over last month. November 2017 - No major change from previous month. Completion Percentage: 55%	
2015-001	OPEN	TRAVEL AND PER DIEM	Repeated and updates	Other Noncompliance	Travel and Per Diem					December 2017 and January 2018 - No change over previous month. November 2017 - The Business Office Core Group has prioritized the process of revising and re-implementing procedures for travel & per diem reimbursement requests. As well, the group has developed a new form for travel & reimbursement requests that will be promulgated shortly. As well,	
2016-001	OPEN	LATE AUDIT REPORT		Material Non-Compliance	Late Audits	11/1/2017				December 2017 and January 2018- No Change November 2017 - No change from October. The audit contract was finalized 10/2/2017. The new auditor is REDW, LLC. The forensic review has not been completed. REDW, LLC will not begin the regular audit until the forensic team has completed its review and report. The audit will not be completed timely. The Office of the State Auditor has	
2016-002	OPEN	POTENTIAL FRAUD, FORGERY, EMBEZZLEMENT, LARCENY AND NON-COMPLIANCE		Material Weakness	State Law Compliance - Other	11/1/2017				December 2017 and January 2018 - No change over last month. November 2017 - The forensic team was on-site November 6, 2017 to conduct additional interviews and fieldwork. The team was not able to conduct all the interviews required due to the fact that some of the interviews were more lengthy than expected and some staff called in sick or had planned leave. They will return November 29, 2017 to complete both interviews and wrap up field work by the 30th. The target date for the	

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2016-003	OPEN	INSUFFICIENT ATTENTION AND ACCOUNTABILITY OVER ACCOUNTING AND INTERNAL CONTROLS		Material Weakness	Financial Reporting	8/1/2017			December 2017 and January 2018 - No change over last month. November 2017 - We continue to work toward adequate documentation as well as revision of internal controls and procedures that assign responsibilities specifically to appropriate individuals. We also await the results of the forensic review in order to incorporate
2016-004	OPEN	INSUFFICIENT SECURITY OF ACCOUNTING RECORDS/BACKUP OF ELECTRONIC DOCUMENTS		Material Weakness	State Law Compliance - Other	8/1/2017			December 2017 and January 2018 - no change over previous month. November 2017 - No change from pervious month.
2016-005	OPEN	PROCUREMENT CODE VIOLATIONS		Material Weakness	Procurement	11/1/2017			December 2017 and January 2018- No change over previous month. November 2017 - To reiterate from September 2017, most of the approval process for procurement above \$500 has been assumed by the VP for Finance & Admin due to lack of skill and training of current staff. RFPs and contracts are drafted and issued
2016-006	OPEN	SEGREGATION OF DUTIES		Material Weakness	Segregation of Duties	8/1/2017			December 2017 and January 2018 - No change over previous month. November 2017 - Ongoing. Segregation of duties continue to be of paramount consideration as different types of situations arise.
2016-007	OPEN	FINANCIAL CLOSE AND REPORTING		Material Weakness	Financial Reporting	11/1/2017			December 2017 and January 2018 - No change over the previous month. November 2017 - Staff continues to work toward timely close out of months.
2016-008	OPEN	LACK OF INTERNAL CONTROLS OVER CASH RECEPTS PROCESS		Material Weakness	Cash and Investments	11/1/2017			December 2017 and January 2018 - No change over the previous month. November 2017 - 100% complete as of September 2017.
2016-009	OPEN	LACK OF INTERNAL CONTROLS OVER CASH DISBURSEMENTS AND TRANSFER PROCESS		Material Weakness	Expenditures and Expenses - Other	11/1/2017			December 2017 and January 2018 - No change over the previousl month. November 2017 - Considered 100% comlete as of September 2017. To reiterate, in addition to segregation of duties, VP for Finance & Administration reviews each and every disbursement at various levels of
2016-010	OPEN	LACK OF INTERNAL CONROLS OVER JOURNAL ENTRIES		Material Weakness	Lack of Policies, Procedures, and Internal Control Structure and Environment	11/1/2017			December 2017 and January 2018 - No change over the previous month. November 2017 - Considered 100% comlete as of September 2017. To reiterate, in addition to segregation of duties, VP for Finance & Administration reviews each and every journal entry for support and
2016-011	OPEN	NEW MEXICO STATE CONSTITUTION VIOLATION - BOARD MEMBER VACANCY		Non-Compliance	State Law Compliance - Other	Unknown			December 2017 and January 2018 - Regent Rosario (Chayo) Garcia has resigned her position and Regent David "Chris" Ortega was appointed to the Board of Regents on January 17, 2018. November 2107 - As of 10/13/2017 all regents have been appointed by the Governor of New Mexico, the Honorable Susana
2016-012	OPEN	TRANSFERS, DISPOSALS, AND TRACKING OF INVENTORY ITEMS LESS THAN \$5,000		Material Weakness	Inventory	11/1/2017			December 2017 and January 2018- No change over the previous month. November 2017 - Same as Finding #2013-003. 94% complete. Research continues on a number of items. However, inventory is substantially updated and disposals will be made appropriately and
2016-013	OPEN	PUBLIC MONEY ACTION VIOLATION - DEPOSITS NOT MADE WITHIN 24 HOURS		Non-Compliance	State Law Compliance - Public Money Act	11/1/2017			December 2017 and January 2018 - No change over the previous month. November 2017 - Deposit process continues to be refined. New bank accounts have been established. Completion Percentage: 95%
2016-014	OPEN	NON-COMPLIANCE WITH AND INADEQUATE CONTROLS OVER THE GOVERNMENTAL CONDUCT ACT		Non-Compliance	Lack of Policies, Procedures or Internal Controls	9/1/2017			December 2017 and January 2018 - No change over the previous month. November 2017 - Same as October 2017. Approximately 95% complete.

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2016-015	OPEN	NEW MEXICO PREHISTORIC AND HISTORIC SITES PRESERVATIONS ACTS VIOLATION		Noncompliance	State Law Compliance - Other	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - No change. Nothing to report.
2016-016	CLOSED (awaiting validation by	INADEQUATE CONTROLS OVER SABBATICAL AND ANNUAL LEAVE		Material Weakness	Payroll and Related Liabilities	10/17/2016	10/17/2016			December 2017 and January 2018 - No change over the previous month. November 2017 - Considered 100% complete as of September 2017.
2016-017	OPEN	OUTDATED POLICIES AND PROCEDURES		Significant Deficiency	Lack of Policies, Procedures or Internal Control Structure or Environment	11/1/2018				December 2017 and January 2018 - Documentation continues; no significant changes over the previous month. November 2017 - A contractor has been hired to assist in audit preparation. When the contractor has completed audit prep tasks, he will begin documentation
2016-018	OPEN	LACK OF MONITORING AND CORRECTIVE ACTIONS		Material Weakness	Lack of Policies, Procedures, and Internal Control	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - Same as Finding above.
2016-019	OPEN	LACK OF ESTABLISHED PRACTICES FOR THE IDENTIFICATION, MITIGATION AND MONITORING OF RISKS		Material Weakness	Lack of Policies, Procedures, and Internal Control Structure or Environment	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - Same as Finding above.
2016-020	OPEN	BANK RECONCILIATIONS - STALE DATED CHECKS		Significant Deficiency	Cash and Investments	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - Same as progress for Finding 2013-001. Approximately 85% complete.
2016-021	OPEN	REVIEW AND CLEAN-UP OF CLEARING AND SUSPENSE AND ACCOUNTS		Significant Deficiency	Revenue and Receivables	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - Ongoing. Work continues. Finding resolution is approximately 80%
2016-022	OPEN	PETTY CASH - SECURITY AND TRACKING		Material Weakness	Cash and Investments	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - No change. Nothing to
2016-023	OPEN	UNDERREPORTED PAYROLL TAX LIABILITIES		Significant Deficiency	Payroll and Related Liabilities	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - College considers this 100% complete with regard to the current period.
2016-024	OPEN	UNUSED CREDIT CARD MACHINES AND RELATED MONTHLY FEE		Significant Deficiency	Expenditures and Expenses - Other	7/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - Considered 100% complete as of September 2017.
2016-025	OPEN	RECONCILIATION OF STUDENT ACCOUNTS RECEIVABLE		Significant Deficiency	Revenues and Receivables	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - Considered 100% complete as of September 2017.
2016-026	OPEN	ASSIGNED PERMISSIONS IN BANNER		Material Weakness	Information Technology	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - No change. Nothing to
2016-027	OPEN	INFORMATION TECHNOLOGY (OTHER)		Material Weakness	Information Technology	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - Same as September 2017. Approximately 50% complete.
2016-028	OPEN	TRACKING OF BANNER FEEDS TO ENSURE FEEDS ARE NOT SUSPENDED/DELETED		Significant Deficiency	Information Technology	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - 100% complete.
2016-029	OPEN	COMPLIANCE VIOLATION - ANTI-DONATION CLAUSE OF THE NEW CONSTITUTION		Material Non-Compliance	State Law Compliance - Anti-Donation Clause	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - 100% complete as of August 2017.
2016-030	OPEN	RECONCILIATION OF STUDENT FINANCIAL AID DISBURSEMENTS		Material Weakness	Grants Compliance	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - Same as Finding for 2016-025. 100% complete.
2016-031	OPEN	CONTROLS OVER RECORDING PAID TIME-OFF TO FEDERAL GRANTS		Significant Deficiency	Grant Compliance	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - 100% complete.

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2016-032	OPEN	LACK OF COMPLETE POLICIES AND PROCEDURES		Material Weakness and Non-Compliance	Grant Compliance	11/1/2017				December 2017 and January 2018 - No change over the previous month. November 2017 - A CGFM has been hired through contract. The contractor has begin work on documentation of policies and procedures as soon as other urgent work is completed. The contractor has focused on policies and procedures for the automated
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