

NORTHERN NEW MEXICO COLLEGE
AUDIT 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 | | | | October 2017 - The Clearing Account has been established through Century Bank and we have begun testing the deposit portion of the automated portions of the bank reconciliation process. Completion percentage: 70% | |
| 2013-002 | OPEN | BANK RECONCILIATIONS | Timeliness and review process - Foundation (repeated and updated) | Material Weakness | Cash & Investments | 12/1/2017 | | | | October 2017 - Same as above (2013-001) Completion percentage: 70% | |
| 2013-003 | OPEN | CAPITAL ASSETS | Physical Inventory Certification & Safeguarding (repeated and updated) | Significant Deficiency | Capital Assets | 6/1/2018 | | | | October 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 | | | | October 2017 - No change from previous month. Completion Percentage: 55% | |
| 2015-001 | OPEN | TRAVEL AND PER DIEM | Repeated and updates | Other Noncompliance | Travel and Per Diem | | | | | October 2017 - During our review of the "audit checklist" noted in the corrective action portion of the 2016 audit, we noted that, although the College implemented an audit checklist at the end of 2016, duties were not appropriately segregated to ensure sound internal control. We are currently working appropriate segregation which will require training at least one other individual. Completion Percentage: 50% | |
| 2016-001 | OPEN | LATE AUDIT REPORT | | Material Non-Compliance | Late Audits | 11/1/2017 | | | | October 2017 - 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 been informed. Completion Percentage: 0% | |
| 2016-002 | OPEN | POTENTIAL FRAUD, FORGERY, EMBEZZLEMENT, LARCENY AND NON-COMPLIANCE | | Material Weakness | State Law Compliance - Other | 11/1/2017 | | | | October 2017 - the forensic team continues its review in accordance with the expansion of scope agreed upon on late August 2017. Completion of the forensic review is still anticipated by the end of October 2017. Completion percentage: 50% | |
| 2016-003 | OPEN | INSUFFICIENT ATTENTION AND ACCOUNTABILITY OVER ACCOUNTING AND INTERNAL CONTROLS | | Material Weakness | Financial Reporting | 8/1/2017 | | | | October 2017 - Same as above (2016-002). | |
| 2016-004 | OPEN | INSUFFICIENT SECURITY OF ACCOUNTING RECORDS/BACKUP OF ELECTRONIC DOCUMENTS | | Material Weakness | State Law Compliance - Other | 8/1/2017 | | | | October 2017 - No change from pervious month. | |
| 2016-005 | OPEN | PROCUREMENT CODE VIOLATIONS | | Material Weakness | Procurement | 11/1/2017 | | | | October 2017 - No change from pervious month. | |
| 2016-006 | OPEN | SEGREGATION OF DUTIES | | Material Weakness | Segregation of Duties | 8/1/2017 | | | | October 2017 - No change from previous month. | |
| 2016-007 | OPEN | FINANCIAL CLOSE AND REPORTING | | Material Weakness | Financial Reporting | 11/1/2017 | | | | October 2017 - No change from previous month. | |
| 2016-008 | OPEN | LACK OF INTERNAL CONTROLS OVER CASH RECEPTS PROCESS | | Material Weakness | Cash and Investments | 11/1/2017 | | | | October 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 | | | | October 2017 - Considered 100% complete 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 the process. | |
| 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 | | | | October 2017 - Considered 100% complete 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 accuracy. | |
| 2016-011 | OPEN | NEW MEXICO STATE CONSTITUTION VIOLATION - BOARD MEMBER VACANCY | | Non-Compliance | State Law Compliance - Other | Unknown | | | | October 2107 - As of 10/13/2017 all regents have been appointed by the Governor of New Mexico, the Honorable Susana Martinez. | |
| 2016-012 | OPEN | TRANSFERS, DISPOSALS, AND TRACKING OF INVENTORY ITEMS LESS THAN \$5,000 | | Material Weakness | Inventory | 11/1/2017 | | | | October 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 accurately. | |
| 2016-013 | OPEN | PUBLIC MONEY ACTION VIOLATION - DEPOSITS NOT MADE WITHIN 24 HOURS | | Non-Compliance | State Law Compliance - Public Money Act | 11/1/2017 | | | | October 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 | | | | October 2017 - Same as September 2017. Approximately 95% complete. | |
| 2016-015 | OPEN | NEW MEXICO PREHISTORIC AND HISTORIC SITES PRESERVATIONS ACTS VIOLATION | | Noncompliance | State Law Compliance - Other | 11/1/2017 | | | | October 2017 - No change. Nothing to report. | |
| 2016-016 | CLOSED (awaiting validation by Internal Auditor) | INADEQUATE CONTROLS OVER SABBATICAL AND ANNUAL LEAVE | | Material Weakness | Payroll and Related Liabilities | 10/17/2016 | 10/17/2016 | | | October 2017 - Considered 100% complete as of September 2017. | |

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| 2016-017 | OPEN | OUTDATED POLICIES AND PROCEDURES | | Significant Deficiency | Lack of Policies, Procedures or Internal Control Structure or Environment | 11/1/2018 | | | | October 2017 - A contractor has been hired to assist in audit preparation. When the contractor has completed audit prep tasks, he will begin documentation of internal control. |
| 2016-018 | OPEN | LACK OF MONITORING AND CORRECTIVE ACTIONS | | Material Weakness | Lack of Policies, Procedures, and Internal Control Structure or Environment | 11/1/2017 | | | | October 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 | | | | October 2017 - Same as Finding above. |
| 2016-020 | OPEN | BANK RECONCILIATIONS - STALE DATED CHECKS | | Significant Deficiency | Cash and Investments | 11/1/2017 | | | | October 2017 - Same as progress for Finding 2013-001. Approximately 70% complete. |
| 2016-021 | OPEN | REVIEW AND CLEAN-UP OF CLEARING AND SUSPENSE AND ACCOUNTS | | Significant Deficiency | Revenue and Receivables | 11/1/2017 | | | | October 2017 - Work continues. Finding resolution is approximately 75% complete. |
| 2016-022 | OPEN | PETTY CASH - SECURITY AND TRACKING | | Material Weakness | Cash and Investments | 11/1/2017 | | | | October 2017 - No change. Nothing to report. |
| 2016-023 | OPEN | UNDERREPORTED PAYROLL TAX LIABILITIES | | Significant Deficiency | Payroll and Related Liabilities | 11/1/2017 | | | | October 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 | | | | October 2017 - Considered 100% complete as of September 2017. |
| 2016-025 | OPEN | RECONCILIATION OF STUDENT ACCOUNTS RECEIVABLE | | Significant Deficiency | Revenues and Receivables | 11/1/2017 | | | | October 2017 - Considered 100% complete as of September 2017. |
| 2016-026 | OPEN | ASSIGNED PERMISSIONS IN BANNER | | Material Weakness | Information Technology | 11/1/2017 | | | | October 2017 - No change. Nothing to report. |
| 2016-027 | OPEN | INFORMATION TECHNOLOGY (OTHER) | | Material Weakness | Information Technology | 11/1/2017 | | | | October 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 | | | | October 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 | | | | October 2017 - 100% complete as of August 2017. |
| 2016-030 | OPEN | RECONCILIATION OF STUDENT FINANCIAL AID DISBURSEMENTS | | Material Weakness | Grants Compliance | 11/1/2017 | | | | October 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 | | | | October 2017 - 100% complete. |
| 2016-032 | OPEN | LACK OF COMPLETE POLICIES AND PROCEDURES | | Material Weakness and Non-Compliance | Grant Compliance | 11/1/2017 | | | | October 2017 - A CGFM has been hired through contract. The contractor will begin work on documentation of policies and procedures as soon as other urgent work is completed. |