

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				February 2018 - No change from last month. December 2017 - 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	
2013-002	OPEN	BANK RECONCILIATIONS	Timeliness and review process - Foundation (repeated and updated)	Material Weakness	Cash & Investments	12/1/2017				February 2018 - No change from last month. December 2017 - 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 include bank reconciliations. This	
2013-003	OPEN	CAPITAL ASSETS	Physical Inventory Certification & Safeguarding	Significant Deficiency	Capital Assets	6/1/2018				February 2018 - No change - December 2017 - No change for December 2017. November 2017 - Research continues on a number of items.	
2013-007	OPEN	DISASTER RECOVERY PLAN AND PASSWORD	Repeated and updated	Significant Deficiency	Information Technology	8/11/2017				February 2018 - No Change over Last Month. December 2017 - No change over last month. January 2018 - No Change. November 2017 - No major change from previous month. Completion	
2015-001	OPEN	TRAVEL AND PER DIEM	Repeated and updates	Other Noncompliance	Travel and Per Diem					February 2018 - No change over previous month. December 2017 - 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	
2016-001	OPEN	LATE AUDIT REPORT		Material Non-Compliance	Late Audits	11/1/2017				January 2018 - Report was due November 15, 2017; auditors were able to begin at the begin fieldwork in early January 2018. Targeted completion date is March 31, 2018. December 2017 - 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	

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2016-002	OPEN	POTENTIAL FRAUD, FORGERY, EMBEZZLEMENT, LARCENY AND NON-COMPLIANCE	December 2017 - NOTE: COLLEGE WAS CLOSED FROM 12/18/2017 THROUGH 1/2/2017 - VERY FEW CHANGES WERE MADE WITH REGARD TO FINDINGS	Material Weakness	State Law Compliance - Other	11/1/2017				January 2018 - forensic reports are complete. We received the Recommendations Report on February 12, 2018. December 2017 - 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
2016-003	OPEN	INSUFFICIENT ATTENTION AND ACCOUNTABILITY OVER ACCOUNTING AND INTERNAL		Material Weakness	Financial Reporting	8/1/2017				January 2018 - with forensic accountants' recommendation, we can now move forward to implement recommendations and begin to mitigate this finding. December 2017 - 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.
2016-004	OPEN	INSUFFICIENT SECURITY OF ACCOUNTING		Material Weakness	State Law Compliance - Other	8/1/2017				January 2018 - with forensic accountants' recommendations, we can now move forward to implement recommendations in order to mitigate this finding. December 2017 - no change over previous
2016-005	OPEN	PROCUREMENT CODE VIOLATIONS		Material Weakness	Procurement	11/1/2017				February 2017 - 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 by the VP.
2016-006	OPEN	SEGREGATION OF DUTIES		Material Weakness	Segregation of Duties	8/1/2017				January 2018 - duties will be further segregated in accordance with forensic accountants' recommendations. December 2017 - No change over previous month. November 2017 - Ongoing. Segregation of duties continue to be of paramount
2016-007	OPEN	FINANCIAL CLOSE AND REPORTING		Material Weakness	Financial Reporting	11/1/2017				February 2018 - no change from last month. December 2017 - No change over the previous month. November 2017 - Staff continues to work
2016-008	OPEN	LACK OF INTERNAL CONTROLS		Material Weakness	Cash and Investments	11/1/2017				January 2018 - Completed in September 2017. December 2017 - No change over the previous month. November 2017 - 100% complete as of
2016-009	OPEN	LACK OF INTERNAL CONTROLS OVER CASH DISBURSEMENTS AND		Material Weakness	Expenditures and Expenses - Other	11/1/2017				January 2018 - considered complete as of September 2017. December 2017 - No change over the previous month. November 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
2016-010	OPEN	LACK OF INTERNAL CONTROLS OVER JOURNAL ENTRIES		Material Weakness	Lack of Policies, Procedures, and Internal Control Structure and Environment	11/1/2017				January 2018 - Considered complete as of September 2017. December 2017 - No change over the previous month. November 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

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2016-011	OPEN	NEW MEXICO STATE		Non-Compliance	State Law Compliance - Other	Unknown				February 2018 - No Change over previous months. November 2017 - As of 10/13/2017 all regents have been appointed by the Governor of New
2016-012	OPEN	TRANSFERS, DISPOSALS, AND TRACKING OF		Material Weakness	Inventory	11/1/2017				February 2018 - No Change. December 2017 - 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
2016-013	OPEN	PUBLIC MONEY ACTION VIOLATION -		Non-Compliance	State Law Compliance - Public Money Act	11/1/2017				February 2018 - No change. December 2017 - No change over the previous month. November 2017 - Deposit process continues to be refined. New bank accounts have been established. Completion
2016-014	OPEN	NON-COMPLIANCE WITH AND INADEQUATE CONTROLS		Non-Compliance	Lack of Policies, Procedures or Internal Controls	9/1/2017				February 2018 - No change. December 2017 - No change over the previous month. November 2017 - Same as October 2017. Approximately 95% complete.
2016-015	OPEN	NEW MEXICO PREHISTORIC AND		Noncompliance	State Law Compliance - Other	11/1/2017				February 2018 - No change. December 2017 - No change over the previous month. November 2017 - No change. Nothing to report.
2016-016	CLOSED (awaiting validation by	INADEQUATE CONTROLS OVER		Material Weakness	Payroll and Related Liabilities	10/17/2016	10/17/2016			February 2018 - No change. December 2017 - 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				February 2018 - No change. December 2017 - 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
2016-018	OPEN	LACK OF MONITORING AND		Material Weakness	Lack of Policies, Procedures, and Internal Control	11/1/2017				February 2018 - No change. December 2017 - No change over the previous month. November 2017 - Same as Finding above.
2016-019	OPEN	LACK OF ESTABLISHED PRACTICES FOR THE IDENTIFICATI		Material Weakness	Lack of Policies, Procedures, and Internal Control Structure or Environment	11/1/2017				February 2018 - No change. December 2017 - No change over the previous month. November 2017 - Same as Finding above.
2016-020	OPEN	BANK RECONCILIATIONS - STALE		Significant Deficiency	Cash and Investments	11/1/2017				February 2018 - No change. December 2017 - No change over the previous month. November 2017 - Same as progress for Finding 2013-001.
2016-021	OPEN	REVIEW AND CLEAN-UP OF CLEARING		Significant Deficiency	Revenue and Receivables	11/1/2017				February 2018 - No change. December 2017 - No change over the previous month. November 2017 - Ongoing. Work continues. Finding resolution is
2016-022	OPEN	PETTY CASH - SECURITY		Material Weakness	Cash and Investments	11/1/2017				February 2018 - no change. December 2017 - No change over the previous month. November 2017 - No
2016-023	OPEN	UNDERREPORTED PAYROLL TAX		Significant Deficiency	Payroll and Related Liabilities	11/1/2017				February 2018 - No Change. December 2017 - No change over the previous month. November 2017 - College considers this 100% complete with regard to
2016-024	OPEN	UNUSED CREDIT CARD MACHINES		Significant Deficiency	Expenditures and Expenses - Other	7/1/2017				February 2018 - no change; completed in previous months. December 2017 - No change over the previous month. November 2017 - Considered 100%

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2016-025	OPEN	RECONCILIATION OF STUDENT		Significant Deficiency	Revenues and Receivables	11/1/2017				January 2018 - completed in previous months. December 2017 - No change over the previous month. November 2017 - Considered 100% complete
2016-026	OPEN	ASSIGNED PERMISSION		Material Weakness	Information Technology	11/1/2017				February 2018 - no change. December 2017 - No change over the previous month. November 2017 - No
2016-027	OPEN	INFORMATION TECHNOLOGY		Material Weakness	Information Technology	11/1/2017				February 2018 - no change. December 2017 - No change over the previous month. November 2017 - Same as September 2017. Approximately 50%
2016-028	OPEN	TRACKING OF BANNER FEEDS TO		Significant Deficiency	Information Technology	11/1/2017				January 2018 - completed in previous months. December 2017 - No change over the previous month. November 2017 - 100% complete.
2016-029	OPEN	COMPLIANCE VIOLATION - ANTI-		Material Non-Compliance	State Law Compliance - Anti-Donation Clause	11/1/2017				January 2018 - completed in previous months. December 2017 - No change over the previous month. November 2017 - 100% complete as of August
2016-030	OPEN	RECONCILIATION OF STUDENT		Material Weakness	Grants Compliance	11/1/2017				February 2018 - No change. December 2017 - No change over the previous month. November 2017 - Same as Finding for 2016-025. 100% complete.
2016-031	OPEN	CONTROLS OVER RECORDING		Significant Deficiency	Grant Compliance	11/1/2017				February 2018 - no change. December 2017 - No change over the previous month. November 2017 - 100% complete.
2016-032	OPEN	LACK OF COMPLETE POLICIES AND PROCEDURES		Material Weakness and Non-Compliance	Grant Compliance	11/1/2017				February 2018 - No change. December 2017 - 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