

* Recommendations include external audit findings and internal audit observations in this spreadsheet

Recommendation #	Source	Date of Recommendation	Recommendation	Category	City's Response (summary/agree/disagree)	Implementation Plan Narrative	POC for Recommendation	Notes (ex. dates of contact with the POC, description of progress, whether recommendation remains open or date closed, etc.)
2024-001	CRI FY24 External Audit	FY24 audit	<p>Controls over Construction in Process. Condition: The City's process for tracking construction in process (CIP) was not designed properly to ensure completed projects are capitalized and added to the capital asset subledger in a timely manner. Auditor recommendation: The City should have mechanisms in place that ensure the finance department is up to speed with the status of ongoing projects and when projects are completed/are ready to be moved to a depreciable category. Additionally, the status of CIP projects should be reviewed by the finance department on a periodic basis throughout the fiscal year to identify and adjust for completed projects in a timely manner.</p>	Material Weakness	Agree. Caused by vacancies in key positions and need for additional technology.	<ul style="list-style-type: none"> Implement the Capital Assets module in the Munis ERP system. This module will help track and monitor capital expenditures by project, from planning to completion, and provide detailed functionality to help manage capital processes Fill the Capital Asset Manager position Update policies and procedures to align with best practices and the functionality of the Munis module Provide training to Department-level City staff 	Accounting Manager (Capital Assets) Rebecca Levato-Santovung	
2024-002	CRI FY24 External Audit	FY24 audit	<p>General Ledger Corrections. Condition: Material inaccuracies in the Munis general ledger were not identified and corrected by the City in a timely manner, leading to the need for error corrections to beginning fund balance and net position. Auditor recommendation: The City's accounting and financial management team should continue to stay caught up on monthly and annual closing procedures. During these processes, the City should remain cognizant of items requiring adjustment or correction to prevent instances such as those noted above in the future.</p>	Significant Deficiency	Agree. Caused by lack of timely reconciliation due to vacancies in key positions during FY23 and early FY24. Unable to keep up with timely reconciliation of GL due to lack of staff	<ul style="list-style-type: none"> Fill key positions and retain qualified staff Keep up with monthly and annual closing procedures Implement timely periodic reconciliation between subsidiary ledgers (LQIS, Envelow, etc.) and Munis GL Review and reconcile balance sheet accounts throughout the fiscal year, assign staff to follow up on discrepancies Follow up on uncharged account balances Develop reconciliation checklist Implement monthly review of balance sheet account balances and GL reconciliation for all funds at least semi-annually Review past audit adjusting entries and infrequent manual journal entries Develop a comprehensive checklist of necessary IEs, incorporate review of this checklist into month-end and year-end close processes Establish journal entry templates in Munis 	Accounting Officer Matthew Bonifer, Controller Jose Bolden	
2024-003	CRI FY24 External Audit	FY24 audit	<p>Reimbursement Requests. Condition: The City submitted reimbursements for grants in an untimely fashion for multiple months at a time in the Federal Transit Cluster and only at year-end in the Airport Improvement Program. Auditor recommendation: We recommend that the City establish policies and procedures for requesting reimbursement of grant expenditures on a monthly basis, including reconciliation of the expenditures and reimbursements under each grant.</p>	Significant Deficiency in Internal Controls over Compliance (Federal)	Agree. Caused by vacancies in key positions and lack of experienced staff trained on federal compliance requirements.	<ul style="list-style-type: none"> Fill key positions and retain qualified staff Establish a process for timely reconciliation of expenditures and reimbursements under each grant, and timely requests for reimbursement Develop and implement internal policies for timely reconciliation of grant expenditures and reimbursement requests Obtain training and technical assistance for program staff (supplied by expert contractors) Create and fill a Grant Accountant position at Airport Hold city-wide uniform guidance grant training 	Interim Airport Manager Jimmy Gunn, Transit Director of Administration Gabrielle Chavez, Grant Manager Erika Lujan	
2024-004	CRI FY24 External Audit	FY23 audit	<p>Activities Allowed, Allowable Costs over Payroll. Condition: Two payroll checks were duplicated in a request for reimbursement. Auditor recommendation: The auditor recommends that the City implement a final review for potential duplicated costs prior to approving reimbursement requests, and adjust the general ledger for any such items noted.</p>	Significant Deficiency in Internal Controls over Compliance (Federal)	Agree. Caused by lack of adequate review and oversight of reimbursement requests prior to submission to federal grantor agencies.	<ul style="list-style-type: none"> Fill key positions and retain qualified staff Strengthen policies and procedures and ensure a full review of the general ledger for the federal program to ensure no duplicate costs are charged prior to reimbursement requests being submitted Continue Finance Department secondary review of Airport requests for reimbursement prior to submission Use employee pay advices (not excel reports) as supporting documentation for reimbursement requests Close collaboration between Airport and Finance staff Contract with a vendor to assist the Airport with federal compliance, provide Uniform Guidance training to staff, and assist with the development of policies and procedures and standard operating procedures Create and fill a Grant Accountant position in Airport 	Interim Airport Manager Jimmy Gunn, Grant Manager Erika Lujan	
2024-005	CRI FY24 External Audit	FY23 audit	<p>Equipment and Real Property Management. Condition: The City's approved annual inventory did not include information to identify the funding source of the equipment and/or property. Auditor recommendation: The auditor recommends that the City enhance the design of its control activities and create a tool to assist in tracking and maintaining equipment purchased with federal funds. Additionally, the employees responsible for the inventory should be trained to ensure understanding of the Uniform Guidance requirements relevant to equipment and real property management. Periodic review should also be designed to evaluate compliance with relevant requirements.</p>	Material Weakness over Internal Controls over Compliance (Federal)	Agree. Caused by lack of adequate record management processes to track source of funds used to purchase specific items.	<ul style="list-style-type: none"> Fill key positions and retain qualified staff Heavy Equipment Mechanics in Airport keep logbooks to track information about equipment Develop policies and procedures to ensure an accurate physical inventory is conducted at year end that contains all information required by Uniform Guidance Close collaboration between Airport and Finance staff Contract with a vendor to assist the Airport with federal compliance, provide Uniform Guidance training to staff, and assist with the development of policies and procedures and standard operating procedures Create and fill a Grant Accountant position in Airport and assign this position to reconcile grant expenditures monthly Develop tools to facilitate tracking and maintaining equipment purchased with federal funds 	Interim Airport Manager Jimmy Gunn, Grant Manager Erika Lujan	
2024-006	CRI FY24 External Audit	FY24 audit	<p>Subrecipient Monitoring. Condition: Lack of supporting documentation of City review and approval of subrecipient performance reports, and one contract was incorrectly reported as a subrecipient on the preliminary SEFA. Auditor recommendation: We recommend the City strengthen policies and procedures to ensure program directors are following procedures and documenting review and approval as part of monitoring of subrecipients, and that subawards reported on the SEFA are verified against the characteristics of the agreement and the relationship with the other entity.</p>	Significant Deficiency in Internal Controls over Compliance (Federal)	Agree. Caused by vacancies in key positions and lack of experienced staff trained on federal compliance requirements.	<ul style="list-style-type: none"> Fill key positions and retain qualified staff Obtain training and technical assistance for program staff (supplied by expert contractors) Hold city-wide uniform guidance grant training, including training for program managers on subrecipient monitoring and documentation of review and approval Use the AGA Subrecipient Checklist and maintain copies as supporting documentation for determination of subrecipient or contractor Finance Director review of subrecipient or contractor determination prior to sign-off 	Grant Manager Erika Lujan	
2024-007	CRI FY24 External Audit	FY21 audit	<p>Pledged Collateral. Condition: One City bank account was under-collateralized by \$5,605 at 6/30/24, resulting in non-compliance with State statute. Auditor recommendation: The City should work with Citibank to monitor and ensure sufficient collateral is pledged throughout the year or maintain its funds at a financial institution that will provide adequate coverage.</p>	Other Non-compliance	Agree. Caused by out-of-state health benefit administrator vendor not having knowledge of NM statutory requirements and lack of sufficient monitoring by the City Finance Department.	<ul style="list-style-type: none"> City Treasury Officer and Benefits and Wellness Manager communicate with vendor to provide training on NM statutory requirement More frequent review and monitoring of the claims bank account by City Treasury Division staff 	Treasury Officer Clarence Romero	
2024-008	CRI FY24 External Audit	FY21 audit	<p>Cash Appropriations in Excess of Available Cash. Balance. Condition: The City budgeted more expenditures than revenues and available cash balances in one fund, resulting in non-compliance with State Administrative Rule. Auditor's Recommendation: The City should review and monitor future budgets for budgeted deficits that are not covered by ending cash and federal receivables as of the start of the fiscal year. Additionally, the City should review for adequate coverage of budget deficits as part of the budgeting process throughout the fiscal year.</p>	Other Non-compliance	Agree. Caused by a transfer IE to move action proceeds between funds not being processed timely.	<ul style="list-style-type: none"> Implement periodic reviews for adequate coverage of budget deficits throughout the fiscal year Implement new budget software Questica 	Budget Officer Andrew Hopkins	
<p>PROCUREMENT OPERATIONAL REVIEW - 16 observations</p> <p>FOLLOW UP ON PREVIOUS INTERNAL AUDITS - 33 findings, 16 not resolved</p>								