

37 findings reveal unreliable financials, theft

SANTA FE – State Auditor Tim Keller released the most recent annual audit of Northern New Mexico College April 3.

The audit, conducted by an independent audit firm for fiscal year 2016, found an environment susceptible to fraud, waste and abuse. The audit resulted in 37 findings, including the probable theft of $200,000 by the former Director of Financial Services. The audit received a “disclaimer of opinion” meaning that the auditor was not able to confirm the reliability of the College’s financial statements.

“Addressing the problems identified in the audit is critical to keeping the College’s limited resources with students where they belong,” Keller stated. “The audit provides a roadmap for the College’s new leadership to get a handle on financial practices and implement policies to protect public funds. We appreciate the College’s cooperation during the audit process.”

The audit findings include:

• Probable theft of $200,000 by the former Director of Financial Services;

• General lack of controls over accounting practices, cash handling and capital assets;

• Excessive speaking honoraria provided to the former President;

• No code of conduct required to be signed by employees;

• Procurement violations; and

• A violation of the state constitution for not maintaining a board of regents consisting of five members.

In August 2016, the Office of the State Auditor wrote to the Governor stressing the importance of filling regent positions to ensure appropriate governance at the College. However, the Governor did not nominate a fifth regent during the 2017 Legislative Session and the vacancy remains.

Possible criminal violations identified in the audit were referred to the First Judicial District Attorney and State Police. The complete audit, including a cover letter from State Auditor Tim Keller is available at: www.saonm.org