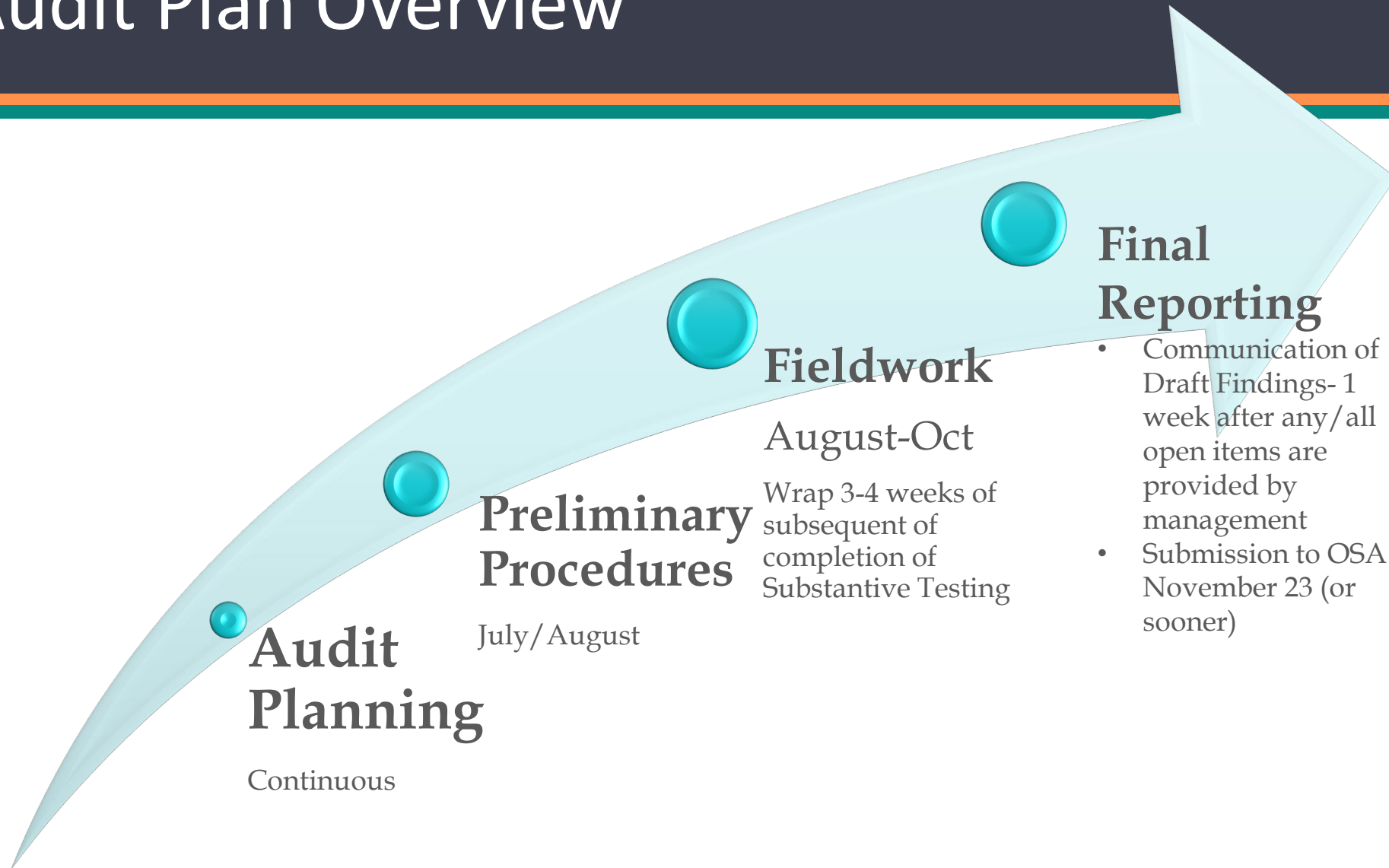


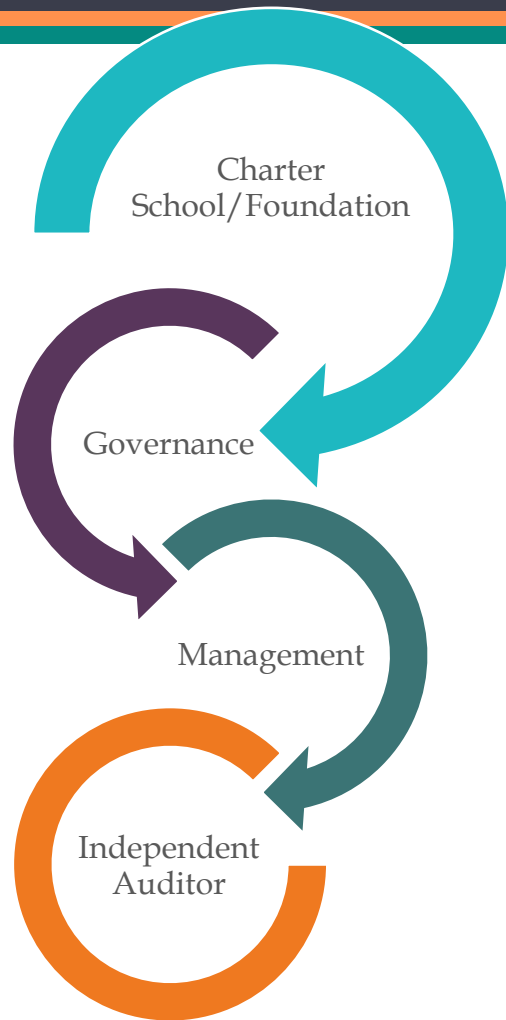
Agenda

- Audit Plan Overview
- Audit Scope and required communications
- Audit Results
- Audit Disclaimer
- 2022 Classification Count
- Category of Findings
- Classification of Findings
- Repeat Findings Trend
- 2022 NMPED Audit Disclaimer
- FY22 State Charter Schools Audit Summary
- Annual Audit Work Cycle

Audit Plan Overview



Audit Scope and Required Communications



Responsibilities of Parties Involved

| | |
|---------------------------------------|--|
| GC+ Audit Committee | Strategic Direction |
| | Accountability, including financial reporting |
| Head Administrator + Business Manager | Internal Controls |
| | Accounting Policies |
| | Management Decisions |
| | Fair Presentation of Financial Statements |
| | Programs to Prevent and Detect Fraud |
| Independent Auditor | Opinion on Fair Presentation of Financial Statements |
| | Audit in Accordance with GAAS |
| | Reasonable, But Not Absolute, Assurance |
| | Understanding of Internal Controls |
| | Risk Based Audit Approach |
| | Required and Other Supplementary Information |



Audit Results

Independent Auditor's Report

- Clean Report=Unmodified Opinion
- Qualified Report=Modified Opinion
- Disclaimer Report= Disclaimer of Opinion
- Adverse Audit Report=Adverse Opinion

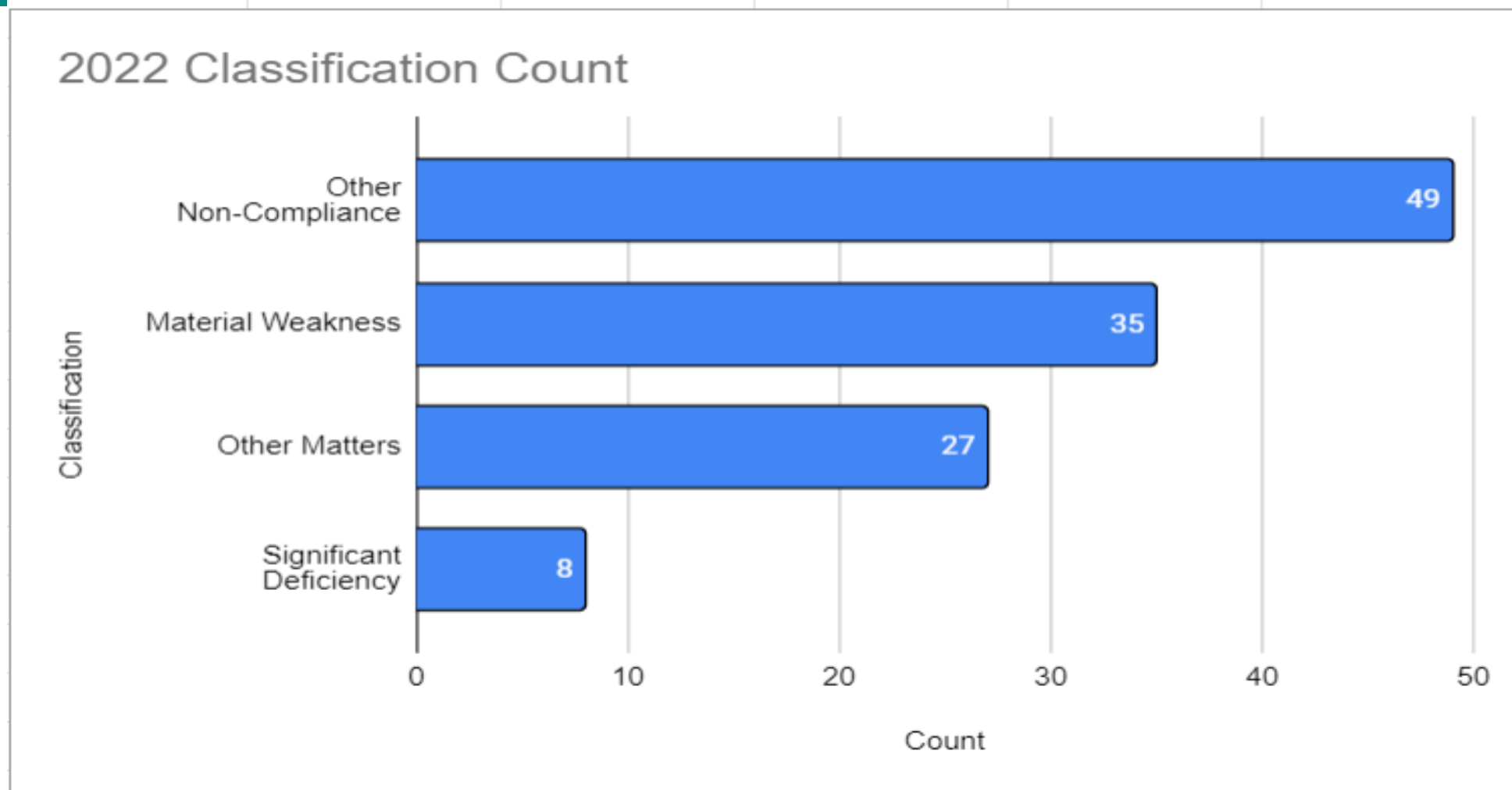
Classification of Finding

Material Weakness: Reasonable possibility that a material misstatement would not be prevented, or detected and corrected on a timely basis.

Significant Deficiency: Less significant than a material weakness, yet important enough to merit the attention of governance.

Other Matters/Other Non-Compliance: Control deficiencies that don't rise to the magnitude of a significant deficiency or a material weakness and instances of non-compliance are required to be reported as findings per the NM State Auditor

2022 Classification Count



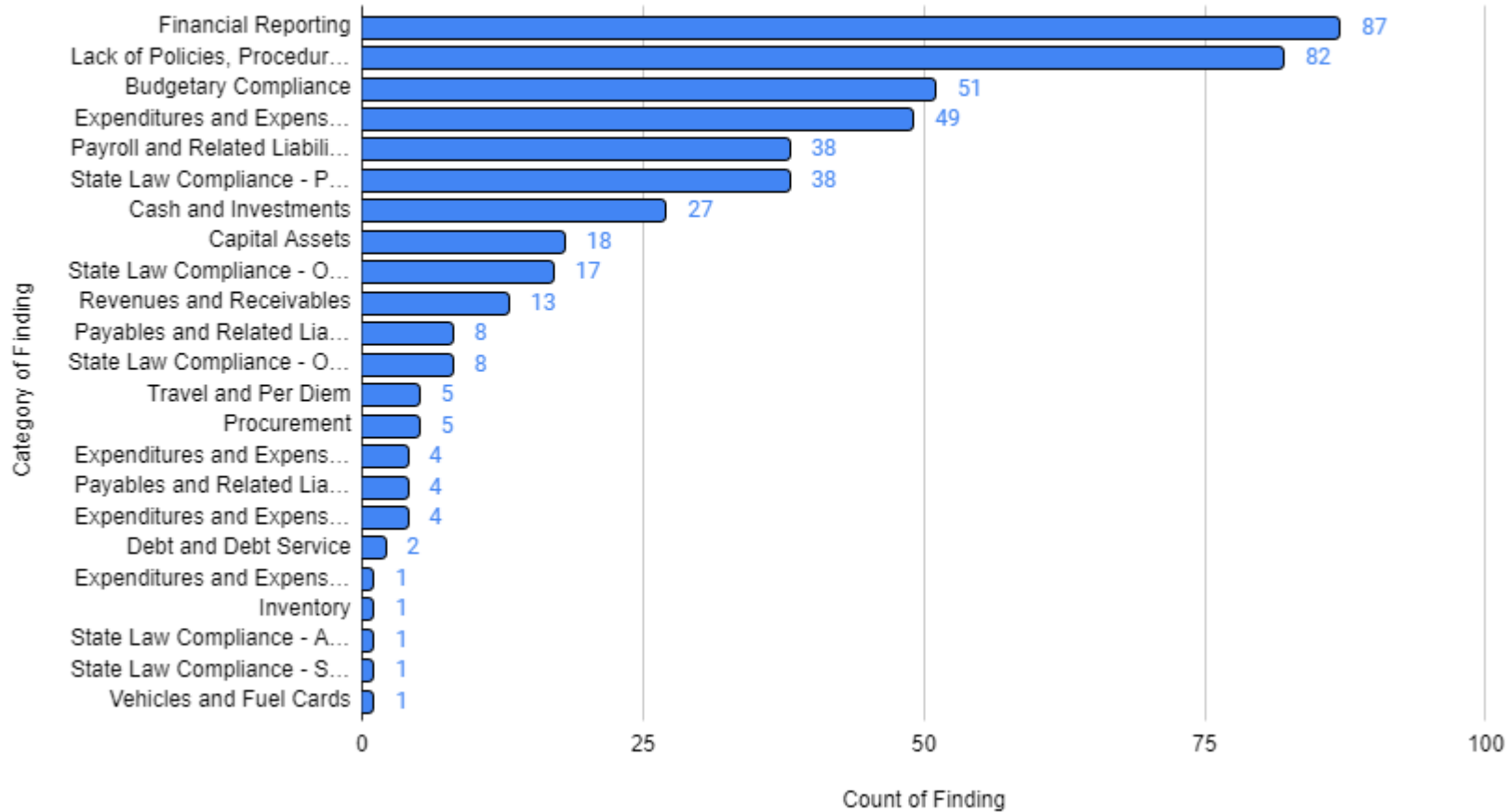


Category of Findings

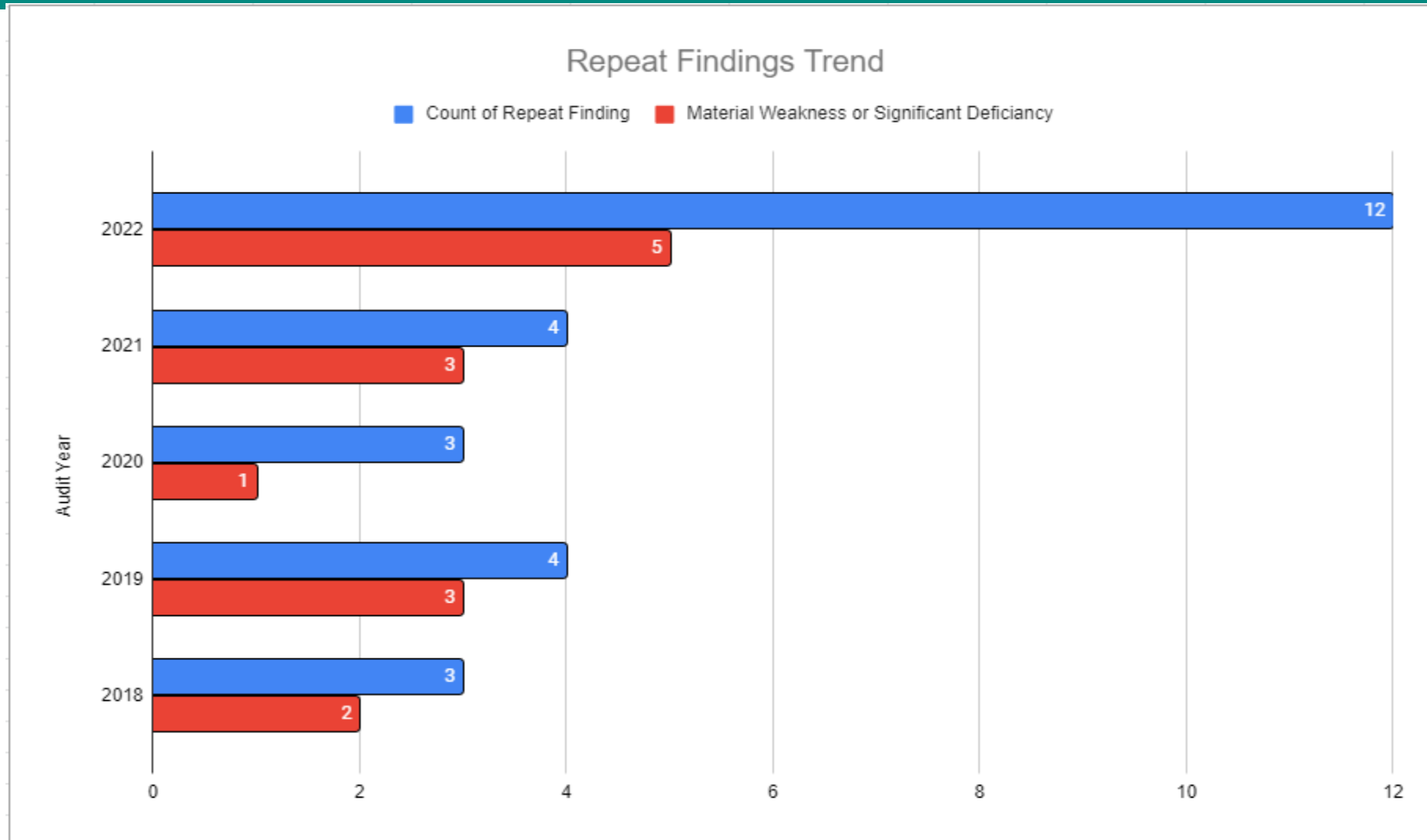
- Budgetary Compliance
- Capital Assets
- Cash & Investments
- Expenditures & Expenses
 - Lack of documentation
 - Advanced Payments
 - P Cards & Credit Cards
- Financial Reporting
- Fund Balance/Net Position
- Inventory
- Lack of policies, procedures, internal controls
- Payables & Related Liabilities
- Payroll & Related Liabilities
- Revenues & Receivables
- State Law Compliance-Other

Classification of Findings

2019-22 Category Count



Repeat Findings Trend





NMPED 2022 Audit Disclaimer

Charter Schools must allow the auditors to access their financial records without any restraints for an effective auditing process.

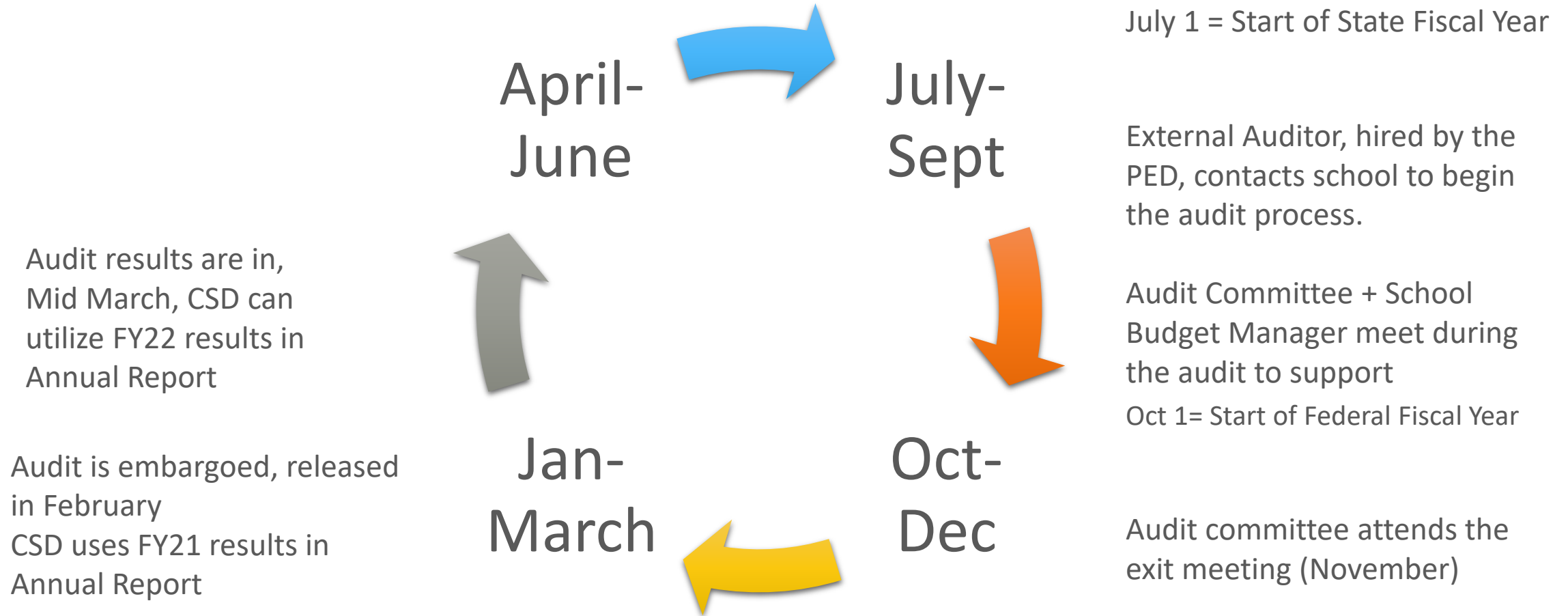
- However, if the auditor feels that the school has limited their access or they couldn't get satisfactory answers to any of their questions during the audit, they may give a Disclaimer Report.
- This report distances the auditor from reporting on the school's financial status as they cannot issue a definitive opinion.
- This could help to protect the auditor's reputation in case the school faces a legal issue.
- **Two State-Charter Schools received an audit disclaimer**



FY22 State Charter Schools Audit Summary

- 40 out of 57 State Charter Schools (*including some Foundations*) had an Audit finding in 2021. Total number of findings 89
- 49 out of 57 State Charter Schools (*including some Foundations*) had an Audit Finding in 2022. Total number of findings 106
- The number of State Charter Schools receiving an audit finding have gone up over time
- FY22 Two (2) State Charters had Disclaimer Opinions
- In FY22 a State Charter School caused NMPED to submit a late audit report which resulted in an agency audit finding for NMPED

Annual Audit Work Cycle



Charter School Contact

Kimberly Gonzales
Financial Authorizing Administrator
Kimberly.Gonzales@ped.nm.gov
(505) 709-7690

Kyle Wood
Data and Financial Analyst Administrator
Kyle.Woods@ped.nm.gov
(505) 819-8379

Questions

