

### **3. Financial Compliance**

The Charter School Act provides as follows:

A charter may be suspended, revoked, or not renewed by the chartering authority if the chartering authority determines that the charter school...failed to meet generally accepted standards of fiscal management.

#### **a. Audit Report Summary**

Every charter school is subject to the Audit Act. NMSA22-8B-4(C). The Public School Finance Act requires the audit committee of each charter school governing body to track and report progress on the status of the most recent audit findings and advise the local school board on policy changes needed to address audit findings (see next page).

Please edit the actual year you are referring to in the table. For example, Year 1 should be changed to the audited year (such as FY16) within the current contract. Also, provide a summary of the nature of findings including category levels. Include and indicate any repeat audit findings involving a material weakness or significant deficiency.

| Year      | Total # of Findings | Nature of Findings including Rating<br>(Compliance, Significant Deficiency, Material Weakness) | School's Corrective Action Plan  |
|-----------|---------------------|--|--|
| Year 2016 | 6                   | 1 Significant Deficiency<br>4 Compliance<br>1 Other Matters                                    | <ul style="list-style-type: none"> <li>· Budget Monitoring to submit BARs</li> <li>· Procurement training provided to staff</li> <li>· Controls implemented on payroll processing approvals</li> <li>· Communication and training to staff in charge of bank deposits regarding 24 hr rule</li> <li>· Proper mileage reimbursement amount was communicated and used</li> <li>· Warrants have been stale dated</li> </ul> |
| Year 2017 | 3                   | 1 Material Weakness<br>1 Significant Deficiency<br>1 compliance                                | <ul style="list-style-type: none"> <li>· Budget Monitoring to submit BARs</li> <li>· Communicating to staff regarding procurement procedures and Statute</li> <li>· Communication and training to staff in charge of bank deposits regarding 24 hr rule</li> </ul>   |

|           |   |   |   |
|-----------|---|---|---|
| Year 2018 | 7 | 2 Material Weakness<br>2 Significant Deficiency<br>3 compliance | <ul style="list-style-type: none"><li>· Procurement training provided to staff</li><li>· Revisions of GL to properly record transactions</li><li>· PR Reconciliations done</li><li>· Training staff on issuing receipts when cash/checks are received</li><li>· Liabilities payments processed timely</li><li>· Inventory count has been done</li></ul> |
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