

State of New Mexico
Albuquerque Municipal School District No. 12
Schedule of Findings and Questioned Costs
June 30, 2021

Tech Leadership High School (continued)

Criteria: Section NMAC 6.20.2.17(A), requires that each school establish and implement written policies and procedures which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with School policy, state and federal regulations. According to 13-1-74 NMSA 1978, "Procurement" means A. purchasing, renting, leasing, lease purchasing or otherwise acquiring items of intangible personal property, services or construction; and B. all procurement functions, including but not limited to preparation of specifications, solicitation of sources, qualifications, or disqualification of sources, preparation and award of contract and contract administration.

Cause: Policies were updated during the year, but prior procurements were not updated.

Effect: School is not in compliance with state requirements and could be overpaying for goods and services obtained.

Repeat Finding: Previously reported as finding 2020-088 and 2019-113.

Recommendation: We recommend School personnel should ensure that adequate documentation is obtained to support best obtainable price. Any price quotes obtained should be kept with the documentation for the purchase.

Agency Response: The services in question were on a two-year contract ending fiscal year 2021. The School's policies were updated February 9, 2021 to state in part, "The School may procure services, professional services, construction, or items of tangible personal property having a value between \$20,000.01 to \$60,000, excluding applicable state and local gross receipts taxes by obtaining three bids or quotes from vendors. The School will select the bid that is in the best interests of the School taking into account the quality and accessibility of the goods or services." The School has since obtained quotes for the professional services in question.

Person Responsible: Business Manager

Implementation by: June 30, 2022

The New America School

2021-078 – Period of Performance (Other Non-Compliance)

Condition: The School receives various federal awards for school programs. Per the grant award for charter schools planning (fund 24146), the School received Round 1 Program funds. The period of performance identified for Round 1 grants was September 17, 2020 to June 30, 2021. It was noted the School submitted an RFR with an invoice that was dated prior to this period of performance date causing the RFR to be disapproved by the State during the year. Under the CFR, these funds were considered obligated prior to the start of the period of performance period as this was not a new obligation for the School. Due to the timing of this disapproval, the School was unable to use these grant funds in the period of performance causing lost funding to the School. Total amount of lost funding was \$20,386.

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The New America School (continued)

Criteria: Period of performance means the time during which the awardee may incur new obligations to carry out the work authorized under the State, federal, or federal pass-through award.

Cause: The invoice was dated prior to the period of performance.

Effect: The School lost funding of \$20,386 that they are unable to spend in a future period.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that management establish controls to ensure that all individuals at the School understand the grant specific requirements. This includes the period of performance and being able to plan and identify for new obligations not already obligated by the School. This becomes more important as COVID-19 and ARPA funds continue to be awarded to various schools that are outside of the typical federal grant programs.

Agency Response: The School currently has controls in place to ensure that all individuals at the School understand the grant requirements. The School received the grant late in the year, as PED was conducting trainings on what the grant could be spent on the program managers at PED stated that the specific software the School was planning to use the funds for was allowable. The grant was approved by APS because the period in which the software was used complied with the requirements of the grant. The School will not issue a Purchase Order or process payment until the grant period has begun.

Person Responsible: Business Manager, Finance Committee, and Audit Committee.

Implementation by: November 1, 2021

Auditor Response: While the expense on the invoice was within the year, the obligation had already been incurred by the School prior to the period of performance date.

Voz Collegiate Preparatory School

2021-079 – Internal Control over Payroll (Other Non-Compliance)

Condition:

- Per the Principal's contract payment terms specify the contract is to be paid in monthly installments. We noted during review of the payments, the School paid the Principal's salary twice a month which is not in compliance with the contract terms. The overall total amount paid was correct.
- The Principal's New Mexico Public Insurance Authority (NMPSIA) enrollment application was submitted on November 19, 2020, 49 days after the effective hire date of October 1, 2020. Per NMPSIA, submission is required no later than 31 days from date of hire.