

New Mexico Corrections Department
Questions for Audit RFP

- Q. Do you expect that federal expenditures will increase in 2017 so to require a Single Audit? There was not one in 2016. If so, would there be one major program as in 2015?
- A. **We do not anticipate having a Single Audit in FY17.**
- Q. What is your preferred timing for interim and final fieldwork to help ensure meeting the OSA deadline?
- A. **Start testwork in August and complete at the beginning of October.**
- Q. Did another firm participate in the 2016 audit along with OSA?
- A. **No**
- Q. Were there any audit adjustments in 2016? If so, how many and what was their nature?
- A. **Yes, there were thirteen audit adjustments but none were proposed adjustments by the State Auditor's Office. Two adjustments were related to record the change in inventory, two adjustments were to record reversions, one entry to reverse unneeded AP accrual amounts and correct errors on original entry, one adjustment was to book capital asset additions, add asset transferred in from GF and adjust change in accumulated depreciation amount, one adjustment to reverse AR for invoice paid in June, one entry to book AR for duplicate payment and to reverse AR for duplicate billing and correct error on JE, one entry to reverse due to/due from other funds booked at year end, one entry to reverse expenditures from the special appropriation department and charge to general fund departments, one adjustment to reclassify fund balance, one adjustment to adjust fund balance to account for change related to NMDOT adjusting revenue and Due from other state agencies, one adjustment to reverse revenue and AR posted for Corrections Industries Lucky 8 invoices and repost in general fund.**
- Q. Other than Blanca, how long have the other accounting staff members been employed by the Department?
- A. **Antoinette Solano, Accounting Manager, has been with NMCD for 17 years.
Vicki Trujillo, Accountant Auditor – A, has been with NMCD for 10 years.
Celina Padilla, Accountant Auditor – A, has been with NMCD for 3 years.**
- Q. Would you appreciate webcasts and regular technical updates during the year?
- A. **Yes**
- Q. Has there been turnover of key employees in Budget, Grants, or Accounting?
- A. **No**
- Q. Does the Department have planned or expect any significant changes to operations, federal funding, or budget in the next three years?

- A. No
- Q. Do you expect any changes in findings for 2017?
- A. Our goal is to clear all of our audit findings but due to the timing of the audit we anticipate most will be repeated findings in FY17.
- Q. Please provide the breakout of contract line items and amounts from the prior year (Financial Statement Audit, Financial Statement Preparation, UGG Federal Audit, etc.)
- A. Financial Statement Audit – Initial \$115,000 / Amended \$135,000 (Additional test work related to Corizon medical contract for final payments and credits for outstanding or pending Medicaid billings, Centurion medical contract for any changes from sample exhibited in original RFP, Contact with Lucky 8 TV related to the MOU and access agreement between NMCD and Lucky 8, Expanded test work on procurement and contract.)
Financial Statement Preparation - \$0 (We prepared our own financial statements in FY16)
Federal Audit – \$0
- Q. With the new State Auditor due date of November 1st, what is the Department’s plan to ensure the trial balances, SEFA, and documents for the auditors are ready? What is your timeline?
- A. We are moving up our internal deadlines to ensure all documents are ready for the auditors. We are currently waiting on the DFA year end deadlines to finalize our dates. However, our tentative deadline is to have Preliminary trial balances available by Mid August. We do not anticipate having a Single Audit in FY17 and we plan to have cash receipts, cash disbursement, and payroll documents ready for review by Mid August and all other documents ready in September.
- Q. What has worked for you in the past as far as timing of the external auditor’s interim work, grants testing, IT testing, account balances etc.? How many weeks were the auditors on-site?
- A. The auditors in the past did not conduct interim work. The only test work they performed before August was for supply inventory which was conducted at year end. The auditors were on site off and on throughout the audit (August-November).