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**State Auditor Tim Keller Releases Audit of Higher Education Department**  
*18 findings exacerbated by state's budget woes, hiring freeze*

SANTA FE, NM – Today, State Auditor Tim Keller released the New Mexico Higher Education Department's (HED) financial audit for fiscal year 2016. The audit was conducted in partnership with an independent accounting firm and contains 18 findings. The issues identified relate to a range of problems with financial oversight.

“The Higher Education Department’s audit demonstrates the impact spending cuts can have on safeguards aimed at protecting taxpayers’ money,” stated State Auditor Tim Keller. “When an agency can’t hire people to provide financial oversight, it’s no surprise to find problems. The audit helps provide a roadmap to get back on track so policymakers and the public can rely on accurate financial reporting to make informed decisions. We appreciate the department’s cooperation and acknowledgement of these challenges.”

The audit findings include a material weakness that has repeated since 2010 that HED lacks adequate controls to oversee financial reporting and was not following entity-wide policies and procedures. Multiple errors occurred such as recording investments in the wrong fund, recording about \$3,000,000 in Lottery Tuition Fund proceeds in the wrong fiscal year, and overstating federal grants receivables.

Earlier this year, State Auditor Tim Keller cautioned that the veto of higher education funding and the late date of the special session could lead create difficulties for “state functions to proceed normally.”

The complete audit including a cover letter is available here:  
[https://www.saonm.org/media/audits/950\\_Higher\\_Education\\_Department\\_FY2016.pdf](https://www.saonm.org/media/audits/950_Higher_Education_Department_FY2016.pdf)

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