Corrective Action Plan
Digital Arts & Technology Academy
Audit from Fiscal Year 2025

Finding #	Condition	Management Response	Name of Policy Reviewed/Revised	Page #	Person Responsible	Implementation Timeline	Governing Council Oversight	Link to Artifacts
2025-001	During our testing over cash disbursements, we noted that in 2 of 3 Travel/Per Diem samples tested, the reimbursement to employees for travel included full reimbursement of tips that exceeded the 20% cap by a combined $2.73. Management's Progress for Repeat Findings: Management failed to implement adequate controls to resolve the finding and will work toward corrective action during FY2026.	DATA concurs with the finding. The minor overage identified was the result of not flagging small tip variances during reimbursement review. To ensure compliance and consistency, the school will revise its travel reimbursement process. Going forward, all travel reimbursements will be issued as a flat refund of $70, which will eliminate the potential for tip-related overages and ensure adherence to the State of New Mexico Travel Policy.	Internal Controls - Beginning in FY2025–2026, all travel reimbursements will be processed as a flat refund of $70, removing the need to calculate or reimburse individual tip amounts. This change ensures compliance with the 20% tip cap requirement. Assistant Business Manager swill review each reimbursement request to confirm the flat rate is applied consistently.	1	Assistant Business Manager	FY26	Governing council will review for submission in the current month meeting.	n/a
2025-002	During our audit, we noted the following deficiencies in internal controls related to financial close and reporting: Accounts Payable: 4 of 11 samples tested (totaling $103,374) were improperly excluded from accounts payable for FY25, resulting in incomplete recognition of liabilities. Leave Balances: Four employees had leave balances above maximum accruals (140 hours for 7-hr/day sick, 160 hours for 8-hr/day sick, and 80 hours annual for support staff), totaling 830 excess hours (~$33,353). Capital Assets: DATA did not capitalize $30,267 of capital asset additions. As a result, total assets were understated by $30,267 and both depreciation expense and accumulated depreciation were understated by $2,018. Management's Progress for Repeat Findings: Management failed to implement adequate controls to resolve the finding and will work toward corrective action during FY2026.	DATA concurs with the finding. The issues identified were the result of oversight in year-end review procedures and insufficient review controls over accruals, leave balances, and capitalization. Management recognizes the need to strengthen financial close procedures to ensure completeness and accuracy of financial reporting. Controls will be enhanced to ensure all liabilities, leave balances, and capital assets are properly recorded in accordance with GAAP and state requirements.	Policy is adequate and it does not need to be changed	2	Business Manager & Assistant Business Manger	Immediately	Governing council will review for submission in the current month meeting.	n/a

2025-003	During FY25, services procured by the school exceeded $60,000, making them subject to competitive procurement requirements. The school referenced an external contract for procurement purposes; however, that agreement did not include provisions allowing other entities to utilize its terms. As a result, the school did not comply with state procurement requirements for competitive bidding or authorized cooperative purchasing	DATA concurs with the finding. Several years ago, Data Charter School began exploring options for renovating the school's courtyard to create a functional and creatively designed outdoor space. At that time, there were no readily available vendors offering the specialized services desired for the project. Because the facility is owned by Albuquerque Public Schools (APS), the school reached out to APS for guidance and was referred to Westwind Landscape, one of APS's primary vendors with experience in similar projects. Based on that recommendation, the school obtained a quote from Westwind and ultimately proceeded under APS RFP #22-036 RRR, Master Agreement #15983.	Policy is adequate and it does not need to be changed	5	Director & Business Manager	Immediately	Governing council will review all submissions in the current month meeting	n/a