

# **BOARD of REGENTS**



THE UNIVERSITY OF  
NEW MEXICO.

## **AUDIT AND COMPLIANCE COMMITTEE MEETING**

*Thursday, August 15, 2019 9:00 am  
Scholes Hall, Roberts Room*

The University of New Mexico  
Board of Regents' Audit and Compliance Committee  
*August 15, 2019 – 9:00 AM*  
*Roberts Room*  
**Agenda**

**ACTION ITEMS**

1. Confirmation of a Quorum and Adoption of Agenda
2. Approval of Meeting Minutes from May 23, 2019
3. Audit and Compliance Committee Meeting remaining date for Calendar Year 2019. The following proposed meeting date is presented for Committee approval. The Committee meets in the Roberts Room. This schedule accommodates the exit conference for the FY19 External Financial Statements Audit.

October 17, 2019 (Exit Conference for FY19 External Audit)

**INFORMATION ITEMS**

4. Advisors' Comments
5. Director of Internal Audit Status Report (*Victor Griego, Interim Internal Audit Director*)
6. Main Campus Chief Compliance Officer Status Report and OEO Data Trend Analysis Report (*Francie Cordova, Interim Chief Compliance Officer and Rob Burford, Director of Compliance*)
7. Health Sciences Center Chief Compliance Officer Status Report (*Arthur Culpepper, HSC Chief Compliance Officer*)
8. Status of Audit Recommendations (*Chien-Chih Yeh, Internal Audit Manager*)  
Implemented  
Pending

**EXECUTIVE SESSION**

9. Vote to close the meeting and to proceed in Executive Session as follows:
  - a. Discussion of draft Internal Audit Reports, and discussions of information subject to attorney-client privilege pursuant RPM 1.2;
  - b. Discussion of limited personnel matters pursuant to exception at Section 10-15-1.H(2) NMSA (1978);
  - c. Schedule of Audits in Process and FY20 Audit Work plan, pursuant to RPM 1.2;
  - d. Vote to re-open the meeting.
10. Certification that only those matters described in Agenda item #9 were discussed in Executive Session and if necessary ratification of action, if any, taken in Executive Session.
11. Adjournment

THE UNIVERSITY OF NEW MEXICO  
Board of Regents' Audit and Compliance Committee Meeting  
May 23, 2019 – Meeting Minutes

Members Present: Douglas Brown, Chair, Marron Lee, Vice Chair (quorum). Robert Doughty absent.

Other Attendees: Garnett Stokes, Liz Metzger, Ava Lovell, Terry Babbitt, Francie Cordova, Dorothy Anderson, Duane Arruti, Jeff Gassaway, Loretta Martinez, Craig White, Purvi Mody, Arthur Culpepper, Marjorie Goldstein, Eddie Nunez, Nicole Dopson, Ari Vazquez, Peggy Davis, Rob Burford, Brian Colón (State Auditor), Natalie Cordova (Deputy State Auditor), Lisa Todd (Moss Adams), Sujjan Bhandari (Moss Adams), Mark McComb (KPMG), Jaime Cavin (KPMG), Ruth Senior (KPMG), Victor Griego, Manu Patel, Lisa Wauneka, William Cottrell, Gonzalo Olivas, Mallory Reviere, Amy O'Donnell.

Chairman Brown called the meeting to order at 9:06 AM in the Roberts Room, Scholes Hall, UNM.

**ACTION ITEMS:**

- The Committee approved the meeting agenda, with a note that the Committee would like to see follow up items listed in the future.
- The Committee approved the prior meeting minutes from April 11, 2019. The Chairman asked Liz Metzger, University Controller if the fees had been entered and the contract executed for the external audit. Ms. Metzger replied yes. The chair also asked Ms. Metzger about having a local partner involved. Ms. Metzger stated that will be covered in the entrance conference presentation at this meeting.
- The Committee approved the next meeting dates of August 15, 2019 and October 17, 2019 (Exit Conference for FY19 Financial Statements Audit).

**INFORMATION ITEMS:**

- Advisors' Comments: Staff Council President Ryan Gregg attended the meeting and introduced himself as the new Staff Council President. He thanked Rob Burford for his time in office.
- The external audit firms of Moss Adams and KPMG presented the entrance conference information to the Committee. First, Chairman Brown introduced the State Auditor, Brian Colón, and his Deputy State Auditor, Natalie Cordova. Lisa Todd, Partner, Moss Adams began the presentation. The purpose of the entrance conference is to meet with this Committee to go over the audit plan. The Committee members received written information that lays out all the steps. Moss Adams and KPMG introduced their service teams. Moss Adams is responsible for the Main Campus and non-clinical operations including component units. KPMG is responsible for clinical operations. In reference to the Chairman's earlier question about a local partner, Suzette Longfellow, Managing Director will fulfill that role from KPMG. Moss Adams stated all of their team is local, with the exception of Scott Simpson, Concurring Review Partner - a higher education specialist serving in a quality control role. All team members from both firms are returning from last year's audit.

The audits are performed using a risk-based audit approach. They focus specifically on significant risk, which will vary by entity. The audit work is based on their experience, discussions with management, and meetings with this Committee. There are several phases to the audit. They look at design and operation of internal controls, including a significant amount of IT work. Chairman Brown asked if that includes looking at cyber security. Ms. Todd responded that they do look at vulnerability and how the University addresses that. They have IT specialists. There is also a compliance aspect, including compliance with the State Audit Rule. There is detailed testing of PCard usage, procurement, vendors, etc. The State Auditor puts out a very detailed program of steps

they are required to do. They are required to perform federal testing (single audit), as the University does receive a great deal of federal funds. They audit the financial statements' account balances, test, and review financial statement disclosures.

Moss Adams offers an opinion on what is called the government-wide financial statements of the University, including all campuses, HSC and all components except clinical operations. KPMG offers an opinion on the Hospitals, Behavioral Health, UNMMG, and SRMC. Separate reports are issued on each, so there is a lot of detail. Moss Adams is responsible for completing the single audit. KPMG may assist, if needed, in the single audit testing. They are governed and guided by governmental auditing standards issued by the Comptroller General of the United States, uniform guidance, and the New Mexico State Audit Rule. During the final audit fieldwork (approximately six weeks) they have weekly status meetings with all involved parties. At times, the State Auditor's Office may ask for them to look at more items. They are not aware of anything yet for this audit and will continue to work on follow up from the Athletics audit.

Moss Adams will look at investments, expenditures, grants and contracts, and payroll transaction cycles with significant testing of internal controls. Ms. Todd directed the Committee to Appendix A in the presentation materials. This is a timeline for all the entities of the audit. Preliminary audit work is already underway, with the bulk of the work happening in August and September. UNM management asks for a September 15 internal deadline for all of the components, so that they may deliver the consolidated government-wide financial statement to the Committee by mid-October. The State Auditor deadline is November 1<sup>st</sup>. They usually file a couple of weeks prior to that deadline.

Jaime Cavin, Senior Manager, KPMG directed the Committee to their audit approach information regarding the clinical operations. Overall in the healthcare world, there is going to be significant risk around patient revenues, receivables, and contractual discounts. They also have their own IT auditors. Two years ago, the State Auditor did add some additional compliance testing for them regarding indigent/charity care. KPMG is required to add three-year cost and revenue schedules in the report. This is unique to New Mexico; you would not see that in other academic medical centers in other states.

- Victor Griego, UNM Interim Internal Audit Director presented his Director's Report. As of April 30<sup>th</sup>, the Department has completed seven audits. Two will be presented here at this meeting. One report is in the report writing stage and seven are in fieldwork. For the year, there are approximately 3,200 hours spent on audits. There are 21 completed/closed complaint investigations. There are 12 in planning/fieldwork, and three that are unassigned. This makes up about 2,800 hours. This demonstrates hours are pretty even between audits and complaints. Chairman Brown asked about patterns in complaints that could guide the University to action in fixing some things. Mr. Griego stated it's a pretty broad range. It could be possible timesheet abuse, PCard issues, misuse of funds, etc. Some come through the hotline, others via email or walk-ins. Chairman Brown asked Mr. Griego to bring items of frequency or severity to the Committee's attention. Lisa Wauneka, IT Auditor stated the system can generate reports. Chairman Brown replied a one page report would be good if that could be provided.

The Department's financial report through April 30, 2019 shows a reserve balance, due to salary savings on vacant positions, some of which is budgeted for use of reserves for FY2020. The Department has filled a vacant Auditor 3 position, and the employee will start next month. Interviews are taking place for two vacant student intern positions.

Internal auditing standards require an external, independent assessment every five years to see if the Department is following the standards. The last one was in 2013, so the Department is a bit behind. A reviewer has been tentatively chosen and a timeline provided where the reviewer would be on site in mid-October. If the reviewer completes the review and report by the end of the year, results can be provided at the February meeting of this Committee.

Every three years, Internal Audit completes a University-wide risk assessment, last completed in FY2017. The plan in FY2020 is to work with the HSC Internal Audit and Compliance Offices and the Main Campus Compliance Office to collaborate for the most effective and efficient risk assessment process while avoiding duplication of effort. Historically, IT has been one of the highest risks. They are looking at the option of external assistance on assessing the IT risk.

This is the last year of a three-year contract for the external audit. The Controller's office will initiate an RFP this fall for the next contract. There are currently nine external reviews taking place by external funding agencies to review contracts, grants, and programs. Reports are provided to UNM after completion of the review. Internal Audit is in the process of performing a Form 990 review to be presented at the next meeting of this Committee.

- The Main Campus Compliance Office provided several reports to the Committee. Francie Cordova, Interim Chief Compliance Officer (CCO) explained she usually presents to this Committee in two different roles – as Director of the Office of Equal Opportunity (OEO) (which she is not going to do at this meeting), and as the CCO. She introduced two new staff members at OEO. Angela Catena is the new Title IX Coordinator, and Heather Jaramillo, is now Associate Director for OEO. Ms. Cordova provided the Committee members with a brief history of the Main Campus Compliance Office. Guidance from the Department of Justice states a compliance office is key and provides hallmarks of how it should look. Ms. Cordova reports administratively to the President and functionally to the Regents. Rob Burford directs the office and Peggy Davis provides administrative support. There is also an Institutional Compliance Committee that is University-wide and includes approximately 20 high level individuals across campus with specialty sub committees.

There is the UNM Compliance Hotline for reporting issues. The hotline went live in April of 2015 and is campus-wide and also available to the public. It covers UNM Main Campus, Branch Campuses, HSC, Hospitals, and the Medical Group. OEO cases are reported separately. Peggy Davis provided the Committee with a report regarding the hotline. The Compliance Office triages cases, looks at trends, and provides benchmarking.

Peggy Davis provided the Committee with current hotline/complaint information. Since the hotline's inception, there have been 800 cases (at the end of 2018). Ms. Davis stated this report will for the most part cover the 263 cases from 2018. The location with the most cases is UNM Main Campus. In 2018, they closely monitored an influx of cases in the medical areas that when they are all added together total 151. Regent Lee asked about repeat reporting about the same thing and anonymous reporters. Ms. Davis replied there are often indications of multiple reports but they cannot for sure separate that out. They do note when they appear to be the same. There are not a lot of them; right now they know of two. When it does happen it also warrants a close look at that area. Chairman Brown asked how people know about the hotline. Ms. Davis and Ms. Cordova replied there is marketing in a number of ways and they are about to do a new marketing push. It is advertised in the President's Message and at trainings. The hotline, whether via web entry or phone, is the way the majority of complaints are received.

Ms. Davis stated most cases are HR issues, which is pretty standard. She was surprised by the number of cases reported as bullying. However, in June of 2018, there was a robust revision of the

Respectful Campus policy released, and this statistic seems to correlate with that release. To date in 2019, there have only been 8 cases, so it seems to be moderating. There is an "other" category because it is difficult to capture all issues, but they are constantly refining. The majority seem to relate in some way to recruitment and hiring. They have since added that option as a choice for complaint issue. There are cycles, for instance performance review complaints.

There is a fairly high anonymous and a fairly high unsubstantiated rate. Looking at the statistics, a case can be made that there is a correlation between anonymous and unsubstantiated. A vast majority of complaints are received from staff administrative reporters. The Compliance Office is working on SOP documentation for the investigators. In most substantiated cases, only training is needed to address the concern. The past couple of years, an area they have really focused on is claims of retaliation. Ms. Davis can only remember one case she is aware of where the reporter claimed they were afraid of retaliation and then went back and filed a claim of retaliation. Also, there can be primary areas and secondary areas of concern. There are 78 total cases that have reported with retaliation in the claim; 30 of those were reported with retaliation as the primary concern (four were substantiated and three were partially substantiated). There were eight with retaliation listed as the secondary concern, and the other 40 mentioned they were afraid of retaliation but did not choose retaliation as a primary or secondary concern. Case closure rates still need improvement; however, some incredibly complicated/multi-area cases increase that statistical rate.

Ms. Cordova provided a Department of Justice (DOJ) update. The Compliance Office provides oversight and coordination for responses to the DOJ's findings. During the past three years of this review, the DOJ has provided really great comments about UNM's progress and even used the word "model" at one point. Communications between the areas involved has really made a difference. Rob Burford detailed the remaining steps in addressing the findings. Mr. Burford stated there will be two more information pushes; one in June, and one in August, with a final report in October. Chairman Brown asked if they anticipate they will get acknowledgement from the DOJ that it is over. Ms. Cordova replied they anticipate UNM will receive a final review, and they have asked for a release. Regent Lee added there will probably be some suggestions for going forward. Ms. Cordova stated it is a struggle because it is resource driven, so it is tough. The Committee was provided with a timeline/checklist for the DOJ tasks.

The Compliance Office is currently working on a project blueprint to cover the next two years (including how the branches are monitoring minors on campus) and a threat assessment. Regent Lee explained the history behind establishing the Minors on Campus policy. Mr. Burford noted a schedule of upcoming policy notifications. There is also a document detailing who investigates what. The Compliance Office wants to work on things beyond rules of compliance. Culture is contagious, whether positive or negative.

President Stokes informed Ms. Cordova that she is interested in creating an ethics task force. The Compliance Office proposed a group of employees, usually by titles, based on shared governance models, including students and compliance areas/compliance partners and some individuals that people told them about with legal and ethics backgrounds. They would appreciate guidance from this Committee, and if they would like to they could add a Regent or other people to the Ethics Committee. Regent Lee stated she thinks this is so needed because all the policies in these areas are very murky; and, as relates to the culture, "it's about time." She would also like to take a look at the conflict of interest policy. Chairman Brown noted it is important that this not be perceived as some sort of short term campaign, but as an attempt at a cultural shift. The public forward media aspect of this has to be kept fresh. Regent Lee stated it should be part of the core values.

As a side note, Regent Lee asked about having this Committee's materials presented on the screen. Internal Audit will look into it, but may have to ask for assistance from other personnel. Chairman Brown noted much of it is text so would not function well on screen.

- Dr. Culpepper, HSC Chief Compliance Officer provided a summary of his background for the Committee. His office is working on required exclusion and screening checks to monitor individuals to make sure they are not excluded from these federal programs: the Inspector General, HHS, SAM, and GSA. They are working with a vendor to get it unified. They had a meeting yesterday with the Executive Compliance Committee to discuss how it will be structured and to make sure reporting and the data feed helps them to properly assess status. So far there have been no matches for any individuals, demonstrating thorough checks of employees on the front end. There are continuous checks to make sure individuals remain in good standing. Dr. Culpepper's office is also working with Main Campus and the HSC on a records management, retention and disposal process. This includes electronic media as well as paper.

Dr. Culpepper informed the Committee his area has received notice from the National Institutes of Health regarding their new focus on sexual harassment and misconduct. He provided the Committee members with a copy of a letter detailing what the NIH expects. They are also working with OEO, Research, and the HSC Office of the Vice Chancellor to make sure these processes are aligned properly. There needs to be an integrated approach. Chairman Brown stated there have been some recent horrific cases involving athletic programs/doctors serving athletic programs – one that has brought down a president of a university. He asked if we have good monitoring in place to make sure that those serving the athletes are doing things appropriately. Ms. Cordova replied that her area works regularly and meets regularly with Eddie Nunez, Athletic Director and all the program areas. Mr. Nunez also replied that there are a lot of checks and balances in place. Dr. Culpepper stated he is the Title IX Coordinator for the HSC, he works very closely with OEO, and is getting out to the areas to educate everyone.

There is a new “42 Code of Federal Regulations” (CFR) regarding substance abuse and confidentiality. Years ago, behavioral health records were kept apart from everywhere else. Because of the advent of electronic health records and integrated health models, that information is now being brought in to the health record. They need to look at how to get consent, responsibility for treatment, and how to navigate the process.

Dr. Culpepper provided the Committee with a summary of his side of the hotline information. HR is also the highest number of reports. There are sometimes compliance-related or research-related issues in there. There was one case where Dr. Culpepper felt it necessary to confer with Internal Audit and transfer information over. They are also hiring an HSC Compliance Manager via a national search. Dr. Culpepper is part of the collaborative effort for the risk assessment and has consulted with peer institutions. Regent Lee stated this is good because sometimes outlying areas do not get all of the required training they should. Chairman Brown complimented Dr. Culpepper on “reaching across the Grand Canyon of Lomas.”

- Victor Griego updated the Committee with the status of audit recommendations. He asked these new Committee members to inform him regarding what type and level of detail they would like to see in these recommendations. The previous Committee would provide the Department with input. The Department provides what has been implemented since the last meeting, and what recommendations are pending. There are approximately 20 open recommendations from prior audits. The State Auditor's Office (SAO) and Athletics are present for discussion on the status of the Athletics findings on the SAO and Internal Audit reports.

Mr. Griego has been working closely with Athletics and the Shared Services center. Internal Audit had 22 audit recommendations. Currently, there are four that are not fully implemented. There are two from the SAO report, but Mr. Nunez just presented some information to him that one of these is implemented. The University is finalizing an MOU between UNM, the Foundation, and the Lobo Club outlining the rules and responsibilities of each of those areas. Another important issue is the development of a fully comprehensive business operations manual for Athletics. Internal Audit had these same two recommendations. The other two are related to time reporting for part time and on call employees. They have put a deficit reduction plan in place. Internal Audit is keeping that open to monitor. Contract monitoring has been put in to place and will be considered implemented. Mr. Nunez added the process is going in the direction they all want it to go and they will continue to manage and monitor it every day.

There are two pending recommendations with the Alumni Association, eight related to HSC tuition, one with Arts and Sciences, one with Nursing, and one with Chrome River.

By unanimous consent, the meeting went into Executive Session at 10:40 AM per the agenda.

- a. Discussion of draft Internal Audit Reports, and discussions of information subject to attorney-client privilege pursuant RPM 1.2;
- b. Discussion of limited personnel matters pursuant to exception at Section 10-15-1.H(2) NMSA (1978);
- c. Schedule of Audits in Process and FY19 Audit Work plan, pursuant to RPM 1.2;
- d. Vote to re-open the meeting.

The meeting returned to open session at 11:43 AM, with certification that only those matters described above were discussed in Executive Session.

The Committee unanimously approved the following UNM reports:

- Audit of UNM Medical Group and Health Sciences Center Hiring Practices, Report 2019-03
- University of New Mexico Audit of Reserves and Deficits, Report 2019-13

The meeting adjourned at 11:44 AM.

Approved:

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Audit and Compliance Committee Chairman



There is no  
handout  
required for  
this item

There is no  
handout  
required for  
this item

**Interim Internal Audit Director’s Status Report  
Audit and Compliance Committee Meeting  
August 15, 2019**

**INFORMATION ITEMS**

**Audit Committee Meeting Calendar.** The Committee meets at 9:00 AM in the Roberts Room. This approved schedule will accommodate the exit conference for the FY19 External Financial Statements Audit. The following is the future proposed date for the remainder of calendar year 2019 for the Committee’s consideration.

October 17, 2019 Start at 9:00 AM (Exit Conference for FY19 Financial Statements Audit)

**Audit Plan Status.** The project status and hours report for the plan is at Tab #9c. The status of the proposed audit plan for the period of July 1, 2018 (FY 2019) through July 31, 2019 (first month of FY 2020) is:

Completed	9
Committee Presentation	1
Report Writing	-
Planning/Fieldwork	8
<b>Subtotal</b>	<b>18</b>
Assigned	4
Closed	1
<b>Total</b>	<b>23</b>

The Fiscal Year 2020 (FY20) draft audit plan includes nine (9) audits carried over from FY19.

**Complaints Status.** The status of complaints assigned to Internal Audit for FY 2019 and FY 2020, as of August 8, 2019 is:

<b>FY 2019</b>	
Completed/Closed	23
<b>FY 2020, as of August 8, 2019</b>	
Completed/Closed	5
Planning/Fieldwork	7
Unassigned	6
Total FY 2020, as of August 8, 2019	18
<b>Grand Total FY19-Aug FY20</b>	<b>41</b>

**Department Financial Report.** At Tab #5 is the Internal Audit Department’s budget status report for your review. The FY20 adjusted budget is \$884,584, of which \$804,584 is from the general pooled account, \$4,000 is reimbursements of expenditures from the University of New

**Interim Internal Audit Director's Status Report  
Audit and Compliance Committee Meeting  
August 15, 2019**

Mexico Hospital for sharing audit software, and \$76,000 from the departmental reserve. As of July 31, 2019, the department's actual expenditures are \$62,891 and encumbrances are \$619,222.

**Internal Audit Quality Assessment Review**

Internal Audit has an approved contract in place for its QAR. A team of four will conduct our peer review with a retired Audit Supervisor from Oklahoma State University as the Lead Reviewer. A document request list has been received from the Lead Reviewer and Internal Audit will be working on gathering the requested documents for the QAR. Fieldwork is planned for the week of October 14, 2019, with the final report expected to be issued by mid December 2019 and presented during the February 2020 Audit and Compliance Committee meeting. As part of fieldwork procedures, the QAR team will request interviews with selected UNM officials to discuss the UNM Internal Audit department.

**FY 2020 Risk Assessment**

Internal Audit has been meeting with the Main Campus Compliance office, HSC Compliance office, and Health Systems Executive Director for Internal Audit to plan and complete the 2020 University-Wide Risk Assessment. The team has elected to work with UNM Institutional Analytics to assist in the design and distribution of the risk assessment survey. Institutional Analytics will also assist in the presentation of risk assessment results. The next team meeting is scheduled for September 4<sup>th</sup> and we are planning on submitting the risk assessment questionnaire in early 2020.

**Financial Statements External Audit and RFP**

The University's FY 2019 external audit is currently in fieldwork, and in the final year of the three-year contract with KPMG and Moss Adams. The University will once again initiate the RFP process in the last calendar year of 2019 for a three-year external audit proposal. The selection will likely be early 2020, after the review of the proposals, and presentations by the firms chosen as finalists.

**External Audits and Reviews**

Internal Audit is in the process of gathering third-party audits and review information.

**990 Review**

Included in the meeting materials for this meeting is a memorandum detailing the Internal Revenue Services required Form 990 information summary for fiscal year 2018 for each of UNM's 501c3 affiliated organizations.

Index: 676000 - 113280-AUDIT DEPARTME-General Activ

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
<b>Revenue</b>										
0340 - University Hospital Re!	\$4,000.00	\$0.00	\$4,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$4,000.00	100.00%
1640 - Allocations Pooled Allo!	\$804,584.00	\$0.00	\$804,584.00	\$804,584.00	100.00%	\$804,584.00	100.00%	\$0.00	\$0.00	.00%
1900 - Reserves	\$0.00	\$0.00	\$0.00	\$161,394.39	.00%	\$161,394.39	.00%	\$0.00	(\$161,394.39)	.00%
1901 - Budgeted Use of Rese!	\$76,000.00	\$0.00	\$76,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$76,000.00	100.00%
<b>*TOTAL Revenue</b>	<b>\$884,584.00</b>	<b>\$0.00</b>	<b>\$884,584.00</b>	<b>\$965,978.39</b>	<b>109.20%</b>	<b>\$965,978.39</b>	<b>109.20%</b>	<b>\$0.00</b>	<b>(\$81,394.39)</b>	<b>(9.20%)</b>
<b>Expense</b>										
2020 - Administrative Profess!	\$713,507.00	\$0.00	\$713,507.00	\$55,272.96	7.75%	\$55,272.96	7.75%	\$572,627.58	\$85,606.46	12.00%
2060 - Support Staff Salary D!	\$48,128.00	\$0.00	\$48,128.00	\$2,807.32	5.83%	\$2,807.32	5.83%	\$46,169.49	(\$848.81)	(1.76%)
20J0 - Student Salaries Gen	\$23,000.00	\$0.00	\$23,000.00	\$622.15	2.70%	\$622.15	2.70%	\$0.00	\$22,377.85	97.30%
20SA - Salary Adjustments	\$19,867.00	\$0.00	\$19,867.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$19,867.00	100.00%
3100 - Office Supplies Gener!	\$600.00	\$0.00	\$600.00	\$0.00	.00%	\$0.00	.00%	\$19.95	\$580.05	96.68%
3110 - Books Periodicals Gen	\$50.00	\$0.00	\$50.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$50.00	100.00%
3140 - Computer Software G!	\$150.00	\$0.00	\$150.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$150.00	100.00%
3150 - Computer Supplies <\$!	\$100.00	\$0.00	\$100.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$100.00	100.00%
3180 - Non Capital Equipmen!	\$0.00	\$0.00	\$0.00	\$404.99	.00%	\$404.99	.00%	\$404.99	(\$809.98)	.00%
3189 - Computers & Servers !	\$2,000.00	\$0.00	\$2,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$2,000.00	100.00%
31A0 - Business Food - Local	\$1,200.00	\$0.00	\$1,200.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$1,200.00	100.00%
31C0 - Dues Memberships G!	\$4,000.00	\$0.00	\$4,000.00	\$130.00	3.25%	\$130.00	3.25%	\$0.00	\$3,870.00	96.75%
31J0 - Parking Permits Gen	\$250.00	\$0.00	\$250.00	\$400.00	160.00%	\$400.00	160.00%	\$0.00	(\$150.00)	(60.00%)
31K0 - Postage Gen	\$40.00	\$0.00	\$40.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$40.00	100.00%
31P0 - Training Materials Sup!	\$200.00	\$0.00	\$200.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$200.00	100.00%
3800 - In State Travel Gen	\$800.00	\$0.00	\$800.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$800.00	100.00%
3805 - Instate Travel-Per Die!	\$151.00	\$0.00	\$151.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$151.00	100.00%
3825 - Out State Travel-Per D!	\$1,500.00	\$0.00	\$1,500.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$1,500.00	100.00%
3830 - Out State Trvl-Per Die!	\$450.00	\$0.00	\$450.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$450.00	100.00%
6000 - Telecom Charges Gen	\$3,500.00	\$0.00	\$3,500.00	\$292.50	8.36%	\$292.50	8.36%	\$0.00	\$3,207.50	91.64%
6020 - Long Distance Gen	\$50.00	\$0.00	\$50.00	\$5.39	10.78%	\$5.39	10.78%	\$0.00	\$44.61	89.22%
6060 - Voice Mail Box Gen	\$634.00	\$0.00	\$634.00	\$50.00	7.89%	\$50.00	7.89%	\$0.00	\$584.00	92.11%
6300 - Alarm System Gen	\$200.00	\$0.00	\$200.00	\$54.91	27.46%	\$54.91	27.46%	\$0.00	\$145.09	72.55%
63A0 - Conference Fees Gen	\$2,000.00	\$0.00	\$2,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$2,000.00	100.00%
63A2 - Seminars/Training Fe!	\$7,000.00	\$0.00	\$7,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$7,000.00	100.00%
63C0 - Copying Gen	\$100.00	\$0.00	\$100.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$100.00	100.00%
63V0 - Consultant Fees Gen	\$25,000.00	\$0.00	\$25,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$25,000.00	100.00%

Index: 676000 - 113280-AUDIT DEPARTME-General Activ

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
69Z0 - Other Professional Ser!	\$11,500.00	\$0.00	\$11,500.00	\$2,316.59	20.14%	\$2,316.59	20.14%	\$0.00	\$9,183.41	79.86%
7000 - Plant Repairs Mainten!	\$200.00	\$0.00	\$200.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$200.00	100.00%
70E0 - Computer Hardware !	\$600.00	\$0.00	\$600.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$600.00	100.00%
70E1 - Computer Software M!	\$11,500.00	\$0.00	\$11,500.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$11,500.00	100.00%
70F0 - Equipment Rent Expe!	\$2,400.00	\$0.00	\$2,400.00	\$183.54	7.65%	\$183.54	7.65%	\$0.00	\$2,216.46	92.35%
80K0 - Banner Tax	\$657.00	\$0.00	\$657.00	\$38.38	5.84%	\$38.38	5.84%	\$0.00	\$618.62	94.16%
80K2 - Foundation Surcharge	\$3,250.00	\$0.00	\$3,250.00	\$312.70	9.62%	\$312.70	9.62%	\$0.00	\$2,937.30	90.38%
<b>*TOTAL Expense</b>	<b>\$884,584.00</b>	<b>\$0.00</b>	<b>\$884,584.00</b>	<b>\$62,891.43</b>	<b>7.11%</b>	<b>\$62,891.43</b>	<b>7.11%</b>	<b>\$619,222.01</b>	<b>\$202,470.56</b>	<b>22.89%</b>
Total Revenue:	\$884,584.00	\$0.00	\$884,584.00	\$965,978.39	109.20%	\$965,978.39	109.20%	\$0.00	(\$81,394.39)	(9.20%)
Total Expense:	\$884,584.00	\$0.00	\$884,584.00	\$62,891.43	7.11%	\$62,891.43	7.11%	\$619,222.01	\$202,470.56	22.89%
Net:	\$0.00	\$0.00	\$0.00	\$903,086.96	.00%	\$903,086.96	.00%	(\$619,222.01)	\$283,864.95	.00%

Parameters:

Index: 676000 - 113280-AUDIT DEPARTME-General Activ

Groupings:

Warning: These reports will show fiscal year activity. For inception to date activity for Grants please use the FRRGLDS - Grant Ledger Detail Summary report.

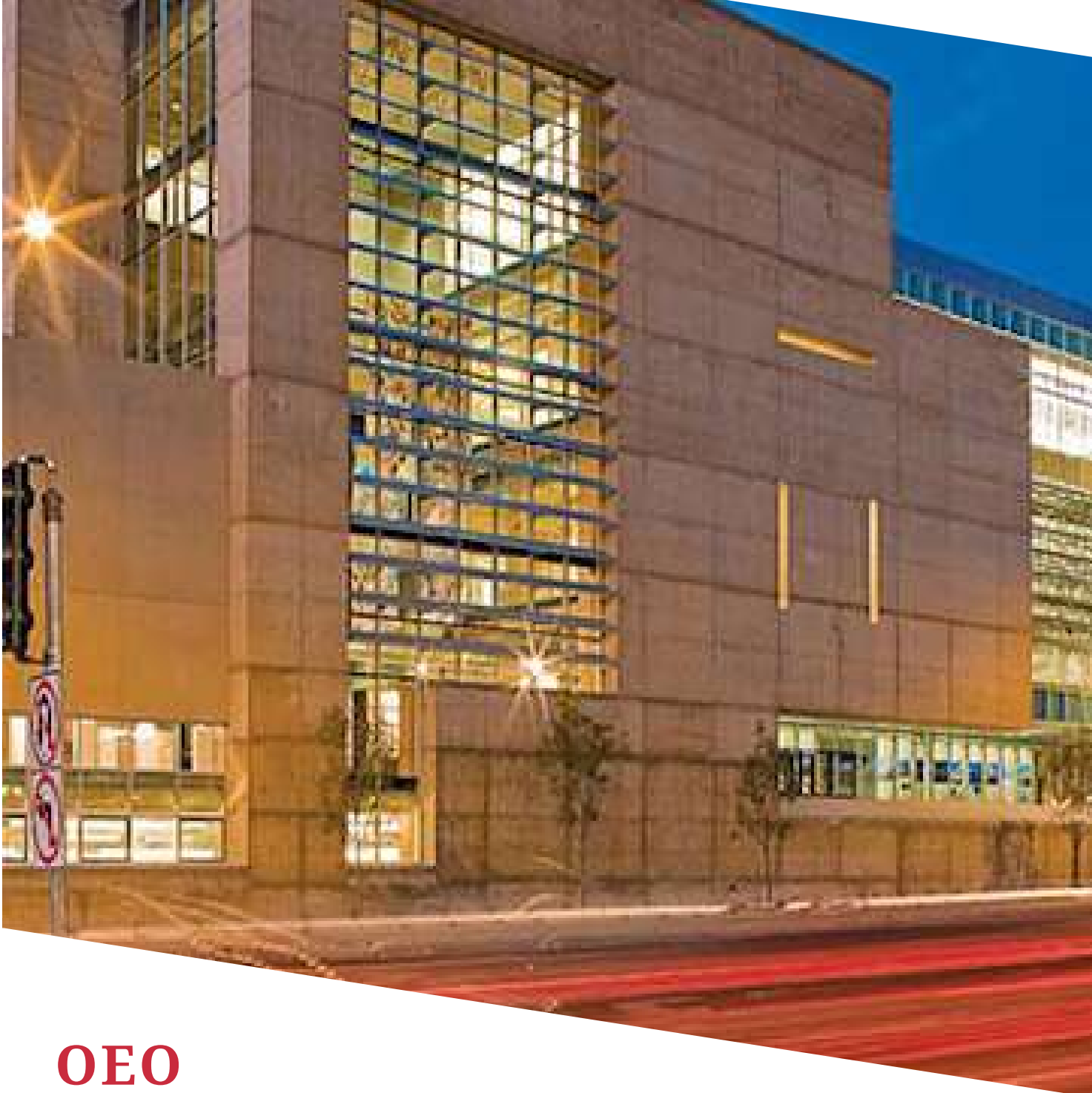
# Office of Equal Opportunity:

## Data Trend Analysis Report

This is a comprehensive data report that analyzes the data trends for multiple years of civil rights and Title IX complaints and investigations that the Office of Equal Opportunity has handled throughout the years.

Created by: Rob Tafoya  
June 2019





## OEO Details

The UNM Office of Equal Opportunity investigates claims of discrimination based on a protected status, sexual harassment, and sexual misconduct. We also provide oversight of the University's compliance with Title VII, Title IX, the Clery Act, ADA accommodations, and affirmative action. We can provide training and education on all of these issues. We serve the entire UNM community and work with offices across campus to ensure the University's commitment to promoting equal access and treatment for all.



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# General Information And Specific Trends

Based upon the data analyzed for this report, the Office of Equal Opportunity has determined the following trends to be occurring:



The Office of Equal Opportunity has experienced a constant increase in complaints each year, with the highest increase occurring from 2015 to 2016 when the office experienced a 165.9% increase in reports.



In 2017, OEO began receiving and documenting all allegations of hate-bias incidents and hate crimes in conjunction with UNMPD. OEO will utilize this data to develop climate and civil rights training and identify "hot-spots" where hate-bias incidents more frequently occur.



In 2017, OEO created deputy Title IX Coordinators in Athletics, Human Resources, Provost's Office, and Residence Life and Student Housing and the Health Sciences Center.



In 2018, OEO updated University Administrative Policy 2720 (Discrimination), 2740 (Sexual Misconduct), and 3110 (ADA Accommodation) to reflect best practices and updated civil rights law. OEO also translated policies 2720 and 2740 into Spanish, making the policies available to Spanish language speakers.



In 2018, OEO spearheaded and participated in several ADA initiatives. OEO updated University Administrative Policy 3110 (Accommodations for Faculty and Staff) and participated in the creation of a Universal Design Policy (5320).

## Takeaways

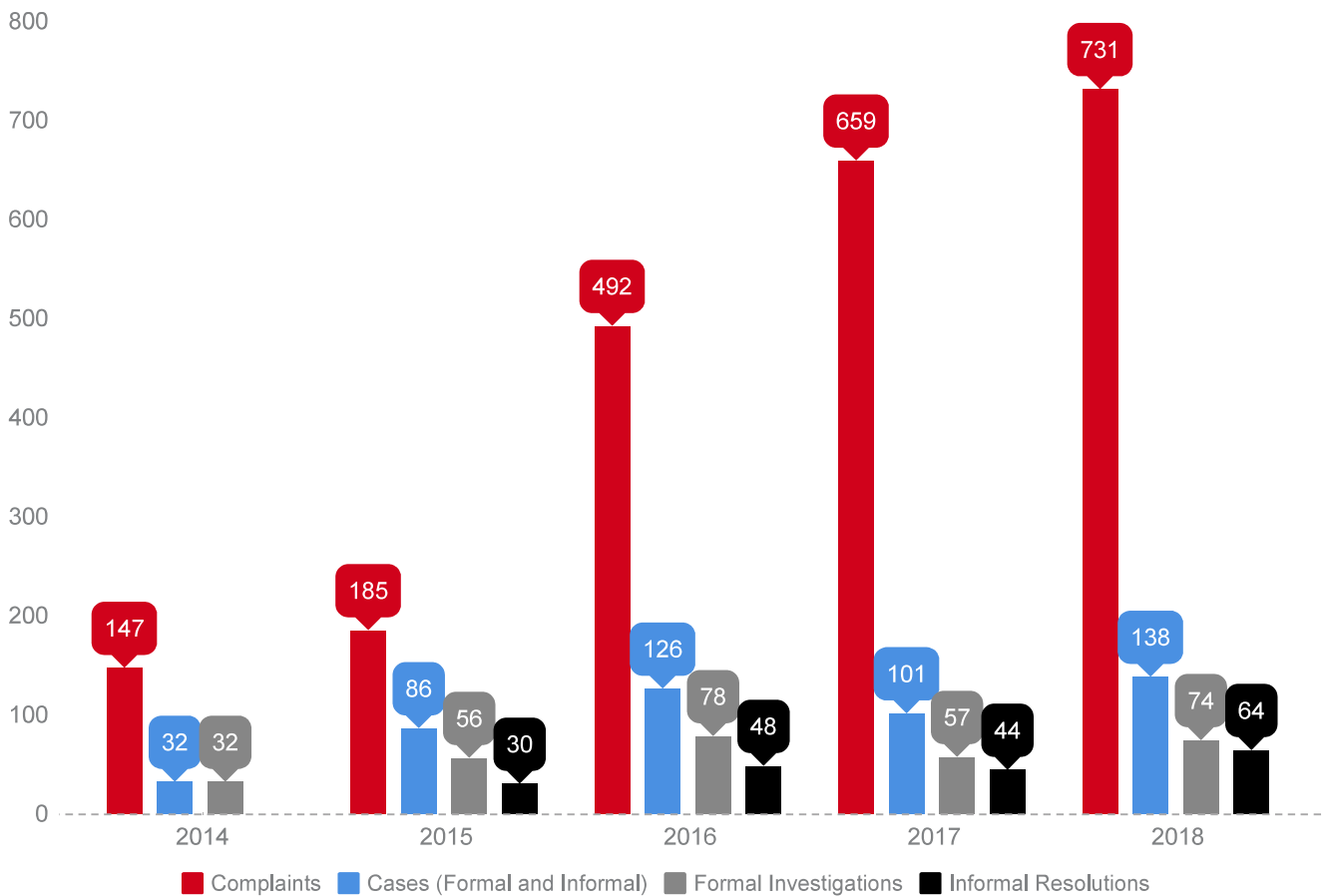
The Office of Equal Opportunity continues to look for ways to improve its services and promote a learning/working environment that is free of discrimination and harassment for all on campus.

# Total Complaints Received: 2014-2018

This graph depicts the overall number of complaints received each year for the Office of Equal Opportunity. The data is aggregated further to indicate the number of formal/informal cases that were opened each year by the department.

OEO has increased its usage of informal resolution for complaints of discrimination and reports of hate-bias incidences. In cases where allegations are less severe or where a Complainant's safety is not at issue, OEO has utilized informal resolution methods. Informal resolutions are non-punitive ways of discussing allegations of discrimination or hate-bias incidences and educating or dialoguing with the parties involved. Informal resolutions include education conferences, facilitated dialogues, and other training and methods. OEO monitors the environment after utilizing informal resolutions to ensure that climate has improved and the alleged behavior has stopped. OEO has successfully partnered with the Accessibility Resource Center, OMBUDS, and the Division for Diversity, Equity and Inclusion in facilitated dialogues with parties. This partnership has proven to be very successful in optimizing informal resolutions.

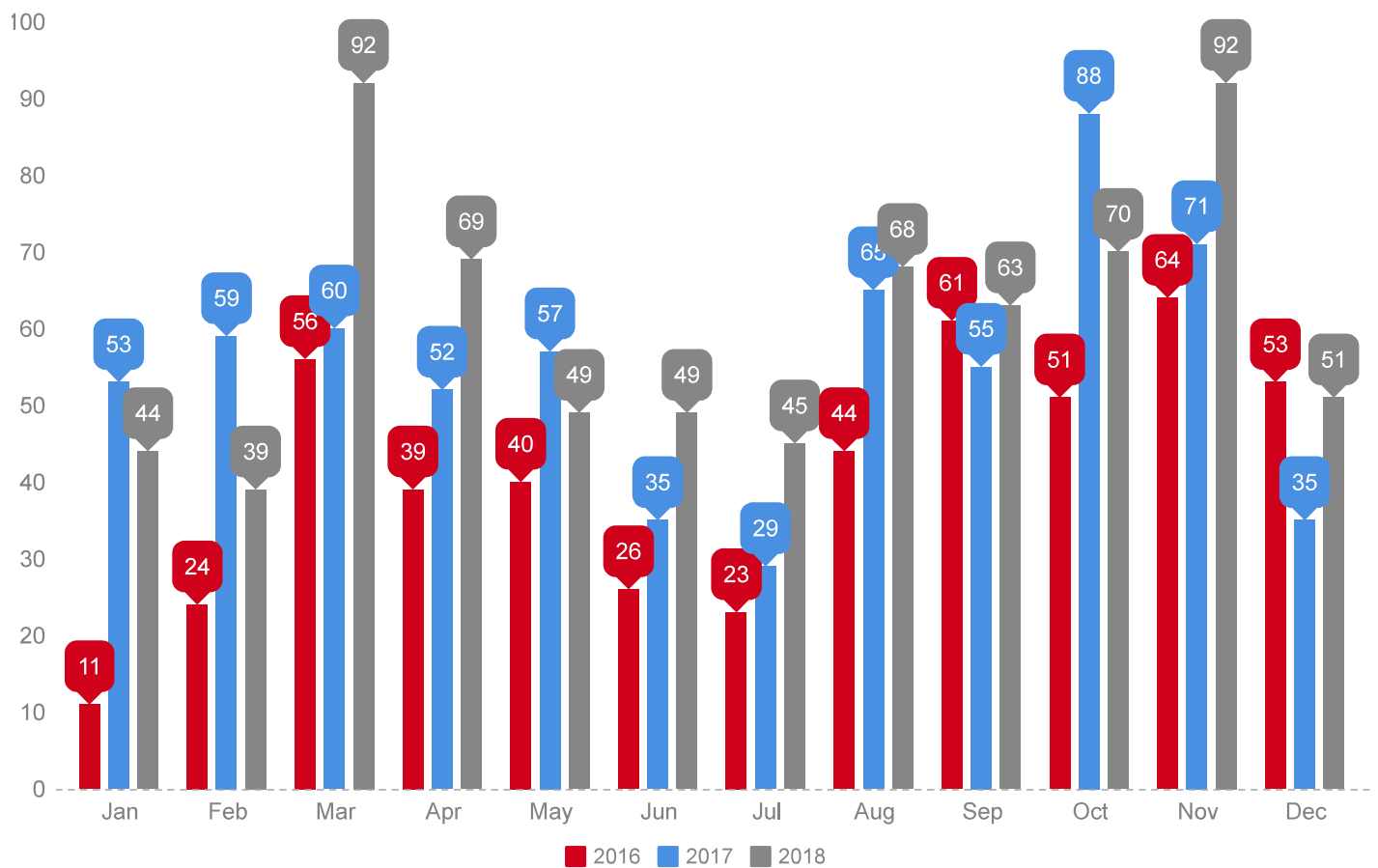
## Caseload Trends



# Total Complaints Received by Month: 2016-2018

The Office of Equal Opportunity experiences times of the year where its caseload increases on a regular basis and other periods where the caseload decreases, relative to the months of the calendar year in which the reporting occurs in. The chart below depicts a monthly summation of the reports received by the OEO for each calendar year within the 2016-2018 date range.

### Caseload Trends by Month

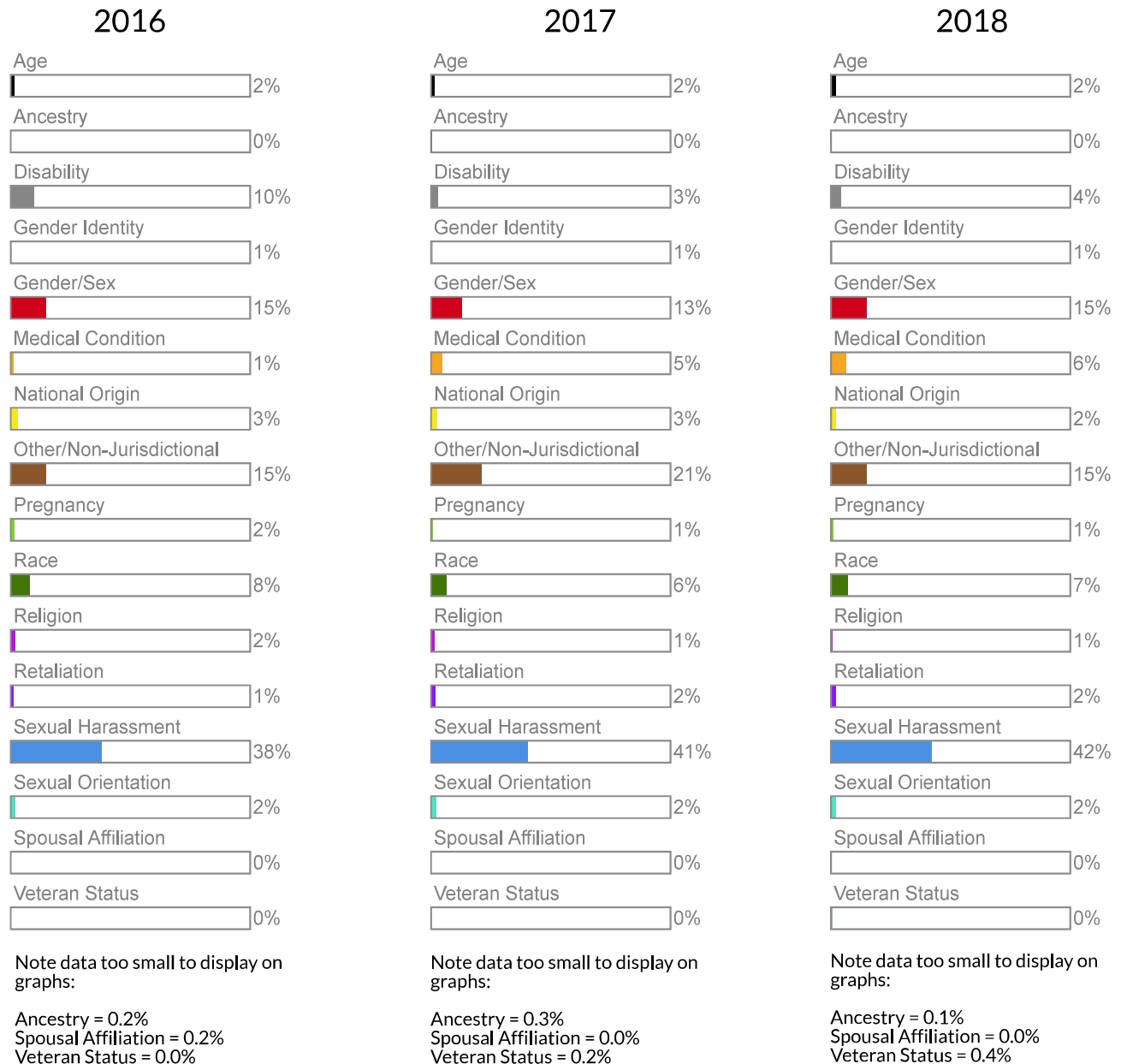


## Takeaways

The months of March, April, May, August, September, October and November consistently remain the highest reporting months each year. The months of January, February, June, July and December tend to be the months with the lowest amount of reports. OEO uses this data to analyze spikes in cases.

# Complaints by Type: 2016-2018

The following set of graphs depict the aggregate analysis of the total number of complaints received each year based upon the civil rights category/basis for the initial complaint.



## Takeaways

Sexual harassment and gender/sex based allegations are the most frequently reported complaints received by the OEO.

# Complaints by Type: 2016-2018

The following table details the total number of complaints received by the OEO which were previously depicted in the earlier charts.

**Complaints Data Table**

	2016		2017		2018	
	#	%	#	%	#	%
Age	9	1.8%	10	1.5%	15	2.1%
Ancestry	1	0.2%	2	0.3%	1	0.1%
Disability	49	10.0%	19	2.9%	30	4.1%
Gender Identity	3	0.6%	5	0.8%	4	0.5%
Gender/Sex	73	14.8%	85	12.9%	109	14.9%
Medical Condition	6	1.2%	30	4.6%	46	6.3%
National Origin	15	3.0%	18	2.7%	14	1.9%
Other/Non-Jurisdictional	73	14.8%	139	21.1%	110	15.0%
Pregnancy	8	1.6%	6	0.9%	6	0.8%
Race	40	8.1%	42	6.4%	52	7.1%
Religion	10	2.0%	9	1.4%	5	0.7%
Retaliation	6	1.2%	12	1.8%	15	2.1%
Sexual Harassment	188	38.2%	267	40.5%	307	42.0%
Sexual Orientation	10	2.0%	14	2.1%	14	1.9%
Spousal Affiliation	1	0.2%	0	0.0%	0	0.0%
Veteran Status	0	0.0%	1	0.2%	3	0.4%

# Cases (Formal and Informal) by Type: 2016-2018

The following set of graphs depict the aggregate analysis of the total number of cases received each year based upon the civil rights category/basis for the initial complaint.



## Takeaways

Sexual harassment consistently accounts for over 50% of all cases handled by the OEO.

# Cases (Formal and Informal) by Type: 2016-2018

The following table details the total number of cases received by the OEO which were previously depicted in the earlier charts.

**Cases (Formal and Informal) Data Table**

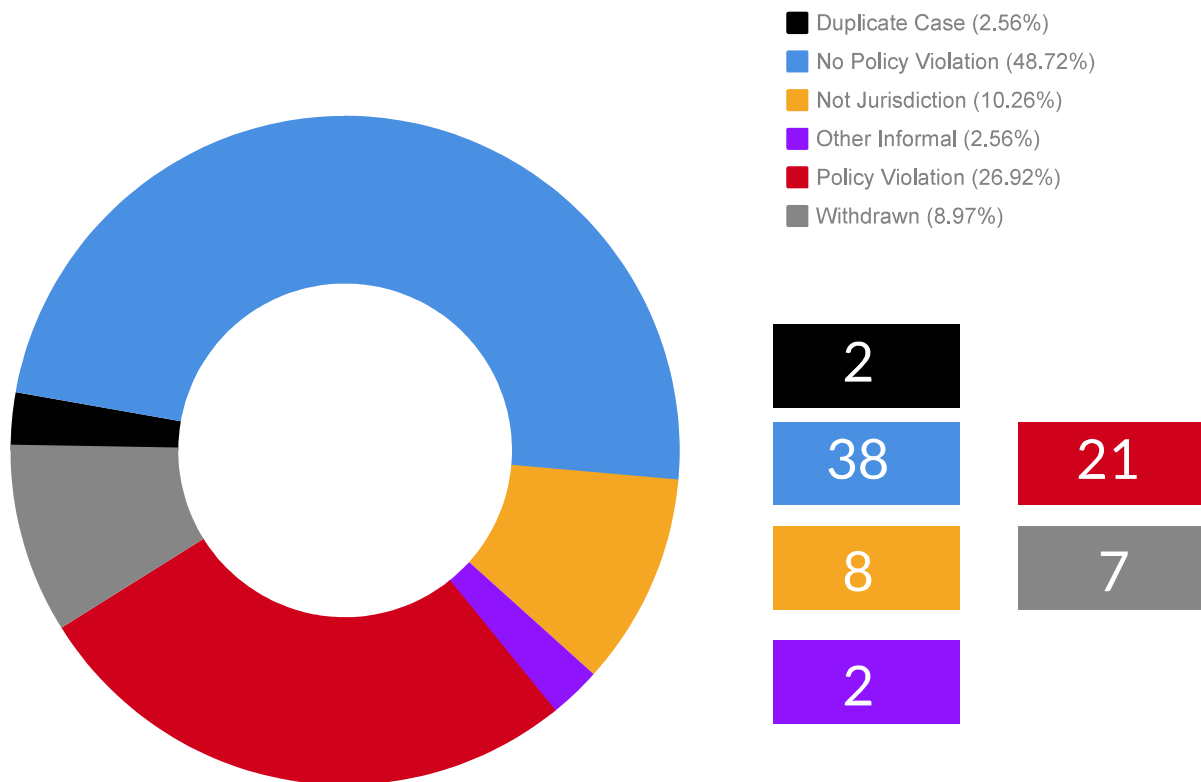
	2016		2017		2018	
	#	%	#	%	#	%
Age	3	2.4%	3	3.0%	2	1.4%
Ancestry	0	0.0%	0	0.0%	0	0.0%
Disability	5	4.0%	3	3.0%	9	6.5%
Gender Identity	1	0.8%	0	0.0%	0	0.0%
Gender/Sex	20	15.9%	11	10.9%	21	15.2%
Medical Condition	1	80.0%	5	5.0%	6	4.3%
National Origin	4	3.2%	3	3.0%	4	2.9%
Other/Non-Jurisdictional	0	0.0%	0	0.0%	1	0.7%
Pregnancy	3	2.4%	1	1.0%	2	1.4%
Race	9	7.1%	8	7.9%	7	5.1%
Religion	4	3.2%	1	1.0%	0	0.0%
Retaliation	3	2.4%	6	5.9%	7	5.1%
Sexual Harassment	71	56.3%	57	56.4%	75	54.3%
Sexual Orientation	2	1.6%	3	3.0%	3	2.2%
Spousal Affiliation	0	0.0%	0	0.0%	0	0.0%
Veteran Status	0	0.0%	0	0.0%	1	0.7%

---

# Formal Investigations by Outcome: 2016-2018

The following set of graphs depict the aggregate analysis of the outcomes for all formal investigations conducted each year by the Office of Equal Opportunity.

## 2016 Formal Outcomes



## Takeaways

In 2016, nearly 50% of all formal investigations resulted in No Policy Violation findings.

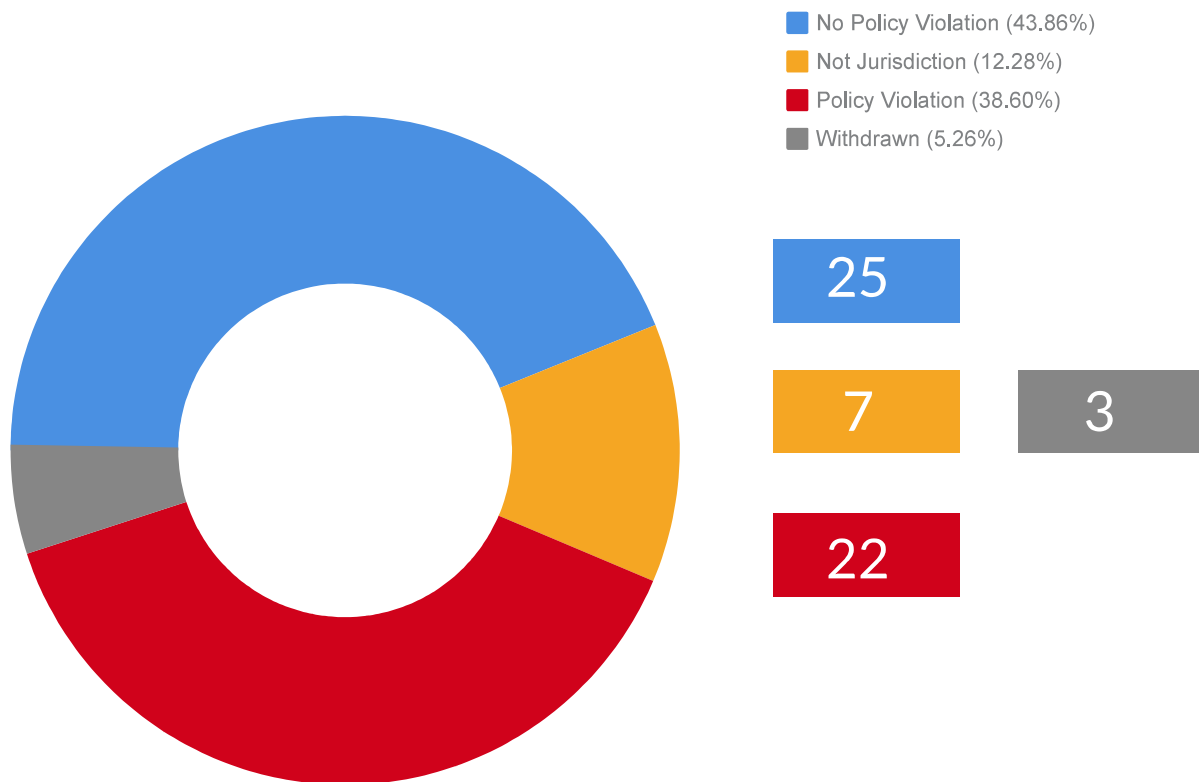


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# Formal Investigations by Outcome: 2016-2018 Cont.

The following set of graphs depict the aggregate analysis of the outcomes for all formal investigations conducted each year by the Office of Equal Opportunity.

## 2017 Formal Outcomes



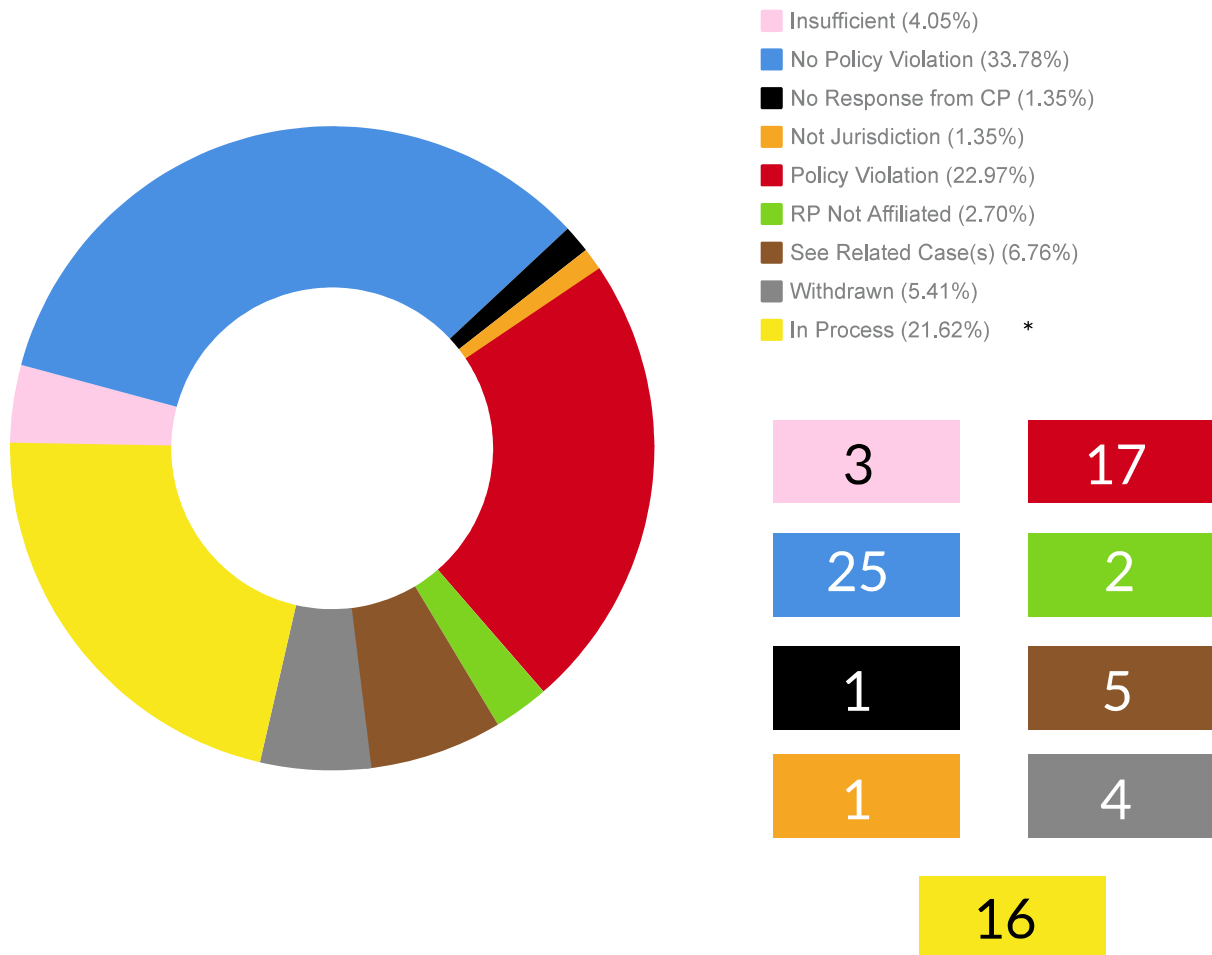
## Takeaways

In 2017, the findings of No Policy Violation and Policy Violation were relatively similar: 43.86% (NPV) and 38.60% (PV).

# Formal Investigations by Outcome: 2016-2018 Cont.

The following set of graphs depict the aggregate analysis of the outcomes for all formal investigations conducted each year by the Office of Equal Opportunity.

## 2018 Formal Outcomes



## Takeaways

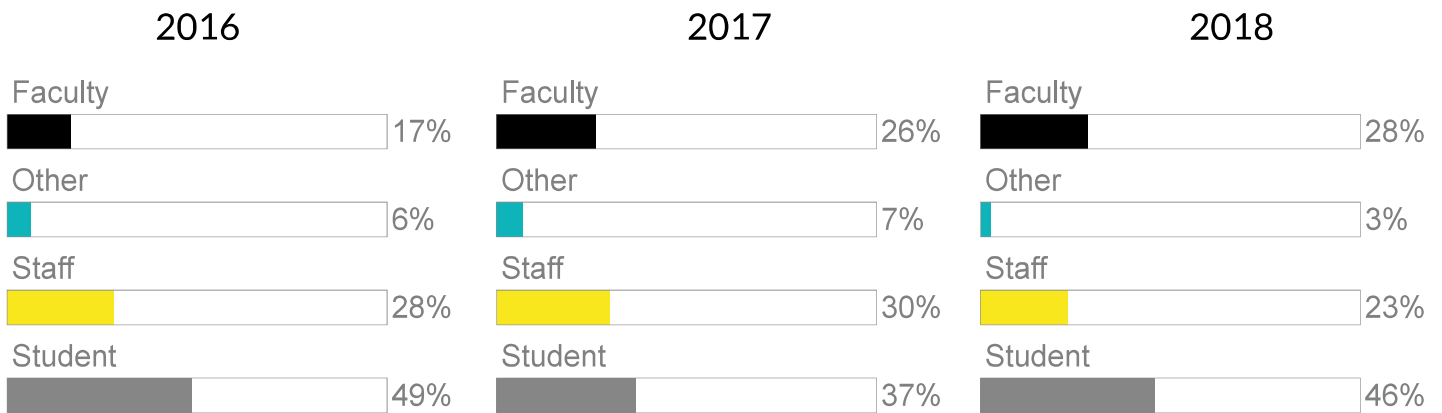
In 2018, the OEO added new values to the EthicsPoint case management system in order to better track alternate outcomes of cases.

\* Final data will be calculated upon the completion of all formal investigations initiated in 2018.

---

# Formal Investigations by Respondent Affiliation: 2016-2018

The Office of Equal Opportunity has jurisdiction over all complaints pertaining to students, staff and faculty misconduct in regards to civil rights or Title IX based allegations. The charts below depict the statistical breakdown of the affiliation of Respondents in all formal investigations conducted throughout the corresponding years.

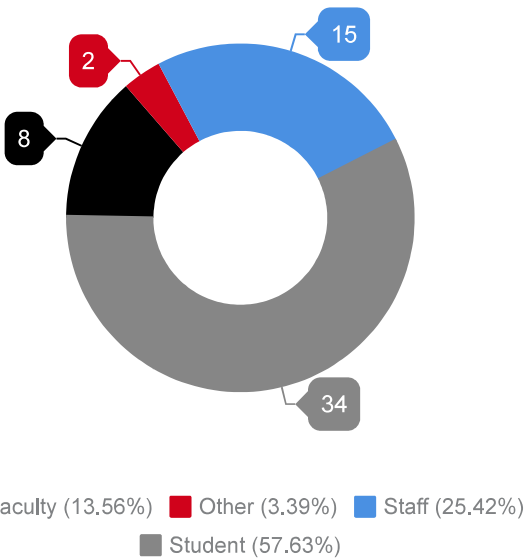


## Takeaways

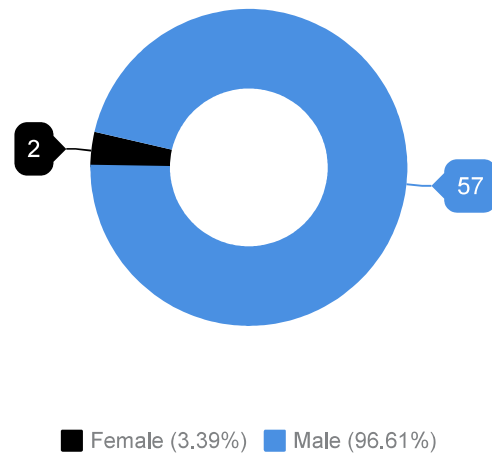
The majority of formal investigations conducted by the OEO each year consist of students as respondents.

# Respondent Demographics for Formal Investigations with Policy Violations: 2016-2018

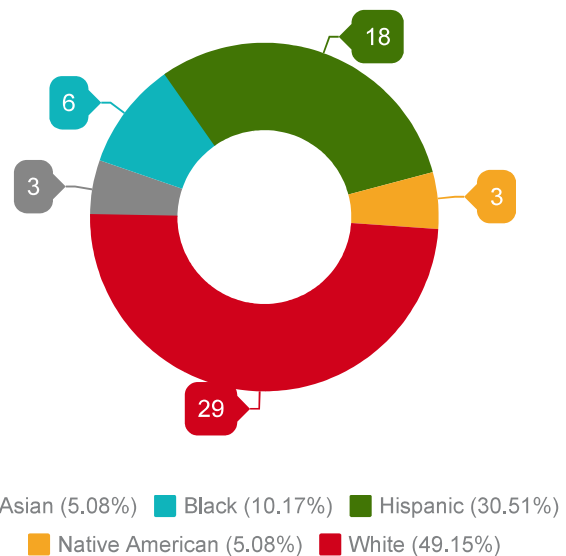
The Office of Equal Opportunity investigates all allegations of civil rights and sexual misconduct that occurs on campus. Respondents can consist of: faculty, staff, student, and other non-affiliated persons (visitors, volunteers, etc). The chart below details the breakdown of the 59 total formal investigations that resulted in Policy Violations from 2016-2018:



The breakdown of the 59 cases that resulted in a policy violation of finding from 2016-2018 is broken down by gender in the chart below:



There were 59 total formal investigations that resulted in Policy Violation findings from 2016-2018. Out of these, the racial breakdown of the Respondents is detailed below:

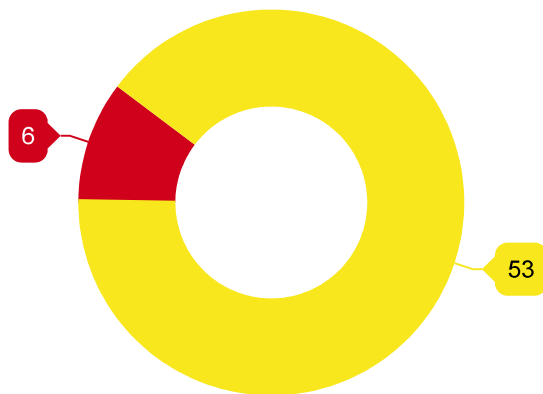


## Takeaways

The majority of formal investigations that resulted in policy violation findings consisted of students and White males.

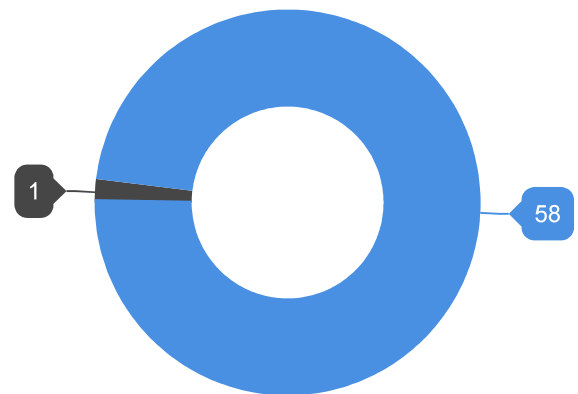
# Respondent Demographics for Formal Investigations with Policy Violations: 2016-2018 Cont.

The breakdown of the 59 formal investigations that were found in violation of UNM Policy from 2016-2018 is broken down by athletic status in the chart below:



■ Athlete (10.17%) ■ Non-athlete (89.83%)

The breakdown of the 59 formal investigations that were found in violation of UNM Policy from 2016-2018 is broken down by Greek Life status in the chart below:



■ Greek (1.69%) ■ Non-Greek (98.31%)

## Takeaways

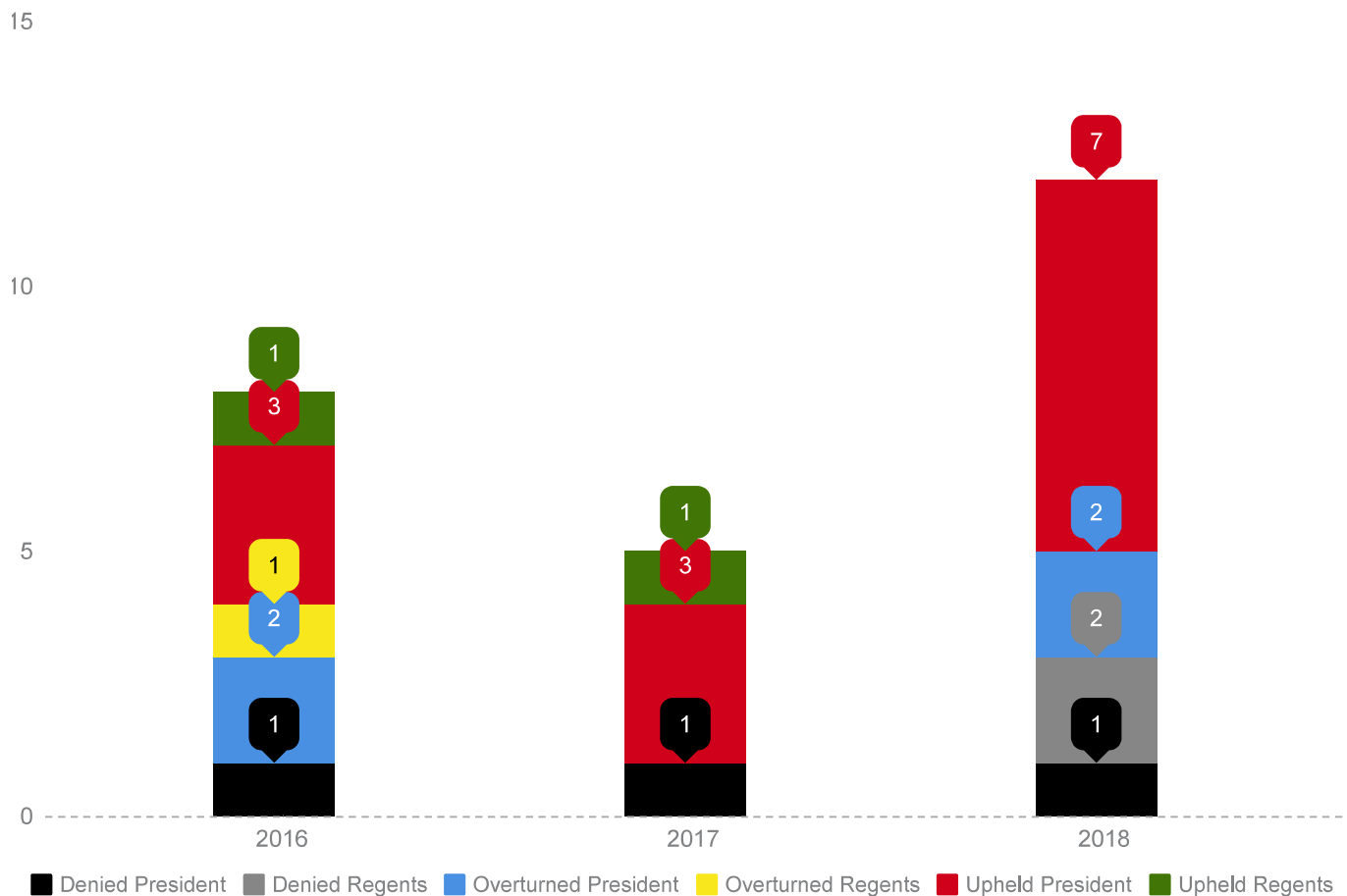
The majority of formal investigations that resulted in policy violation findings consisted of individuals who were not affiliated with Athletics or Greek Life.

# Appeals of Formal Investigations: 2016-2018

The Office of Equal Opportunity allows parties involved in any formal investigation the opportunity for due process and the right to appeal an investigation by notifying the President's Office of the Board of Regents accordingly. The President will consider an appeal of a final OEO determination only if the appeal alleges one or more of the following extraordinary circumstances:

1. Proper procedure has not been followed. If an appeal states this as its basis, the specific procedure that was allegedly not followed should be identified and a description of how that procedure was not followed should be provided.
2. The determination is unsupported by the facts. If an appeal states this as its basis, the specific allegations of fact and specific conclusions that the appealing party wishes to dispute should be identified, and the appealing party should describe how the conclusions being challenged are not supported by the identified facts.
3. The decision violates University policy. If an appeal alleges this as its basis, the specific policy that was allegedly violated by the decision should be identified, and a description of how that policy was allegedly violated should be provided.

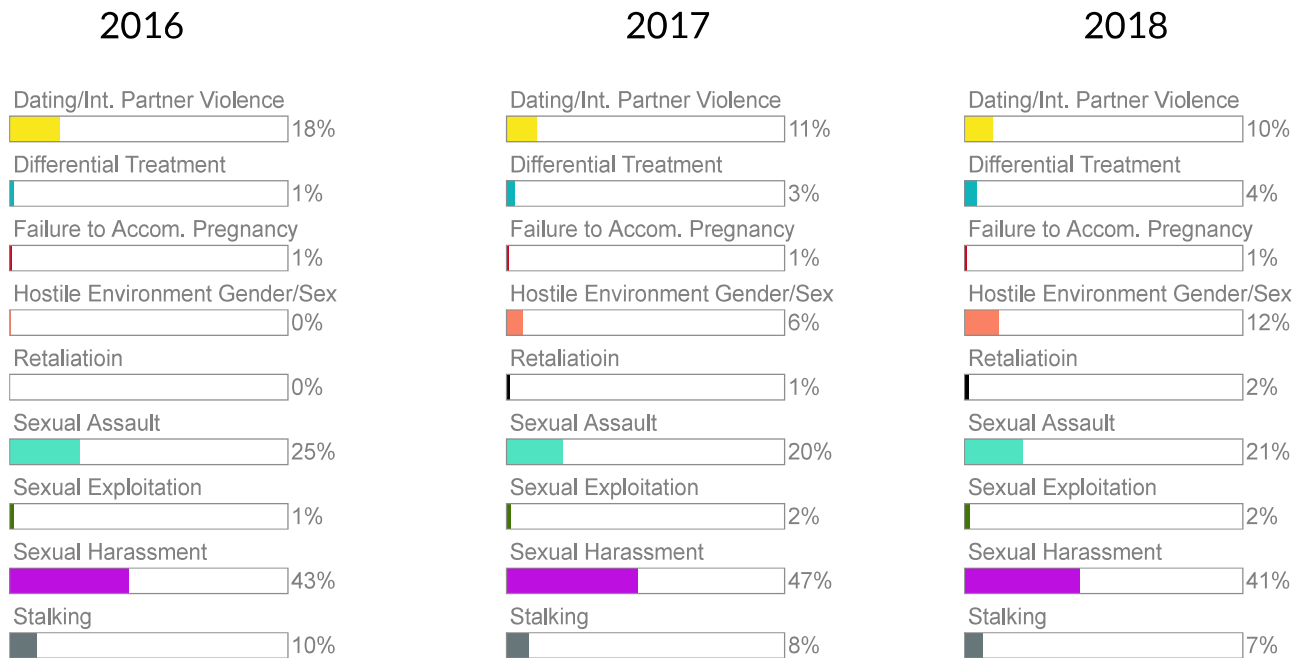
The following chart reflects the number of appeals for formal investigations based upon the year the case was closed in.



\*Denied = declined to accept appeal from party

# Title IX Complaints by Category: 2016-2018

The following set of graphs depict the aggregate analysis of the total number of Title IX complaints received each year based upon the specific subcategory of Title IX basis associated with the initial report.



Note data too small to display on graphs:

Hostile Environment = 0.4%  
Retaliation = 0.0%

## Takeaways

Sexual harassment and sexual assault consistently remain the most reported Title IX categories received by the OEO.

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# Title IX Complaints by Category: 2016-2018

The following table details the aggregate analysis of the total number of Title IX complaints received each year based upon the specific subcategory of Title IX basis associated with the initial report. In 2016 there were 226 total Title IX complaints, 2017 had 352 total Title IX complaints, and 2018 had 428 total Title IX complaints.

**Title IX Complaints by Category Data Table**

	2016		2017		2018	
	#	%	#	%	#	%
Dating/Intimate Partner Violence	41	18.1%	39	11.1%	43	10.0%
Differential Treatment	3	1.3%	11	3.1%	19	4.4%
Failure to Accommodate Pregnancy/Lactation	2	0.9%	4	1.1%	4	0.9%
Hostile Environment for Gender/Sex/Gender Identity/etc. reasons	1	0.4%	21	6.0%	52	12.1%
Retaliation	0	0.0%	5	1.4%	7	1.6%
Sexual Assault	57	25.2%	71	20.2%	90	21.0%
Sexual Exploitation	3	1.3%	6	1.7%	8	1.9%
Sexual Harassment	97	42.9%	167	47.7%	177	41.4%
Stalking	22	9.7%	28	8.0%	28	6.5%

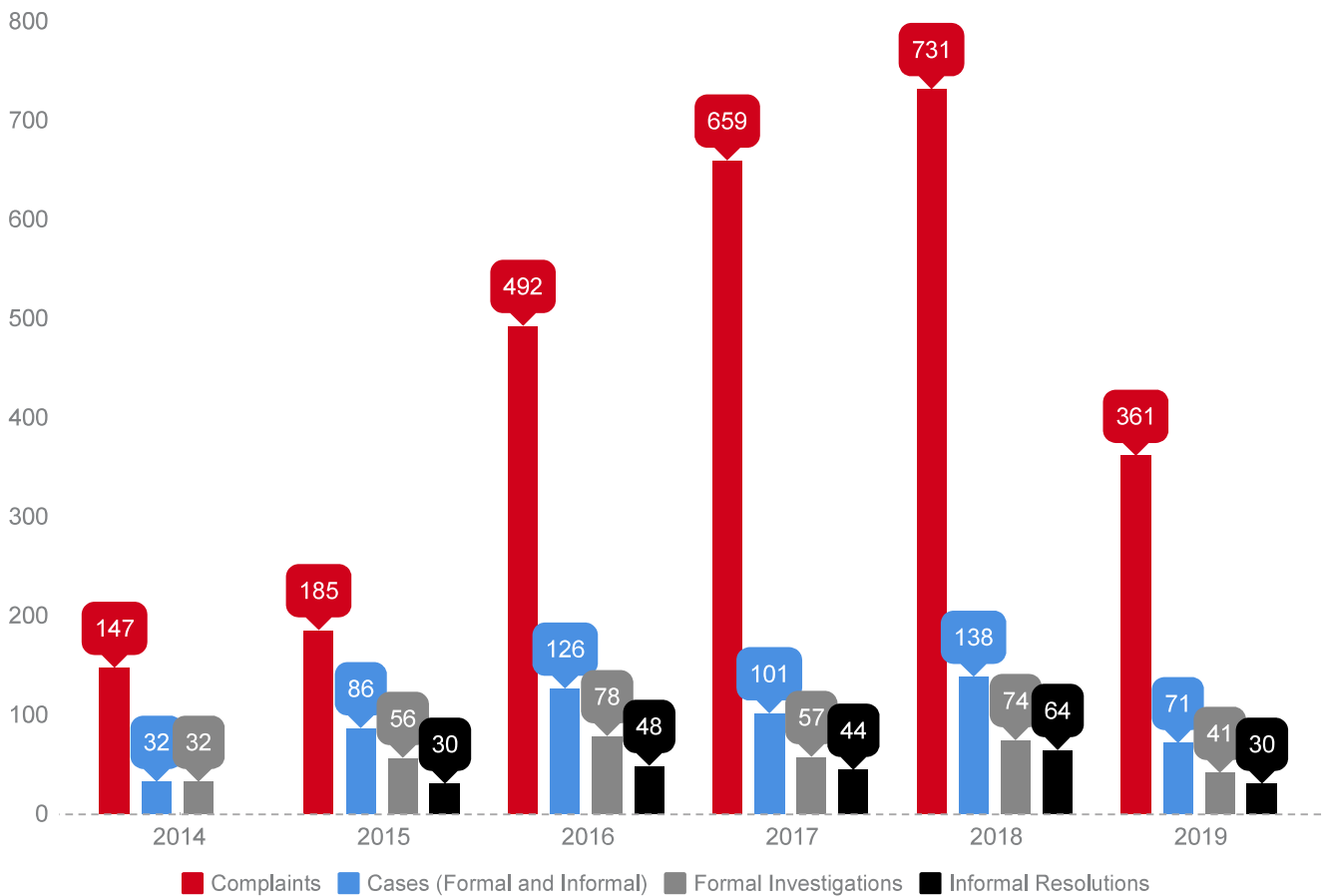


# Total Complaints Received: 2014-2019

This graph depicts the overall number of complaints received each year for the Office of Equal Opportunity. The data is aggregated further to indicate the number of formal/informal cases that were opened each year by the department. This graph includes the caseload for 2019 as of June 3, 2019.

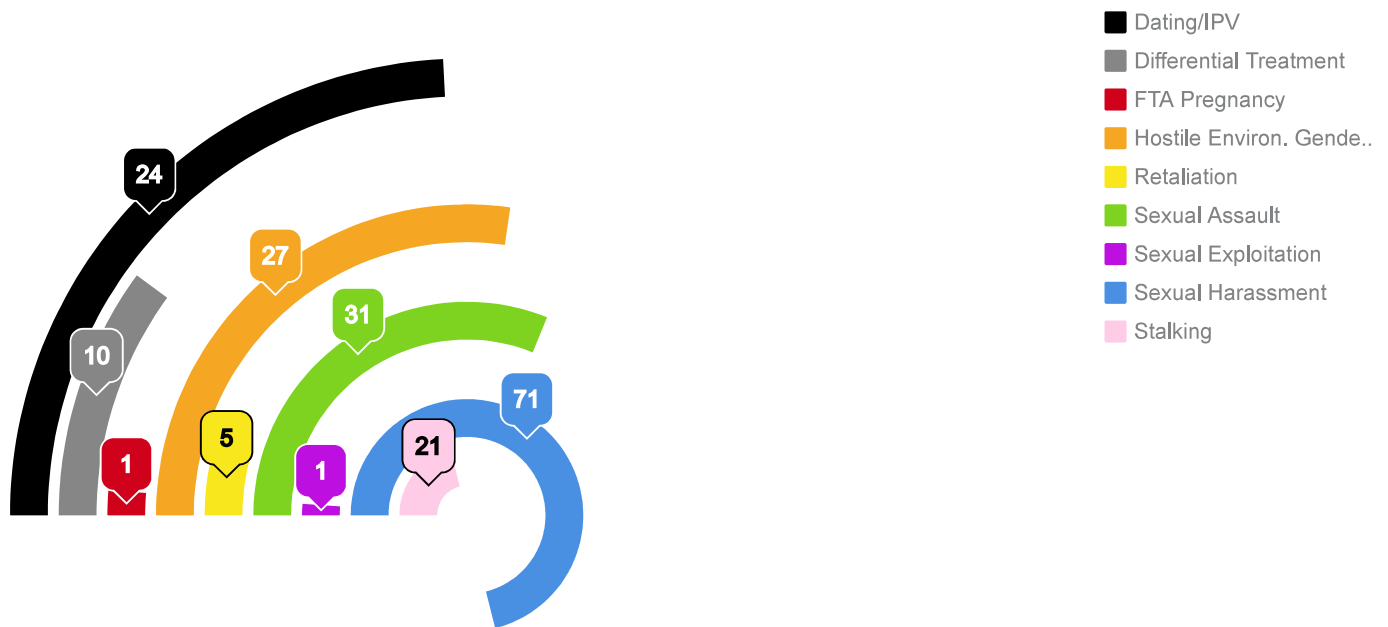
OEO has increased its usage of informal resolution for complaints of discrimination and reports of hate-bias incidences. In cases where allegations are less severe or where a Complainant's safety is not at issue, OEO has utilized informal resolution methods. Informal resolutions are non-punitive ways of discussing allegations of discrimination or hate-bias incidences and educating or dialoguing with the parties involved. Informal resolutions include education conferences, facilitated dialogues, and other training and methods. OEO monitors the environment after utilizing informal resolutions to ensure that climate has improved and the alleged behavior has stopped. OEO has successfully partnered with the Accessibility Resource Center, OMBUDS, and the Division for Diversity, Equity and Inclusion in facilitated dialogues with parties. This partnership has proven to be very successful in optimizing informal resolutions.

### Caseload Trends



# Title IX Complaints by Category: 2019

The following set of graphs depict the aggregate analysis of the total number of Title IX complaints received for 2019 as of June 3, 2019 based upon the specific subcategory of Title IX basis associated with the initial report.



## Takeaways

Out of the 191 Title IX complaint received so far in 2019, 37% are pertaining to sexual harassment.



**For any questions,  
please contact the  
OEO at:  
505-277-5251  
oeounm@unm.edu**



# HSC Institutional Compliance Program Update

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UNM BOARD OF REGENTS AUDIT & COMPLIANCE COMMITTEE MEETING  
AUGUST 15, 2019 | 9:00 AM | SCHOLLES HALL, ROBERTS ROOM

# HSC Exclusion Screening Project: Exclusion from Federal Health Care Programs

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- No Federal health care program payment may be made for any items or services furnished:
  1. by an excluded person;
  2. at the medical direction or on the prescription of an excluded.
  
- Payment by a Federal health care program includes:
  - » amounts based on a cost report;
  - » fee schedule;
  - » prospective payment system;
  - » capitated rate;
  - » or other payment methodology.

# HSC Exclusion Screening Project: Penalties & Fines Associated w/Exclusions

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1. \$20,000 per each item claimed or services provided;
2. Treble damages (three (3) times the amounts claimed to CMS for reimbursement);
3. Possible program exclusion of the company;
4. Possible loss of the right to bill CMS for services rendered;
5. Possible additional fines for filing false claims under the False Claims Act (Penalties up to \$11,000 per claim, and possible placement in a Corporate Integrity Agreement with the Office of the Inspector General (OIG))
6. Possible criminal fines and/or jail time.

# HSC Exclusion Screening Project: CRC Vendor Reports

---

- Agreement signed with Compliance Resource Center (CRC)
- HSC provides CRC with employee, faculty, vendor, and volunteer names
- Monthly reports include:
  - » Summary Results Files: Summary as to whether each individual screened matched any data source;
  - » Detailed Results File: Provides all available data from source agencies where there is a name match (e.g., HUD, EPA, NAVY, HHS, GSA);
  - » Master File Results File: Provides investigate results from the verification process; Defines result as “Confirmed Matches”; “Possible Matches”; and “Not a Match.”

# HSC Exclusion Screening Project: Summary

---

- Regular monthly exclusions screening initiated on June 25<sup>th</sup>.
- Remaining Exclusion Screening Project Activities include:
  - » Identifying a dedicated IT technical resource person, to assist in completing outstanding technological tasks, Automation of Lawson data extracts
  - » Automation of file transfer to CRC
  - » Finalize research and escalation procedures for employee or vendor records flagged in exclusion screening process
  - » Identification of Human Resources and Academic Affairs Contacts
- Estimated completion of automation transfer – September /October 2019



# HSC Institutional Compliance Program General Announcements

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- Preparation for HSC Enterprise Risk Assessment
  - » Current collaboration and meetings with UNM Institutional Compliance and Internal Audit
  - » Draft tool under development
- ICP Program relocation to Building 1650, 2nd Floor, Room No. 2605
- New staff
  - » **Kay Kennedy**, Supervisor, Medical Coding Compliance | Start Date Aug. 1<sup>st</sup>
  - » **Joann Martinez**, Coding Education Manager | Start Date Aug. 1<sup>st</sup>
  - » **Victoria Rendon**, “new” HSC Compliance Manager | Start date Aug. 19<sup>th</sup>

**Follow Up Report - Implemented (Non-Athletics)  
Aug 2019 Open Session**

Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
<u>UNM College of Nursing Dean's Scholars Award</u>	8/23/2018, 3, H	<u>Recommendation 2A - Improper Tax Treatment - CON Scholars Award Audit</u>	The College of Nursing should implement and monitor a process to evaluate each course taken by an awardee at a University in a degree program to determine qualification as a working condition fringe benefit, including forwarding the transaction to UNM Taxation for review and determination of the tax treatment of the payments prior to disbursement.	Management concurs with the above audit finding. The CON will work to implement a selection methodology that asserts the education being pursued by prospective awardees maintains or improves the skills required in doing their present work. In addition, a process will be established to evaluate each course taken by an awardee at a University in a degree program. The CON will address this in conjunction with UNM Counsel and UNM Taxation as this process relates to the tax treatment on a course-by-course basis, with the caveat that awardees in PhD programs have had all courses vetted as part of their individual program of study through their respective Doctoral Committee.	6/30/2019	6-30-2019 The CON has developed and implemented Standard Operating Procedures (SOP) to identify tax issues with scholarships and route them to the Tax Department for determination and approval.	Christine Kasper, Dean of CON
<u>UNM College of Nursing Dean's Scholars Award</u>	8/23/2018, 3, H	<u>Recommendation 3A - General Accounting Review of Tax Aspects of Awards - CON Scholars Award Audit</u>	The College of Nursing should work with the UNM General Accounting Taxation department to develop a formal process for routing the appropriate documentation for tax determination decisions prior to finalization of the Dean's Scholar Awards.	Management concurs with the above audit finding. The CON will work with UNM HSC Unrestricted Accounting and UNM Taxation to establish a process to formally route transactions and related documentation to HSC Unrestricted Accounting and UNM Taxation to determine the tax treatment of each transaction. Furthermore, the CON will not grant new awards or place a call for application until the program is re-evaluated and revised. The CON will obtain legal advice and guidance from UNM Counsel and approval for the program revision by each respective University area.	6/30/2019	6-30-2019 The CON has developed and implemented Standard Operating Procedures (SOP) to identify tax issues with scholarships and route them to the Tax Department for determination and approval.	Christine Kasper, Dean of CON

**Follow Up Report - Implemented, but kept as Pending  
for additional monitoring by Internal Audit (Non-Athletics)  
Aug 2019 Open Session**

Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
<u>Chrome River Data Analysis</u>	5/17/2018, 10, H	<u>Recommendation 3 - Training Resources</u>	The leadership of UNM's CR committee should require all CR approvers complete CR Approver Training before they approve transactions in CR, and identify a central tracking mechanism to ensure all CR approvers complete the training.	Management acknowledges the recommendation. Management will review existing CR approver training and work with subject matter experts from respective core offices to develop relevant CR approver training content that supports effective approver training and will explore opportunities that support central tracking mechanisms to ensure required training is completed. Delivery of the training and tracking of who completes the training is contingent upon a functioning central training software system (currently Learning Central).	3/31/2019	The Chrome River Approver Training has been developed and available in the University's Learning Central training system. New approvers will be required to complete the training going forward. For all existing approvers, it was added to their learning plan (currently as optional) in Learning Central and an email was sent by UNM Chrome River Team on May 10, 2019 to notify current approvers of such optional training. Internal Audit will monitor to determine if management's controls are effective in ensuring approvers complete the training.	Elizabeth Metzger, University Controller, Ava Lovell, Exec Ofcr Fin & Admin/HSC

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Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
<u>Review of College of Arts and Sciences Operations</u>	4/18/2013, 4, H	<u>Recommendation A: Implementation of Process to Track Research Activities</u>	A process should be implemented that enables colleges to effectively track and monitor time that faculty members spend on research activities to help management determine if faculty members are meeting academic load requirements and workload guidelines.	To track faculty research activities, an RFP was created for the purchase of a scholarly productivity subscription service, which will have the ability to track faculty research activities. Actual implementation of the software is expected to be completed by December 15, 2015.	8/31/2019		Provost; Duane Arruti, IT; Gabriel Lopez, OVPR
<u>HSC Masters Degree Tuition Payments</u>	10/15/2018, 8, H	<u>Recommendation 1 - Revise Policy for Tuition Payments</u>	The University President should work the UNM Policy Office to develop a narrow exception to policy for extraordinary circumstances to allow University payment of tuition for employees to obtain outside degrees. Final approval should of any resulting tuition payments should rest with the University President.	The UNM President will work with the UNM Policy Office to re-draft UAPPM Policies 3260 and 3290 to address the University funding the payment of tuition to third-party educational institutions (and associated travel expenses) and to articulate certain criteria for approval for that funding: The substantive course underlying the degree in question must be one as to which the University will derive a benefit or value related to the employee's job function within the University; the substantive course curriculum is not offered at the University of New Mexico; and, the employee is responsible for any of the federal or state tax consequences of the University's funding of the tuition and related expenses.	9/30/2019	May 9, 2019 - Policy revisions are under way for UAP 3290 (Professional Development and Training), UAP 3700 (Education Benefits), and UAP 4000 (Allowable and Unallowable Expenditures). Draft policy revisions have been prepared, but have not been finalized.  August 8, 2019 – Policy revisions have been drafted; however, turnover in the Policy Office has delayed finalization and implementation. Implementation date has been extended to 9/30/2019.	Garnett Stokes, President ; Terry Babbitt, Chief of Staff
<u>HSC Masters Degree Tuition Payments</u>	10/15/2018, 8, H	<u>Recommendation 2 - Internal Guidelines</u>	For special circumstances where management decides to allow payment of tuition for employees, appropriate guidance should be developed and followed.	Any internal policy and internal guidance and/or processes will have University-wide application through the amendment and restatement of UAPPM Policies 3260 and 3290 and will be consistent with those revised policies. The HSC Chancellor will develop implementing internal guidance for administering at the HSC any programs where the University pays tuition for employees to obtain advanced degrees consistent with those amended and restated policies.	9/30/2019	Nov 19, 2018 - Development of internal guidelines for administering tuition payments for employees to obtain advanced degrees is pending the resolution of policy revisions and final determination of the tax consequences to the employees.  August 9, 2019 - A draft internal checklist is being finalized that is consistent with Policy 3700. It was being held until that policy is final but a draft has been provided to IA.	Paul Roth, Chancellor for HSC; Chamiza Pacheco de Alas; Chief of Staff, Office of the Chancellor

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Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
<u>HSC Masters Degree Tuition Payments</u>	10/15/2018, 8, H	<u>Recommendation 3 - Neonatal Nurses Are Responsible for Travel Costs</u>	In accordance with the Neonatal Practice Trainee Agreements, HSC should recoup the cost of the travel expenses related to the Neonatal Practitioner Trainees obtaining advanced degrees.	The HSC Chancellor will work with University Counsel and the UNM Pediatrics Department to determine if University payment of travel costs should be allowable or not; and, if not allowable, HSC management will take steps to collect reimbursement to the University of such travel costs.	9/30/2019	<p>May 9, 2019 - Development of internal policy for travel costs associated with obtaining advanced degrees is pending the resolution of policy revisions and final determination of the tax consequences to the employees.</p> <p>August 7, 2019 - This will be communicated to the nurse practitioners when we meet with them prior to the Audit Committee meeting. This meeting is in process of being scheduled. HSC had not previously held this meeting as we were waiting for Modrall Sperling to complete providing advice not only on taxability, but on steps the University could take to mitigate the negative affect for needed nurse practitioners so as not to lose this workforce pipeline.</p>	Paul Roth, Chancellor for HSC; Chamiza Pacheco de Alas; Chief of Staff, Office of the Chancellor
<u>HSC Masters Degree Tuition Payments</u>	10/15/2018, 8, H	<u>Recommendation 4 - Tuition Agreements</u>	Payment of tuition for employees to obtain outside degrees must only be allowed for narrow exceptions to University policy, if granted by the University President. In such cases, the University should establish a formal agreement with the employee whenever the University pays for tuition and other expenses for an employee to obtain a college degree at an outside institution.	The HSC Chancellor will work with University Counsel to establish formal agreements with employees where the University agrees to pay for tuition and other expenses for an employee to obtain a college degree at an outside institution: the employee must sign an agreement under which the employee agrees, in exchange for the University's funding of the tuition and related expenses, to continue his or her employment with the University for a specified period of time, and, in the event the employee, for any reason, separates from employment at the University, any unamortized amount will be repaid in a manner consistent with a pre-determined repayment plan; and the employee is responsible for any of the federal or state tax consequences of the University's funding of the tuition and related expenses.	9/30/2019	<p>May 9, 2019 - Assessment of the tuition agreements is underway. Development and finalization of standard agreements is pending the resolution of policy revisions, and final determination of the tax consequences to the employees.</p> <p>August 7, 2019 - A draft agreement was provided to Internal Audit prior to Audit Committee. This agreement is being revised to matchup with the tax advice received and with the not yet adopted policy 3700.</p>	Paul Roth, Chancellor for HSC; Chamiza Pacheco de Alas; Chief of Staff, Office of the Chancellor

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<u>HSC Masters Degree Tuition Payments</u>	10/15/2018, 8, H	<u>Recommendation 5 - Terminated Neonatal Nurse</u>	UNM Pediatrics department should work with Bursar's office to collect the amount owed the University, to include both tuition and travel costs, over a more reasonable time period, in accordance with the Neonatal Practice Trainee Agreement.	HSC Chancellor recognizes this deficiency in the current form of the Neonatal Practice Trainee Agreement, although the agreement does make the amounts immediately outstanding, and the University, if it chose to, could commence collection activities. Going forward, the University will amend the form of the Neonatal Practice Trainee Agreement, to provide that any amount that may be owed to the University be repaid over a specified period of time.	9/30/2019	November 26, 2018 - Department of Pediatrics is working with HSC Financial Services to work out a repayment plan with the departed neonatology nurse practitioner who left after completing the program. Should this prove unfruitful, other collection options will be explored.  August 7, 2019 - Dr. Roth will send a communication to the chair of pediatrics instructing her and her Department to follow up on the outstanding amount of tuition owed on a more reasonable timeline. An initial communication already went out from the Department with a response offering a small monthly payment that IA deemed insufficient. Dr. Roth will ask the Department for more aggressive followup and a collection plan.	Paul Roth, Chancellor for HSC; Chamiza Pacheco de Alas; Chief of Staff, Office of the Chancellor
<u>HSC Masters Degree Tuition Payments</u>	10/15/2018, 8, H	<u>Recommendation 6 - Neonatal Nurse Taxation</u>	The UNM School of Medicine Pediatrics department should work with the UNM Payroll department and all nurses participating in the advanced degree program to determine the appropriate process for rectifying the taxable treatment of the tuition benefit.	The UNM School of Medicine Department of Pediatrics, working with School of Medicine, HSC financial leadership, and the UNM Payroll Department will meet and confer to rectify the tax treatment consequences of the tuition benefit for all of the nurses participating in the advanced degree program.	9/30/2019	August 7, 2019 - The HSC and OUC have had multiple meetings with outside tax counsel at Modrall Sperling Law Firm and the determination has been made that the tuition benefit is taxable to nurses. OUC is currently working on a plan to address this issue for Nurse Practitioners already impacted. Moving forward, the draft contract which will be provided will include a provision for grossing up salary to account for taxability in exchange for the commitment to stay at the University. Draft contract is being revised to address taxation issue moving forward.	Paul Roth, Chancellor for HSC; Chamiza Pacheco de Alas; Chief of Staff, Office of the Chancellor

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<u>HSC Masters Degree Tuition Payments</u>	10/15/2018, 8, H	<u>Recommendation 7 - Tax Department</u>	HSC should work with the UNM Controller's Office to develop a formal process, prior to finalization of transactions, for routing of tax determination decisions to Taxation.	The HSC Chancellor will work with University Controller to develop a formal process for tax determinations. Tax treatment and taxation determinations should be made by the University's Taxation Department, in advance of any funding of tuition advances. However, even in the absence of that, the HSC Finance and Accounting Department should route its proposed tax treatment of tuition advances to the University's Taxation Department prior to any funding. In addition, because the funding of such tuition payments may have tax implications to the affected employees, UAPPM Policy 3290 should be amended to provide: The Taxation Department should develop and implement a standardized worksheet to be used by all Departments listing all facts and circumstances of the tuition payment to address tax impact.	9/30/2019	August 7, 2019 - This item will be a part of the check list. There is already an existing process via tax@unm.edu that was used in several of the audited cases. This will be operationalized via the checklist to be a part of the process every time.	Paul Roth, Chancellor for HSC; Chamiza Pacheco de Alas; Chief of Staff, Office of the Chancellor
<u>HSC Masters Degree Tuition Payments</u>	10/15/2018, 8, H	<u>Recommendation 8 - Obtain Anti-Donation Determination from NM AG</u>	The UNM President should work with the Office of University Counsel, and the New Mexico Attorney General to determine the effect of the anti-donation statute, and resolve any anti-donation issues inherent in the HSC tuition payments, including repayment of tuition costs, if any.	The President's office will coordinate with University Counsel to request a formal opinion on this issue. The New Mexico Attorney General will be asked to provide an opinion regarding use of Public Funds (UNM paid the tuition and travel costs for one or more UNM employees to receive degrees from non-UNM institutions that were not required for the employees' jobs with UNM).	6/30/2019	February 4, 2019 - The President's Office has been apprised of the status and will work with University Counsel to facilitate communication with the AG.  August 7, 2019 - The Attorney General's office has not yet provided an opinion on the Anti-Donation question.	Garnett Stokes, President ; Terry Babbitt, Chief of Staff

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<u>Alumni Association Operations</u>	10/15/2018, 6, M	<u>Recommendation 2 - Financial Management</u>	The Vice President for Alumni Relations/Association Executive Director should: a) Work with the UNM President's Office to develop a proposal to reestablish its I&G funding to previous levels; b) Work with the Association Board to request permanent contribution to the Relations office; c) Perform a cost savings analysis to determine where management should control and reduce expenses.	The Association believes that the work of the Office of Alumni Relations is critical to the University and that UNM should reassess its current I & G allocation to the office, reinstating it to such a level that, at minimum, there is a commitment to salaries for positions as established in FY19 through FY24, including any such salary increases that are granted by the Board of Regents. For FY19, a strategy will be developed to address the current anticipated shortfalls. Assessment of expenses and analysis of potential savings will be ongoing, and the Association will participate as appropriate in providing feedback on measures designed to provide savings where possible without a significant reduction in programs or services to alumni. The Association will look to engage in dialogue with the President's office in the coming year to provide information which will help support the above request.	12/31/2019	The plan and Association's budget for FY '20 was approved. Operational savings for FY '19 were realized, resulting in a carry-forward for the Alumni Relations Office budget of just over \$2,000. For FY '20, a shared services agreement has been established for fiscal services for both the Alumni Relations Office and the Association. Alumni management believes this will create additional budget savings. Considering FY '20 is just underway, the ongoing planning and conversation are in the early stages, with the Association embarking upon a strategic planning process in the fall. Upon completion of the strategic plan, both the Association and the University will discuss the appropriate funding options for the future. Management believes the plan will be completed and corrective action for this recommendation will be fully implemented by December 31, 2019.	Dana Allen, VP, Alumni Relations
<u>Alumni Association Operations</u>	10/15/2018, 6, M	<u>Recommendation 3 - Long-Term Budget Plan for Use of Investment Income</u>	The Vice President for Alumni Relations/Association Executive Director should work with the Alumni Board to develop a long-term strategic plan for the use of investment funds. The plan should include expectations of need and/or requests on a long-term basis, which will provide the Board with an advanced notice of expected need and/or use of funds for future years.	The Association believes that the strategy for the use of its endowment is embedded within its current investment policy. The Association also believes that its current process provides an appropriate level of discussion and implementation of the use of its investment funds. The Finance Committee serves as the primary team tasked with reviewing the Association's Investment Account, performance and the Investment Policy set forth by the Association. The Committee is currently engaged in a review of these areas, and has initiated the first steps required to make recommendations to the Board on updates and revisions.	12/31/2019	The Association Finance and Executive Committees established a process which included working with students on recommendations and planning to help advise Association leadership on a suggested path(s). This requires work during both Spring '19 and Fall '19 semesters. The initial recommendations from the students/class working in Spring '19 have been submitted to the Finance committee chair for review/feedback/edits and from there, next steps will be formulated over the summer with an eye towards working with a Fall '19 class on developing the final pieces of the recommendations. The Vice President for Alumni Relations believes corrective action will be fully implemented by the target date of December 31, 2019.	Dana Allen, VP, Alumni Relations



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<u>Alumni Association Operations</u>	10/15/2018, 6, M	<u>Recommendation 4 - License Plate Royalties Agreement</u>	The Vice President for Alumni Relations/Association Executive Director should work with the President's office and UNM Legal Counsel to execute a signed agreement for the Association's rights to license plate royalties.	Although the Association feels that the resolution passed by the Regents in 2015 remains the primary source of codifying the designation of the License Plate royalties to the Association, the Association is in agreement that a more strongly defined agreement is needed to ensure the continued allocation of royalties from current and future license plate revenue to the Association. Leadership of the organization will work with University Counsel to produce a more formalized agreement.	7/31/2019	The Executive Director for the Alumni Association indicated the redesign of the UNM license plates remain in the hands of the state MVD to assess the viability of the design against their standards. The Alumni Association is still awaiting approval from the MVD to move ahead with proposed options. However, it has received feedback that this may take additional weeks to work through the MVD process. Full implementation for this recommendation has been extended to Dec. 31, 2019.	Dana Allen, VP, Alumni Relations
<u>Alumni Association Operations</u>	10/15/2018, 6, M	<u>Recommendation 5 - Chapel and Hodgins Hall Rental Deposits</u>	The Vice President for Alumni Relations/Association Executive Director should revise the current processes for the collection and recording of Chapel and Hodgins Hall rental deposits. The Vice President for Alumni Relations/Association Executive Director should work with the UNM Cashier's office to set up a Touch Net account that will deposit funds directly in the Relation's UNM bank account.	The Alumni Chapel and Hodgins Hall serve as a connecting point for alumni, campus and the community as a whole and the Alumni Relations Office staff welcomes the opportunity to continue to provide the highest levels of service possible to ensure their continued accessibility to all. The Alumni Relations Office will work with the appropriate staff in the Cashier's Office, IT and any other offices deemed necessary to establish a more streamlined means for depositing revenue generated from the rental of these facilities directly into the appropriate University accounts, while still allowing for Alumni Relations Office staff to do the work needed to provide high levels of customer service.	8/30/2019	The Vice President for Alumni Relations indicated that the continued vacancy in the fiscal tech/accounting-related position has made this recommendation more challenging to implement. When the position was last filled, all funds for Hodgins Hall and Chapel rental deposits were appropriately deposited in the correlating UNM indexes, which was in December, 2018. Such deposits have not been made since. The Vice President for Alumni Relations believes corrective action for the proper deposit if rental deposits will be implemented by a revised target date of August 30, 2019.	Dana Allen, VP, Alumni Relations
<u>Reserves</u>	5/23/2019, 7, M	<u>Recommendation 1 - Index Reserves to Cover Index Deficits (SVP for Finance and Administration)</u>	The Interim Senior Vice President for Finance and Administration should conduct a review of index deficits and identify specific indices, which departments can close with available funds. In addition, financial monitoring processes should be strengthened to ensure indices are not overspent.	Institutional Support Services (ISS) agrees six (6) of twelve (12) dedications tested in the amount totaling \$11,054,251 were dedicated to cover existing deficits in other indices. The common business practice is to allocate dollars from a revenue producing index code to indices that are non-revenue under the same fund group. We follow this business practice in order to track expenses in various cost centers managed by one department. For example in Popejoy Hall, we have a school-time series cost center and we allocate revenue dollars from a development index code to cover their expenses.	9/30/2019	Internal Audit will perform audit procedures to determine implementation for this recommendation. Follow-up audit procedures will be completed by September 30, 2019.	Teresa Costantinidis, SVP for Finance & Administration; Chris Vallejos, AVP, Bsn Ping & Svcs/ISS

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<u>Reserves</u>	5/23/2019, 7, M	<u>Recommendation 1 - Index Reserves to Cover Index Deficits (Provost's Office Director of Financial Operations)</u>	The Provost's Office Director of Financial Operations, and HSC Senior Executive Officer for Finance and Administration should conduct a review of index deficits and identify specific indices, which departments can close with available funds. In addition, financial monitoring processes should be strengthened to ensure indices are not overspent resulting in annual deficits.	In most cases, minor deficits within each individual index should be cleared out prior to the fiscal year end. However, some units use indices as a way to track profitability within the unit. The units this generally applies to would include auxiliaries and self-supporting units (i.e. Continuing Education). Other exceptions include research clearing accounts and units with summer programs, which expenses post prior to the collection of revenues that cross the fiscal year. With those units, I would recommend an exception as long as the unit makes adjusting entries at the beginning of the fiscal to clear out the deficits and appropriately categorizes the reserve movement in the Categorization of Reserves (CAR) system.	9/30/2019	Internal Audit will perform audit procedures to determine implementation for this recommendation. Follow-up audit procedures will be completed by September 30, 2019.	Nicole Christine Dopson, Financial Officer Optg Grp
<u>Reserves</u>	5/23/2019, 7, M	<u>Recommendation 1 - Index Reserves to Cover Index Deficits (HSC Senior Officer for Finance and Administration)</u>	The HSC Senior Executive Officer for Finance and Administration should conduct a review of index deficits and identify specific indices, which departments can close with available funds. In addition, financial monitoring processes should be strengthened to ensure indices are not overspent resulting in annual deficits.	Management agrees with recommendation #1 for the HSC. Our current standard operating procedure is to address and monitor year-end deficits through the UAP 7000 Categorization of Reserves (CAR) process along with HSC budget reviews. Deficits are reviewed at the College level as well as by the HSC Budget office during the CAR process. There are two possible outcomes when a unit has incurred a deficit: they will have a deficit reduction plan which is documented and monitored or the department will cover the deficit with the next year's operating budget. During HSC budget reviews deficits are examined to make sure they have been addressed or that the deficit reduction plan is being followed. Deficits do occur as a part of normal business operations at the HSC and should not normally be closed out against positive reserves. Tracking these deficits in the University's accounting system is a necessary internal control to ensure departments are spending resources responsibly.	9/30/2019	Internal Audit will perform audit procedures to determine implementation for this recommendation. Follow-up audit procedures will be completed by September 30, 2019.	Ava Lovell, Executive Officer of Finance & Administration; Joseph Wrobel, Chief Budget & Facilities Officer

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<u>Reserves</u>	5/23/2019, 7, M	<u>Recommendation 2 - Discretionary Reserves</u>	The Provost's Office Director of Financial Operations should conduct a review of discretionary reserves reported by Branch Campuses, specifically UNM Gallup and Valencia Branches for reasonableness.	During the Categorization of Reserves (CAR) process for FY19 reserves, the Provost Office fiscal team will review the Branch Campus CAR reports to verify that all reserves are being categorized appropriately, and not defaulting to discretionary reserves prior to the CAR system deadline. If it is determined that reserves are not being categorized per policy, branch campus CEOs will be notified and adjusting entries will be made prior to the closure of the CAR system. In addition, an email will be sent by August 1, 2019 (prior to the CAR system opening) that Branch Campuses are required per policy to categorize reserve balances according to UAP 7000, and additional review from the Provost Office will take place this year prior to the reporting deadline.	9/30/2019		Nicole Christine Dopson, Financial Officer Optg Grp
<u>Reserves</u>	5/23/2019, 7, M	<u>Recommendation 3 - Deficit Reduction Plans (Provost's Office Director of Financial Operations)</u>	The Provost's Office Director of Financial Operations should ensure FY 2018 deficits for Enrollment Management are eliminated prior to the close of FY 2019 and monitor and enforce current deficit reduction plans to ensure existing departments' deficits are reduced and eliminated according to plans.	If it is determined that a deficit reduction plan is needed, units will work with the Provost Office to establish a reasonable reduction plan within UAP 7000 policy limitations. At this time, all deficit reduction plans are monitored and documented by the Provost Office. Enrollment management did not have a documented deficit reduction plan because the FY18 deficit was to be eliminated by the end of FY19. Enrollment Management has verified that the accumulated deficit will be eliminated by the end of FY19. The Provost Office fiscal team will verify that the deficit has been eliminated at the end of the fiscal year and will send the corresponding report to Internal Audit to document that no further action is needed.	9/30/2019	Internal Audit will perform audit procedures to determine implementation for this recommendation. Follow-up audit procedures will be completed by September 30, 2019.	Nicole Christine Dopson, Financial Officer Optg Grp
<u>Reserves</u>	5/23/2019, 7, M	<u>Recommendation 3 - Deficit Reduction Plans (SVP for Finance and Administration)</u>	The Interim Senior Vice President for Finance and Administration should ensure FY 2018 deficits for Food Services Vendor Billing are eliminated prior to the close of FY 2019 and monitor and enforce current deficit reduction plans to ensure existing departments' deficits are reduced and eliminated according to plans.	The Sr. VP for Finance and Administration office will eliminate FY 2018 deficits prior to the close of FY 2019. If it is determined that a deficit reduction plan is needed, units will work with the Sr. VP office to establish a reasonable reduction plan within UAP 7000 policy limitations. At this time, all deficit reduction plans are monitored and documented by the office.	9/30/2019	Internal Audit will perform audit procedures to determine implementation for this recommendation. Follow-up audit procedures will be completed by September 30, 2019.	Teresa Costantinidis, SVP for Finance & Administration; Norma Allen, Dir, Univ Budget

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<u>Reserves</u>	5/23/2019, 7, M	<u>Recommendation 3 - Deficit Reduction Plans (HSC Senior Executive for Finance and Operations)</u>	The HSC Senior Executive Officer for Finance and Administration should ensure FY 2018 deficits for OBGYN, Radiopharmacy, and Dermatology are eliminated prior to the close of FY 2019 and monitor and enforce current deficit reduction plans to ensure existing departments deficits are reduced and eliminated according to plans.	HSC Management agrees with recommendation #3. The OBGYN and Radiopharmacy deficits have already been resolved while Dermatology will not be able to clear their deficit by the end of FY2019 and will have a deficit reduction plan in place at year-end. Deficit reduction plans will be documented through the FY 2019 CAR process.	10/31/2019		Ava Lovell, Exec Ofcr Fin & Admin/HSC, Sr; Joseph Wrobel, Chf Budgt & Facil Officer
<u>Audit of UNMMG and HSC Hiring Practices</u>	5/23/2019, 9, M	<u>Recommendation 1 - Alternative Appointment-Sole Source Placements</u>	HSC Chancellor should work with UNMMG HR to strengthen the process for determining appropriate use of the alternative appointment - sole source method of hiring. A competitive search should be undertaken where there is a question whether the person has truly unique qualifications.	Management concurs with Recommendation #1, while referencing the UNM Office of University Counsel (OUC) opinion provided on page 27 of this document, the concept of "sole source" does not apply to Research Park entities. The HSC Chancellor will work with UNMMG executive leadership to cause UNMMG to strengthen and document the alternative appointment hiring criteria and procedures in conjunction with any UNMHSC-Affiliated University Research Park and Economic Development Act corporation, such as UNMMG, SRMC, etc. The documentation will be an HSC Policy.	10/30/2019		Paul Roth, Chancellor for Health Sciences: UNM Health Sciences Center; Ava Lovell, Exec Ofcr Fin & Admin/HSC
<u>Audit of UNMMG and HSC Hiring Practices</u>	5/23/2019, 9, M	<u>Recommendation 2 - UNM HR Lack of Documentation for In-Range Salary Increases</u>	UNM HR should implement processes to maintain documentation that supports salary increases, and prevent overrides to the system.	The Division of Human Resources agrees with the recommendation from Internal Audit. HR will develop a checklist for personnel actions that result in a salary increase that will be utilized by the HR Consultants when reviewing departmental personnel requests. The checklist will identify the type of request, such as in range adjustment, reclassification, interim appointment, etc., the appropriate range of acceptable salary increases and the required supporting documentation. Any request that exceeds the identified standard will be escalated to either HR Compensation or Executive Director of Client Services for review and approval, as appropriate. For FY20, the Executive Director of Client Services will conduct an audit of a random sampling of the submitted personnel requests and confirm appropriate documentation and approvals were obtained.	9/1/2019		Dorothy Terese Anderson, Vice President, Human Resources; Kathy Agnew, Exec Dir, Human Resources

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<u>Audit of UNMMG and HSC Hiring Practices</u>	5/23/2019, 9, M	<u>Recommendation 3 - Management Bypass of Hiring Policy</u>	HSC Chancellor should work with UNMMG HR and UNM HR to develop guidelines that differentiate UNM HSC Department positions and UNM Health System positions, and detailing which positions should be hired through UNM HR and which through UNMMG HR.	Management concurs with Recommendation #3. The HSC Chancellor will work with UNM HR and UNM Health System leadership and with UNMMG executive leadership to develop and implement the criteria and procedures for identifying UNM Health System positions and the attributes that differentiate them from positions normally hired through the UNM Human Resources system for the HSC Academic Enterprise (HSC-A). The documentation will be an HSC Policy.	10/30/2019		Paul Roth, Chancellor for Health Sciences: UNM Health Sciences Center; Ava Lovell, Exec Ofcr Fin & Admin/HSC
<u>Audit of UNMMG and HSC Hiring Practices</u>	5/23/2019, 9, M	<u>Recommendation 4 - UNMMG In-Range Salary Adjustment</u>	HSC Chancellor should work with UNMMG HR to ensure that salary increases are properly approved, and that adjustments are fully supported.	Management concurs with Recommendation #4. The HSC Chancellor will work with UNMMG executive leadership to set expectations and standards in an amendment to the Affiliation and Management Services Agreement in effect with UNMMG, to ensure that the proper documentation and records are maintained. Reference proposed UAP #6030, section 3.0 Master Services Agreement.	10/31/2019	8/7/2019 - Extended due date to 10/31/19 due to late receipt of redacted report	Paul Roth, Chancellor for Health Sciences: UNM Health Sciences Center; Michael Richards, Vice Chancellor Clinical Affairs
<u>Audit of UNMMG and HSC Hiring Practices</u>	5/23/2019, 9, M	<u>Recommendation 5 - Equity Issues</u>	HSC Chancellor should work with UNM HR and UNMMG HR to review whether hiring some HSC Administrative positions through UNMMG and others through HSC has created any equity issues.	Management concurs with Recommendation #5. The HSC Chancellor will conduct a review of equity issues that may have arisen from Health System hires as a result of the alternative appointment process conducted through UNMMG. The HSC Chancellor will issue a memo of any findings and corrections and work with UNMMG executives to implement such corrections, if needed, as a result of the equity review.	10/31/2019	8/7/2019 - Extended due date to 10/31/19 due to late receipt of redacted report	Paul Roth, Chancellor for Health Sciences: UNM Health Sciences Center; Jeanne Marquardt, School of Medicine Administrator

**Follow Up Report - Pending (Non-Athletics)  
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Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
<u>Audit of UNMMG and HSC Hiring Practices</u>	5/23/2019, 9, M	<u>Recommendation 6 - HSC Alternative Appointment - Sole Source</u>	HSC Chancellor should work with HSC management to identify circumstances that warrant extraordinary hiring for certain HSC positions, and develop appropriate guidelines and processes. HSC Chancellor should work with UNM HR to differentiate hiring for HSC departments and the UNM Health System, and should develop processes and hiring guidelines for when hiring should be made through the UNM Medical Group.	Management concurs with Recommendation #6, part 1. The HSC Chancellor will work with UNM HR to issue an RFP for services to correct our compensation/HR system as it does not take into consideration that there are three business lines at UNM - Main campus and traditional higher education staff needs (which deserve a new assessment to accommodate any new business models necessary for survival), Athletics, and staffing for an Academic Medical Center. Each business line has to compete in their own environment nationally. We will engage in a comprehensive review of our HR system at UNM and bring in a reputable outside firm that does this kind of work, with experience with institutions in all three business lines and perform an objective review and recommend back to leadership any changes which we should consider.	12/31/2019		Paul Roth, Chancellor for Health Sciences: UNM Health Sciences Center; Ava Lovell, Exec Ofcr Fin & Admin/HSC
<u>Audit of UNMMG and HSC Hiring Practices</u>	5/23/2019, 9, M	<u>Recommendation 7 - HSC Chancellor Oversight of UNMMG Hiring</u>	HSC Chancellor should work with UNM HR and UNMMG HR to review the Project Echo – COO and the UNM Neurosurgery Department Administrator hiring to determine if UNMMG is the appropriate place to house these administrative positions. HSC Chancellor should also work with UNMMG HR to review the previously identified Alternative Appointment – Sole Source hires to determine the appropriate location for those positions.	Management concurs with Recommendation #7. The HSC Chancellor will document the criteria and procedures for identifying positions and the attributes that differentiate them from positions normally hired through the UNM Human Resources system for the HSC Academic Enterprise (HSC-A). The documentation will be an HSC procedure. The HSC Chancellor will conduct a review of placement issues that may have arisen from hires as a result of the alternative appointment process conducted through the UNM Medical Group. The Chancellor for HSC will issue a memo of any findings and corrective action as well as work with UNMMG executive leadership in respect of those findings and conclusions, if needed, as a result of any placement issues.	12/31/2019		Paul Roth, Chancellor for Health Sciences: UNM Health Sciences Center; Ava Lovell, Exec Ofcr Fin & Admin/HSC

**Follow Up Report - Pending (Non-Athletics)  
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Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
<u>Audit of UNMMG and HSC Hiring Practices</u>	5/23/2019, 9, M	<u>Recommendation 8 - Executive Director, Clinical Finance and Business Systems – UNM Health System Noncompliance Hiring and Salary Policy</u>	HSC Chancellor should work with UNMMG HR to develop appropriate guidelines for hiring Health System positions through the UNMMG, including the appropriate level for hiring decisions, and better documentation of the justification for sole source hiring. UNM HSC Chancellor should ensure enforcement of existing and newly developed UNMMG hiring policies and guidelines for the UNM Health System	Management concurs with Recommendation #8, part 1. The HSC Chancellor will document the criteria and procedures for identifying UNM Health System positions and the attributes that differentiate them from positions normally hired through the UNM Human Resources system for the HSC Academic Enterprise (HSC-A). The document will be an HSC Policy. Management concurs with Recommendation #8 part 2. The HSC Chancellor will set expectations and standards in the Master Services Agreement (MSA) with UNMMG, to ensure that the enforcement of policies are maintained. Reference proposed UAP #6030, section 3.0 Master Services Agreement.	10/30/2019		Paul Roth, Chancellor for Health Sciences: UNM Health Sciences Center; Michael Richards, Vice Chancellor Clinical Affairs
<u>Audit of UNMMG and HSC Hiring Practices</u>	5/23/2019, 9, M	<u>Recommendation 9 - Review of University Research Park Entities</u>	The President's office should work with HSC and UNMMG leadership to arrive at a collective understanding of the purpose of the UNMMG, specifically as it relates to its organization as a New Mexico Research Park Act organization, and acceptable hiring practices by UNMMG for UNM HSC and the UNM Health System. The President's office should work with the Office of University Counsel to review the MOUs and Affiliated Services Agreements between UNM and the UNMMG, and revise or update the agreements as needed.	The University President concurs with the internal audit recommendation. The President's office will work with the UNM HSC, UNMMG and the University Counsel to:1) Review cross-entity hiring practices to ensure compliance with applicable University and UNMMG policies.2) Discuss roles and responsibilities of UNMMG and other Research park entities to clarify acceptable unique circumstances in hiring employee(s) for UNM HSC and UNM Health System, if any.3) Review Memorandum of Agreements/Understandings and Affiliated Services agreements between the University Research Park Organizations and the University to ensure compliance with the purpose and intent for establishing the Research Park entities for the benefit of the University and applicable laws, rules and regulations, and Regents policies.	12/31/2019	President Stokes has retained assistance from former Interim Senior Vice President Craig White to address a number of issues related to Research Park Act organizations and their related MOUs and service agreements. He will work with the Office of University Council to address the UNMMG concerns identified in this recommendation. Revised target implementation date is December 31, 2019.	Garnett Stokes, President ; Terry Babbitt, Chief of Staff

**Follow Up Report - Athletics  
August 2019 Open Session**

Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Action / Last Status Update	Actual Implementation Date	Responsible Party
	<b>Implemented:</b>						
5/17/2018, 20, H	<u>Recommendation 4 - Fundraising</u>	The Director of Intercollegiate Activities should consult with the University of New Mexico Board of Regents and University Counsel to revise and update the May 17, 2015 Memorandum of Agreement between the Board of Regents, UNM Foundation, and the UNM Lobo Club to clearly define roles and responsibilities of all parties in the agreement.	Athletics is in the process of developing and executing a Memorandum of Agreement, which will clearly define the roles and responsibilities of the all parties in the agreement.	9/30/2018	Internal Audit obtained and reviewed the executed MOU signed by the Lobo Club President and UNM President.	7/30/2019	Eduardo Nunez, Dir, Intercollegiate Athletics
<b>Implemented by Athletics, but kept as Pending for additional monitoring by Internal Audit:</b>							
5/17/2018, 20, H	<u>Recommendation 3 - Deficit Reduction Plan</u>	The Director for Intercollegiate Athletics should ensure the approved deficit reduction plan is implemented .	The Athletics Department will work in conjunction with the Office of Planning, Budget and Analysis in implementing the approved deficit reduction plan.	5/18/2018	Athletics has an approved ten-year Deficit Reduction Plan. Internal Audit will perform continued follow-up procedures to determine compliance with its deficit reduction plan. Internal Audit noted Athletics ended the year in the black for FY 2019.	7/30/2018	Eduardo Nunez, Dir, Intercollegiate Athletics
5/17/2018, 20, H	<u>Recommendation 5 - Enhancement Funds</u>	The Athletics' Chief Financial Officer should ensure that sports enhancement fundraising and donor cultivation activity is charged to the enhancement funds within Lobo Club. Reserves remaining in the Sports Enhancement Funds recorded in Banner should be expended on goods or services that are not a fundraising or donor cultivation activity.	All sports enhancement fundraising and donor cultivation activity is currently charged to the enhancement funds within Lobo Club. Following the conclusion of each fundraising event, the net profits raised will only be transferred from the Lobo Club to Athletics for public use as funds are needed. Otherwise, monies generated from fundraising events will remain at the Lobo Club.	5/18/2018	Internal Audit has verified fundraising and donor cultivation activities are now recorded using the Lobo Club sports enhancement funds. Internal Audit has also verified the remaining reserves in the UNM sports enhancement indices are being reduced with expenses for valid sports activities not related to fundraising and donor cultivation.	2/8/2019	Nicole Dopson, Dir, Financial Operations



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	<b>Pending:</b>						
5/17/2018, 20, H	<u>Recommendation 1 - Business Processes</u>	The Athletics Fiscal Operations Director should: A) consider adding resources to the business office, such as an additional full-time employee, to strengthen internal controls within the accounting function; B) closely monitor budgeted expenses on a regular basis and adjust to reflect actual revenues generated, thus decreasing the risk of inaccurate revenue accruals, over-expended budgets, and year-end deficits; C) amortize the \$500,000 additional investment received from Levy Restaurants over the term of the contract; and, D) record funds intended for specific purposes and their corresponding expenses in their own index.	A comprehensive business operations manual detailing policies and procedures for specific business functions, including, but not limited to: journal vouchers, accounts payable, purchasing, cashiering, payroll, financial award processes, compliance with endowment restrictions, etc., will be developed and implemented. In addition, a comprehensive assessment of the business operations within Athletics will be completed in order for a determination to be made as to the most efficient use of the current resources within the office. Account reconciliations will be performed on a regular basis throughout the year. In addition, revenue accruals will be adjusted on a quarterly basis to recognize actual revenues earned for the period. Further, budgeted expenses will also be closely monitored on a regular basis and adjusted to reflect actual revenues generated.	9/30/2019	The Provost's Office Director of Financial Operations indicated the Business Operations Manual draft has been completed and is in the process of obtaining the final department review, as well as validating internal policy and procedure references. Athletics expects the manual to be approved and finalized by September 30, 2019. All other items of this recommendation have been implemented and verified by Internal Audit.		Nicole Dopson, Dir, Financial Operations
5/17/2018, 20, H	<u>Recommendation 18 - NCAA and Mountain West Conference Tournament Tickets</u>	Athletics should purchase NCAA and MWC tournament tickets only for UNM officials with such a provision for tickets in their employment contract. The Director of Intercollegiate Athletics should require NCAA and MWC tournament tickets to be purchased through the Lobo Club.	Athletics purchases NCAA and MWC tournament tickets only for UNM officials who are attending to conduct official university business and/or have such a provision for tickets in their employment contract. The Director of Intercollegiate Athletics requires NCAA and MWC tournament tickets to be purchased through the Lobo Club, which may then sell or distribute tickets as it deems necessary.	9/30/2019	MWC tickets were purchased for FY19 and were only distributed to individuals attending the MWC tournament on official business, which include tickets allotted to student athletes and coaching staff per contract. Any other MWC and/or NCAA Tournament tickets that were purchased for non-business purposes are only purchased through the Lobo Club. Athletics has implemented processes to monitor the ticket allotments. The department has drafted an internal policy to document distribution of unused tickets, which will be incorporated in the final Business Operations Manual. Internal Audit will perform audit procedures to ensure the purchase and distribution of MWC and NCAA tournament tickets is appropriate and aligned with the policy in the Business Operations Manual. Internal policy and Internal Audit's review will be completed by September 30, 2019.		Eduardo Nunez, Dir, Intercollegiate Athletics

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Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Action / Last Status Update	Actual Implementation Date	Responsible Party
5/17/2018, 20, H	<u>Recommendation 20 - Events Management Payroll Processing</u>	The Director of Intercollegiate Athletics should add additional resources to assist in the payroll process for part-time and on-call employees to ensure payroll processing is complete by the pay period deadline	The Senior Associate Athletics Director – Administration will work with the Assistant Athletics Director – Events to change the current payroll tracking process to include the final Friday of the payroll cycle. Individual timesheets with both employee and supervisor signatures will be used. The Senior Associate Athletics Director – Administration will key timesheets, and prior to approval by the Senior Associate Athletics Director - CFO, will send the list of all inputted employees on Monday morning of the payroll deadline to ensure all time has been keyed properly and in advance of the deadline. The Senior Associate Athletics Director – CFO will then approve time and submit for processing prior to the payroll deadline.	9/30/2019	UNM HR indicated that as of July 20, 2019, Lobo Time was implemented to process payroll for the on-call Special Events Workers (ORG 925M). The implementation of Lobo Time for on-call special events workers accomplished several goals.  Athletics believes the implementation of Lobo Time for on-call special events Workers has reduced the need for the other Athletics non-exempt staff to estimate their time worked as the deadline for submitting time sheets will be changed to 12:00 PM on Fridays. Internal Audit will perform audit procedures to determine if implementation of Lobo Time for Events Management has resulted in on-call special events workers getting paid by pay period deadlines. Internal Audit's review will be completed by September 30, 2019.		Eduardo Nunez, Dir, Intercollegiate Athletics

# EXECUTIVE SESSION