

BOARD of REGENTS



THE UNIVERSITY OF
NEW MEXICO.

AUDIT AND COMPLIANCE COMMITTEE VIRTUAL MEETING

Thursday, February 11, 2021 9:00 am

The University of New Mexico
Board of Regents' Audit and Compliance Committee
February 11, 2021
Virtual Meeting
Agenda

ACTION ITEMS

1. Confirmation of a Quorum and Adoption of Agenda
2. Approval of Meeting Minutes from October 16, 2020
3. Audit and Compliance Committee remaining proposed meeting dates for Fiscal Year 2021. The Committee will meet virtually until further notice.

May 6, 2021 (Entrance Conference for FY21 Financial Statements Audit)

4. Approval of FY21 External Audit Contract (*Moss Adams, KPMG and Liz Metzger, University Controller*)

INFORMATION ITEMS

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

EXECUTIVE SESSION

10. Vote to close the meeting and to proceed in Executive Session as follows:
 - a. Presentation of FY20 External Financial Audit pursuant to exceptions at Section 10-15-1H NMSA (1978) and Section 12-6-5 NMSA (1978) (*Moss Adams, KPMG and Liz Metzger, University Controller*)
 - b. Discussion of draft Internal Audit Reports, and discussions of information subject to attorney-client privilege pursuant RPM 1.2
 - c. Discussion of limited personnel matters (Interim Director of Internal Audit Department) pursuant to exception at Section 10-15-1.H(2) NMSA (1978);
 - d. Vote to re-open the meeting.
11. Certification that only those matters described in Agenda item #10 were discussed in Executive Session and if necessary ratification of action, if any, taken in Executive Session.
12. Adjournment

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Virtual Meeting
October 16, 2020 – Draft Meeting Minutes

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

Member Absent: Robert Doughty, Member

Other Attendees: Garnett Stokes, Liz Metzger, Terry Babbitt, Rob Burford, Teresa Costantinidis, Duane Arruti, Dean Bernardone, Jeff Gassaway, Ava Lovell, Loretta Martinez, Arthur Culpepper, Angela Vigil, Bonnie White, Kate Becker, Sarah Ramer, Ari Vazquez, Heather Jaramillo, Laura Putz, Lawrence Alderete, Sergio Pareja, Camille Carey, Mallory Reviere, Victor Griego, Chien-chih Yeh, Kevin Enright, Lisa Wauneka, Amy O'Donnell. (Note: other attendees, including members of the public, were able to view though a link; therefore, it is impossible to know who viewed, and those attendees are not included in this list.)

Chairman Brown called the meeting to order at 9:04 AM. He confirmed attendance of two of the three members of the committee; therefore, there is a quorum.

ACTION ITEMS:

- The Committee approved the meeting agenda.
- The Committee approved the minutes from August 13, 2020.
- The Committee approved the next meeting dates of February 11, 2021 and May 6, 2021.

INFORMATION ITEMS:

- Advisors' comments: None.
- Victor Griego, Interim Internal Audit Director presented his Director's Report. The final proposed meeting dates for the rest of the FY21 are February 11, 2021 and May 6, 2021 at 9:00 AM. The external audit entrance conference will be presented at the May meeting.

All Internal Audit (IA) regular staff members are classified as Tier 2 staff, working remotely. The department has one student employee on call as a Tier 3 employee, providing support when needed. Internal Audit will continue to work remotely through the end of the year, and will begin to transition back to in office operations after Winter Break. Last year, the department submitted a proposal for funding for replacement of the building's roof. It is in bad shape and gets many leaks when it rains. A couple of weeks ago we were notified that funding was secured. That work is currently underway while staff is not occupying the building.

Mr. Griego presented the status of the 2021 audit work plan. There are 15 audits on this fiscal year's plan. Two are complete; two are in planning and fieldwork; an additional completed audit will be presented in this meeting in closed session; six are assigned; and, four are unassigned. Mr. Griego detailed complaint status. Eleven are completed and closed as of September 30th, and 14 are in fieldwork. There are no complaints that are unassigned. IA is working hard to streamline the investigation process to get them resolved quickly.

For the FY21 adjusted budget, the Department has a budget of \$1,062,979, of which \$964,979 is from the general pooled account and primarily makes up IA's funding. An amount of \$4,000 comes from a reimbursement from UNMH for the audit software sharing agreement. IA budgeted \$94,000 from the department's reserves. Funding of \$964,979 from the general pooled account reflects an I&G budget reduction of \$105,622, due to the impact of Covid-19 and final funding received from the state. IA did take a hit with the budget reduction, but fortunately had some reserves to makeup that shortfall. As of October 8, 2020, the department's expenditures are \$237,812 (with 97% as labor costs), and

encumbrances are \$492,539. Encumbrances for labor are \$486,057, making up almost 99% of the total expenditures.

Initially, this meeting was to include the exit conference for the external audit. Unfortunately, there is a delay on issuance of federal guidance to audit the Covid-19 programs related to the Cares Act. The external auditors need to receive that guidance before they can finalize the audit. Mr. Griego notified the Committee that he did get an email stating the guidance may not come out until mid-November. Mr. Griego asked Liz Metzger, University Controller if that is when to expect the guidance, and, if she has any idea when they may be able to have the exit conference. Ms. Metzger stated she does not think the auditors exactly know when they'll get the federal guidelines in order to audit the Cares Act funds that we received in FY20; they just have the same information indicating that it may not be out until mid-November. Evidently, there's a draft that went out for comments. The AICPA and other agencies involved in these audits had a lot of comments indicating the way the guidance currently is, it is impossible to use for auditing. The auditors want to get it done as quickly as we want it to be done. So as soon as they get those guidelines, they're ready to jump back in and audit our Cares Act funds. Hopefully we can schedule the exit conference shortly after that.

Chairman Brown stated he understands the auditors will miss the New Mexico State Auditor's deadline for submission. However, there's a full understanding at the State that the reason for the delay is the Fed's dilatory behavior. Mr. Griego added that typically there would be a State Auditor finding, but he thinks that they're going to actually wave that finding. Ms. Metzger stated if the reason the submission of the financial statements doesn't meet the November 1st deadline is because of this Cares Act funding work needing to be done, there will be no audit finding on the deadline. Mr. Griego noted that IA will plan on scheduling a special meeting of the Committee when this is complete to have that exit conference. Hopefully it will be before the end of the calendar year, before Winter Break.

Mr. Griego informed the Committee he wanted to briefly mention the Quality Assessment Review that IA went through last year. IA has primarily implemented the recommendations that the external reviewers had. There will be more detail in closed session in the annual report, but one thing to mention is one of the recommendations is that internal audit perform an internal quality assessment review where IA audits its own work papers to make sure they meet auditing standards. The Department will present the results of that review at the February meeting.

Mr. Griego provided status information regarding the external audits and reviews that are going on with UNM. UNM is currently under two reviews, and just received an engagement letter from the National Science Foundation on October 5th. They want to do a review or an audit of all NSF awards. Basically, it looks like it's going to be a standard audit of internal controls and to ensure that there's allowable costs and the processes are accurate and in compliance with the funding requirements. In the RAC audits of UNMH and SRMC, there are 299 requested records that were reviewed, of which 278 were carried over from FY2020. The claims totaled \$3.4 million, with original reimbursement of \$1,027,389. After the reviews were completed, Medicare actually recovered back \$79,000 for a net reimbursement of approximately \$948,000. As far as SRMC, there have been no requests for records for FY21.

- Rob Burford, Director of University Compliance addressed the committee to provide the Main Campus Compliance Office status report. The Compliance office is doing a methodical approach on the risk assessment that was recently completed. They have started meeting with the colleges' deans to review the information. It has been very helpful. They started with new deans that have come on board. It's been enlightening for them to see the trends of information through Ethics Point and the Risk Assessment Survey. Ethics Week is coming up and Dr. Culpepper will provide detailed information on that later in this meeting. The Compliance Office is finalizing the Clery report which should be out before Thanksgiving Break.

Mr. Burford provided the hotline data categorized by academic year. Total cases have increased from 808 in 2016-2017 to 1155 in 2019-2020. They did go in to look to see if Covid may have had an effect on the more recent numbers. The numbers of cases have gone down between March 2020 and the beginning of October 2020, as compared to the same time last year, so there does seem to be an effect. It makes sense, according to Mr. Burford, since there are fewer people on campus. Mr. Burford gave an overview of the top ten case outcomes for the prior academic year. Of total cases, 585 were determined to be unsubstantiated. There were 166 cases found to be outside UNM's jurisdiction. The average amount of days cases (including OEO cases) are open has increased from 55 in 2016-2017 to 72 in 2019-2020. Mr. Burford also provided statistics on the top ten issue types for academic year 2019-2020. The highest numbers are concerning sexual violence and misconduct, followed by harassment and discrimination. When OEO cases are extracted from the data, bullying and employee misconduct tied as the highest category. These areas fall under Human Resources' jurisdiction. The lowest number of eight (8) are related to unsafe work conditions, though that number has increased due to concerns with Covid-related issues. Anonymous reporting percentages, with OEO included, are low - at 17.58% last academic year - because almost everybody who reports to OEO has to disclose. When those cases are removed, the number jumped to approximately 53% last academic year. The vast majority of Ethics Point cases are reported through email, particularly OEO cases. For overall cases, web entry is the next highest category, followed by phone. Walk-ins will likely go way down this year due to the pandemic.

OEO has by far the highest number of cases total. Heather Jaramillo, Associate Director of OEO provided the data for OEO caseload trends. In 2019, they had almost 900 cases come in the door, though not all of those turned into an investigation. Each case does require processing. They are first reviewed for jurisdiction and referred out to the proper area if they do not fall under OEO. They do not think they will approach 900 in 2020 due to the pandemic and also the new Title IX regulations. The new regulations may scare some people off from reporting. Therefore, they are working with their campus partners like advocacy centers because the behavior is continuing even though reporting may go down. As usual, sexual harassment allegations are the highest number of reports. There has been an increase in allegations involving race; this includes a slight spike in race-related complaints against persons of Asian ancestry when Covid started, and other race-related complaints following the momentum in the Black Lives Matter movement. Ms. Jaramillo also detailed information that breaks out cases by affiliation of complainant, which has stayed pretty steady over the past five years. Nearly half are student complainants. Finally, Ms. Jaramillo provided data regarding categories of the nature of Title IX complaints, such as intimate partner violence, sexual harassment, differential treatment based on protected class, and retaliation under Policy 2740. As the cases have increased, so have the different types of allegations. Additionally, sexual harassment cases are on par to outpace the previous year, even though total case numbers are down. People are learning more about how and when to report, and OEO is providing training.

- Dr. Culpepper addressed the Committee with an update on HSC compliance. The area has some staffing changes to report. They are transferring one of their staff members over to Health Systems due to her expertise and ability to assist with a CDI coding initiative. They also have a 27-year employee who is retiring. Now they are transitioning that position to include compliance specialist experience.

As Mr. Burford mentioned, they are working on a 2020 virtual compliance week program. Historically, compliance week is in November. Compliance officers are out and about distributing information. Main Campus, HSC, and Health Systems Compliance have been meeting periodically to pull together a robust outreach and will deploy the compliance week project in the coming weeks. They transitioned staff to laptops to provide an opportunity to work at home and everyone has Zoom capability. This has provided a lot of autonomy and has increased productivity a great deal.

By virtue of the President's Task Force looking at consensual relationships and conflict of interest, it was determined there was a conflict with the HSC Code of Ethics. HSC had to look at a naming

convention change so that all of the policies and the Code would align with the work of the task force. Now the "HSC Code of Ethics" has become the "HSC Codes of Professionalism and Conduct."

Dr. Culpepper provided a copy of the 2020 work plan to the Committee members. It is divided into two components: Program Summary Activities and Enterprise Risk Management. The Program Summary Activities pertain specifically to compliance. They involve education, outreach, reporting, hotline monitoring, response, and readiness. They continue to work their exclusion program related to Medicare and Medicaid status.

For Enterprise Risk Management, they have taken the risk assessment survey results and identified units within HSC that they are going to be working on. They are going to be rolling it out in three stages to help those particular business units with risk mitigation efforts. Stage 1 is building a foundation with those units and working with the new EVP to make sure they understand the value of that relationship. Stage 2 is working at the unit level to have them really embrace enterprise risk management to understand risks specific to each individual unit. Stage 3 encompasses working with the university as a whole and other areas of compliance across campus. Decentralized efforts are happening in the different areas, but the goal is to meet together and report from a holistic standpoint.

The University of North Carolina came out with 2019 State of Risk Oversight. They are considered one of the tops in enterprise risk management in this country. The oversight provides opportunity to reach out and empower leadership to help them understand the pressures that are going on specific to risk, provide them with information, and how to connect that with strategic planning.

Dr. Culpepper stated they have four Enterprise Risk Management objectives. Their role is not to go in and interfere with operations, but to support and provide skills and knowledge. They are working to come up with an accountability model for the whole University. Survey results were shared with all of the areas they are going to work with. They set up virtual one-hour meetings to go through risk registers. HSC Compliance will assign an individual to work closely with each on the units. Each unit was requested to identify three to five risks that they want to work on. They are also being asked to identify risk owners. Those risk owners will be provided with training in November to empower them to know what is expected of them. The training will be recorded and shared with other compliance areas.

Regent Lee stated this is a very comprehensive report. It sounds like they have their work cut out for them. She thanked Dr. Culpepper for wanting to become a national model. That is always something to strive for. Dr. Culpepper replied that if you put a robust list together of all the risks it would be a 20-page document. How do you prioritize those risks and begin to work on them? The goal is how to get a culture that is aware of risk. Chairman Brown added you only have to look at this Covid crisis and how this has distorted our whole program. So, to the extent that we can anticipate some of these factors, prepare for them, and then activate remediation is very important. He particularly likes the idea of risk owners.

- Chien-Chih Yeh, Internal Audit Manager presented the audit recommendation follow-up report for this reporting cycle. This report includes a total of 12 recommendations. Two of them have been implemented since the last meeting - one from the Los Alamos audit, and another for Lobo Club from the most recent audit from the last meeting. The remaining 10 recommendations include a few for Alumni Relations as well as the audit of reserves. These areas are continuing to work on implementation. The final page of recommendations are those that are implemented but are still being monitored for various reasons. One is a Chrome River recommendation, and two are for Athletics. One of those Athletics recommendations is related to their deficit reduction plan.

By unanimous consent, the meeting went into Executive Session at 9:52 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 Proposed FY21 Audit Work plan, pursuant to RPM 1.2
- d. Vote to re-open the meeting

The meeting returned to open session with certification that only those matters described above were discussed in Executive Session.

The Committee unanimously approved the following UNMH/Health System reports:

- 2020-01 UNM Hospital, UNM Medical Group, Inc. and UNM Sandoval Regional Medical Center, Inc. Audit of Medical Record Requests
- 2020-02 Human Resources and Payroll Internal Audit Report
- 2020-02a Advanced Practice Provider Stipend Support Review

The Committee unanimously approved the following UNM reports:

- 2020-09 Audit of The University President's Travel, Entertainment, and Other Expenses

The Committee also approved submission of Main Campus Internal Audit's Annual Report.

The meeting adjourned at 11:38 AM.

Approved:

Audit and Compliance Committee Chairman


There is no
handout
required for
this item



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Date: February 11, 2021

To: Doug Brown, Chairman, Audit and Compliance Committee
Victor Griego, Interim Internal Audit Director

From: Elizabeth Metzger, CPA – University Controller 

RE: FY21 Renewal of Annual Financial Statement Audit Contract

The following information is provided for the Committee's approval related to the annual financial statement audit for the fiscal year ended June 30, 2021, pending final approval by the State Auditor.

In FY20, UNM issued a Request for Proposal (RFP) for the audits of the University's Consolidated Financial Statements for the three years ending June 30, 2020 through 2022. Proposals were received and evaluated by a six-member committee. The Committee consisted of the University Controller, Senior Executive Officer for Finance and Administration for the HSC, Chief Financial Officer for the UNM Foundation, Chief Financial Officer for the University Hospital, Chief Financial Services Officer for the HSC, and Associate Controller for Contract and Grant Accounting on Main Campus.

Based on the evaluation from the committee members, a recommendation was made to award the contract to Moss Adams with a subcontract to KPMG for the audit of the clinical areas. This selection was approved by the Audit Committee on April 7, 2020 and by the Full Board of Regents on May 12, 2020. The New Mexico State Audit Rule requires that the term of an audit contract be for a period of one year only. Therefore, annual approval is required for each audit year of the three-year proposal period. This request for approval is for the audit for the fiscal year ending June 30, 2021. The total cost for the FY21 audit will be \$969,000 plus NM GRT, which is the same cost as the FY20 fee, pending any supplemental costs that may be included for the unanticipated audit procedures required for the federal CARES ACT funds received.

There is no
handout
required for
this item

**Interim Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
February 11, 2021**

INFORMATION ITEMS

Audit Committee Meeting Calendar. This approved schedule will accommodate the entrance conference for the FY21 External Financial Statements Audit. The following is the future proposed date for the remainder of FY2021 for the Committee's consideration.

May 6, 2021 (Entrance Conference for FY21 Financial Statements Audit)

Internal Audit Operations and Staffing. All Internal Audit professional staff are classified as Tier 2 employees and currently working remotely. Internal Audit does not currently have a student intern, but plans to hire upon transition to office operations. Internal Audit plans to transition back to office operations based on guidance received from the President's Office.

Construction of new roof for the Internal Audit building has been completed.

Audit Plan Status. The project status and hours report for the plan is at Tab 6. The status of the proposed audit plan for the period of July 1, 2020 through December 31, 2020 is:

Completed	3
Planning/Fieldwork	4
Subtotal	7
Assigned	4
Unassigned	4
Total	15

Of the 12 audits in planning/fieldwork, and those that are assigned/unassigned, three (3) have been carried forward from the FY2020 audit plan and nine (9) are from the FY2021 audit plan.

Current audits in planning include IT Information Security and Capital Projects audits. Audits in fieldwork and expected to be presented at the May meeting of this Committee are audits of the UNM Bookstore and Facilities Management – Facilities and Maintenance Division.

Complaint Status. The status of complaints assigned to Internal Audit for FY 2021, as of February 1, 2021, is:

Completed/Closed	18
Planning/Fieldwork	12
Unassigned	-
Total	30

Note: In the previous fiscal year (FY20), Internal Audit had a total of 34 complaints as of January 31, 2020.

**Interim Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
February 11, 2021**

Department Financial Report. At Tab #6 is the Internal Audit Department's operating ledger report for your review. The FY21 adjusted budget is \$1,062,979, of which \$964,979 is from the general pooled account, \$4,000 is reimbursements of expenditures from the University of New Mexico Hospital for sharing audit software, and \$94,000 from the departmental reserve. The funding of \$964,979 from the general pooled account reflects a I&G budget reduction of \$105,622, due to the impact of Covid-19 and final funding from the State.

As of January 31, 2021, the department's expenditures are \$557,741, and encumbrances are \$278,298. Of the total expenditures, \$534,782 (95.9%) is for labor costs. Encumbrances for labor costs are \$271,883 (97.7%) of total encumbrances. Budgeted non-labor operating costs primarily consist of professional dues/memberships, trainings and conferences, IT Services, and audit software totaling \$37,000 for FY21.

The department should realize cost savings on trainings and conferences with discounts for virtual conference/training events and eliminated travel.

Financial Statements External Audit. The University's FY20 external audit has been completed with the exit conference being held in closed session. The FY20 audit is the first year of a three-year contract with Moss Adams and KPMG.

Internal Audit Self-Assessment Review. According to the Internal Auditing Standards, Internal Audit Department's quality assurance and improvement program must include both external and internal assessments and the Department is required to communicate the results of the program to the University's senior management and the Board of Regent's Audit and Compliance Committee (Committee) upon completion of such assessments.

The required internal assessment includes two components: (1) ongoing monitoring of the performance of our department, which has been part of our routine activities, and (2) periodic self-assessments, which began since last fall. A Senior Auditor, Bill Cottrell, was assigned to conduct self-assessment of audit projects completed during the period of January 1, 2020 through December 31, 2020. The self-assessment was completed in January 2021 and the overall opinion is that the Department complies with the Institute of Internal Auditors' Standards.

As required by the Standards, Internal Audit management has completed an internal assessment and determines the following:

- Internal Audit confirms that all staff members are independent and objective in completing Internal Audit responsibilities.
- Internal Audit does not believe it has resource limitations to complete its audits and investigations.

External Audits and Reviews. At Tab #6 is the summary information as of December 31, 2020 regarding the external audits and reviews (third party financial audits) of various grants, contracts, and programs by various grantor agencies. There are currently three (3) reviews underway.

Interim Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
February 11, 2021

The University is currently under audit with the National Science Foundation of all NSF awards. The objective of the audit is to determine whether and how UNM implemented temporary administrative flexibilities that were authorized by the Office of Management and Budget (OMB) and, (2) if costs claimed are allowable, allocable, reasonable, and in compliance with NSF award terms and conditions and applicable federal requirements. 40 transactions were sampled and all support was provided to the agency prior to UNM's winter break. UNM is in the process of providing answers to questions, and the auditors hope to finalize the audit by the end of March.

UNM received a letter from US Department of Education Office of the General Counsel dated 1/15/2021 regarding reporting in accordance with Section 117 of the Higher Education Act of 1965, which requires the University of New Mexico to disclose defined gifts, contracts, and/or restricted and conditional gifts or contracts from or with a foreign source to the U.S. Department of Education. The Department of Education is opening a preliminary inquiry, directed by the Department's Office of the General Counsel with support from the Office of Federal Student Aid, to determine the possible nature and extent of UNM's Section 117 violations, if any.

UNM has been asked to produce the following records within twenty-one days (extension granted to 3/30/21):

- True copies of all gift or donation agreements and/or contracts, whether restricted and conditional or otherwise, by and between UNM and any "foreign source."

The University of New Mexico Hospital and Sandoval Regional Medical Center have received 73 requested records for FY21. UNMH has had six (6) of the reviews completed with no reported findings and no monies taken back by CMS. A total of 53 FY21 claims, representing reimbursement of \$244,642.11 remain open.

SRMC received 14 requests for records for FY21. Eleven have been adjudicated with no findings and no monies taken back. Three FY21 claims, representing reimbursement of \$29,001 remain open.

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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
Revenue										
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%
0415 - COVID-19 CARES Ins!	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$23.20	.00%	\$0.00	(\$23.20)	.00%
1640 - Allocations Pooled Allo!	\$1,070,601.00	\$0.00	\$1,070,601.00	\$0.00	.00%	\$1,070,601.00	100.00%	\$0.00	\$0.00	.00%
1667 - Instruction and General!	\$0.00	(\$105,622.00)	(\$105,622.00)	\$0.00	.00%	(\$105,622.00)	100.00%	\$0.00	\$0.00	.00%
1900 - Reserves	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$204,223.41	.00%	\$0.00	(\$204,223.41)	.00%
1901 - Budgeted Use of Rese!	\$67,991.00	\$26,009.00	\$94,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$94,000.00	100.00%
*TOTAL Revenue	\$1,142,592.00	(\$79,613.00)	\$1,062,979.00	\$0.00	.00%	\$1,169,225.61	110.00%	\$0.00	(\$106,246.61)	(10.00%)
Expense										
2020 - Administrative Profess!	\$738,432.00	(\$75,537.00)	\$662,895.00	\$51,961.88	7.84%	\$363,733.16	54.87%	\$249,826.75	\$49,335.09	7.44%
2060 - Support Staff Salary D!	\$50,053.00	(\$2,002.00)	\$48,051.00	\$3,738.42	7.78%	\$26,715.68	55.60%	\$22,056.68	(\$721.36)	(1.50%)
20J0 - Student Salaries Gen	\$23,000.00	\$0.00	\$23,000.00	\$0.00	.00%	\$5,747.70	24.99%	\$0.00	\$17,252.30	75.01%
20SA - Salary Adjustments	\$5,211.00	\$0.00	\$5,211.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$5,211.00	100.00%
2110 - Fica Gen	\$49,113.00	\$0.00	\$49,113.00	\$3,991.56	8.13%	\$28,031.39	57.08%	\$0.00	\$21,081.61	42.92%
2140 - Retirement Gen	\$90,844.00	\$0.00	\$90,844.00	\$7,881.60	8.68%	\$55,172.20	60.73%	\$0.00	\$35,671.80	39.27%
2160 - Group Insurance Gen	\$80,444.00	\$0.00	\$80,444.00	\$5,256.98	6.53%	\$36,157.97	44.95%	\$0.00	\$44,286.03	55.05%
2180 - Unemployment Comp!	\$449.00	\$0.00	\$449.00	\$50.13	11.16%	\$350.92	78.16%	\$0.00	\$98.08	21.84%
21A0 - Workers Compensatio!	\$385.00	\$0.00	\$385.00	\$38.99	10.13%	\$313.67	81.47%	\$0.00	\$71.33	18.53%
21J0 - Other Staff Benefits G!	\$29,468.00	\$0.00	\$29,468.00	\$2,651.33	9.00%	\$18,559.64	62.98%	\$0.00	\$10,908.36	37.02%
21L0 - Accrued Annual Leave!	\$64.00	\$0.00	\$64.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$64.00	100.00%
21L1 - Catastrophic Leave Ex!	\$64.00	\$0.00	\$64.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$64.00	100.00%
3100 - Office Supplies Gener!	\$600.00	\$0.00	\$600.00	\$67.44	11.24%	\$67.44	11.24%	\$414.70	\$117.86	19.64%
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 <\$!	\$800.00	\$0.00	\$800.00	\$0.00	.00%	\$687.96	86.00%	\$0.00	\$112.04	14.01%
3170 - Custodial Supplies Gen	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$103.80	.00%	\$0.00	(\$103.80)	.00%
3189 - Tagged Non-Capital E!	\$4,000.00	\$0.00	\$4,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$4,000.00	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!	\$5,000.00	\$0.00	\$5,000.00	\$510.00	10.20%	\$1,725.00	34.50%	\$0.00	\$3,275.00	65.50%
31J0 - Parking Permits Gen	\$250.00	\$0.00	\$250.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$250.00	100.00%
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!	\$150.00	\$0.00	\$150.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$150.00	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
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!	\$500.00	\$0.00	\$500.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$500.00	100.00%
6000 - Telecom Charges Gen	\$3,500.00	\$0.00	\$3,500.00	\$292.50	8.36%	\$2,047.50	58.50%	\$0.00	\$1,452.50	41.50%
6020 - Long Distance Gen	\$50.00	\$0.00	\$50.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$50.00	100.00%
6060 - Voice Mail Box Gen	\$602.00	\$0.00	\$602.00	\$50.00	8.31%	\$350.00	58.14%	\$0.00	\$252.00	41.86%
6300 - Alarm System Gen	\$200.00	\$0.00	\$200.00	\$11.25	5.63%	\$78.75	39.38%	\$0.00	\$121.25	60.62%
6310 - Internet Fees Gen	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$40.00	.00%	\$0.00	(\$40.00)	.00%
63A0 - Conference Fees Gen	\$5,000.00	\$0.00	\$5,000.00	\$2,400.00	48.00%	\$3,190.00	63.80%	\$0.00	\$1,810.00	36.20%
63A2 - Seminars/Training Fe!	\$4,000.00	\$0.00	\$4,000.00	\$0.00	.00%	\$710.00	17.75%	\$0.00	\$3,290.00	82.25%
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	\$15,000.00	(\$2,074.00)	\$12,926.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$12,926.00	100.00%
69Z0 - Other Professional Ser!	\$11,500.00	\$0.00	\$11,500.00	\$699.92	6.09%	\$9,832.32	85.50%	\$6,000.00	(\$4,332.32)	(37.67%)
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	\$52.07	8.68%	\$52.07	8.68%	\$0.00	\$547.93	91.32%
70E1 - Computer Software M!	\$11,500.00	\$0.00	\$11,500.00	\$495.00	4.30%	\$495.00	4.30%	\$0.00	\$11,005.00	95.70%
70F0 - Equipment Rent Expe!	\$2,400.00	\$0.00	\$2,400.00	\$144.99	6.04%	\$1,047.77	43.66%	\$0.00	\$1,352.23	56.34%
80E1 - I&G Recoup - Conting!	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$0.00	.00%
80K0 - Banner Tax	\$657.00	\$0.00	\$657.00	\$0.00	.00%	\$157.03	23.90%	\$0.00	\$499.97	76.10%
80K2 - Foundation Surcharge	\$4,516.00	\$0.00	\$4,516.00	\$0.00	.00%	\$2,374.57	52.58%	\$0.00	\$2,141.43	47.42%
*TOTAL Expense	\$1,142,592.00	(\$79,613.00)	\$1,062,979.00	\$80,294.06	7.55%	\$557,741.54	52.47%	\$278,298.13	\$226,939.33	21.35%

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
Total Revenue:	\$1,142,592.00	(\$79,613.00)	\$1,062,979.00	\$0.00	.00%	\$1,169,225.61	110.00%	\$0.00	(\$106,246.61)	(10.00%)
Total Expense:	\$1,142,592.00	(\$79,613.00)	\$1,062,979.00	\$80,294.06	7.55%	\$557,741.54	52.47%	\$278,298.13	\$226,939.33	21.35%
Net:	\$0.00	\$0.00	\$0.00	(\$80,294.06)	.00%	\$611,484.07	.00%	(\$278,298.13)	\$333,185.94	.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.

Budget to Actual Report July 1 through December 31, 2020

Description	Status	FY 21 Budgeted Hours (*)	FY 21 Actual Hours	Variance
Audit Plan				
Prior Year				
FY 2020 Risk Assessment	Completed	150	136	14
Lobo Club/Athletics	Completed - Follow up	146	122	24
President's Travel and Entertainment FY20	Completed - Follow up	200	210	(10)
FM Audit of Facilities and Management Division	Fieldwork	400	568	(168)
Bookstore	Fieldwork	813	520	293
Information Security	Planning	400		400
FY 2021				
Capital Projects	Planning	500	21	479
Children's Campus	Assigned	400		400
Anderson School of Management	Assigned	600		600
Office of Medical Investigator (OMI)	Assigned	400		400
President's Travel and Entertainment FY21	Assigned			
UNM Valencia	Unassigned			
Pediatrics (SOM)	Unassigned			
Enrollment Management	Unassigned			
Cash Receipts (Main Campus and HSC)	Unassigned			
Audit Plan Subtotal		4,009	1,577	2,432
Misconduct and Fraud		2,800	1,918	882
Audit Recommendations Follow-up		400	216	184
Management Requests, Internal Audit Department's Self-Assessment		479	179	300
Non Audit Plan Subtotal		3,679	2,313	1,366
Total Project Hours		7,688	3,890	3,798
Leave and Administrative				
Holiday		784	666	118
Annual		1,176	231	945
Sick		672	100	572
CPE/Training		500	370	130
Administrative Time/Management		2,900	1,870	1,030
Administrative Staff Time		640	309	331
Audit and Compliance Committee, Meetings		520	312	208
IT Support/TeamMate		280	36	244
Total Leave and Administrative Hours		7,472	3,894	3,578
FY21 Total Hours		15,160	7,784	7,376

* Including 600 hours of student intern

Granting Agency/Entity	National Science Foundation (NSF)	Department of Education	UNMH CMS	SRMC CMS
Contract/Grant/Program Title	All NSF Awards	Sec 117 Reporting Inquiry	Medicare	Medicare
Contract/Grant Period	Various; Audit covers 3/1/20-9/30/20	Various; Inquiry on all gifts/contracts received from foreign sources dating back to 2016	Various	Various
Contract/Grant Total Amount	Various	Various	N/A	N/A
Contract/Grant Amount - Current FY			N/A	N/A
Principal Investigator	Various		N/A	N/A
Department	Various	Various	Hospital RAC Audits	Hospital RAC Audits
Agency Audit/Review Notification Date	10/1/2020	1/15/2021	Various	Various
Audit/Review Entrance/Visit Date(s)	Entrance Conference - 10/15/2020		Remote	Remote
Audit/Exit/Final Report Issued			Continuous	Continuous
Questioned Cost, if any			N/A	N/A
Audit/Review Major Finding, if any			See Comments	See Comments
Corrective Action Plan, if any			In Process	In Process
Planned Implementation Date			N/A	N/A
Campus	Main	All Campuses and UNM Foundation	Hospital RAC Audits	Hospital RAC Audits
Auditor if Different than Grantor	Cotton & Company (C&C)		Cotiviti	Cotiviti
Comments	Spans March 1, 2020, to September 30, 2020. 40 transactions were sampled and all support was provided prior to UNM's winter break. UNM has weekly status calls with audit team each Thursday to discuss outstanding items, new items, and questions. We are in the process of providing answers to follow up questions and the auditors hope to finalize the audit by March.	UNM received a letter from US Department of Education Office of the General Counsel dated 1/15/2021 regarding reporting in accordance with Section 117 of the Higher Education Act of 1965, which requires the University of New Mexico to disclose defined gifts, contracts, and/or restricted and conditional gifts or contracts from or with a foreign source to the U.S. Department of Education. The Department of Education is opening a preliminary inquiry, directed by the Department's Office of the General Counsel with support from the Office of Federal Student Aid, to determine the possible nature and extent of UNM's Section 117 violations, if any. UNM has been asked to produce the following records within twenty-one days (extension granted to 3/30/21): True copies of all gift or donation agreements and/or contracts, whether restricted and conditional or otherwise, by and between UNM and any "foreign source" as defined at 20 U.S.C. § 1011f(h)(2). The relevant time for this request is January 1, 2016 to the present.	FY2021 Q2 update. 39 requests for records have been received from 10/1/20 through 12/31/20. This includes a Durable Medical Equipment (DME) request in December 2020 for 18 records. Total charges were \$558,916 with reimbursement of \$225,055.25. Reviews are pending on all 39 claims. Of the 20 requests carried over from Q1 FY21, six reviews have been completed with no findings reported and no monies taken back by CMS. A total of 53 FY21 claims, representing reimbursement of \$244,642.11, remain open.	FY 2021 Q2 update: 14 requests for records have been received from 10/1/20 through 12/31/20. (NOTE: This includes a request for 12 records dated 9/24/20, but received on 10/14/20 and recorded to Q1 FY21.) 11 claims have been adjudicated with no findings and no monies taken back. Three FY21 claims, representing reimbursement of \$29,001.59, remain open.



OFFICE OF
COMPLIANCE, ETHICS
& EQUAL OPPORTUNITY

► Compliance and OEO Merger

Office of Compliance, Ethics and Equal
Opportunity (OCEEO)



Merger

- Modeled after other peers universities like UT.
- Cost savings and shared services.
- More holistic view of enterprise compliance requirements – Clery, Title IX, ADA, Affirmative Action



ROB BURFORD RETIREMENT (successor selection)



TITLE IX ROLL OUT

- Virtual Title IX Town Hall Aug. 21, 2020 (approx. 300 attendees)
- Virtual ASUNM Title IX Forum Nov. 19, 2020
- UNM Advance Video “Five Things to Know About Changes to Title IX in 2020”
- Published Q&As
- 22 presentations to Academic Departments, Advocates, HSC Leadership, Branch Campus Directors of Student Affairs, ASUNM
- Policy Updates (2740, 2720, D175, D176, SDP, 3215)
- Process Updates
 - Discrimination Grievance Procedure and Attendant Documents
 - Templates/Checklists
 - Forms
- Train investigators on new process

- HEARING OFFICE







SUNY ONLINE PLATFORM



The Clery Act in a Changing Environment

The Neurobiology of Sexual Assault

Codes Under Construction: Code Revision
Workshop

The Clery Act in a Changing Environment

Title IX Investigations

Basic Compliance Training (Northeast)





ADA VENDORS Web Accessibility

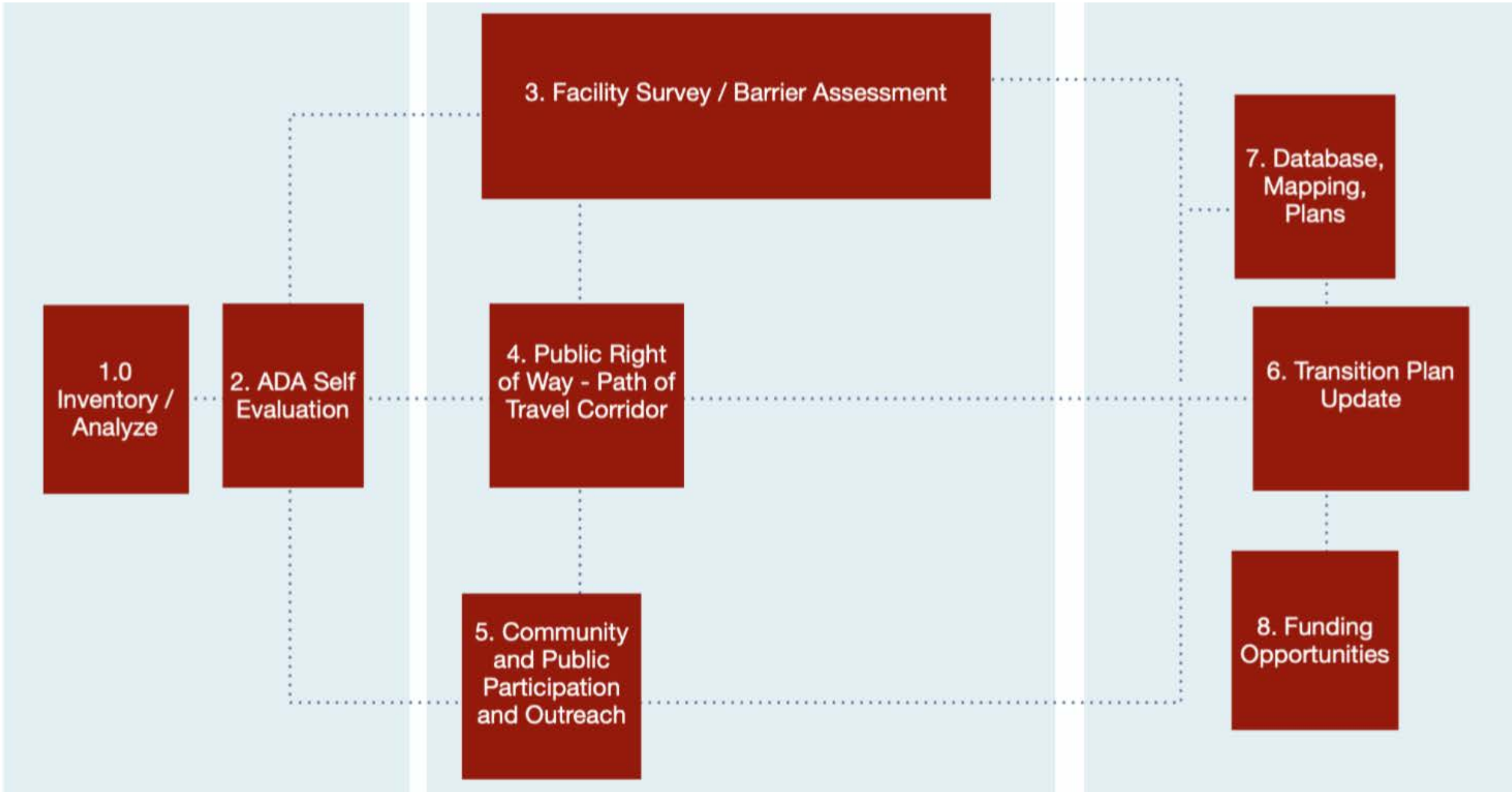
- The Paciello Group (TPG) is an accessibility consulting group that has been in business for 18 years. It is comprised of several digital accessibility experts, and their members have contributed to the development of the global Web Content Accessibility Guidelines, which are best practices for digital media to follow to ensure accessibility.
- Project Manager is Anne Scallan. CEO will work closely with UCAM's Web Group to ensure a successful project, as well as include University stakeholders and community members for feedback and input.
- TPG has worked with several large universities, including UC-Boulder and NYU



PATH OF TRAVEL/BUILDINGS

- Architectural Research Consultants (ARC) is a unique architectural consulting firm specializing in the areas of planning, architectural programming, facility evaluation, and architectural research. Founded in 1976, it is the largest and longest-established firm in New Mexico specializing in planning.
- Project Manager is Ailene O'Byrne – ADA Coordinator certified. Wilson and Company supports them.
- Have worked with APS, NMSU NMDOT.





Accessibility in the Time of COVID

- Increased need for captioning and sign language interpreters.
- Gaps become more apparent.
- Increase in numbers of accommodation requests or changes to accommodation due to COVID.
- Form streamlined.
- <http://oeo.unm.edu/resources/pdf/covid-ada.pdf>
- Benefits – Remote work



COMPLIANCE IN THE TIME OF CLIMATE ISSUES

- Partnerships with DEI and IT to avoid doxing and trolling.
- Doxing and Trolling Video for Compliance week.
- https://unmm-my.sharepoint.com/:v:/g/personal/rmtafoya_unm_edu/ESAERwQ-GrNKgVXhhaajhtQBTmArFRpFjAVbWjAljbjANQ?e=0x9Qx4

Training for the campus on the neurobiology of trauma. Dr. Chris Wilson.

- Norman Bay
- **ETHICS TASKFORCE**
- POLICY WORK ON CONFLICT OF INTEREST and CONSENSUAL RELATIONSHIPS.



ENTERPRISE RISK MANAGEMENT

In Spring of 2020 UNM embarked on a Risk Assessment Survey sent to departments all across our campus. We received the results in late Spring 2020 and have been meeting with different areas, since then. We soon found we could use more data than what was received through the Risk Assessment Survey, so we added EthicsPoint issues for the past three years to these departmental meetings.

Common Allegations/Concerns Reported Throughout EthicsPoint:

- Discrimination Issues
- Homeless and Safety Issues
- IT Privacy Concerns
- Sexual Harassment

- Departments Reviewed To Date
 - Anderson School of Management
 - College of Education & Human Sciences
 - College of Fine Arts
 - School of Engineering
 - Student Affairs



ANNUAL SECURITY REPORT - CLERY

Clery Report

The Clery Report was sent out in early December, as all higher education institutions were given an extension beyond the normal October 1st deadline. All branch campuses have posted their reports and all reports can be found at: [Campus Safety | The University of New Mexico \(unm.edu\)](https://campus.safety.unm.edu)

Trends

- Motor Vehicle Thefts have continued to trend downward over 65% in the last two years
- Drug Arrests went down by 87% from two years ago
- Weapons Law Referrals went down by 75% from two years ago
- Burglary has gone up 28% from two years ago
- Dating Violence went up by 87.5% from last year, but only by 3% from two years ago
- Stalking has gone up by 32% from two years ago





THANK YOU!



FRANCIE CORDOVA



505-277-5251



fcordova3@unm.edu





HSC Institutional Compliance Program

UNM BOARD OF REGENTS' AUDIT & COMPLIANCE COMMITTEE MEETING

OPEN SESSION UPDATE

THURSDAY, FEBRUARY 11, 2021 | 9:00 AM

ZOOM VIDEO CONFERENCING

HSC Institutional Compliance Program

General Administration Updates

HSC ICP Updates | Spring 2021 Student Internship

- **Position Posted on January 21, 2021**
 - » Posting ID: req14499
 - » Working Title: HSC Compliance Intern
- **Budget approved; paid, eight (8) week internship**
- **One applicant; specifically targeting undergraduate university seniors and juniors**
- **HSC representatives will assist on the selection panel**
- **Syllabus designed to include HSC compliance officers and compliance liaisons**

HSC ICP Updates | Exclusion Screening

- Office of Inspector General (OIG) imposes exclusions under authority of sections 1128 and 1156 of Social Security Act.
- HSC ICP verifies current or potential employees not classified as an excluded individual from participation in any Federal healthcare program.
- HSC Exclusion screening agreement infrastructure established September 2019 with external exclusion vendor.
- Human resources assures all new employees are screened individually prior to offering an offer of employment contract.
- Screening takes place on a monthly basis – submission is 25th of each month
- Current status (see report).

HSC ICP Updates | First Tier, Downstream & Related Entities

- **First Tier, Downstream & Related Entities (FDR) is defined by Centers for Medicare & Medicaid Services (CMS) as an party that enters into a written arrangement with a Medicare Advantage organization or Part D sponsor.**
- **FDR Compliance Program and Annual Attestation Requirements include:**
 - » Completion of general compliance and fraud, waste and abuse (FWA) training.
 - » Distribution of the HSC Codes of Professionalism and Conduct
 - » Educate all staff of reporting mechanisms
 - » Record retention for ten (10) years
 - » Report identified FWA and compliance concerns to organization
 - » Report and request use of offshore operations
 - » Monitoring and auditing of FDRs

HSC ICP Updates | First Tier, Downstream & Related Entities

- **The HSC has the following Medicare Advantage agreements:**
 - » Aetna
 - » Blue Cross/Blue Shield
 - » Cigna-Health Spring
 - » Humana
 - » Molina Health Care
 - » Presbyterian Health Plan, Inc.
- **The FDR attestations for FY2020 have been verified and submitted via agreement requirements.**
- **The HSC currently has one Downstream vendor agreement; established FY2019 (i.e., First Choice)**

**Institutional Disclosure of Relationships and Research
Activities with Foreign Institutions and Funding Agencies**
HSC Institutional Compliance Program

Institutional Disclosure of Relationships and Research Activities with Foreign Institutions and Funding Agencies

- **Institutions across the country are feeling impact of increased scrutiny** on inappropriate relationships of faculty, executives and board members, the need for proper disclosure on conflict of interest, and transparency of identified conflicts.
- **“Foreign components”** (any significant scientific element or segment of a project outside of the United States... either by the recipient or by a researcher employed by a foreign organization).
- **National Institutes of Health (NIH)** spends more than \$20 billion annually to fund research projects at American institutions.
- **Since August 2018**, approximately 180 letters have been sent by the NIH regarding individual scientists whom allegedly failed to disclose sources of research funding.

Institutional Disclosure of Relationships and Research Activities with Foreign Institutions and Funding Agencies | Best Practices for Disclosure

1. **Foreign components of federally funded research should be disclosed on proposals, progress reports, and final technical reports.**
2. **Researchers should ensure they disclose all applicable “Other Support” as required by federal sponsors.**
3. **Disclose participation in foreign talents progress (e.g., China’s Thousand Talents Program).**
4. **Disclose significant financial interest received from any foreign entity (e.g., foreign governments and universities).**
5. **Disclose all foreign consulting and other business activities.**

Institutional Disclosure of Relationships and Research Activities with Foreign Institutions and Funding Agencies | Importance

- 1. Disclosure protects everyone's interests (e.g., federal government, UNM HSC, individual researchers, and international collaborators) to have international relationships (disclosed and vetted) to determine if there are any potential ineligibility for future funding.**
 - Determine if there are any potential conflicts of commitment exists;
 - Determine if duplications of research exists;
 - Determine if diversion of intellectual property in the performance of federally funded research.
- 2. In extreme cases, failure to disclose all relationships could result in the termination of funding for a project and potential ineligibility for future funding.**
- 3. Noncompliance can also threaten not only the funding for individual projects, but overall funding for the UNM HSC and from federal appropriations as a whole.**

Questions / Concerns?



HSC Institutional Compliance Program

Thank you for your time,

Dr. Arthur Culpepper,

Chief HSC Compliance Officer

Deputy HSC Title IX Coordinator

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Main: 505.272.7371

Direct: 505.272.2746

**Follow Up Report - Implemented
February 2021 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
1	<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.	12/31/2019	1. Resolved - Although the Alumni Relations Office is unable to fully restore funding to previous levels, the President's office and the Alumni Association have agreed that the I&G funding level will be increased by \$75,000 and that level will be reflected on annual basis. Internal Audit verified that the amount is reflected in the I&G line item of the Alumni Relations Office budget for FY '21. 2. Resolved - Alumni Association funding for the Relations office is currently determined by the Association Executive Committee and approved by its board of directors. The Interim Alumni Association Executive Director has worked with the Association and the Board is committed to provide support to Alumni Relations office on a long-term basis. 3. Resolved - The Executive Director, with input from the Association leadership, has performed a cost savings analysis and determined significant savings from such line items as Mirage magazine.	Connie Beimer, Interim VP, Alumni Relations
2	<u>Lobo Club</u>	8/13/2020, 5, M	<u>Recommendation 3 - Record GIK timely</u>	The Lobo Club Executive Director should ensure meetings are held consistent with Lobo Club Operations Manual, with sufficient frequency to allow for timely recording of GIK pledges and contributions.	The Assistant Athletic Director, Annual Giving will meet with all necessary constituents in UNM Athletics quarterly to ensure tracking and recording of GIK consistent with policy.	10/1/2020	Based on follow-up procedures performed, the timeliness of Gift-in-Kind (GIK) contracts have been captured thru the quarterly meetings with Athletics, and the pledges and contribution activity are accurately reflected in the donor management system.	Jalen Ivan Dominguez, Executive Director, Lobo Club
3	<u>Lobo Club</u>	8/13/2020, 5, M	<u>Recommendation 4 - Formalize Deposit Schedule with UNM</u>	The Lobo Club Executive Director should formalize a deposit schedule to ensure that monies are deposited appropriately and timely transferred from Lobo Club to UNM.	The Financial Manager and the Executive Director, in partnership with UNM main campus, will formalize a schedule of transfer dates for Pit Suites and Club Seats monies, as well as student-athlete scholarship monies.	10/1/2020	The Lobo Club and UNM came to an agreed-upon schedule for transferring Lobo Scholarship Fund monies (annual transfer by end of October) and the Pit Suites/Club Seats monies (quarterly) from Lobo Club to UNM. This satisfies the requirements of the MOA currently in effect.	Jalen Ivan Dominguez, Executive Director, Lobo Club

**Follow Up Report - Implemented
February 2021 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
4	<u>FY 2020 President's Travel and Entertainment Expenses</u>	10/16/2020, 1, M	<u>Recommendation 1 - Identify and Report Taxable Fringe</u>	The Controller's Office should strengthen their process controls to ensure taxable fringe benefits, including country club membership, are properly reported in the correct tax year.	Management agrees with the Recommendation, and has implemented a corrective action plan to prevent the recurrence of this issue. The tax on the Country Club membership paid in 2019 was taxed as soon as possible after discovery of the omission, in September 2020. A list all of employees whose contracts include a country club membership benefit was obtained from Human Resources in September 2020. This information was reviewed for 2020 taxable transactions, and the Main Campus Associate Controller for Unrestricted Accounting will obtain this information from Human Resources prior to the end of each calendar year, to ensure that all appropriate taxes for this noncash benefit have been properly reported to payroll for taxation in the proper calendar year.	12/31/2020	For the exception identified in the 2020-09 audit, IA corroborated that the overlooked country club personal membership for President Stokes was included in her taxable wages for September 2020. IA also confirmed that the University Controller's office implemented a review process in partnership with HR to identify employment agreements containing country club memberships. IA sampled payments to country club vendors in 2020 and did not identify any payments for personal membership benefits, which is consistent with the results of the Controller's review process.	Terry Babbitt, Chief of Staff, Elizabeth Metzger, Controller

**Follow Up Report - Pending
February 2021 Open Session**

No	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
1	<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	The former Interim Provost indicated the Provost's office is in the process of shared governance consultation with faculty and believes they are almost ready to go out for RFP for purchasing an external service for tracking faculty research activities.	Provost; Duane Arruti, IT; OVPR
2	<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.	12/31/2019	The Alumni Association Executive Board created an ad hoc legal group made up of the attorneys currently serving on the Alumni Association Board to provide analysis and direction on legal matters. The group is looking at the license plate royalty agreement and will make any recommendations that may be necessary. The Alumni Association Interim Executive Director indicated that legal counsel does not deem it necessary to establish a MOA for license plate royalties, but will continue all efforts to ensure Alumni maintains its share of funds.	Connie Beimer, Interim VP, Alumni Relations
3	<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.	6/30/2020	Unresolved - Internal Audit verified Accessibility Resource Center's deficit is (\$148,193) and Student Publication's deficit is (\$355,195) as of December 31, 2020. Prior to the COVID challenges, a plan was put in place, which included Student Affairs contributing \$15K per year toward the accumulated deficit. Unfortunately, with the continued revenue declines for advertising and campus closure late spring, the unit took an even harder hit to anticipated revenues, resulting in a larger deficit than projected. At this time, Student Affairs recognizes there is a recurring shortfall, as well as the accumulated deficit. Management has drafted a few options to remediate the recurring deficit and then implement a deficit reduction plan to pay off the accumulated deficit.	Nicole Christine Dopson, Financial Officer Optg Grp

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4	<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.	6/30/2020	Dermatology's deficit continued to decrease from (\$635,334) at 6/30/2020 to (\$516,997) at 12/31/2020. Internal Audit will review Dermatology's operating ledger at 6/30/2021 to determine if the deficit is further reduced or eliminated.	Ava Lovell, Exec Ofcr Fin & Admin/HSC, Sr; Joseph Wrobel, Chf Budgt & Facil Officer
5	<u>Los Alamos Branch Campus</u>	5/7/2020, 6, M	<u>Recommendation 6 - General Information Technology Security</u>	NM-LA IT department should strengthen its IT security by executing the following: Developing a written information security program and communicating the program's policies and procedures with employees and monitoring its implementation periodically.	We agree with the auditor's comments and recommendation. The following action will be taken to improve our processes with IT security. UNM-LA IT, with assistance from UNM IT, will review UNM policies with regard to: (1) computer accounts and user identification, (2) access control, (3) acceptable computer use, (4) computer security awareness, and (5) tracking software maintenance and licenses and other recommendations listed. A written program of these policies, and the procedures related to them, will be compiled and communicated to employees during new hire orientation, annually as part of our annual policy awareness process, and through the Operating Procedures manual.	2/28/2021	Partially completed – Los Alamos management indicates that it has completed several recommendation components and is in the process of implementing the rest of the recommendation. An extension of the targeted implementation date to the end of February 2021 was requested and approved.	Cynthia Rooney, Chief Exec Officer CEO/Branch; Bob Harmon, Dir,Business Opns/Sm Branch: Los Alamos Branch
6	<u>Lobo Club</u>	8/13/2020, 5, M	<u>Recommendation 1 - Improve Processes around Pit Suites</u>	Lobo Club Executive Director should enforce established controls around Pit suite sales and collections to ensure that all suite holders have current contracts in place prior to the start of the basketball season.	The Director of Premium Seating will provide copies of all fully executed contracts to the Finance Manager, which will be reviewed by the Finance Manager and Executive Director before distribution of tickets and parking to suite holders. Originals will be kept by the Finance Manager and copies will be kept by Director of Premium Seating.	11/1/2021	Due to the continued impact of COVID-19, the University ("the Pit") Arena is unable to hold in-person basketball games, impacting the 2020-21 basketball suite holders and deferring their contracts. The Lobo Club has asked for this management response to be delayed until a point in time when there is a full basketball season to test, which IA agrees is reasonable.	Jalen Ivan Dominguez, Executive Director, Lobo Club
7	<u>Lobo Club</u>	8/13/2020, 5, M	<u>Recommendation 5 - Develop IT Policies and Procedures</u>	Develop written IT policies and procedures governing the donor management system that address the specific matters identified.	Lobo Club will develop written IT policies and procedures that: creates an Administrator permission to be held by a non-core user, Lobo Club staff member who will be responsible for performing Administrator functions within the donor management system; removes administrator functionality from the permission; and defines change management practices that include but are not limited to activating/inactivating of drive years.	2/28/2021	Lobo Club is almost finished drafting the the donor management system policies and procedures manual and has been working with the vendor to configure the system to conform with audit report recommendations. They anticipate the policies and procedures manual will be completed in early 2021.	Jalen Ivan Dominguez, Executive Director, Lobo Club

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1	<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 is 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
2	<u>Athletics Administration</u>	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 Athletics department has completed a working draft of its business operations manual. The business operations manual is being continuously updated as Athletics updates procedures and streamlines processes through its ARMS system. The manual has been disseminated to senior management at Athletics. While the document may continue to update, Athletics management provided a copy of the current business operations manual to Internal Audit for review. Internal Audit reviewed the drafted business operations manual and noted it includes all key operations processes. Internal Audit considers this recommendation implemented, but will continue to monitor the manual as it is being updated until management finalizes the manual.	Nicole Dopson, Dir, Financial Operations

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3	<u>Athletics Administration</u>	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 maintained its approved ten-year Deficit Reduction Plan. Athletics and the UNM Shared Services report on Athletics financial status at regular scheduled meetings. COVID-19 has had a significant impact on Athletics' financial situation and its deficit. Internal Audit will continue to monitor the deficit for FY 21.	Eduardo Nunez, Dir, Intercollegiate Athletics

EXECUTIVE SESSION