

BOARD of REGENTS



THE UNIVERSITY OF
NEW MEXICO.

AUDIT AND COMPLIANCE COMMITTEE MEETING

*Monday, February 24, 2020 1:30 pm
Scholes Hall, Roberts Room*

The University of New Mexico
Board of Regents' Audit and Compliance Committee
February 24, 2020 1:30 PM
Roberts Room
Agenda

ACTION ITEMS

1. Confirmation of a Quorum and Adoption of Agenda
2. Approval of Meeting Minutes from October 17, 2019
3. Audit and Compliance Committee remaining proposed meeting dates for Fiscal Year 2020. The Committee meets in the Roberts Room.

May 7, 2020 (Entrance Conference for FY20 Financial Statements 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 (*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*)

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 (Interim Director of Internal Audit Department) pursuant to exception at Section 10-15-1.H(2) NMSA (1978);
 - c. Schedule of Audits in Process and Proposed 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
October 17, 2019 – Draft Meeting Minutes

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

Other Attendees: Lisa Todd (Moss Adams), Jaime Cavin (KPMG), Mark McComb (KPMG), Garnett Stokes, Liz Metzger, Ava Lovell, Terry Babbitt, Francie Cordova, Dorothy Anderson, Duane Arruti, Loretta Martinez, Scot Sauder, Purvi Mody, Marjorie Goldstein, Arthur Culpepper, Ari Vazquez, Mallory Reviere, Victor Griego, Chien-chih Yeh, Manu Patel, Lisa Wauneka, Kevin Enright, Gonzalo Olivias, Mallory Reviere, Jacob Smith, Amy O'Donnell.

Chairman Brown called the meeting to order at 8:59 AM in the Roberts Room, Scholes Hall, UNM.

ACTION ITEMS:

- The Committee approved the meeting agenda.
- The Committee approved the prior meeting minutes from August 15, 2019.
- The Committee approved the next meeting dates of February 6, 2020 and May 7, 2020 (Entrance Conference for the FY20 Financial Statements Audit).

By unanimous consent, the meeting went into Executive Session at 9:01 AM per the agenda.

- a. Presentation of FY19 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. Schedule of Audits in Process and Proposed FY20 Audit Work plan, pursuant to RPM 1.2
- e. 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 approved submittal of the FY19 external financial audit to the New Mexico State Auditor's Office.

The Committee unanimously approved the following UNM reports:

- 2019-08 University President's Travel, Entertainment, and Other Expenses
- 2019-12 Review of Purchasing Department Operations
- 2019-15 Audit of Travel Activity in the Department of Family and Community Medicine

The Committee accepted the annual audit report for the Main Campus Internal Audit Department.

INFORMATION ITEMS:

- Advisors' comments: None.

- Victor Griego, UNM Interim Internal Audit Director presented his Director's Report. The upcoming meeting dates in February, 2020 and May, 2020 were chosen to coincide with the full Board meetings at the request of Chairman Brown. This is the last year of the current three-year external audit contract. The University is going out for bid soon for the next contract. The proposal should be completed by the end of October and the plan is to select the external audit firms early in the year in 2020.

The status of the FY20 audit plan shows one completed audit as of the end of September. Three recent audits were presented and approved in today's meeting. Five audits are in planning or fieldwork. Two audits are assigned and four are not yet assigned. Seven audits were carried over from FY19. That is a high number. For FY19, nine audits were completed; three of those audits were initiated from complaints and two came in as management requests. Five audits completed last year were not actually on the audit plan.

For FY19, the department completed and closed 23 complaints. This far in FY20, six complaints have been closed. There are 14 in planning and fieldwork and five that are unassigned. During that time the department received 48 complaints. According to the quality assessment review, that number is high. The department is looking at ways to control the number of hours related to complaints. Chairman Brown stated sometime it speaks to escalation of a concern. If indeed the regular supervisors and management group were sufficiently receptive and responsive, not as many might be coming to this department. Director Griego stated he had a conversation about that subject with the team lead of the quality assessment review team. The team lead stated that most audit shops spend 10-20% of their hours on complaints, and we are at approximately 50%.

The Internal Audit Department's budget allocation is approximately 95% dedicated to salaries.

An independent quality assessment team has been in the department all week. There are four team members. They selected seven University officials. Director Griego thanked everyone who participated in the process. Their report should be completed by mid-December. Director Griego will present the report information to this Committee at the February, 2020 meeting.

The risk assessment team finalized the survey that will be distributed. They are in the process of determining the population of recipients. Launch date for the survey should be early January, 2020. UNM Institutional Analytics will be assisting with that process.

The department launched a new website last month.

There are currently four external audits underway. The Health Resources and Services Administration is auditing two grants totaling 2.4 million. There have been no reported issues so far. Rio Grande Valley requested backup documentation for invoices from September 1st through June 30th on a total of 282 thousand. Four external grant audits totaling 4.1 million were closed without any cost payback and five minor audit recommendations. UNM's Contracts and Grants Office is looking at addressing any recommendations they had. The Centers for Medicaid and Medicare Services contracted with an external entity to conduct a billing review. UNMH and SRMC have provided 49 claims

reimbursements, of which, six (6) claims were from July 1, 2019 through September 30, 2019. No repayment was made.

- Dr. Culpepper, HSC Chief Compliance Officer, presented the Committee with an update on his area and the analytics of the hotline. If there is something they feel has been escalated inappropriately, they will call that supervisor directly. They may send it back down, monitor it, and ask that supervisor to follow up so they can close it out in the system. The hotline web system is the most popular avenue for complainants, and most of the information received is allegations on things like contract management, asset use, etc. Telephone intake is up a bit and they are getting more walk-ins. They are seeing a rise in the emails and letters because they have been getting the word out. They are in the process of working on more detailed metrics.

They have a workgroup working with policies and procedures. The hope is that they start to see allegations go down. A significant amount of complaints are still anonymous, despite the effort to communicate the efforts in place to address retaliation. Most are still HR-related but there has been an uptick in things that are patient care-related, such as payment processing.

Ethics and Compliance Week is coming up. It is a good opportunity to share information about reporting. They are also almost done with their risk assessment preparation.

Dr. Culpepper updated the Committee regarding the exclusion list process. The file transfer process has been automated. Files are sent to their vendor on the 25th of every month. The vendor's Compliance Resource Center utilizes HHS, OIG, LEI, etc. There are also additional databases they can access if they want to do a deeper dive. Dr. Culpepper met with individuals at Purchasing to assist them in streamlining their vendor exclusion process utilizing this same service.

HSC Compliance is coordinating closely with Main Campus to work with minors on campus. Mr. Burford informed the Committee that he has been working with IT to centralize data for minors on campus.

- The Main Campus Compliance Office provided a presentation to the Committee. The Ethics Task Force has had two extremely productive meetings. There were overarching themes that members felt are important. For example, they felt it should be student-focused and transparent. Also, there should be accountability across the board for ethical behavior and consistency no matter who the person is. There should be improvements in communication to the campus community. During the second meeting, they broke into several subcommittees. The most popular is the Campus Culture, Civility, Respect and Professional Boundaries. They are not fully formed because some members were not present. Also, they agreed they will allow individuals to bring on subject matter experts.

Every committee is going to do literature review, policy review, best practice review, identify issues, identify solutions, and look at training. Then they will roll up the information from all committees into a report to President Stokes.

The second committee is on research and academic ethics. The third committee is conflict of interest. The fourth committee is finance and resource misuse. And the fifth committee is

sexual harassment and consensual relationships. They are shooting for the beginning of the year for the roll up report to the President.

Ms. Cordova updated the Committee regarding the Americans with Disabilities Act Transition Plan. The plan is required by law for any person or university that takes federal money. It was supposed to be done by 1985, and it was, but it burned in a fire. They are sort of starting anew. There has been a lot of work with regards to Americans with Disabilities Act accessibility. They hired a vendor to help them scope the scope. They need to see what the priority elements are. Their report is to be done in January, 2020. On campus interviews with the out of state vendor are happening in November. Ms. Cordova asked the Committee who they should present to - should it be the full Board, this committee, or Finance and Facilities? Every committee seems like they would be interested. Chairman Brown replied he believes it should be presented to the full Board of Regents.

They are working on shoring up SOPs so everyone is doing the Hotline work consistently. They will take into consideration what this committee's chair advised about addressing it at the lowest level before it is elevated into a full investigation. They will schedule a planning meeting soon with all the Ethics Point users with regard to that. They had an interesting training by former law professor Norman Bay. All Ethics Point investigators were trained by him. Ms. Cordova reported there were at least 40 to 50 people in attendance and there was good feedback.

Rob Burford, Director, University Compliance updated the Committee regarding the recent Clery report. Motor vehicle thefts declined by 40 percent due to the efforts of President Stokes and things we have done with safety and security. There was also a big drop in referrals for alcohol and drugs within residence halls. Chairman Brown noted so often alcohol problems splash over into other problems. Are we not pursuing these issues well enough and that is the reason for lower numbers? Mr. Burford replied that we are pursuing them but one thing is we have a smaller residence hall system. Ms. Cordova added that UNM has live-trained every student which is different from any other university in the entire nation. Mr. Burford stated he could do a comparison to peer institutions.

There was an increase in domestic violence cases; there were a few more issues within the Hospital area with families together in high stress situations getting into altercations within the Hospital. Feedback from the Clery Center that UNM continues to receive is lack of support measures for faculty and staff. There are good things in place for students, but what about faculty and staff? It should be comparable for all of the UNM community members.

Mr. Burford presented the Ethics Point data for the first six months of 2019. The 115 cases so far this year is data for non-Office of Equal Opportunity (OEO). OEO has a lot of cases and these are housed separately. The number of cases is trending upward so they feel they have been doing a good job of letting people know. Cases are most often received by hotline web, then by hotline phone. UNM Main is most prevalent, followed by UNM HSC. Branch campuses can also enter information and may be tracked separately if requested. Those numbers are fairly small. Complainants self-identifying versus staying anonymous has slightly increased. Retaliation claim data is tracked. The case closure rate (number of days) has increased due mainly to higher caseload without more investigators, and some very

complicated and lengthy investigations. Regent Doughty commented on the good job the compliance area is doing, and with limited staff.

- Chien-chih Yeh, Internal Audit Manager updated the Committee with the status of audit recommendations. He began by reviewing the recommendations that were implemented since the last Committee meeting. Several recommendations are implemented but Internal Audit is leaving them open pending further review and verification. There are 10 pages of recommendations that are still open. Many are not due yet; others have a very recent due date and were not processed in time for this reporting cycle.

The meeting adjourned at 10:57 AM.

Approved:

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
February 24, 2020**

INFORMATION ITEMS

Audit Committee Meeting Calendar. The Committee meets at 9:00 AM in the Roberts Room. This approved schedule will accommodate the entrance conference for the FY20 External Financial Statements Audit. The following is the future proposed date for the remainder of fiscal year 2019 for the Committee's consideration.

May 7, 2020 (Entrance Conference for FY20 Financial Statements Audit)

The following are future proposed dates for the remainder of calendar year 2019 for the Committee's consideration:

August 6, 2020 Start at 9:00 AM

October 17, 2020 Start at 9:00 AM (Exit Conference for FY20 Financial Statements Audit)

Financial Statements External Audit RFP. The University's FY 2020 external audit is currently out for RFP. The RFP was opened on January 13th and will close on February 26th. The University can only contract for one year at a time, but can accept a multi-year proposal for up to a three-year period.

An external audit selection committee comprised of HSC, UH, Component Units and Main campus staff will evaluate the proposals and make the selection to present to this Committee for their approval. The selection committee hopes to award no later than March 31. However, the contract cannot be awarded to a firm that has not been approved by the State Auditor's Office. The State Auditor's Office will publish the approved firms sometime in March.

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, 2019 (FY 2020) through January 31, 2020 is:

Completed	4
Committee Presentation	2
Planning/Fieldwork	5
Subtotal	11
Assigned	1
Unassigned	3
Total	15

**Interim Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
February 24, 2020**

Complaint Status. The status of complaints assigned to Internal Audit for FY 2020, as of January 31, 2020 is:

FY 2020, as of February 14, 2020	
Completed/Closed	21
Planning/Fieldwork	9
Unassigned	4
Total	34

Department Financial Report. At Tab #5 is the Internal Audit Department's budget status report for your review. The FY20 adjusted budget is \$889,990, of which \$804,584 is from the general pooled account, \$5,406 is for 1% increase in salary adjustments, \$4,000 is reimbursements of expenditures from the University of New Mexico Hospital for sharing audit software, and \$76,000 from the departmental reserve. As of January 31, 2020, the department's actual expenditures are \$464,374 and encumbrances are \$289,061. Of the total expenditures, \$416,431 (90%) is for labor costs. Of the encumbrances, \$281,679 is for labor and \$7,382 is for non-labor operating costs.

Internal Audit Quality Assessment Review. The QAR for the Internal Audit department was completed in October 2019 and the final report issued on November 22, 2019. The final report with Internal Audit responses will be presented in closed session.

FY 2020 Risk Assessment. The risk assessment team comprised of Main Campus Compliance, HSC Compliance, Health Systems Internal Audit, and Main Campus Internal Audit has finalized the risk assessment survey and recipient list for the 2020 risk assessment. With assistance from the Department of Institutional Analytics, the survey will be distributed in early April using Opinio (UNM-developed survey software). Internal Audit, UNM and HSC Compliance programs will use their chosen methodology for developing work plans. Work plans will include, but not be limited to, discussion with University officials and leadership and development of heat maps. It is estimated the completed risk assessment and work plans will be completed by the August 2020 Audit and Compliance Committee meeting for feedback and approval.

External Audits and Reviews. At Tab #5 is the summary information as of December 31, 2019 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.

The Program Manager of the Defense Intelligence Agency (DIA) visited UNM on 9/17/19 to specifically review the checklist for two grant programs totaling \$3.8 million. The DIA Program Manager closed one grant and the University is awaiting further communication from the DIA on a final report or closeout documentation pertaining to the site visit.

Interim Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
February 24, 2020

The National Science Foundation (NSF) visited UNM on October 3, 2019 as part of a review of a grant program totaling \$7.2 million. NSF requested grant management policies, internal control documentation, and financial reports. The NSF requested support for 43 sampled transactions representing approximately \$658K. The University provided the NSF with all requested information and is awaiting further communication from NSF for the next steps.

The Center for Medicaid and Medicare Services (CMS) has contracted with an independent firm (Cotivity) to conduct billing reviews. The University of New Mexico Hospital and Sandoval Regional Medical Center have received requests from the Recovery Audit Contractor (RAC) to provide 174 records related to patient billings totaling \$1.4 million from October to December 31, 2019. Of these, 127 claims had been reviewed as of December 31, 2019; and, from these, repayment of \$88,000 was made based on the review of these claims. An additional forty-seven (47) claims from this same period were pending review.

During the current reporting period (October through December 2019), three (3) external grant audits totaling approximately \$2.7 million were closed out with no cost payback and no audit recommendations. These included two grants from Health Resources and Services Administration (HRSA) totaling \$2.4 million, and one with University of Texas Rio Grande Valley for \$282,000.

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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	\$3,439.49	85.99%	\$3,439.49	85.99%	\$0.00	\$560.51	14.01%
0390 - UNMMG Spec Arrang!	\$0.00	\$0.00	\$0.00	\$472.50	.00%	\$472.50	.00%	\$0.00	(\$472.50)	.00%
1640 - Allocations Pooled Allo!	\$804,584.00	\$0.00	\$804,584.00	\$0.00	.00%	\$804,584.00	100.00%	\$0.00	\$0.00	.00%
1667 - Instruction and Genera!	\$0.00	\$5,406.00	\$5,406.00	\$0.00	.00%	\$5,406.00	100.00%	\$0.00	\$0.00	.00%
1900 - Reserves	\$0.00	\$0.00	\$0.00	\$0.00	.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%
*TOTAL Revenue	\$884,584.00	\$5,406.00	\$889,990.00	\$3,911.99	.44%	\$975,296.38	109.59%	\$0.00	(\$85,306.38)	(9.59%)
Expense										
2020 - Administrative Profess!	\$713,507.00	\$0.00	\$713,507.00	\$51,961.88	7.28%	\$383,599.64	53.76%	\$259,809.40	\$70,097.96	9.82%
2060 - Support Staff Salary D!	\$48,128.00	\$0.00	\$48,128.00	\$3,738.82	7.77%	\$27,109.79	56.33%	\$21,869.76	(\$851.55)	(1.77%)
20J0 - Student Salaries Gen	\$23,000.00	\$0.00	\$23,000.00	\$565.80	2.46%	\$5,721.25	24.88%	\$0.00	\$17,278.75	75.13%
20SA - Salary Adjustments	\$19,867.00	\$5,406.00	\$25,273.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$25,273.00	100.00%
3100 - Office Supplies Gener!	\$600.00	\$0.00	\$600.00	\$0.00	.00%	\$255.01	42.50%	\$0.00	\$344.99	57.50%
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%	\$59.91	59.91%	\$201.66	(\$161.57)	(161.57%)
3180 - Non Capital Equipmen!	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$809.98	.00%	\$0.00	(\$809.98)	.00%
3189 - Tagged Non-Capital E!	\$2,000.00	\$0.00	\$2,000.00	\$0.00	.00%	\$0.00	.00%	\$1,180.00	\$820.00	41.00%
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%
31B0 - Food F&A Unallowabl!	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$542.90	.00%	\$0.00	(\$542.90)	.00%
31C0 - Dues Memberships G!	\$4,000.00	\$0.00	\$4,000.00	\$205.00	5.13%	\$2,872.16	71.80%	\$0.00	\$1,127.84	28.20%
31J0 - Parking Permits Gen	\$250.00	\$0.00	\$250.00	\$0.00	.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	\$113.67	14.21%	\$772.15	96.52%	\$0.00	\$27.85	3.48%
3805 - Instate Travel-Per Die!	\$151.00	\$0.00	\$151.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$151.00	100.00%
3820 - Out Of State Travel G!	\$0.00	\$0.00	\$0.00	\$403.46	.00%	\$1,880.36	.00%	\$0.00	(\$1,880.36)	.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%
39Z1 - Travel Non UNM Emp-!	\$0.00	\$0.00	\$0.00	\$1,418.39	.00%	\$6,192.95	.00%	\$0.00	(\$6,192.95)	.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%	\$5.94	11.88%	\$0.00	\$44.06	88.12%
6060 - Voice Mail Box Gen	\$634.00	\$0.00	\$634.00	\$50.00	7.89%	\$350.00	55.21%	\$0.00	\$284.00	44.79%

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
6300 - Alarm System Gen	\$200.00	\$0.00	\$200.00	\$11.25	5.63%	\$122.41	61.20%	\$0.00	\$77.59	38.80%
63A0 - Conference Fees Gen	\$2,000.00	\$0.00	\$2,000.00	\$875.00	43.75%	\$875.00	43.75%	\$0.00	\$1,125.00	56.25%
63A2 - Seminars/Training Fe!	\$7,000.00	\$0.00	\$7,000.00	\$0.00	.00%	\$1,090.00	15.57%	\$0.00	\$5,910.00	84.43%
63C0 - Copying Gen	\$100.00	\$0.00	\$100.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$100.00	100.00%
63L1 - Graphic Design Gen	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$225.00	.00%	\$0.00	(\$225.00)	.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%
63X0 - Technical Services Ge!	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$30.00	.00%	\$0.00	(\$30.00)	.00%
69Z0 - Other Professional Ser!	\$11,500.00	\$0.00	\$11,500.00	\$716.59	6.23%	\$12,745.23	110.83%	\$6,000.00	(\$7,245.23)	(63.00%)
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	\$1,417.50	12.33%	\$12,485.50	108.57%	\$0.00	(\$985.50)	(8.57%)
70F0 - Equipment Rent Expe!	\$2,400.00	\$0.00	\$2,400.00	\$199.28	8.30%	\$1,427.27	59.47%	\$0.00	\$972.73	40.53%
75Z0 - Other Repairs Mainten!	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$10.00	.00%	\$0.00	(\$10.00)	.00%
80K0 - Banner Tax	\$657.00	\$0.00	\$657.00	\$57.03	8.68%	\$441.29	67.17%	\$0.00	\$215.71	32.83%
80K2 - Foundation Surcharge	\$3,250.00	\$0.00	\$3,250.00	\$309.85	9.53%	\$2,302.80	70.86%	\$0.00	\$947.20	29.14%
*TOTAL Expense	\$884,584.00	\$5,406.00	\$889,990.00	\$62,336.02	7.00%	\$464,374.04	52.18%	\$289,060.82	\$136,555.14	15.34%
Total Revenue:	\$884,584.00	\$5,406.00	\$889,990.00	\$3,911.99	.44%	\$975,296.38	109.59%	\$0.00	(\$85,306.38)	(9.59%)
Total Expense:	\$884,584.00	\$5,406.00	\$889,990.00	\$62,336.02	7.00%	\$464,374.04	52.18%	\$289,060.82	\$136,555.14	15.34%
Net:	\$0.00	\$0.00	\$0.00	(\$58,424.03)	.00%	\$510,922.34	.00%	(\$289,060.82)	\$221,861.52	.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.

**External Audits and Reviews
As of December 31, 2019**

Granting Agency/Entity	Intelligence Community Centers for Academic Excellence (IC CAE)	National Science Foundation	CMS (Patient Billings) - RAC Requests as of December 31, 2019
Contract/Grant/Program Title	2RCY6 and 2RMR3	2RXX7 COMPRES	Medicare
Contract/Grant Period	Various; 2RCY6 ended on 9/7/19, 2RMR3 grant period is 9/28/18 through 9/27/21.	06/01/17 - 05/31/22	Various
Contract/Grant Total Amount	\$3,875,199.43	\$7,200,000	N/A
Contract/Grant Amount - Current FY			N/A
Principal Investigator	Frank Gilfeather	Carl Agee	N/A
Department	Provost Office	Institute of Meteoritics	Hospital RAC Audits
Agency Audit/Review Notification Date	Defense Intelligence Agency (DIA)	National Science Foundation (NSF)	Various
Audit/Review Entrance/Visit Date(s)	9/17/2019	10/3/2019	Remote
Audit/Exit/Final Report Issued	TBD		Continuous
Questioned Cost, if any			N/A
Audit/Review Major Finding, if any			See Comments
Corrective Action Plan, if any			In Process
Planned Implementation Date			N/A
Campus	Main	Main	Hospital RAC Audits
Auditor if Different than Grantor			Cotiviti
Comments	<p>PI Frank Gilfeather, received an email from Patrick Dowden, DIA Program Manager 9/16/19 about visiting UNM on 9/17/19. He specifically asked to review the check list for both the grant programs and close the first grant out, and to meet with the financial staff as normal. DIA Program Manager closed the first grant 2RCY6. We are awaiting correspondence from the agency on a report or closeout documentation of this site visit.</p>	<p>Provided initial request of documents to NSF on 10/25/19. This included internal control documentation, grants management policies, financial reports, labor reports, and travel summary for items charged to the grant. Based on the financial reports provided, NSF pulled a sample of 43 transactions for testing, totaling \$657,845.65. UNM provided the backup for these transactions on 12/3/2019 (and again on 1/9/20 due to a few files not going through successfully via email). NSF confirmed receipts of backup and we are waiting to hear back on next steps.</p>	<p>Provided 174 claims reimbursements totaling \$1.4M. As of December 31, 2019, 127 claims with reimbursement of \$1.0M was reviewed. \$88K was refunded based on the review of 127 claims. There are 47 claims pending review with original reimbursement of \$354K.</p>



MAIN CAMPUS COMPLIANCE OFFICE

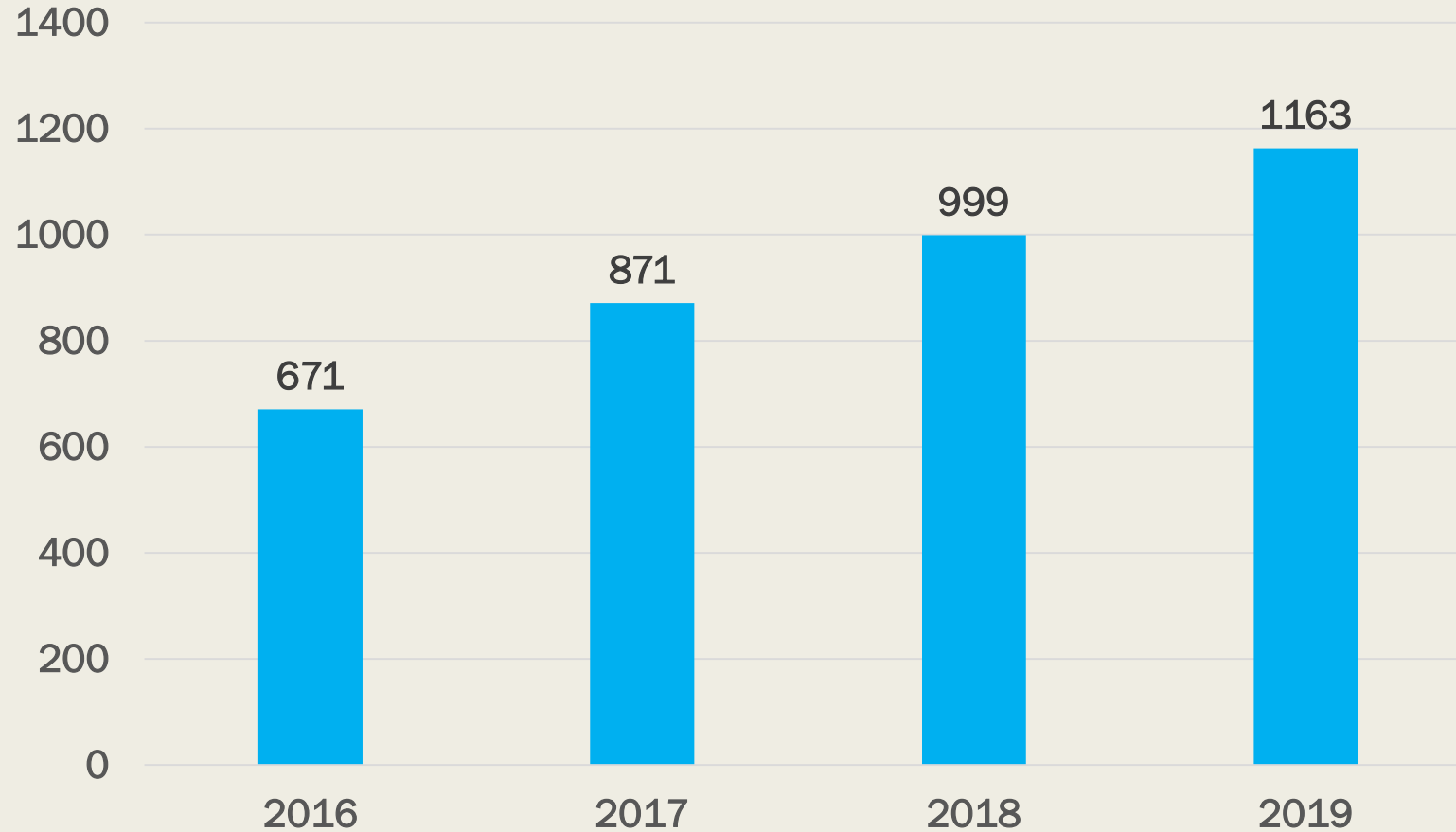
EthicsPoint Hotline Activity Report January 1, 2019 – December 31, 2019

*Reporting on EthicsPoint hotline case statistics for UNM Main Campus, UNM Health Sciences Center,
UNM Hospital, UNM Medical Group, Branch Campuses, and Sandoval Regional Medical Center.*



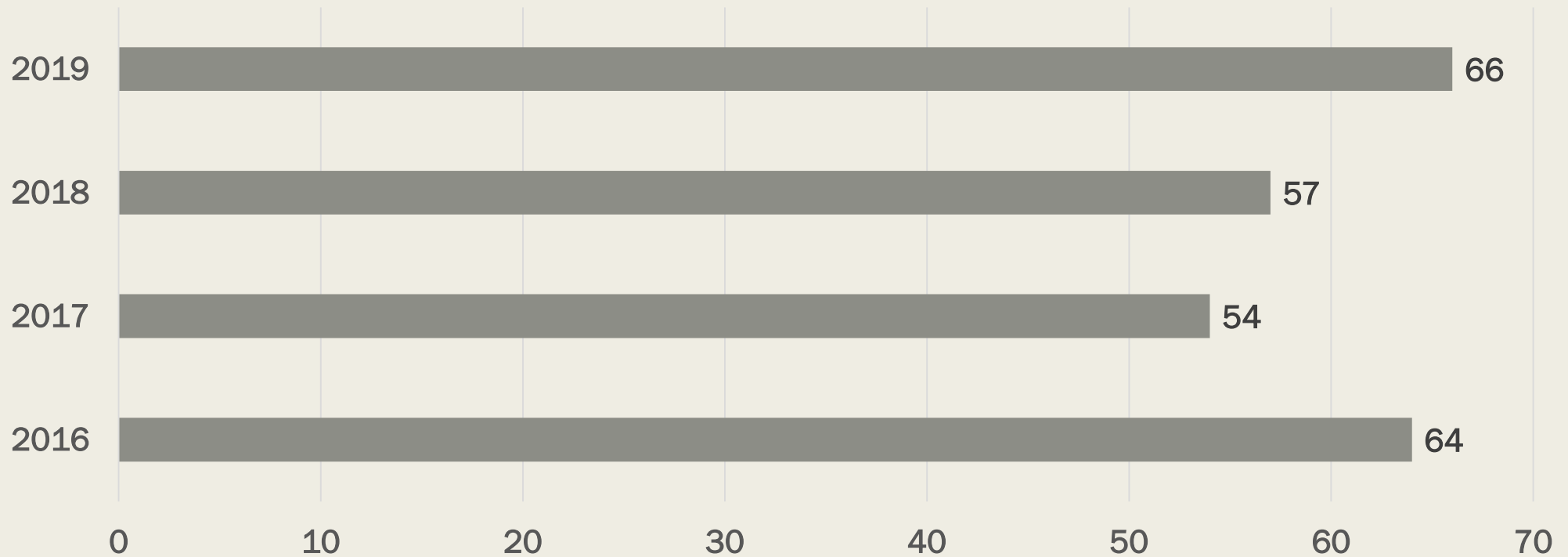
COMPLIANCE
OFFICE

UNM Hotline – Total Cases Reported for UNM (Years 2016 – 2019)

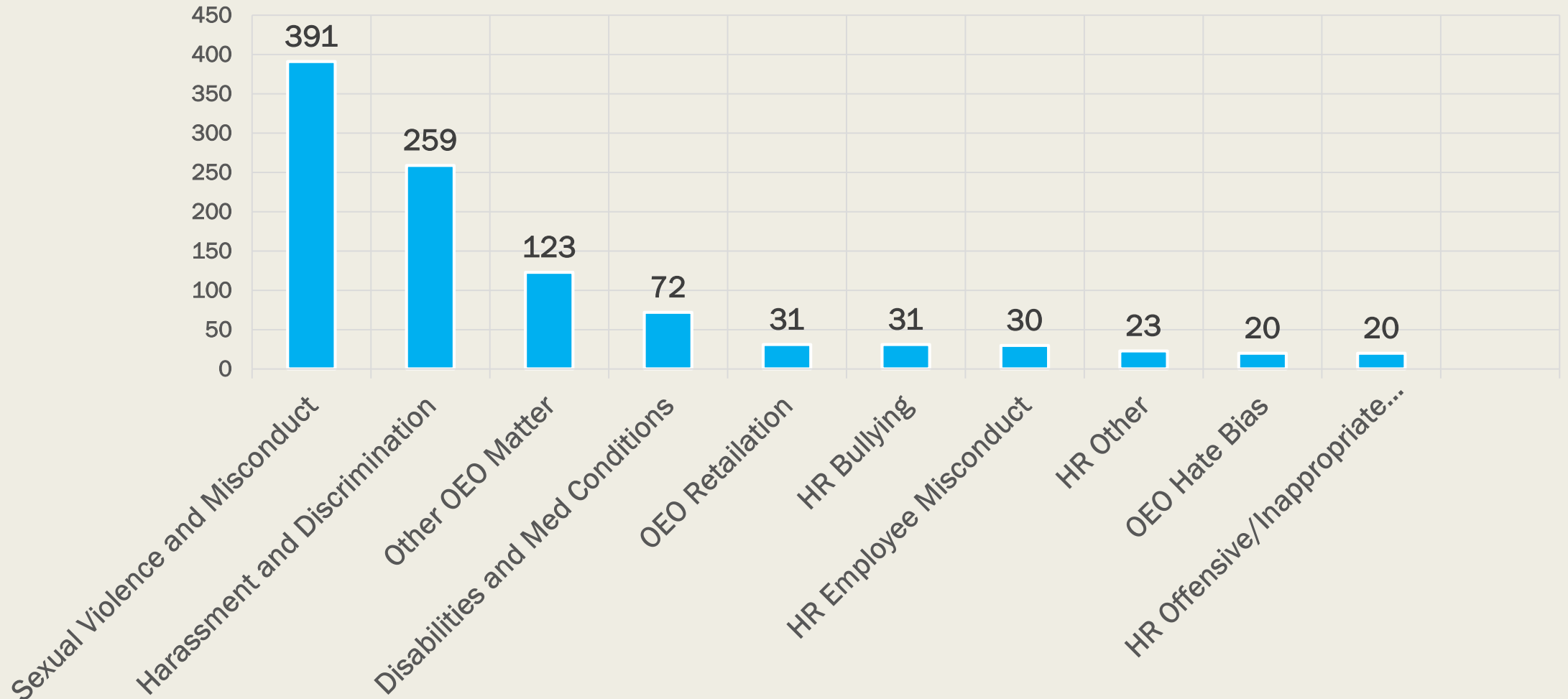


- There were a total of 1163 cases reported for 2019.
- For comparison, there were 999 cases reported for 2018.
- For comparison, there were 871 cases reported for 2017
- For comparison, there were 671 reported in 2016

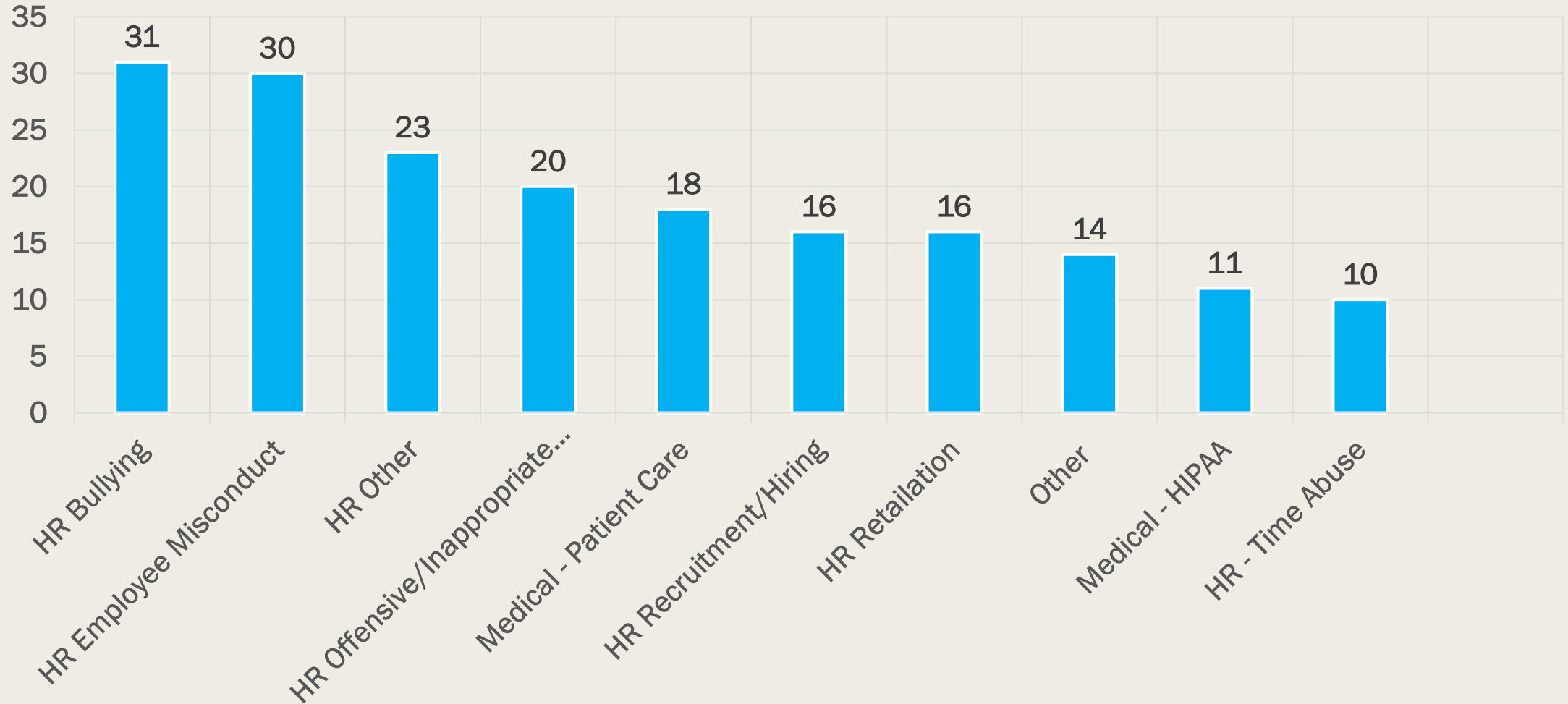
Performance of Cases – Average Days Cases are Open – (Including OEO)



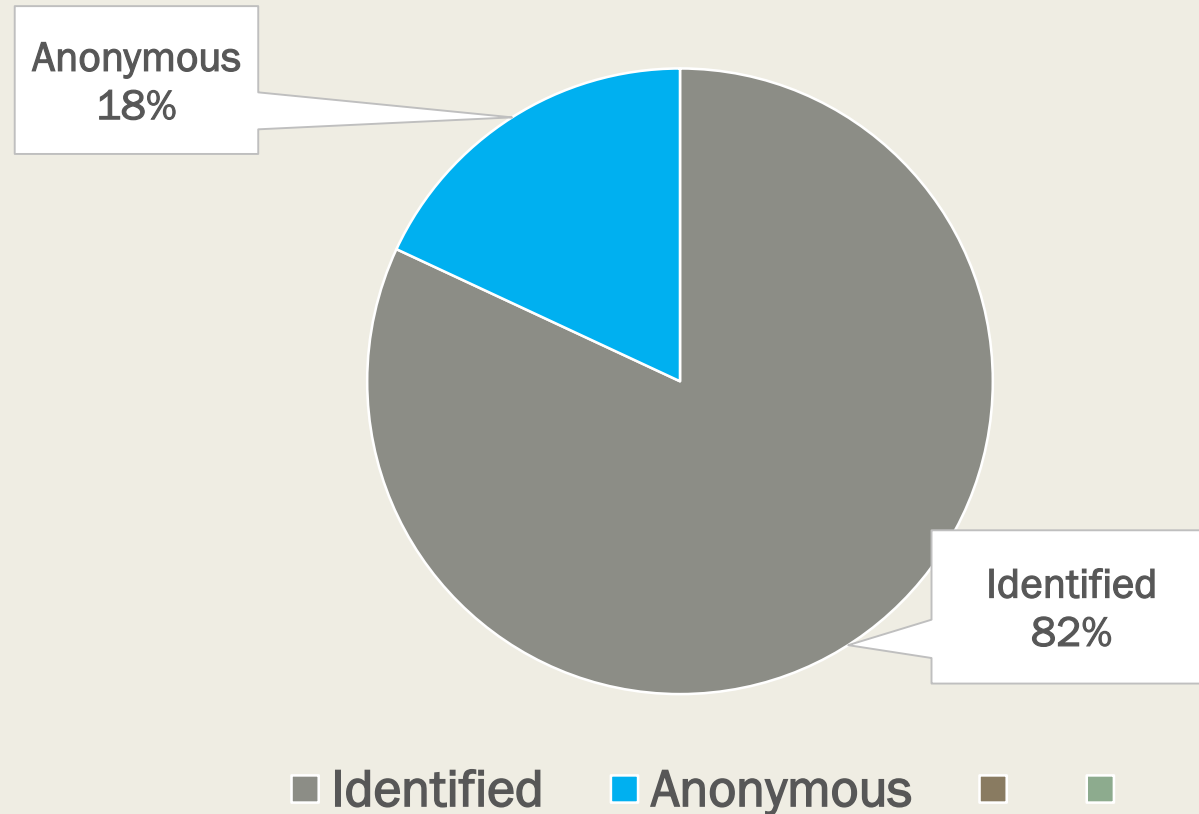
Top Ten Issue Types 2019 – Including OEO



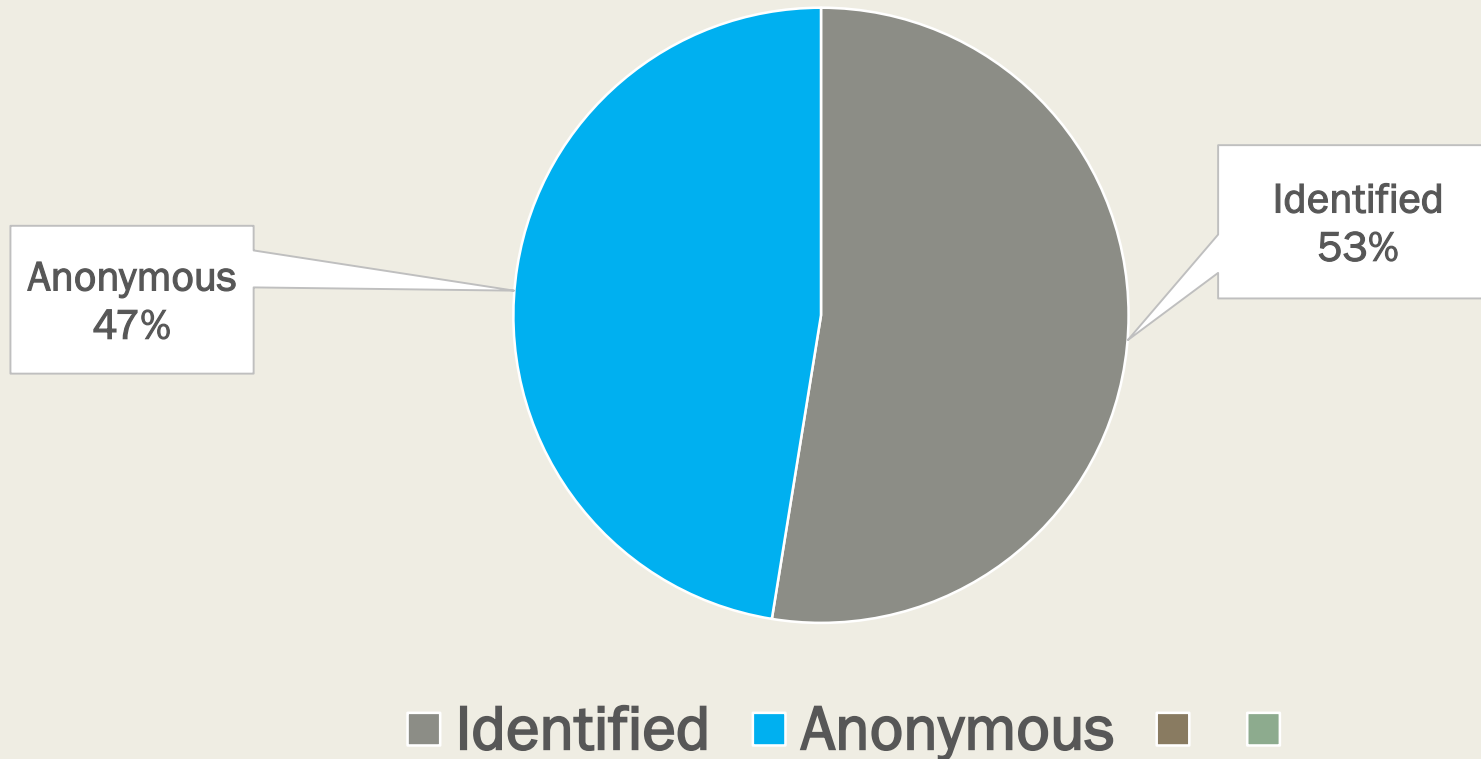
Top Ten Issue Types 2019 – Not Including OEO



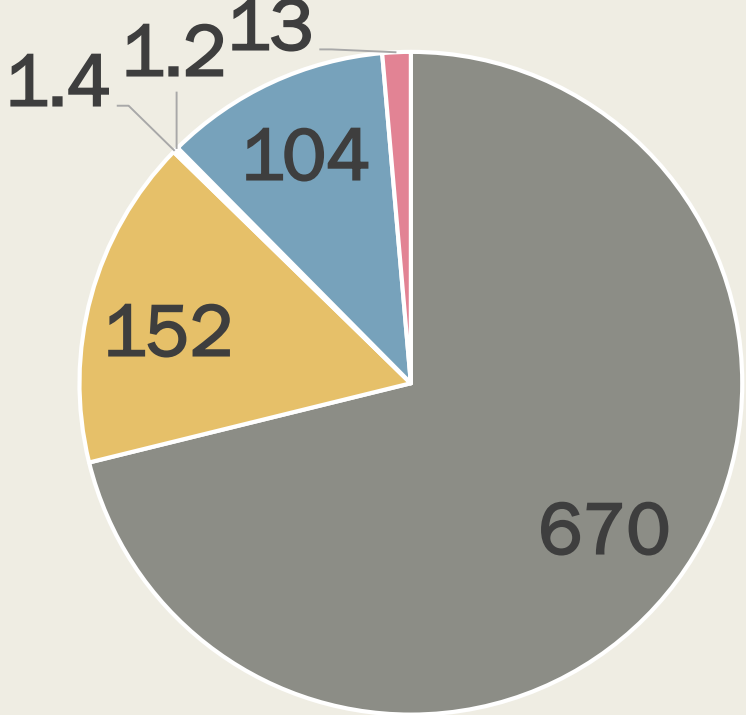
Identified vs. Anonymous – Including OEO (2019)



Identified vs. Anonymous – OEO Not Included (2019)

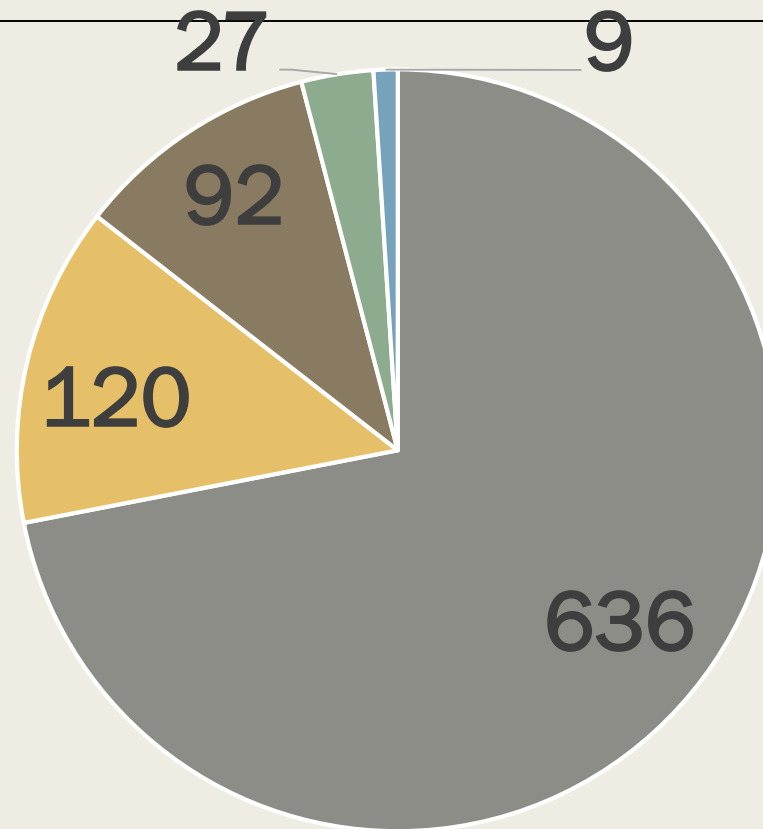


Summary of Intake Method of Cases – 2019 (All EthicsPoint Cases)



■ Letter/Mail ■ Hotline Web ■ Phone ■ Hotline Phone ■ Walk-in ■ Other

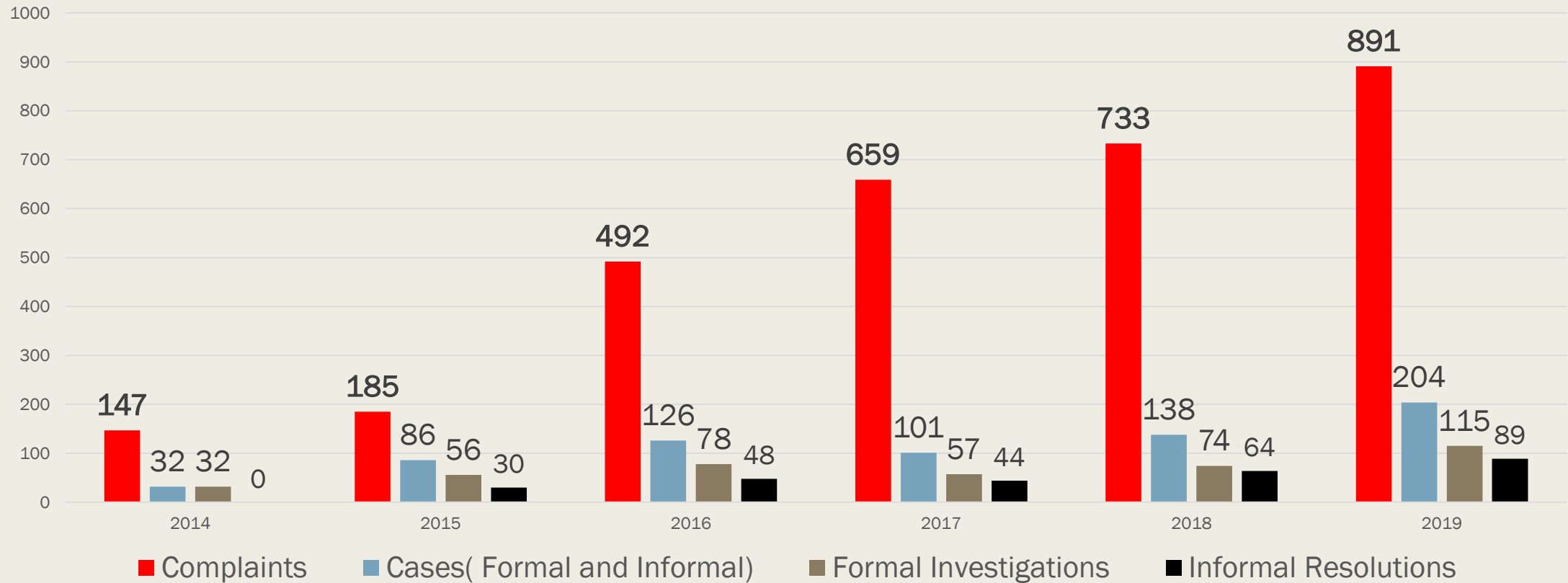
Summary of Intake Method of Cases – 2019 (OEO Cases Only)



■ Letter/Mail ■ Phone ■ Walk-In ■ Hotline Web ■ Hotline Phone

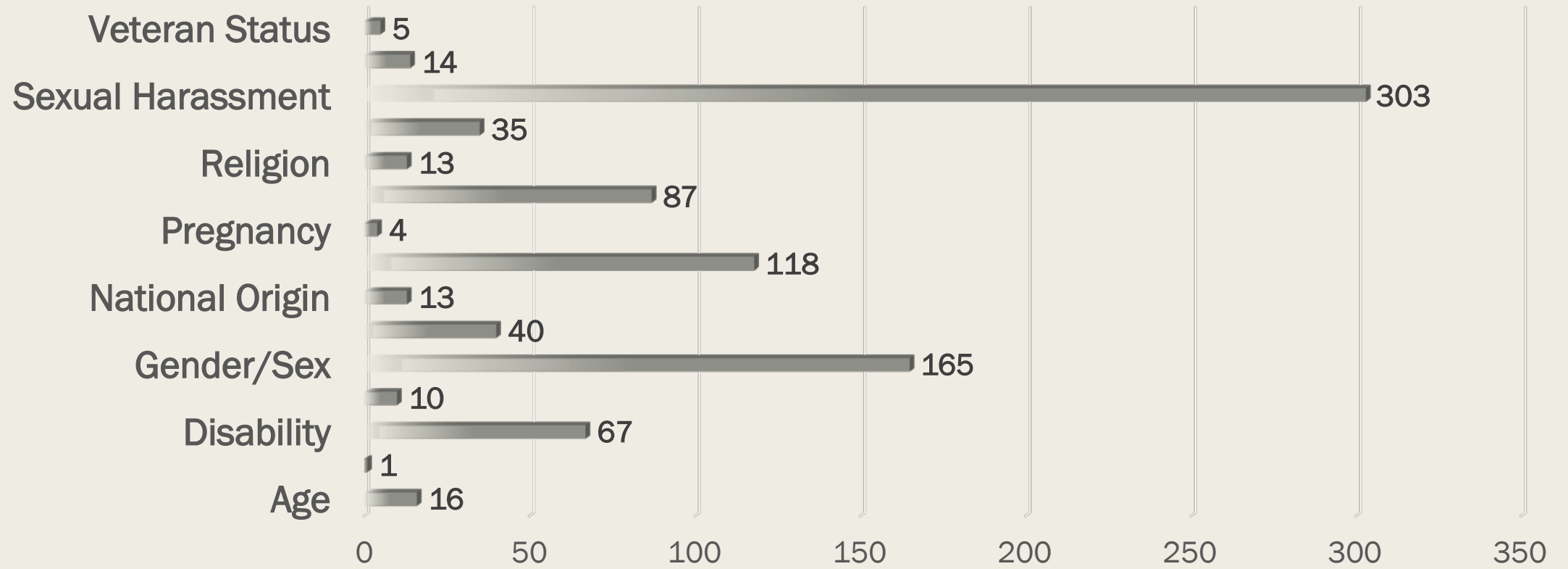
Office of Equal Opportunity Caseload Trend

Caseload Trends



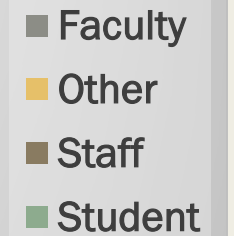
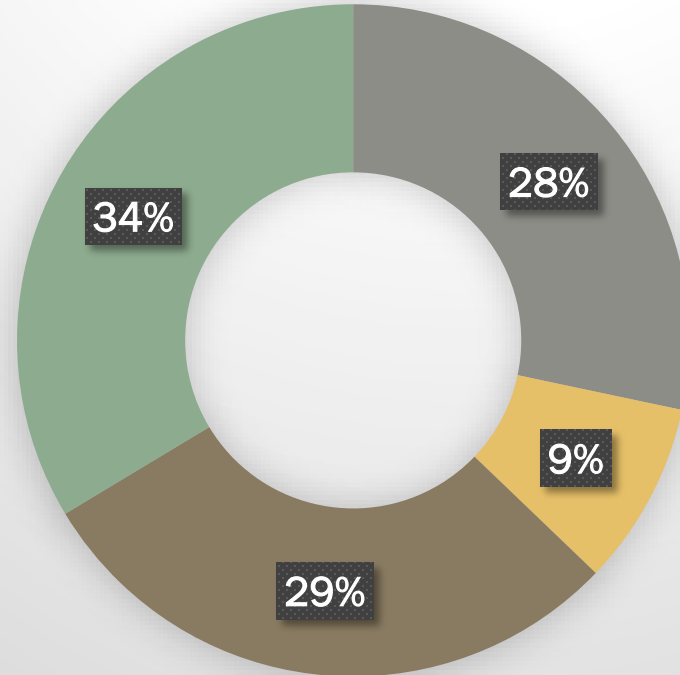
Complaints by Allegation Type 2019

COMPLAINTS BY ALLEGATION TYPE



Formal Investigations by Respondent Affiliation

RP Affiliation Formal Investigations



Title IX Complaints by Category

Title IX Complaints by Category Data Table								
	2016		2017		2018		2019	
	#	%	#	%	#	%	#	%
Dating/Intimate Partner Violence	41	18.1%	39	11.1%	43	10.0%	76	15.7%
Differential Treatment	3	1.3%	11	3.1%	19	4.4%	25	5.2%
Failure to Accommodate Pregnancy/Lactation	2	0.9%	4	1.1%	4	0.9%	1	0.2%
Hostile environment for gender/sex/gender identity/etc. reasons	1	0.4%	21	6.0%	52	12.1%	71	14.7%
Retaliation	0	0.0%	5	1.4%	7	1.6%	12	2.5%
Sexual Assault	57	25.2%	71	20.2%	90	21.0%	72	14.9%
Sexual Exploitation	3	1.3%	6	1.7%	8	1.9%	2	0.4%
Sexual Harassment	97	42.9%	167	47.7%	177	41.1%	179	37.1%

HSC Institutional Compliance Program Update

UNM BOARD OF REGENTS AUDIT & COMPLIANCE COMMITTEE MEETING
FEBRUARY 24, 2020 | 1:30 PM | SCHOLLES HALL, ROBERTS ROOM

Minors on Campus

- **UAP Policy 2205:** must adhere to university program requirements (participant waiver, emergency contact and medical release form; photography release, and mandatory camp checklist); complete learning central education; clear criminal background checks prior to activity and/or program participation; and, register activity and program annual with the HSC Institutional Compliance Program (“ICP”).
- HSC Enterprise (HSC-Health System and HSC-Academics) has designed, planned and implemented a minors on campus registration database.
- [Form for Internal Program/Activity Registration](#)
- **Next steps:**
 1. Continued outreach efforts to key HSC stakeholders
 2. Field questions concerning minors on campus activities and programmatic questions.
 3. Monitor activities and programs via database



Compliance Awareness Training

University of New Mexico
HSC Institutional Compliance Program
2020 Annual Employee Training

Welcome to Compliance Awareness Training!

Why do I need training?

- The Centers for Medicare & Medicaid Services (CMS) requires that anyone who works for an organization that provides health or administrative services to Medicare enrollees must satisfy general compliance training requirements.
- To help you follow federal and state laws, regulations, and UNM policies and procedures.
- To raise your awareness and increase your knowledge of individual and institutional compliance obligations.
- To help you detect, correct, and prevent non-compliance in your workplace.

Compliance affects everyone—including you.

Course Content

- This course consists of one lesson and a post-assessment quiz.
- Successfully completing the course requires completing the lesson and scoring 80 percent or higher on the Post-Assessment Quiz.
- You may retake the course and Post-Assessment Quiz as many times as needed to ensure your familiarity with the content and expectations.
- Completion of the course and Post-Assessment Quiz is not optional.
- UNM is committed to achieving 100% completion of compliance training in 2020.

High Risk Areas for Non-Compliance



Conflicts of Interest

Conflict of Interest
A situation in which a person is in a position to derive personal benefit from actions or decisions made in their capacity.



Privacy & Security

Privacy & Security
Privacy refers to any rights you have to control your personal information and how it's used. Security refers to how your information is protected.



Fraud, Waste & Abuse

Fraud, Waste & Abuse
Fraud is false representation of fact, false statements, or concealment of information. Waste is the careless expenditure, mismanagement or abuse of resources.



Red Flag Rules

Red Flag Rules
Requires organizations to implement a written identity theft prevention program designed to detect the "red flags" of identity theft in their day-to-day operations.

Click each image to learn more.

High Risk Areas, cont.



Ethics

Ethics
Standards of right and wrong that prescribe what humans ought to do, usually in terms of rights, obligations, benefits to society, fairness, or specific virtues.



Code of Conduct

Code of Conduct
A set of rules of behavior for the members of a particular organization.



Research

Research
Investigation and study of materials and sources in order to establish facts and reach new conclusions.



Nepotism

Nepotism
The practice among those with power and influence of favoring relatives or friends.

Click each image to learn more.

Real World Examples



In 2016, University of New Mexico entered into a 5-year Corporate Integrity Agreement with the Dept. of Justice after it was determined the university failed to adequately respond to allegations of sexual assault of students.



Pawankumar Jain, a former physician, was sentenced May 9, 2019 in federal court in Las Cruces, N.M., to 9 years in prison and three years of supervised release for unlawfully dispensing controlled substances and health care fraud.



In 2018, a HHS Administrative Law Judge ruled that The University of Texas MD Anderson Cancer Center violated HIPAA and granted summary judgement to the office of Civil Rights in the amount of \$4,348,000 in civil monetary penalties.



In 2012, a Penn State professor pleaded guilty to research grant fraud and was sentenced to over 3 years in prison and ordered to pay \$640,660.37 in restitution.

Click each image to learn more.

Administrative Policies and Procedures Manual - Policy 2205: Minors on Campus

Date Originally Issued: 03-08-2016

Revised: 01-04-2018

Authorized by [RPM 2.5](#) ("[Sexual Harassment](#)")

Process Owner: Chief Compliance Officer

1. General

Although the University of New Mexico is committed to the safety of all members of its community, the University has particular concern for potentially vulnerable populations, such as minors, who may require special attention and protection. This policy establishes general standards for minors participating in University programs and for minors visiting University workplaces and classrooms. Individual units of the University may develop more stringent standards to address their particular needs, including ethical standards and codes of conduct. In order to ensure that all UNM units involved with programs for minors are aware of and comply with this policy, the Office of the University President asks units, as applicable, to complete a yearly compliance certification.

2. Definitions

For the purposes of this policy, the following terms are defined as specified:

- "Abuse or neglect of minors" means infliction of physical or mental injury, sexual abuse, or exploitation, or negligent treatment or maltreatment of a person under age 18.
- "Authorized adults" means individuals who are responsible for the care and custody of, or who might have unsupervised interactions with, minors in University programs.
- "Campus" means all buildings, facilities, and properties that are owned, operated, managed, rented, or controlled by the University for University programs.
- "External organization" means a third-party vendor or other non-University organization or individual that uses University facilities to conduct a program or activity with minors pursuant to an approved contract with the University.
- "Minor" refers to a person who is under the age of 18, but does not include students enrolled at UNM, attendees at new student orientation sessions, or student employees at UNM.
- "Program leader" means the person primarily responsible for the management, oversight, and implementation of a University program for minors.
- "University program" means an activity for minors (1) operated or sponsored by a University department, college, or school, (2) during which the University assumes responsibility for the care and custody of the minors.
- "University program" does not mean:
 - Activities in which minors are supervised by parents, guardians, chaperones, or third parties
 - Kindergarten through 12th grade groups visiting campus as members of campus tours
 - Patrons of educational or entertainment events or activities, such as at Popejoy or the Duck Pond
 - Human subjects research involving minors conducted under the oversight of an institutional review board
 - Recruitment activities in large group settings

3. Code of Conduct

Members of the campus community, particularly those working with minors, are expected to perform their duties with the highest degree of integrity, honesty, and good judgment consistent with [Regents' Policy 2.18 \("Guiding Principles"\)](#). To ensure the safety and wellbeing of minors, those who interact with minors on campus are encouraged to meet in groups or public areas, and to be aware of the impact of their words and actions.

Program leaders and others working with minors must monitor the minors' behavior to prevent interruptions to University business or instruction.

As discussed in Section 6, under state law, all members of the University community must report immediately if they have reasonable cause to suspect abuse or neglect of minors.

4. University Program Requirements

Program leaders must obtain from each minor's parent or guardian a signed copy of the Minor Participant Waiver and Notice of Risk Form ([Exhibit A](#)), and the Minor Participant Emergency Contact and Medical Release Form ([Exhibit B](#)). Or, alternatively, program leaders may obtain from each minor's parent or guardian a signed copy of other similar forms that have been reviewed by the [Office of University Counsel](#).

Program leaders should provide that the ratio of adults to minor program participants follow the [American Camp Association ratios](#) :

- 5 years and younger: 1 staff for each 5 overnight campers and 1 staff for each 6 day campers
- 6–8 years: 1:6 for overnight, and 1:8 for day
- 9–14 years: 1:8 for overnight and 1:10 for day
- 15–18 years: 1:10 for overnight and 1:12 for day

Licensed Child Care Centers affiliated with the University are subject to the childcare center requirements specified in New Mexico law.

4.1. Training for Those Participating in University Programs

Program leaders should identify the authorized adults who must complete appropriate training. Training is offered to employees through [Learning Central](#). The same training can be offered to other authorized adults who are not employees through links on the Main Campus Compliance Office's [website](#). The training includes:

- Basic warning signs of abuse or neglect of minors.
- Guidelines for protecting minors from emotional and physical abuse and neglect.
- Requirements and procedures for reporting incidents of suspected abuse or neglect or improper conduct.
- A code of conduct for interacting with minors.

Units may offer additional training to authorized adults to meet the specific needs of individual University programs.

4.2. Criminal Background Checks

All authorized adults in University programs must clear criminal background checks prior to participation in these University programs. Program leaders may require other authorized adults to clear background checks prior to participation in University programs. Background checks are valid for three years.

4.3. Mandatory Camp Checklist

Program leaders must ensure compliance with the requirements in the Mandatory Camp Checklist. See [Exhibit D](#).

5. External Organizations

External organizations must:

- Establish a contractual relationship with the University for the use of facilities or resources;
- Identify a contact person or agent who will coordinate with the University;

- Ensure that their staff has undergone background checks that, at a minimum, comply with Section 4.2; and
- Provide evidence of one-million dollars (\$1,000,000) of general liability insurance coverage that lists “the University of New Mexico” as an additional insured party. This insurance may be purchased through the State Risk Management Department's Tenant Users' Liability Insurance Program. For more information, visit the [Safety and Risk Service's Liability Insurance webpage](#) and click on the Tenant Users' Liability tab.

6. Reporting

6.1. Emergencies

In case of an emergency, one should immediately call [UNM Police](#) at (505) 277-2241 or 911.

6.2. Known or Suspected Abuse or Neglect of Minors

Every member of the University community has an obligation under New Mexico law to report any instances or suspected instances of the abuse or neglect of a minor. Anyone who knows, suspects, or receives information indicating that a minor has been abused or neglected, or who has other concerns about the safety of minors, should contact [UNM Police](#) or the [State of New Mexico Children, Youth, and Families Department](#) at 1-855-333-SAFE (7233).

Program leaders must take immediate steps to prevent further harm to the alleged victim or other minors, including, where appropriate, removing the alleged abuser from the program or activity or limiting his or her contact with minors pending resolution of the matter.

6.3. Misconduct

Anyone can report suspected misconduct to the UNM Compliance Hotline through the toll-free number, 1.888.899.6092, or online at [unm.ethicspoint.com](#). [UAP 2200 \(“Reporting Suspected Misconduct and Whistleblower Protection from Retaliation”\)](#) protects individuals from retaliation when they make good faith reports of suspected misconduct that may be taking place at the University.

7. Minors in the Workplace or Classroom

The University values its employees and students by recognizing the role of families in their lives and promoting work-life balance. In certain circumstances, it may be appropriate for faculty, staff, and students to bring their minor children to the workplace or classroom. In such situations, the goal should be to foster respect for the needs of all parties impacted by the presence of the minor children. Faculty, staff, and students:

- May occasionally bring minors to the workplace for brief visits, specific campus events, situational convenience, or family emergencies. These should be occasional and not in the place of regular childcare.
- Must obtain prior approval from their workplace supervisor or classroom instructor before bringing a minor to the workplace or classroom.
- Accept full responsibility for the minor’s safety and supervision, and for any damage to property or injury to persons that is caused by the minor’s presence.
- Accept responsibility for monitoring the minor’s behavior to prevent interruptions to University business or instruction.

If a minor is too ill to be sent to the regular childcare location or school, he or she generally should not be brought to the workplace or classroom. Exceptions may be made if prior approval is obtained from the supervisor or instructor.

Minors are not allowed in high-risk or hazardous areas as defined by the supervisor or instructor. These areas may include mechanical rooms, food preparation areas, areas with heavy equipment, University vehicles, or laboratories or other specialized hazardous areas.

8. References

- [Exhibit A](#): Minor Participant Waiver and Notice of Risk Form
- [Exhibit B](#): Minor Participant Emergency Contact and Medical Release Form
- [Exhibit C](#): Photography Release
- [Exhibit D](#): Mandatory Camp Checklist

**Follow Up Report - Implemented (Non-Athletics)
February 2020 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>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	01-08-2020 - Policy 3700 was revised on 07-31-2019 to address the issues raised in Audit report 2019-02. Section 5 was added to Policy 3700 to provide a narrow exception allowing payment of tuition by UMM to outside institutions for employees to obtain advanced degrees when the University derives significant benefit.	Garnett Stokes, President ; Terry Babbitt, Chief of Staff
<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.	12/1/2019	Rental deposits for Hodgins Hall and Alumni Chapel are now deposited and recorded directly in a UNM bank account using the Touch Net system. Internal Audit reviewed a deposit for Alumni Chapel to verify implementation.	Dana Allen, VP, Alumni Relations

**Follow Up Report - Implemented (Non-Athletics)
February 2020 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>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	February 10, 2020 – HSC Chancellor's Office has developed criteria and procedures for health care system hiring.	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 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	February 10, 2020 – HSC has developed and implemented the criteria and procedures for identifying UNM Health System positions.	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	February 10, 2020 - HSC leadership has set expectations and standards with an amendment to the Affiliation and Management Services Agreement.	Paul Roth, Chancellor for Health Sciences: UNM Health Sciences Center; Michael Richards, Vice Chancellor Clinical Affairs

**Follow Up Report - Implemented (Non-Athletics)
February 2020 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>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	February 10, 2020 - HSC Chancellor's Office has conducted a review of the positions hired and issued a memo with findings and corrective actions.	Paul Roth, Chancellor for Health Sciences: UNM Health Sciences Center; Jeanne Marquardt, School of Medicine Administrator
<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	12/31/2019	February 10, 2020 - HSC has contracted with outside consultants to review best pay practices and compensation strategies, including addressing equity issues and salary placement methodologies.	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	February 10, 2020 - HSC Chancellor's Office has conducted a review of the positions hired and issued a memo with findings and corrective actions.	Paul Roth, Chancellor for Health Sciences: UNM Health Sciences Center; Ava Lovell, Exec Ofcr Fin & Admin/HSC

**Follow Up Report - Implemented (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	Recommendation Action	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	February 10, 2020 – HSC Management has instituted criteria and policy for hiring at UNMMG.	Paul Roth, Chancellor for Health Sciences: UNM Health Sciences Center; Michael Richards, Vice Chancellor Clinical Affairs
<u>Purchasing Department Operations</u>	10/17/2019, 5, M	<u>Recommendation 1 - Transmission of Confidential Identifying Information</u>	The UNM Purchasing Office should work with FSM to educate campus departments on secure methods of transmitting W-9 information between campus users and external vendors to discourage email transmission of this information.	Purchasing agrees with the risk identified. The plan is to use multiple outreach channels to remind and educate department users on better safeguarding of W-9s that may include sensitive information (e.g. SS#) by NEVER receiving W-9 forms from vendors and individuals via email and instead use fax or US mail.	1/1/2020	Internal Audit has verified that Purchasing has taken the following steps to implement this recommendation: 1. Updated language in both LoboMart and Chrome River stating that confidential information should not be uploaded or should be redacted prior to transmission to LoboMart/Chrome River 2. Beginning with the December 2019 Purchasing newsletter, users were informed that confidential information should not be emailed 3. Language in the W-8/W-9 collection forms has been updated to state that the forms should be mailed or faxed to Purchasing, NOT emailed or otherwise transmitted electronically 4. Assorted job aids for LoboMart and Chrome River have been updated to state confidential information should not be emailed	Bruce Cherrin, Chief Procurement Officer

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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>Purchasing Department Operations</u>	10/17/2019, 5, M	<u>Recommendation 4 - Frequency of Debarment and Exclusion Inquiries</u>	Purchasing should work on implementing a process that allows for frequent inquiries into the debarment or exclusion status of existing vendors, including those not paid via Purchase Orders.	The HSC Compliance Office implemented a new process for verifying excluded or sanctioned vendors (CRC Exclusions Screening Tool). The entire UNM Vendor file is uploaded monthly and all potential matches are closely reviewed by the HSC Compliance Officer. The first upload was submitted in April, 2019. The Vendor Maintenance group has recently been given access to the tool and is in the process of implementing for verification of all vendors receiving payment through Accounts Payable.	11/1/2019	Purchasing has implemented the use of a CRC Exclusion Screening Tool. This tool performs daily screenings for all vendors and evidence of screening is logged internally by Purchasing. Purchasing also performs manual searches for all new vendors at the time of their addition to Banner, as well as when a new or modified invoice that exceeds \$25,000 is submitted for payment. This recommendation is considered to be implemented.	Bruce Cherrin, Chief Procurement Officer
<u>Purchasing Department Operations</u>	10/17/2019, 5, M	<u>Recommendation 5 - Development of Change Order SOP</u>	Purchasing should develop a standard operating procedure (SOP) regarding appropriate considerations and treatment of change orders.	Purchasing has written a Standard Operating Procedure (SOP) for processing Change Orders.	10/1/2019	Internal Audit received a copy of an SOP from Purchasing regarding Change Order processing. This recommendation has been implemented.	Bruce Cherrin, Chief Procurement Officer
<u>Family Community Medicine</u>	10/17/2019, 3, M	<u>Recommendation 1 - PCard Policy Violations</u>	The Chair of the FCM, or their representative, should work with the PCard Office to review the activity of the PCard holder and consider disciplinary action, up to revocation of their PCard.	We concur with the recommendation and our Chair and Department Administrator will set up a meeting to work with the PCard Office to review the activity of the PCard holder. Disciplinary action will be considered and a final decision to include communication on the decision to the PCard holder will be done by December 20, 2019.	12/20/2019	The PCard Office has permanently revoked the PCard of the employee at issue in this finding.	David Rakel, Chair of Dept of Family Community Medicine / Professor
<u>Family Community Medicine</u>	10/17/2019, 3, M	<u>Recommendation 2 - Business Purpose Documentation</u>	FCM ChromeRiver report preparers and reviewers should receive training over the required elements of business purpose documentation detailed in UAP 4000. The Department should develop and implement written travel guidelines consistent with Travel policy 4030 to clarify department-specific matters.	We agree with the recommendation. Our Department Administrator will work with our Accounting team to update/create written guidelines to clarify department specific guidelines consistent with UAP 4030. A mandatory training will be held with all PCard users and approvers on the elements of a business purpose detailed in UAP 4000. In addition, communication on UAP 4030 requirements related to timely submission and approval of travel reimbursements will be sent to all faculty and staff. The training and communication to employees will be completed by January 31, 2020.	1/31/2020	Management's response was to A. establish written guidelines detailing Departmental travel policies and to B. conduct mandatory training to all PCard holders and reviewers in FCM. IA reconciled the list of participants in the mandatory training and the PCard holders of record in FCM, noting that 100% of PCard holders and reviewers participated in the training. IA believes this recommendation has been fully implemented.	David Rakel, Chair of Dept of Family Community Medicine / Professor

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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>Family Community Medicine</u>	10/17/2019, 3, M	<u>Recommendation 3 - Errors with Indices and rates used</u>	FCM should process journal vouchers to transfer the three transactions (two per diem payments and one airfare payment) paid incorrectly from a restricted index to an unrestricted index appropriate for the business purpose. Additionally, FCM should work with HSC Contract & Grant Accounting to revise the financial reports issued to the respective agencies to reflect the corrective transfers that were made.	We agree with the recommendation. We completed the journal vouchers to move these charges to the correct unrestricted indices in August 2019. Going forward, department reviewers will ensure to look at the restricted parent funding organization to determine allowable reimbursements. In addition, the Department Administrator will work with the department accounting team and HSC Contract and Grant Accounting to revise the final financial reports issued to the respective agencies by December 20, 2019.	12/20/2019	Journal vouchers were processed to shift the unallowable expenditures off of the two restricted indices. Additionally, IA concludes that repayment or resubmission of financial reports is not considered necessary for the expenditures from the grant.	David Rakel, Chair of Dept of Family Community Medicine / Professor

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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	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; Gabriel Lopez, OVPR
<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	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. February 10, 2020 - Internal Audit reached out to HSC Chancellor's Office but did not receive documentation of implementation of recommendations prior to follow-up report cut-off date.	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	August 7, 2019 - A draft agreement was provided to Internal Audit prior to Audit Committee. This agreement is being revised to match up with the tax advice received and with the not yet adopted policy 3700. February 10, 2020 - Internal Audit reached out to HSC Chancellor's Office but did not receive documentation of implementation of recommendations prior to follow-up report cut-off date.	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 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	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. February 10, 2020 - Internal Audit reached out to HSC Chancellor's Office but did not receive documentation of implementation of recommendations prior to follow-up report cut-off date.	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 Sperlberg 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. The draft contract is being revised to address the taxation issue moving forward. February 10, 2020 - Internal Audit reached out to HSC Chancellor's Office but did not receive documentation of implementation of recommendations prior to follow-up report cut-off date.	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 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. February 10, 2020 - Internal Audit reached out to HSC Chancellor's Office but did not receive documentation of implementation of recommendations prior to follow-up report cut-off date.	Paul Roth, Chancellor for HSC; Chamiza Pacheco de Alas; Chief of Staff, Office of the Chancellor
<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	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. Alumni is in the process of creating a strategic planning process for future financial management. Upon completion of the strategic plan, both the Association and the University will discuss the appropriate funding options for the future. Due to recent turnover in the VP for Alumni Relations, the Interim VP has been tasked to complete this process.	Dana Allen, VP, Alumni Relations

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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>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's 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 required work during both Spring '19 and Fall '19 semesters. The initial recommendations from the students/class working in Spring '19 were 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 former Vice President for Alumni Relations was in the process of finalizing this recommendation before her departure from UNM. The Interim VP for Alumni Relations is following up in finalizing this recommendation.	Dana Allen, VP, Alumni Relations
<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 former Executive Director for the Alumni Association was in the process of implementing this recommendation and was waiting for the state MVD to assess the viability of the design against their standards for approving the UNM license plate proposed options. However, the former Executive Director had not received approval from the MVD prior to her departure. The Interim Executive Director is following up with this recommendation for full implementation.	Dana Allen, VP, Alumni Relations

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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>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	Institutional Support Services (ISS) leadership has been working closely with ISS departments to make revenue allocations throughout the fiscal year to reduce and eliminate deficits before year-end close. For Popejoy Hall, the dedications made to apply to deficits in non-revenue generating indices was reduced from \$1,534,433 in FY18 to \$6,647.63 in FY19. For Residence Life & Student Housing, the dedications made to apply to deficits in non-revenue generating indices was reduced from \$9,519,818 in FY18 to \$484,878 in FY19. All 1903 entries to consolidate reserves within the same fund were completed before September 30, 2019. ISS will continue to review the timing of allocations being made within our departments in an effort to eliminate any deficits before the end of FY20.	Teresa Costantinidis, SVP for Finance & Administration; Chris Vallejos, AVP, Bsn Plng & Svcs/ISS
<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	Partially Resolved - Internal Audit verified the Enrollment Management deficit was eliminated during FY 2019. However, it was noted that the deficits for Student Publications and the Accessibility Resource Center both increased during FY 2019 even though a deficit reduction plan was in place. Internal Audit reviewed operating ledgers at January 31, 2020 and noted Student Publications deficit has further increased. Accessibility Resource Center is in the positive at January 31, 2020. IA will review these departments at June 30, 2020 to determine if deficit reduction plans are effective for FY 2020.	Nicole Christine Dopson, Financial Officer Optg Grp

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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>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	The College of Pharmacy's Radiopharmacy and Dermatology departments ended FY 2019 in a deficit and had a deficit at January 31, 2020. Internal Audit will monitor these departments to determine if deficits are eliminated by the end of FY 2020.	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 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; and 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. 2/10/2020 - Internal Audit reached out to the President's Office but did not receive documentation of implementation of recommendations prior to follow-up report cut-off date.	Garnett Stokes, President ; Terry Babbitt, Chief of Staff
<u>Purchasing Department Operations</u>	10/17/2019, 5, M	<u>Recommendation 2 - Visibility of Confidential Identifying Information</u>	The UNM Chief Procurement Officer should strengthen internal control to ensure confidential identifying information is not visible in LoboMart by campus-wide department users and timely removing confidential identifying information from areas where they may be potentially accessible to unauthorized users.	Purchasing has implemented a standard operating procedure (SOP) for removing or redacting attachments that contain sensitive information as part of the Purchase Requisition review and Purchase Order creation process.	10/1/2019	Internal Audit is attempting to collect information regarding implementation of this recommendation.	Bruce Cherrin, Chief Procurement Officer
<u>Purchasing Department Operations</u>	10/17/2019, 5, M	<u>Recommendation 3 - Consistent Completion of ACH Change Verification Form</u>	Purchasing should work to ensure consistent compliance with internal departmental policy stipulating every change to vendor electronic payment information be accompanied by the appropriate internally-developed form.	The ACH Verification Form will be completed for every change entered to ensure consistent compliance with internal departmental policy is documented.	10/1/2019	Internal Audit is attempting to collect information regarding implementation of this recommendation.	Bruce Cherrin, Chief Procurement Officer

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

**Follow Up Report - 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	Responsible Party
Implemented:						
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.	9/30/2019	HR has implemented Lobo Time (Kronos) to process payroll for the on-call Special Events workers. The implementation of Lobo Time for on-call special events workers ensures that payroll processing is completed by payroll deadlines. Internal Audit verified the implementation of Lobo Time for Events Management Special Events workers.	Eduardo Nunez,Dir,Intercollegiate Athletics
Implemented by Athletics, but kept as Pending for additional monitoring by Internal Audit:						
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
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.	Eduardo Nunez, Dir, Intercollegiate Athletics

**Follow Up Report - Athletics
Feb 2020 Open Session**

Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Action / Last Status Update	Responsible Party
	Pending:					
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	Athletics has implemented processes for the purchase and distribution of MWC and NCAA tournament tickets. The department has drafted an internal policy to document distribution of unused tickets, which has been incorporated in Athletics' Business Operations Manual. Internal Audit will perform audit procedures to ensure the purchase and distribution of 2020 MWC and NCAA tournament tickets is appropriate and aligned with the policy in the Business Operations Manual.	Eduardo Nunez, Dir, Intercollegiate Athletics

EXECUTIVE SESSION