

BOARD of REGENTS



THE UNIVERSITY OF
NEW MEXICO.

AUDIT AND COMPLIANCE COMMITTEE MEETING

Thursday, February 8, 2024 1:00 PM

The University of New Mexico
Board of Regents' Audit and Compliance Committee
February 8, 2024 – 1:00 PM
Roberts Room
Agenda

ACTION ITEMS

1. Confirmation of a Quorum and Adoption of Agenda
2. Approval of Meeting Minutes from October 26, 2023
3. Audit and Compliance Committee remaining proposed meeting dates for Calendar Year 2024
May 2, 2024 (Entrance Conference for FY24 Financial Statements Audit)
August 8, 2024
October 24, 2024 (Exit Conference for FY24 Financial Statements Audit)

INFORMATION ITEMS

4. Advisors' Comments
5. Fiscal Year 2023 Audit Update (*KPMG, Moss Adams, CRI, and Norma Allen, University Controller*)
6. Director of Internal Audit Status Report (*Victor Griego, Internal Audit Director*)
7. Main Campus Chief Compliance Officer Status Report (*Francie Cordova, Chief Compliance Officer*)
8. UNM Health and Health Sciences Compliance Officer Report (*Angela Vigil, Compliance Officer, UNM Health and Health Sciences*)
9. Status of Audit Recommendations (*Chien-Chih Yeh, Internal Audit Manager*)
Implemented
Pending

EXECUTIVE SESSION

10. Vote to close the meeting and to proceed in Executive Session as follows:
 - a. Discussion of draft Internal Audit reports and information subject to attorney-client privilege; audit work plans; and information security and privacy report, pursuant to RPM 1.2 and NMSA 1978, § 10-15-1(H)(7) (2013);
 - b. Vote to re-open the meeting.
11. Certification that only those matters described in Agenda item #10 were discussed in Executive Session and if necessary, ratification of action, if any, taken in Executive Session.
12. Adjournment

THE UNIVERSITY OF NEW MEXICO
 Board of Regents' Audit and Compliance Committee Quarterly Meeting
 October 26, 2023 – Draft Meeting Minutes

Members Present: Jack Fortner, Chair, Paula Tackett, Vice Chair, Kim Rael (quorum).

Other Attendees: Garnett Stokes, Norma Allen, Terry Babbitt, Teresa Costantinidis, Loretta Martinez, Ari Vazquez, Darlene Fernandez, James Holloway, Jamie Silva-Steele, Duane Arruti, Francie Cordova, Jared Udall, Christine Landavazo, Jason Galloway, Bonnie White, Ajay Gupta (CLA), Dave Strzyzewski (CLA), John Kennedy (KPMG), John Burnell (KPMG), Josh Lewis (Moss Adams), Susan Bhandari (Moss Adams), Lauren Kistin (Moss Adams), Alan Bowers (CRI), Paul Garcia (CRI), Mallory Reviere, Lorenzo Perea, Victor Griego, Chien-chih Yeh, Gonzalo Olivas, Antonio Baca, Amy O'Donnell.

Chair Fortner called the meeting to order at 8:33 AM. He confirmed there was a quorum.

ACTION ITEMS:

- The Committee approved the agenda with one minor change. The change was to the October 2024 date - from October 17th to October 24th - per request from the external auditors.
- The Committee approved the dates, with the October change, for calendar year 2024.
- The Committee approved the minutes from the meeting of August 3, 2023.

INFORMATION ITEMS:

- Advisors' comments: None.
- Victor Griego, Internal Audit Director presented his Director's Report. Mr. Griego reiterated the meeting date change for October. He provided the Committee with an update on staffing. The Department just recently hired a new Senior Auditor, Antonio Baca, CPA. Antonio worked at the State Auditor's Office and also UNM Health. There is still a vacant auditor position, as well as a student intern position. The Department is reviewing budget for availability to meet the staffing needs and also for the non-labor operating expenses.

For fiscal year (FY) '24, the Department has completed three (3) audits which include Project ECHO, the University-Wide Risk Assessment, and the annual audit of the President's Travel, Entertainment, and Other Expenses. The President's audit is complete and is in the report writing stage. An audit of the Office of the Medical Investigator is currently in fieldwork. The Department has initiated planning procedures for an IT audit and a non-standard payment compensation audit. An audit for Andersson School of Management is assigned. There are two audits on the audit plan that are not yet assigned.

Mr. Griego continued with a status update on complaints. For FY 24, as of September 30th, the Department completed and closed 13 complaints which have been full reviews. There are 22 that are in planning and field work right now, and ten are not yet assigned, for a total of 45. For every complaint that has actually been completed and substantiated, Internal Audit will issue a formal investigation memo to applicable leadership or management. If it rises to the level of severity to be presented to this Committee, the Department will do that. There are a couple that will be presented in closed session. Of the 13 that have been completed, six have actually been substantiated, and seven have not been substantiated.

The Department completed the University Risk Assessment and the three-year audit plan was approved at the last meeting. Mr. Griego stated he is currently exploring options to compliment that with a full IT risk assessment. The Department is looking at options and procedures which will likely be presented at the next meeting. The external financial statement audit for FY '23 has been completed and will be presented in closed session. That will be presented by KPMG, Moss Adams, and CRI.

Moving on to the Health System, their internal audit function is outsourced to CliftonLarsonAllen (CLA). CLA will provide their audit plan status in closed session as well. They are in the process of completing two management requested audits. There is also a current policy development effort underway that stems from these management requested reviews.

The last item is external audits and reviews. There is not really any update on status of these. Three (3) are substantially completed, and potential findings have been submitted. The external review from the City of Albuquerque is of grants received by HSC. Management is working on responses for the potential findings. Sandia National Labs also completed an audit of all Main Campus and HSC purchase orders. They are still in the process of addressing potential findings. The National Sciences Foundation has issued potential questioned costs, but that might be resolved, depending on management's documentation. Mr. Griego stated he will keep the committee updated on the status of those three external reviews.

- Francie Cordova, Chief Compliance Officer stated to the Committee that she would yield her usual time on the CEO report to the Clery Coordinator to provide the update for UNM Clery statistics, and to the Title IX Coordinator for an update on Title IX regulations. Adrienne Helms, Clery Coordinator provided the Clery update to the Committee. Ms. Helms informed the Committee the Clery Act requires the institutions of higher education receiving federal funding to annually provide statistics that meet certain definitions occurring within the Clery geography for the previous three calendar years.

Chair Fortner asked Ms. Helms to define the Clery geography. Ms. Helms stated that the formula for what constitutes a Clery statistic is an offense, meaning a federally defined Clery act crime. There are certain crimes that must be included, and certain ones that are not. The geography comprises not only on-campus properties that are contiguous - what you imagine when you think of North Campus, Main and South Campus - but also those that UNM touches in other areas of the city, even the country, where we have control under a written agreement. So that could be through a class being held at bowling alley, even. Chair Fortner asked if there's a robbery at the Frontier which is right across [the street], if it does not involve a student, is that part of the Clery reporting? Ms. Helms replied that it depends. It doesn't matter who's involved. Actually, a lot of the crimes are committed by illegitimate visitors on campus.

Chair Fortner stated if it is near campus, and does not involve a student, does that still have to be reported because of the proximity? Ms. Helms replied yes. As long as in that particular instance, the crime we're talking about, occurs within the public space. In that particular example, in front of Frontier. If something occurred inside the restaurant, since it's privately owned, then it would not. The public property category of UNM's Clery geography is made up of the publicly owned properties surrounding campus. It would extend from, for instance, the bookstore, across to the sidewalk in front of the Frontier, but not inside. And those statistics are fairly difficult to get from the City, because of that very fact. Ms. Helms told the Committee she would love to have them come to their office to share more about how these statistics are compiled. It is a very complicated process, and these questions are extremely valid.

Ms. Helms informed the Committee that the new format of the Annual Security and Fire Safety Report (ASFSR) for Main Campus is now HTML. The purpose of doing that is to make it fully accessible. For the overall crime statistics, they did not only include numbers for the past three calendar years, but also included those for calendar year 2019. And the reason for doing that, is because it provides a better baseline to compare last year's numbers, and it reflects how campus was prior to the pandemic. At a total of 609 crimes, we were just over what we were at in 2019. They included this to reflect the breakdown of crimes against persons, property, and society, which the Clery Act does not require. It is a little more intuitive to illustrate the numbers in this way.

Crimes against persons include those things like murder, manslaughter, stalking, domestic violence, dating violence, robbery, etc. Those against property are burglary, arson, and things like that. Crimes against society are the weapons law, drug abuse, and liquor law violations. In addition to arrest citations and summons for

those for the latter, these statistics include referrals for disciplinary action. All the parties that are with underage students drinking alcohol get referred to the Dean of Students' office. That ends up in the Clery reporting as well. When it comes to those crimes against society, these are violations of law not policy.

Because motor vehicle thefts are up, unfortunately - this is reflective of a national trend, really - but because it's such a big issue in Albuquerque, they broke it down. There were 73 completed motor vehicle thefts last year within our geography. Most were on campus, in parking structures and parking areas. There were also 34 additional attempts. People don't realize that things like e-bikes are included in the statistics. Because they're increasing in popularity and becoming more affordable, we're seeing more of those on campus. Catalytic converter thefts and bicycle thefts are not included in the Clery statistics. However, the available data can assist the UNM Police Department with their proactive prevention efforts.

President Stokes asked how many of them were caught with cameras on campus. Ms. Helms replied that UNM had some success with the camera system last year and this year in identifying suspects. She has crime prevention experience in her background. It is primarily her expertise. They are not just looking at the statistics and saying these terrible things happened. Especially when it comes to the crimes against people. They are taking the data and putting it to work.

Every year during the National Campus Security Awareness Month in September they host the campus safety week. This year, CEEO partnered with the Office of Environmental Health and Safety to really ramp up safety week with multiple workshops and trainings throughout the week. They hosted the annual campus safety walk. North Campus took ownership of their walk as well, and they had a great turnout and great results. The campus safety walks have become very sophisticated. This is an event attended very heavily by students. They break out into groups and go to assigned zones to survey that zone for vulnerabilities in terms of safety and security. They look for hazards, lights that are out, overgrown landscaping, etc. For the second year now, they used the Rambler app to really nail down the exact location of all these findings. They have taken their data and transformed it into heat maps for Facilities Management.

This year was the first inaugural Campus Safety Summit. This was hosted by the President's Safe Campus Living Task Force. It was a tremendous success. There was turnout from all kinds of people across campus and the city of Albuquerque, including the Deputy Commander from the new University Area Command, who officially signed on to the task force. The roster is filling out very well. The next meeting is actually training on crime prevention through environmental design. They are taking a field trip to South Campus to look at new properties there.

Regent Rael asked if the Summit integrated with the campus plan. Ms. Helms replied that it is not part of the campus safety plan process, but Rosie Dudley, University Planner actually did come and present. Crime prevention through environmental design is Ms. Helms' bread and butter. She stated she could talk about that all day. The campus safety plan is part of the integrated campus plan and is run by the folks over in Planning, Design and Construction.

They hosted an auto theft prevention event on South Campus with APD at the Student Support and Services Center. They had a great turnout with dozens of vehicles and are looking forward to hosting more of those throughout the year. Efforts are very focused on South Campus. They participated in the South Campus Safety Summit just after safety week and are actively out there walking with Athletics personnel and other folks to look at issues for improvement. ACC has taken significant steps to put a lot of improvements into place. They spent a lot of money improving security in Lobo Village. There is a new campus security authority reporting form to report the crimes that is going to go live very soon.

Angela Catena, Title IX Coordinator updated the Committee regarding new regulations. The update is that unfortunately everyone is still waiting on the changes. She provided a quick snapshot of the changes over the last five years. 2018 was the first time in over 20 years that Title IX law actually changed. Those significant

changes came down in May of 2020, and UNM was able to put those in place during the pandemic while everyone was working remotely. Last year the Department of Education (DOE) published their proposed changes focused on the grievance process. That's what the 2020 regulations were focused on. They included the addition of the new hearing process, which is here to stay with the proposed regulations that are coming.

In April of this year, the DOE put out a separate set of rulemaking, the first of its kind, regarding athletic eligibility based on gender. There is a lot of anticipation around what that looks like. The regulations received a substantial amount of comments. Originally, the DOE said that they were going to publish the 22 regulations in May of this year. But in May and they said they will wait until October and publish both sets. About two weeks ago, Ms. Catena was at a conference discussing timelines and what they think is going to happen. She will keep everyone updated as they know more. The 2020 rules are still in effect. The law hasn't changed, just the regulations. They are allowing institutions to decide which burden of proof to choose. The only requirement for that is whatever burden of proof is used is applied across the board. UNM uses the preponderance of evidence just over 50%, and that's going to stay. The law itself is only 37 words, so there's been a lot of regulation changes.

Regent Rael asked what the practical impact of the 2020 rules has been, particularly on victims and reporting. Ms. Catena replied that the first year showed a significant dip in willingness to participate in investigations. It takes a lot more rapport building for individuals, particularly students, to be willing to participate. Those who are willing to participate have a campus advocate who is trained to help them through the process. It is a really cumbersome process and it takes a long time. The live hearing - the structure of it in and of itself, and it being more of a quasi-judicial set up - scares people. It is not something that we're used to in an administrative process or within a university setting. What we can do to help with that is educate a little bit more about what that looks like on the front end. UNM has confidential advocates through the Dean of Students' Office at the Lobo Respect Advocacy Center. There are advocates at the Women's Resource Center, and some on North Campus, all through student affairs. There are a lot of advocates for our students, and UNM is working really hard to expand that for faculty and staff. Students are made aware that if they need an advocate, one is available to them.

- Angela Vigil, Compliance Officer for UNM Health and Health Sciences provided her update on compliance activities. Ms. Vigil stated they have grown over the past three years. She has been here a little over three years and started off with about five employees; now they are up to 15, soon to be 16. Chair Fortner asked what area they primarily grew in - coding or audit. Ms. Vigil replied audit and coding, yes. She detailed the governance structure and all the board committees that her area reports up to, including this committee, and then the department unit committees. There are compliance committees for the UNM Health System and for the UNM Health Sciences, and also, the Executive Compliance Committee for the combined UNM Health and Health Sciences.

Ms. Vigil provided an overview of the Enterprise Risk Assessment Survey that was conducted. The Compliance department also conducted its own interviews with various members of management. This tells them a little bit of what they are doing well, such as: compliance with internal policies and federal and state rules and regulations; management's response to issues that arise; adequate training; reporting of unethical practices; and, protection of assets. She also detailed risks that were identified through the survey, such as: recruitment; lack of funding to be competitive; staffing and high turnover; employee burnout; training and onboarding of new staff; and aging infrastructure and resources, and 100% completion of required annual compliance training by all staff. Through interviews they conducted, these were the top risks that were identified: pay/promotions; retention; recruitment; and employee well-being. There is a lot of burnout expressed by the individuals that were interviewed. They noted compliance training, staffing, patient safety and staffing levels - very similar to the enterprise risk assessment.

For next steps, they are going out to various departments to provide an overview of their function, what they do, and how they can be a resource to those departments. They provide education and training on conflict of

commitment, conflict of interest, etc. to coincide with the current policy development. They encourage department leadership to lead by example and complete the mandatory Learning Central module. Then the Health System results of the Enterprise Risk Assessment noted staffing and high turnover, and internal and external factors in tackling department operations. Again, they pointed to patient safety, employee well-being, and variability of knowledge among the management staff, so training is an issue there. There was documentation of charge tickets, and that's part of the coding and billing compliance, reputational risk to the organization and the staffing level. So again, there are some themes that they are seeing. Concern was expressed about how social media is being used, and the risk of potentially posting something that would be inappropriate. If they receive notification about that, they will conduct an investigation. Chair Fortner asked if there was some kind of policy already in effect that they're violating. Ms. Vigil responded that is something that we're drilling more into in terms of what we can provide as support and as a resource. There is a policy on that, but they need to have one policy for all because they vary across the campus. Ms. Cordova added there is a policy for students as well as staff, but that would apply to Main Campus and HSC, not the Health System. For the Health System it would apply to staff.

Ms. Vigil detailed the completion rates for all the area for the mandatory compliance training as of September 13, 2023. The Sandoval Regional Medical Center has the highest completion rates. The Health Sciences Center has low completion rates thus far, so Ms. Vigil has talked to Dr. Ziedonis about that. They have until the end of the year to complete the training modules. They are also having a completion challenge, due to the fact that the percentage is so low in some areas.

Ms. Vigil provided a compliance hotline report by entity. There were 66 total cases for UNM Health Sciences at the end of September. 41 have been closed, average days to close is 56 days. Three were substantiated and 38 were not. There are 25 in process. UNM Hospitals had 46 cases, 37 have been closed with 46 days to close. Seven were substantiated and 30 were not. There are nine in process. For UNM Medical Group, they had 9, all nine are closed with one substantiated, eight unsubstantiated, and about 68 average days to close. And under the Sandoval Regional Medical Center, there were none at the time of this report. There has been one since that will be discussed later.

Currently they are working on conflict of interest/conflict of commitment and outside activities. Current focus is on short-term solutions. They are working on an instruction guide for department administrators as well as for faculty and that is targeted for February 5th of next year. There is not compliance without 100% compliance. They will develop a committee designed to review any complex disclosures.

Other Projects include the integration of the UNM Hospital and SRMC, making sure policies align. Health Sciences department level compliance education was introduced during the summer and is ongoing. They are soon going to be showcasing an integrated public-facing website. Departments are reaching out because they are now more fully understanding how they can serve as a resource to them. That's been working very well. We're going out to 56 clinics visiting them and just reminding them that they are here for them to serve as a resource. And just remind them, you know, they are not forgotten.

Compliance week is coming up November 6-10. There are some ACE (Advancing Compliance and Ethics) awards that we will be given out to four recipients. The award is given to someone who advances compliance within the organization. Ms. Cordova announced that one of the recipients will be Victor Griego.

- Chien-Chih Yeh, Internal Audit Manager presented the audit recommendation follow-up report for this quarter. This report is a total of seven pages. At the last audit committee meeting, there were four outstanding recommendations. The Project ECHO audit was approved at that last meeting and those recommendations were added to the report.

IA is able to propose a recommendation on page one as implemented because the auditee provided information, including SOPs; IA reviewed the documentation and it appears to be implemented. The ones that

are still outstanding include one for Los Alamos. Los Alamos is working with Main Campus IT on the large network projects. They need additional time, and they requested an extension next August to finish. IA approved this extension based on the size of the project.

And the other three are related to the Valencia audit. IA received some information for the IT section. They revised their policy for the IT Disaster Recovery Plan, and IA reviewed a couple of supporting documents for the hardware and software. They only have one last piece to complete and anticipate finishing by end of this month. IA hopes to be able to implement this one pretty soon and report back to the committee at the next meeting.

For the Project ECHO recommendation related to HSC central offices, they provided information related to item five as well as the items nine and ten. IA is in the process of reviewing the documentation and then will determine if the recommendations are been implemented or not. In addition to that, for Project ECHO item eight, they also indicated they completed refresher training. IA is in the process of getting that documentation as well. It was not updated by the time IA printed this report. The remaining recommendations are current and not due yet, so IA is not providing additional status updates on those at this time.

By unanimous consent, the meeting went into Executive Session at 9:29 AM per the agenda.

- a. Presentation of FY23 External Financial Audit pursuant to exceptions RPM 1.2. (*KPMG, Moss Adams, and Norma Allen, University Controller*).
- b. Discussion of draft Internal Audit reports, audit work plans and information subject to attorney-client privilege pursuant to RPM 1.2 and NMSA 1978, § 10-15-1(H)(7) (2013);
- c. Discussion of limited personnel matters as defined in and permitted by NMSA 1978, § 10-15-1(H)(2) (2013), and NMSA 1978, § 10-15-1(H)(7) (2013).
- d. Discussion of internal IT audit findings regarding information security and privacy, pursuant to RPM 1.2;
- e. Vote to re-open the meeting.

The meeting returned to open session at 10:50 AM with certification that only those matters described above were discussed in Executive Session, and if necessary, ratification of the action taken in Executive Session.

The Committee unanimously approved the submittal of the FY23 External Financial Audit to the NM State Auditor.

The Committee unanimously approved the following UNM Internal Audit reports:

Internal Audit FY23 Departmental Annual Report

The meeting adjourned at 10:51 AM.

Approved:

Audit and Compliance Committee Chair

There is no
handout
required for
this item

(Meeting Dates)

There is no
handout
required for
this item

(Advisors' Comments)



University of New Mexico

Presentation to Audit Committee

Audit results for the year ending June 30, 2023
Informational Update

February 8, 2024



Audit Update

- KPMG, Moss Adams, and CRI previously presented audit results on October 26, 2023.
 - There are no significant updates to the results previously presented except as noted below.
- New Mexico Higher Education Department (HED) funding change
 - In an October 30, 2023 communication, HED notified UNM that certain funds received by UNM were Federal in nature. Initially HED indicated that the funds came from the State General Fund.
 - \$ 21,105,232 – Lottery Scholarship
 - \$ 166,687 – Opportunity Scholarship
 - This resulted in an additional Single Audit major program – Coronavirus State and Local Fiscal Recovery Funds (ALN #21.027).
 - KPMG completed the required internal control and compliance procedures
 - No findings were identified
 - The HED change also required updates to UNM’s financial statements and certain schedules.
- An updated report with the new major program and financial statement updates has been filed with the OSA and accepted by OSA. The June 30, 2023 financial statements are now available for public release.

**Internal Audit Director’s Status Report
Audit and Compliance Committee Meeting
February 8, 2024**

INFORMATION ITEMS

Audit Committee Meeting Calendar. This schedule will accommodate the FY24 External Financial Statements Audit entrance and exit conferences. The following are the future proposed dates for the remainder of Calendar Year 2024.

- May 2, 2024 (Entrance Conference for FY24 Financial Statements Audit)
- August 8, 2024
- October 24, 2024 (Exit Conference for FY24 Financial Statements Audit)

Internal Audit Operations and Staffing. IA currently has one vacant senior auditor position. Internal Audit is continuing to review available budget and department staffing needs in for filling the vacant auditor position, internal promotions, student intern hiring, etc., while fulfilling non-labor operating costs. The department is planning on hiring an Auditor and Student Intern during the second half of FY24. The Internal Audit Director recently provided a presentation to Anderson School of Management in an effort to recruit student hires.

Internal Audit will be conducting an internal training in March to cover standard audit and investigation processes and reporting.

Department Financial Report. At Tab #6 is the Internal Audit Department’s operating ledger financial report for FY24. The FY24 budget is \$1,324,265, which primarily consists of \$1,287,020 (97%) from general pool funding and \$37,245 (3%) from the department’s reserves.

As of December 31, 2023, the department’s expenditures are \$521,718, and encumbrances are \$394,410. Expenses primarily consists of labor, with the largest non-labor operating expenses being audit software licenses and professional training and development. Software license expense is \$11,290 and training and professional development is \$2,110 as of December 31, 2023. Internal Audit generally attends trainings and conferences in April and May. Internal Audit is projecting to have budget savings for FY24 due to the vacant auditor position.

Audit Plan Status. The FY24 audit project status and hours for the current audit plan is at Tab #6. The status of the proposed audit plan for the period of July 1, 2023 through December 31, 2023 is:

Completed/Committee Presentation	3
Report Writing	1
Planning/Fieldwork	3
Subtotal	7
Assigned	1
Unassigned	1
Total	9

**Internal Audit Director’s Status Report
Audit and Compliance Committee Meeting
February 8, 2024**

Seven of nine audits from the 2024 audit plan have been completed or are in process. Internal Audit has currently completed the audit of the President’s Travel, Entertainment, and Other Expenses, which will be presented in closed session.

Internal Audit has completed fieldwork procedures for audits of the Office of Medical Investigator (OMI) and Non-Standard Payment Process. These audit reports will be presented at the May meeting. Planning procedures have been initiated for audits for Anderson School of Management and Information Technology. All audits in process resulted from the Risk Assessment and Three-Year Audit Plan.

Internal Audit is also in the process of developing an IT Audit Plan. Internal Audit has engaged with CLA to assist in conducting an IT Risk Assessment, which will be used in the IT Audit Plan.

Complaint Status. The current status of complaints assigned to Internal Audit for FY2024, as of January 30, 2024, is:

Completed/Closed	27
Planning/Fieldwork	23
Unassigned	3
Total	53

Complaints assigned to Internal Audit for review are those of financial related matters (i.e., fraud, theft, misuse of funds, time abuse, etc.). A confidential formal memo of Internal Audit complaint reviews is distributed to applicable UNM management and/or leadership to report outcomes of reviews and IA recommendations, if substantiated.

Of the 27 completed/closed cases, 9 complaints were substantiated and 18 were unsubstantiated or insufficient information was available to complete a review. There were three cases requiring reporting to the A&C Committee. A status update will be provided for these cases in closed session.

Health System and Internal Audit

Clifton Larson Allen (CLA) is the contracted Health System Internal Auditor and serves and performs audits of clinical operations for UNM Hospitals and the UNM Medical Group. CLA has completed four (4) audits, which will be presented in closed session.

External Audits and Reviews. Internal Audit obtains status update information from UNM Contracts and Grants regarding external audits/reviews of various grants and contracts by various grantor agencies. At Tab #6 is the summary information regarding the external audits/reviews (third party financial audits) of various grants, contracts, and programs by various grantor agencies. There are currently six (6) audits/reviews to report for this reporting period.

The National Science Foundation (NSF) has completed two audits of various contracts and grants awarded to multiple UNM departments/programs. An audit was completed for a grant award for Sustainable Studies. The final report was issued on 1/19/2024 with no audit findings reported.

**Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
February 8, 2024**

Outside contracted auditors also completed an audit of multiple NSF awards granted to various UNM departments. The contracted auditors issued findings of potential questioned costs related to this audit. However, UNM has been working with the NSF Audit Resolution Team for a final determination if the costs are appropriate and for the benefit of the project. Therefore, UNM is not required to return any of the questioned costs at this time.

Sandia National Labs, Bernalillo County, City of Albuquerque, and Department of Justice initiated audits during this reporting period. The following are audits that have been initiated.

- Sandia National Labs – Audit notification received on 1/19/2024 for all SNL PO's within various departments.
- Bernalillo County – Audit notification received on 12/29/2023 for grant of \$910,000 awarded to HSC Family Community Medicine.
- City of Albuquerque – Audit notification received on 12/27/2023 for grant of \$3,747,313 also awarded to HSC Family Community Medicine.
- Department of Justice – Audit notification received on 1/3/24 for grant of \$714,891 awarded to HSC Biochemistry.

There is no further information to report on for these audits since they have just been initiated.

Organization Level 5: '676A - 676A - Internal Audit Department'

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										
1640 - Allocations Pooled Allo!	\$1,287,020.00	\$0.00	\$1,287,020.00	\$0.00	.00%	\$1,287,020.00	100.00%	\$0.00	\$0.00	.00%
1900 - Reserves	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$279,026.57	.00%	\$0.00	(\$279,026.57)	.00%
1901 - Budgeted Use of Rese!	\$37,245.00	\$0.00	\$37,245.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$37,245.00	100.00%
*TOTAL Revenue	\$1,324,265.00	\$0.00	\$1,324,265.00	\$0.00	.00%	\$1,566,046.57	118.26%	\$0.00	(\$241,781.57)	(18.26%)
Expense										
2020 - Administrative Profess!	\$788,609.00	\$0.00	\$788,609.00	\$59,633.94	7.56%	\$337,779.83	42.83%	\$357,803.64	\$93,025.53	11.80%
2060 - Support Staff Salary D!	\$56,011.00	\$0.00	\$56,011.00	\$4,324.70	7.72%	\$25,876.85	46.20%	\$30,159.78	(\$25.63)	(.05%)
20J0 - Student Salaries Gen	\$33,275.00	\$0.00	\$33,275.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$33,275.00	100.00%
2110 - Fica Gen	\$64,613.00	\$0.00	\$64,613.00	\$4,477.59	6.93%	\$26,113.42	40.42%	\$0.00	\$38,499.58	59.58%
2140 - Retirement Gen	\$153,299.00	\$0.00	\$153,299.00	\$11,608.49	7.57%	\$66,003.66	43.06%	\$0.00	\$87,295.34	56.94%
2160 - Group Insurance Gen	\$121,129.00	\$0.00	\$121,129.00	\$5,512.15	4.55%	\$30,827.71	25.45%	\$0.00	\$90,301.29	74.55%
2180 - Unemployment Comp!	\$591.00	\$0.00	\$591.00	\$44.79	7.58%	\$254.66	43.09%	\$0.00	\$336.34	56.91%
21A0 - Workers Compensatio!	\$929.00	\$0.00	\$929.00	\$88.76	9.55%	\$436.83	47.02%	\$0.00	\$492.17	52.98%
21J0 - Other Staff Benefits G!	\$32,349.00	\$0.00	\$32,349.00	\$2,302.52	7.12%	\$13,091.65	40.47%	\$0.00	\$19,257.35	59.53%
21L0 - Accrued Annual Leave!	\$84.00	\$0.00	\$84.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$84.00	100.00%
21L1 - Catastrophic Leave Ex!	\$84.00	\$0.00	\$84.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$84.00	100.00%
3100 - Office Supplies Gener!	\$700.00	\$0.00	\$700.00	\$0.00	.00%	\$41.96	5.99%	\$236.94	\$421.10	60.16%
3110 - Books Periodicals Gen	\$150.00	\$0.00	\$150.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$150.00	100.00%
3140 - Computer Software G!	\$223.00	\$0.00	\$223.00	\$643.00	288.34%	\$683.00	306.28%	\$0.00	(\$460.00)	(206.28%)
3150 - Computer Supplies <\$!	\$750.00	\$0.00	\$750.00	\$0.00	.00%	\$109.54	14.61%	\$209.68	\$430.78	57.44%
3170 - Custodial Supplies Gen	\$100.00	\$0.00	\$100.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$100.00	100.00%
3180 - Non Capital Equipmen!	\$1,000.00	\$0.00	\$1,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$1,000.00	100.00%
3189 - Tagged Non-Capital E!	\$2,500.00	\$0.00	\$2,500.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$2,500.00	100.00%
31A0 - Business Food - Local	\$750.00	\$0.00	\$750.00	\$0.00	.00%	\$326.52	43.54%	\$0.00	\$423.48	56.46%
31C0 - Dues Memberships G!	\$5,000.00	\$0.00	\$5,000.00	\$210.00	4.20%	\$897.54	17.95%	\$0.00	\$4,102.46	82.05%
31J0 - Parking Permits Gen	\$150.00	\$0.00	\$150.00	\$0.00	.00%	\$216.00	144.00%	\$0.00	(\$66.00)	(44.00%)
31K0 - Postage Gen	\$30.00	\$0.00	\$30.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$30.00	100.00%
31P0 - Training Materials Sup!	\$250.00	\$0.00	\$250.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$250.00	100.00%
3800 - In State Travel Gen	\$300.00	\$0.00	\$300.00	\$0.00	.00%	\$7.67	2.56%	\$0.00	\$292.33	97.44%
3805 - Instate Travel-Per Die!	\$125.00	\$0.00	\$125.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$125.00	100.00%

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

Organization Level 5: '676A - 676A - Internal Audit Department'

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
3820 - Out Of State Travel G!	\$3,000.00	\$0.00	\$3,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$3,000.00	100.00%
3825 - Out State Travel-Per D!	\$900.00	\$0.00	\$900.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$900.00	100.00%
3830 - Out State Trvl-Per Die!	\$300.00	\$0.00	\$300.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$300.00	100.00%
6000 - Telecom Charges Gen	\$3,650.00	\$0.00	\$3,650.00	\$292.50	8.01%	\$1,755.00	48.08%	\$0.00	\$1,895.00	51.92%
6020 - Long Distance Gen	\$40.00	\$0.00	\$40.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$40.00	100.00%
6060 - Voice Mail Box Gen	\$700.00	\$0.00	\$700.00	\$50.00	7.14%	\$300.00	42.86%	\$0.00	\$400.00	57.14%
6300 - Alarm System Gen	\$500.00	\$0.00	\$500.00	\$11.25	2.25%	\$92.50	18.50%	\$0.00	\$407.50	81.50%
6340 - Auditing Services Gen	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$0.00	.00%
6370 - Printing/Copying/Bindi!	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$26.91	.00%	\$0.00	(\$26.91)	.00%
63A0 - Conference Fees Gen	\$6,000.00	\$0.00	\$6,000.00	\$0.00	.00%	\$2,110.31	35.17%	\$0.00	\$3,889.69	64.83%
63A2 - Seminars/Training Fe!	\$2,000.00	\$0.00	\$2,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$2,000.00	100.00%
63C0 - Copying Gen	\$75.00	\$0.00	\$75.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$75.00	100.00%
63L1 - Graphic Design Gen	\$0.00	\$0.00	\$0.00	\$0.00	.00%	(\$300.00)	.00%	\$0.00	\$300.00	.00%
63V0 - Consultant Fees Gen	\$10,000.00	\$0.00	\$10,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$10,000.00	100.00%
69Z0 - Other Professional Ser!	\$12,000.00	\$0.00	\$12,000.00	\$4.65	.04%	\$22.29	.19%	\$6,000.00	\$5,977.71	49.81%
7000 - Plant Repairs Mainten!	\$300.00	\$0.00	\$300.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$300.00	100.00%
70E0 - Computer Hardware !	\$850.00	\$0.00	\$850.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$850.00	100.00%
70E1 - Computer Software M!	\$11,500.00	\$0.00	\$11,500.00	\$11,290.40	98.18%	\$11,290.40	98.18%	\$0.00	\$209.60	1.82%
70F0 - Equipment Rent Expe!	\$2,104.00	\$0.00	\$2,104.00	\$167.65	7.97%	\$871.67	41.43%	\$0.00	\$1,232.33	58.57%
75Z0 - Other Repairs Mainten!	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$10.00	.00%	\$0.00	(\$10.00)	.00%
8060 - Other Operating Costs!	\$0.00	\$0.00	\$0.00	\$92.33	.00%	\$92.33	.00%	\$0.00	(\$92.33)	.00%
80K0 - Banner Tax	\$730.00	\$0.00	\$730.00	\$127.62	17.48%	\$185.53	25.42%	\$0.00	\$544.47	74.58%
80K2 - Foundation Surcharge	\$6,615.00	\$0.00	\$6,615.00	\$503.77	7.62%	\$2,594.69	39.22%	\$0.00	\$4,020.31	60.78%
*TOTAL Expense	\$1,324,265.00	\$0.00	\$1,324,265.00	\$101,386.11	7.66%	\$521,718.47	39.40%	\$394,410.04	\$408,136.49	30.82%

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

Organization Level 5: '676A - 676A - Internal Audit Department'

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
Total Revenue:	\$1,324,265.00	\$.00	\$1,324,265.00	\$.00	.00%	\$1,566,046.57	118.26%	\$.00	(\$241,781.57)	(18.26%)
Total Expense:	\$1,324,265.00	\$.00	\$1,324,265.00	\$101,386.11	7.66%	\$521,718.47	39.40%	\$394,410.04	\$408,136.49	30.82%
Net:	\$.00	\$.00	\$.00	(\$101,386.11)	.00%	\$1,044,328.10	.00%	(\$394,410.04)	\$649,918.06	.00%

Parameters:

Organization Level 5: '676A - 676A - Internal Audit Department'

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

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

	Completed		In Process			
Granting Agency/Entity	National Science Foundation (NSF)	National Science Foundation (NSF)	Sandia National Labs (SNL)	Bernalillo County	City of Albuquerque	DOJ
Contract/Grant/Program Title	2RTJ4	All NSF Awards	All SNL POs	3MX82	3LH82	3RDQ4
Contract/Grant Period	09/15/2021 through 08/31/2026	Various; Audit covers 3/1/20 - 9/30/20	Various - Audit covers expenditures for FY22 and FY23	Various expenditures for Jan. 2023 and Sept. 2023	07/01/2023 through 06/30/2024	07/01/2017 through 03/31/2024
Contract/Grant Total Amount	\$14,999,681.00	Various	Various	\$910,000	\$3,747,313	\$714,891
Department	Transformation Network (Sustainability Studies)	Various	Various	HSC - Family & Community Medicine	HSC - Family & Community Medicine	HSC - Biochemistry
Agency Audit/Review Notification Date	11/27/2023	10/1/2020	1/19/2024	12/29/2023	12/27/2023	1/3/2024
Audit/Exit/Final Report Issued	1/19/2024	Discussion Draft Report Conference - 4/13/2021				
Audit/Review Major Finding, if any		1. Travel Expenses 2. Other Unallowable Expenses 3. Incorrect Application of Indirect Cost Rates				
Corrective Action Plan, if any		Currently working w/NSF Audit Resolution Team. Based on initial meeting, they are backlogged and it will be a while before they have a chance to review UNM's NSF-OIG audit. Until they have a chance to review, we are not to return any of the questioned costs, as they may determine these costs to be appropriate and to the benefit of the project.				
Campus	Main	Main	All Campuses			
Auditor if Different than Grantor		Cotton & Company (C&C)				

Comments	This was a site visit to review policies and procedures to verify that UNM can handle NSF awards. Site visit was completed on 01-19-2024 and a report should be available within 30-60 days of that date, with a 30-day response period to follow.	We are waiting to hear back from the NSF team on next steps.				
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Note: Third Party audit information provided by UNM Contracts and Grants.

Budget to Actual Report July 1 through Dec 31, 2023

Description	Status	FY 24 Budgeted Hours	FY 24 Actual Hours	Variance
Audit Plan				
Prior Years				
Project ECHO	Completed - Follow up	240	133	107
2023 Risk Assessment	Completed	40	40	0
President's Travel and Entertainment FY23	Committee Presentation	250	526	(276)
Office of Medical Investigator (OMI)	Report Writing	425	467	(42)
FY 2024 Audit Work Plan				
Information Security	Planning	300		300
Non-Standard Payments (NSP)	Fieldwork	250	266	(16)
Anderson School of Management	Planning	400	79	321
Office of Community Health	Assigned	500		500
Education Abroad Programs	Unassigned	360		360
Audit Plan Subtotal		2,765	1,511	1,254
Misconduct and Fraud		3,500	1,632	1,868
Audit Recommendations Follow-up		135	26	109
Management Requests		100	33	67
Non Audit Plan Subtotal		3,735	1,691	2,044
Total Project Hours		6,500	3,202	3,298
Leave and Administrative				
Holiday		712	566	146
Annual		1,137	521	616
Sick		650	232	418
CPE/Training		350	540	(190)
Administrative Time/Management		2,881	1,084	1,797
Administrative Staff Time		650	242	408
Audit and Compliance Committee, Meetings		550	252	298
IT Support/TeamMate		650	162	488
Total Leave and Administrative Hours		7,580	3,599	3,981
FY24 Total Hours		14,080	6,801	7,279



**OFFICE OF
COMPLIANCE, ETHICS
& EQUAL OPPORTUNITY**

FRANCIE CORDOVA, JD, CHIEF COMPLIANCE OFFICER
UNM BOARD OF REGENTS AUDIT & COMPLIANCE COMMITTEE

9 FEBRUARY 2024

Agenda

- » Introduce Beck Rivera, Deputy Chief Compliance Officer
- » EthicsPoint Hotline Revamp
- » Title VI obligations

EthicsPoint – What's Changed?

- » Simplified and UNM-branded landing page
- » Clarified definitions of issue types
- » Website reporting in Spanish and Vietnamese. Phone still available in multiple languages
- » Additional functionality on case management side including additional concurrent licenses for UNM staff and more fluid flow of cases that have multiple issue types (i.e., HR issues and civil rights issues)
- » Additional UNM driven data points

Landing Page

Formatted to direct user to **reporting** or **following up** on a previously filed report.

UNM branded and easier navigation.



Emergency Service Disclaimer

Clear information on the difference between EP reporting and emergency service.

Information provided before opportunity to make a report.

Disclaimer is on current site but is not positioned to effectively grab attention.



Do the Right Thing

EthicsPoint Hotline

EthicsPoint is NOT a 911 or Emergency Service: Do not use this site to report events presenting an immediate threat to life or property. Reports submitted through this service may not receive an immediate response. If you require emergency assistance, please call 911.

[Click here and continue to file a
EthicsPoint Report](#)

ATTENTION! This webpage is hosted on NAVEX Global's secure servers and is not part of UNM's website or intranet.

EthicsPoint is NOT a 911 or Emergency Service: Do not use this site to report events presenting an immediate threat to life or property. Reports submitted through this service may not receive an immediate response. If you require emergency assistance, please contact your local authorities

Phone Number Positioning

EthicsPoint phone number is clearly provided, posing alternative to filing an online report.



Do the Right Thing EthicsPoint Hotline

Report a concern online

Please identify where the violation occurred.

UNM Main and Branch Campuses

Please identify the campus where the violation occurred.

- ✓ - Select -
- UNM Gallup
- UNM Los Alamos
- UNM Main Campus
- UNM South Campus (includes Athletics)
- UNM Taos
- UNM Valencia

Report a concern by phone

Direct Dial

From an outside line dial direct for your location:

United States.....1-888-899-6092

ATTENTION! This webpage is hosted on NAVEX Global's secure servers and is not part of UNM's website or intranet.

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UNITED STATES DEPARTMENT OF EDUCATION
OFFICE FOR CIVIL RIGHTS

THE ASSISTANT SECRETARY

November 27, 2023, DOE Guidance on Title VI

- Reminded universities of their obligations under Title VI of the Civil Rights Act to provide student including those that are or perceived to be Jewish, Israeli, Muslim or Palestinian, an environment free of discrimination or harassment.
- UNM has provided communication to the campus community on how to report and resources for those impacted in their learning or working environment;
- Created a triage system with UNM-PD and Crisis/Emergency Manager in event of criminal or threatening behavior.
- Data tracking and trending.



COMPLIANCE OFFICE UPDATE: FEBRUARY 8, 2024

PRESENTED TO:

UNM BOARD OF REGENTS
AUDIT AND COMPLIANCE COMMITTEE

PRESENTED BY:

ANGELA VIGIL, COMPLIANCE OFFICER
UNM HEALTH AND HEALTH SCIENCES COMPLIANCE DEPARTMENT

SRMC & UNMH Integration – Governance

SRMC & UNMH Integration | Governance

On January 1, 2024, Sandoval Regional Medical Center (SRMC) was integrated under the UNM Hospital (UNMH) license to create a fully integrated, multi-campus hospital.

- How does this affect Governance, specifically the Audit and Compliance Committee function?
 - » The UNMH Board of Trustees will be the governing body for the entire entity, (Lomas Campus and Sandoval Campus)
 - » All internal audit and compliance matters/documents will be presented at the UNMH Board of Trustees Audit and Compliance Committee for review and appropriate action. This process became effective with the first UNMH Board of Trustees Audit and Compliance Committee meeting of January 23, 2024.
 - The Sandoval campus will have an Advisory Board. Any internal audit and compliance matters will be presented at the Advisory Board meeting on an “informational basis”.

Policy Update: Dishonest or Fraudulent Activities

Policy Update | Dishonest or Fraudulent Activities

As reported by Victor Griego at the October 26, 2023 UNM Board of Regents Audit and Compliance Committee meeting, a Dishonest or Fraudulent Activities policy has been prepared in “draft” form that will apply to the UNM Health System entities; UNMH and the UNM Medical Group (UNMMG).

- **Status:**

- » Two separate, yet similar policies required; one for UNMH and one for the UNMMG
 - UNMH: Close to finalizing
 - UNMMG: Currently under review by leadership staff
 - Anticipated effective date: March 1, 2024

- **Next Steps:**

- » UNMH: Approval by Policies, Procedure and Guideline Committee
- » UNMMG: Approval by CFO
- » Another update provided at the May 2, 2024 UNM Board of Regents Audit and Compliance Committee meeting

Conflict of Commitment, Conflict of Interest, and Outside Activities Update

COC/COI/OA | Background

Approximately nine months ago, Dr. Ziedonis requested that the UNM Health and Health Sciences Compliance Department, in collaboration with Dr. Ashkay Sood, Interim Director for UNM Health Sciences Faculty Academic Affairs, and assistance from the Project Management & Improvement Office, develop a process for tracking and monitoring Conflict of Interest, Conflict of Commitment and Outside Activities for UNM Health Sciences faculty.

- Several options/best practices have been reviewed, including that of the University of Massachusetts, University of California San Diego, and others
- Several software platforms have been vetted/considered.
- A separate similar initiative will also be implemented for the clinical areas (UNM Health System).

COC/COI/OA | Current Status

- Current focus is on a *short-term solution* using Smartsheet module.
 - » Annual disclosures will be required
 - » Disclosures of any new outside activities within an annual timeframe will be required
- **Guidance document has been completed in draft form**
 - » Document clarifies what types of activities are considered a Conflict of Commitment, Conflict of Interest, or Outside Activity
- **Faculty and Department Administrator Review Committee has reviewed and provided input on this document**
- **Training module being developed with training required to be completed by Faculty, Chairs, and Deans on the Guidance document**
- **Launch Date is slated February 19, 2024**

COC/COI/OA | Categories for Disclosure

Category of professional activities	Activity counts towards time threshold limitation	Disclose (Yes or No)	Disclosure extends to the immediate family
Companies founded or owned, and boards served, whether paid or unpaid	Yes	Yes	Yes
All other paid OPA	Yes	Yes	No
Paid HSC professional activities for an outside entity	No	Yes	No
Paid outside personal activities	No	No	No

Smartsheet Structure

FOUR QUESTIONS

- Whether paid or unpaid, have you ever founded, co-founded, or owned a legal entity (i.e., company)?
- Whether paid or unpaid, did you serve on a health or health sciences-related board outside of UNM in the calendar year 2023?
- Whether paid or unpaid, did your immediate family members either ever found, co-found, or own a legal entity (i.e., company), or serve on a health or health sciences-related board outside of UNM in the calendar year 2023?
- Did you earn any income from outside of UNM in the calendar year 2023?

COC/COI/OA | Post-Implementation

Success Measures:

- 100% of Faculty to complete disclosure request within 90 business days of launch
- 100% of disclosures reviewed/processed by Chairs/Deans in first 90 business days following submission.
- **Chairs will be responsible for:**
 - » Ensuring all their Faculty members submit an annual disclosure.
 - » Ensuring a disclosure is submitted for any new Conflicts of Interest or Conflicts of Commitment outside of the annual disclosure.
- **Update UNM BOR Audit and Compliance Committee at the May 2, 2024 meeting**



Thank you for your time

Angela Vigil, Compliance Officer
AngMVigil@salud.unm.edu

Follow Up Report - Implemented
February 8, 2024 Open Session

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
1	<u>UNM Valencia Branch Campus</u>	5/4/2023, 3, M	<u>Recommendation 1 - General IT Security</u>	UNM-VC IT department should strengthen its IT security by developing policies and procedures to fully implement off-site storage for backups and a disaster recovery plan for UNM-VC's computerized information. UNM-VC should test these systems periodically to ensure they are properly implemented and maintained.	All equipment is in hand to create a secondary depository for file systems and network settings at a facility. A fiber-optic connection exists between the campuses and regular scheduled backups of all information on the campus will be replicated on those systems as part of a disaster recovery plan. Policies will be amended to assure these backups take place and are tested on a regular and appropriate schedule.	10/31/2023	Valencia has provided IA with a final test memo and outcome of the test for the recovery processes they conducted in late Oct 2023. With the remaining component completed, the recommendation is considered cleared.	Rick Goshorn, Dir, Business Opns/Lg Branch: Valencia County Branch; Samuel Dosumu, Chancellor: Valencia County Branch
2	<u>Project ECHO</u>	8/3/2023, 8, M	<u>Recommendation 1 - Create Program Income Indices and Complete a Review of Grants</u>	HSC Contract and Grant Accounting should create program income indices for the two (2) grants, allocate the calculated missed interest earnings to those program income indices, and complete a review of advanced funded grants to determine whether similar program income requirements exist.	The Contract and Grant Accounting – Health Sciences Office has reviewed existing written grant set up procedures with current fiscal monitor accountants. The fiscal monitor accountants are tasked with grant set ups, including program income funds and the related interest requirements. The training focused on identifying interest requirements in the executed agreements, set up of program income funds to track and calculate the interest, and to require a budget from the related department. The Office has also implemented a quarterly review process for all prepaid sponsored projects. This process is a secondary review of prepaid sponsored projects to ensure all advanced funding interest requirements have been established in a program income fund. Program income funds were created for the three interest earning requirements in March of 2023. The amounts have been provided to the Treasury Department and will be transferred into program income funds by the targeted completion date.	8/31/2023	HSC Finance & Administration has provided a screenshot of a training completed by their Fiscal Monitors in Feb 2023 regarding interest on prepaid award documents. They indicated that they performed a review to verify if an interest income account is needed for all other awards. A Banner journal voucher was also completed in Aug 2023 to account for the interest income for the grants in question. IA has determined the recommendation is implemented.	Jason Galloway, Chief Financial Services Ofcr: Sr Exec Officer - Finance & Admin
3	<u>Project ECHO</u>	8/3/2023, 8, M	<u>Recommendation 4A - Ensure supporting documentation is always submitted</u>	Project ECHO should ensure receipts and other supporting documentation is always submitted for travel costs and reimbursements charged to Project ECHO funding sources.	All accountants and Chrome River preparers will attend a refresher training on travel given by Contract and Grants Accounting.	12/31/2023	Project ECHO management has provided documentation that their Chrome River personnel have either attended the HSC Contract & Grant Accounting's quarterly training on UNM Travel Policy 4030 or reviewed the training presentation. IA determined the recommendation is cleared.	Sanjeev Arora, Vice Chairman: Clinical Affrs, Internal Medicine; Lynn Waln, Chief Adm Ofcr/Project ECHO

**Follow Up Report - Implemented
February 8, 2024 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
4	<u>Project ECHO</u>	8/3/2023, 8, M	<u>Recommendation 4B - HSC C&G Provide training.</u>	HSC Contract and Grant Accounting should provide a refresher training to Chrome River preparers focusing on UAP 4030, Travel.	Contract & Grant Accounting – Health Sciences Office has existing monthly meetings with all travel expense approvers. Travel Policy was reviewed in the April 2023 meeting. We reviewed the travel expense reports noted in this recommendation. The Contract & Grant Accounting – Health Sciences Office created a new training specific to common travel policy non-compliance. The training was covered at the April 2023 Research Administration Forum and Training (RAFT). A longer and more detailed training was held on May 26, 2023 to Contract & Grant Accounting – Health Sciences Employees, as well as Health Sciences Departmental Employees (Preparers). Training slides are posted on the Contract & Grant Accounting – Health Sciences Office webpage.	7/20/2023	IA verified that HSC Contract & Grant Accounting has provided a quarterly training on 05/26/2023 covering the UNM Policy 4030 Travel. The recommendation is cleared.	Jason Galloway, Chief Financial Services Ofcr: Sr Exec Officer - Finance & Admin
5	<u>Project ECHO</u>	8/3/2023, 8, M	<u>Recommendation 5A - Report foreign-sourced contracts/gifts missed in FY22 reporting cycle</u>	The HSC Sponsored Projects Office should strengthen internal controls to ensure accurate reporting of foreign sourced contracts. Contracts should be carefully reviewed to determine if they are from a foreign source and appropriately reported in accordance with Section 117 of the Higher Education Act of 1965. In addition, the HSC Sponsored Projects Office should report the foreign-sourced contracts/gifts missed in the FY22 reporting cycle to the Controller's Office. If the addition of those contract values requires supplemental reporting to the US Department of Education, such supplemental reporting should be made.	The Sponsored Projects Office – Health Sciences has updated the Huron Click ERA system to indicate foreign sourced contracts and grants with a “foreign” flag, as well as capture possible Export Control. The Sponsored Projects Office – Health Sciences Staff do update the flag if they see it is marked inappropriately and it is verified a second time at the Award Quality Control process point. The Sponsored Projects Office – Health Sciences also compares the report to an active foreign awards listing provided by Contract and Grant Accounting – Health Sciences Office to ensure their listing is complete prior to submission to Contract & Grant Accounting – Main Campus. The missed foreign sourced awards were provided to Contract & Grant Accounting – Main Campus on March 13, 2023 for reporting.	7/20/2023	HSC Finance & Administration has provided screenshots of updated screening question forms in their system. IA verified the HSC report was compared to other sources before it was submitted to Contract & Grant Accounting – Main Campus. IA also received the documentation that the missed foreign sourced awards identified by IA were later reported to Contract & Grant Accounting - Main Campus. IA determined the recommendation is cleared.	Jason Galloway, Chief Financial Services Ofcr: Sr Exec Officer - Finance & Admin

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1	<u>Los Alamos Branch Campus</u>	5/7/2020, 6, M	<u>Recommendation 6 - General Information Technology Security</u>	NM-LA IT department should strengthen its IT security by executing the following: Developing a written information security program, communicating the program's policies and procedures with employees, and monitoring its implementation periodically.	We agree with the auditor's comments and recommendation. The following action will be taken to improve our processes with IT security. UNM-LA IT, with assistance from UNM IT, will review UNM policies with regard to: (1) computer accounts and user identification, (2) access control, (3) acceptable computer use, (4) computer security awareness, and (5) tracking software maintenance and licenses and other recommendations listed. A written program of these policies, and the procedures related to them, will be compiled and communicated to employees during new hire orientation, annually as part of our annual policy awareness process, and through the Operating Procedures manual.	8/31/2024	Partially completed – UNM IT is working on a large network project to assist Los Alamos IT in implementing its remaining audit recommendation components. An extension of the targeted implementation date to the end of August 2024 was requested and approved.	Mike Holtzclaw, Chancellor/Branch; Bob Harmon, Dir, Business Opns/Sm Branch: Los Alamos Branch
2	<u>UNM Valencia Branch Campus</u>	5/4/2023, 3, M	<u>Recommendation 2 - PCI Compliance</u>	UNM Financial Services and the UNM CIO's office should work with units that process credit cards and all other stakeholders to (1) maintain a complete inventory of all Merchant IDs (MIDs), with corresponding IT and business contracts; (2) complete the re-grouping of MIDs for Supplier Assurance Questionnaire (SAQ) management; (3) monitor the list of users registered on the provider's portal website who are delegated to submit SAQs on behalf of units, by group, for accountability; (4) ensure that each unit within a group retains their own answers to SAQ questions for a paper trail; (5) identify a mechanism to coordinate individual SAQ answers and review and retain a coordinated SAQ; (6) request and maintain the documentation from the merchant bank's compliance partner for MID compliance with PCI on at least an annual basis.	UNM-Valencia's Administration, the UNM Controller and CIO concur with this finding and will continue working with UNM's merchant bank and with the bank's PCI partners to restructure how UNM's MIDs are organized, to improve accountability for compliance activities. The restructure will also drive updates to the roles and responsibilities document, and to the corresponding management activities that address these recommendations. UNM Financial Services and CIO's Office will provide MID contacts with the roles and responsibilities document periodically, when there are changes to the MID contact, and/or when the roles and responsibilities document is revised. UNM Financial Services and CIO's Office will develop a system to monitor compliance with SAQ questionnaire completion and retention requirements - both at the unit level and centrally for the coordinated SAQ.	8/31/2024	Corrective action not yet due.	Duane Arruti, UNM CIO; Norma Allen, University Controller; Jeff Gassaway, Info Security Ofcr

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3	<u>UNM Valencia Branch Campus</u>	5/4/2023, 3, M	<u>Recommendation 3 - PCI Compliance</u>	The Director of Business Operations should work with UNM Financial Services and the UNM CIO's office to develop processes and procedures to fulfill Valencia Campus's PCI responsibilities, such as completing SAQs annually and retaining a copy of completed SAQs, in accordance with the proposed updates to the Roles and Responsibilities Document.	UNM Valencia's Chancellor and Director of Business Operations concur with this finding, and will work closely with the CIO and Controller to assure PCI compliance is appropriately tested, reviewed and documented on an annual basis, and that all executed documents (SAQ) are held locally and are available for review.	8/31/2024	Corrective action not yet due.	Rick Goshorn, Dir, Business Opns/Lg Branch; Valencia County Branch; Samuel Dosumu, Chancellor: Valencia Branch
4	<u>Project ECHO</u>	8/3/2023, 8, M	<u>Recommendation 2 - Timely Perform Effort Certification</u>	Internal controls should be strengthened to ensure effort certification is completed by the due date. The Project ECHO Director should assign the pre-reviewer role to individuals more directly tied to the project, possibly the employee, and/or perform interim effort reviews, to allow for faster turnaround of the full six-month period effort certification.	Contracts and Grants are rolling out a new system and Project ECHO will be Beta Testing for them. The system will use the close of each fund to certify effort. The PI will have access to all employee efforts for the fund at the time of the closeout. The completion time for Effort Certification will be in compliance with the deadline set by HSC.	6/30/2025	Corrective action not yet due.	Sanjeev Arora, Vice Chairman: Clinical Affrs, Internal Medicine; Lynn Waln, Chief Adm Ofcr/Project ECHO
5	<u>Project ECHO</u>	8/3/2023, 8, M	<u>Recommendation 3 - Improve Time Recordkeeping</u>	Project ECHO should strengthen its time reporting processes. Timesheets should clearly reflect biweekly employees' time worked, by project, for budgeted allocation and reporting of grant expenditures.	Project ECHO has 87 current awards and different indices. Each of the awards have a similar scope to promote ECHO's mission. The funds are allocated to support ECHO's infrastructure according to funder approved budgets. The complexity of individuals working on the same scope makes breaking out by the hour challenging. An individual working at ECHO contributes to the mission. An example is an IT developer who is working on the iECHO platform will not have visibility into who is funding the work for the hour. We are committed to the spirit of the recommendation; we will do our due diligence in tracking timesheets with indices for restricted and federal awards. The indices will be sent to the employee to inform them of awards they are sourced on. The employees will add the indices to the timesheet for the federal and restricted awards. The employee and manager will sign the timesheet.	12/31/2023	IA is in the process of reviewing the documentation management provided and will determine if the recommendation is cleared.	Sanjeev Arora, Vice Chairman: Clinical Affrs, Internal Medicine

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6	<u>Project ECHO</u>	8/3/2023, 8, M	<u>Recommendation 6 - Access control</u>	Project ECHO management should update its local user policies and procedures to ensure they will timely deactivate any users that are terminated or no longer need access to computing systems, and periodically monitor the task by reconciling active users to active employees, contractors, and partners.	Project ECHO concurs that there is a need for improvement in the offboarding process. They will implement a Smartsheet to track all staff, students, and contractors' employment statuses. This Smartsheet will notify all the appropriate parties when someone is offboarding from our department. This will be an automated system, so the only input that would need to be done will come from the HR and Finance teams when they find out that someone is leaving and when their last day would be. This system will track when their equipment, badges, and accounts have been returned/disabled. It will be tested and implemented by the end of the year on December 31, 2023.	12/31/2024	Project ECHO's management indicated that it has new policies in place and the offboarding project is moving; however, they need additional time. An extension of the targeted implementation date to Dec 31, 2024 was requested and approved.	Sanjeev Arora, Vice Chairman: Clinical Affrs, Internal Medicine

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