BOARD of REGENTS

THE UNIVERSITY OF
NEW MEXICO®

AUDIT AND COMPLIANCE COMMITTEE MEETING

Thursday, May 4, 2023 9:00 am

The University of New Mexico
Board of Regents' Audit and Compliance Committee
May 4, 2023
Scholes Hall, Roberts' Room
Agenda

ACTION ITEMS

1. Confirmation of a Quorum and Adoption of Agenda

2. Approval of Special Meeting Minutes from March 31, 2023

3. Audit and Compliance Committee remaining proposed meeting dates for calendar year 2023.
   (NOTE: Upcoming meeting times starting in August will now be 1:00 PM)
   August 3, 2023
   October 19, 2023 (Exit Conference for FY23 Financial Statements Audit)

INFORMATION ITEMS

4. Advisors' Comments

5. Fiscal Year 2023 Financial Statements External Audit, Entrance Conference *(KPMG, Moss Adams, Carr, Riggs & Ingram LLC, and Norma Allen, University Controller)*

6. Director of Internal Audit Status Report (*Victor Griego, Internal Audit Director*)

7. Office of Compliance, Ethics, And Equal Opportunity Report *(Francie Cordova, 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 pursuant to RPM 1.2.
   b. Discussion of limited personnel matters pursuant to exception at Section 10-15-1(H)(2) NMSA (1978) and pursuant to RPM 7.2;
   c. 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 Special Virtual Meeting
March 31, 2023 – Draft Meeting Minutes

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

Other Attendees: Garnett Stokes, Norma Allen, Terry Babbitt, Teresa Costantinidis, James Holloway, Loretta Martinez, Christine Landavazo, Duane Arruti, Francie Cordova, Mike Schwantes, Bruce Cherrin, Jared Udall, Susan Rhymer, Bonnie White, Joseph Wrobel, Darlene Fernandez, Dean Bernardone, James Gonzales, Lorenzo Perea, Victor Griego, Chien-chih Yeh, Kevin Enright, Amy O'Donnell. (Note: other attendees, including members of the public, were able to view through a link; therefore, it is impossible to know who viewed, and those attendees are not included in this list.)

Chair Fortner called the meeting to order at 9:00 AM. He confirmed there was a quorum, and all Committee members were then present. Victor Griego, Internal Audit Director welcomed the new members of this Committee.

ACTION ITEMS:

- The Committee approved the agenda.

- The Committee approved the minutes from February 9, 2023.

- The Committee approved the upcoming FY23 date: May 4, 2023.

By unanimous consent, the meeting went into Executive Session at 9:03 AM per the agenda.

     a) Certain purchases.
     b) Vote to re-open the meeting.

The meeting returned to open session at 9:12 AM with certification that only those matters described above were discussed in Executive Session.

The Committee unanimously approved the new external financial statements audit contract.

The meeting adjourned at 9:13 AM.

Approved:

_____
Audit and Compliance Committee Chair

Upcoming Committee Meeting Dates:

(New time: 1:00 PM)

August 3, 2023

October 19, 2023

There is no handout required for this item

(External financial statement audit
entrance conference info.)

INFORMATION

TO

BE

SUPPLIED

AT

MEETING

Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
May 4, 2023

INFORMATION ITEMS

Audit Committee Meeting Calendar. This schedule will accommodate the FY23 External Financial Statements Audit exit conference. The following are the future proposed dates for the remainder of Calendar Year 2023.

    August 3, 2023
    October 19, 2023 (Exit Conference for FY23 Financial Statements Audit)

Internal Audit Operations and Staffing. IA currently has two vacant senior auditor positions. There is a current job posting for one senior auditor vacancy. The department is proposing to fill the current vacant position as soon as possible, and the other position after the beginning of FY24. IA is also in the process of filling a vacant student position. Internal Audit is continuing to review available budget and department staffing needs in efforts to fill the vacant positions and fulfill non-labor operating costs.

Internal Audit recently completed a full migration of its TeamMate audit software. The department attended various trainings to familiarize itself with the new TeamMate+ platform. All audits and investigations were migrated from TeamMate AM to the TeamMate+ version. In addition, the new platform has revised the component for audit recommendation follow-up tracking and time reporting. The cost of the migration was $34,000, which was funded by departmental reserves.

Audit Plan Status. The project status and hours report for the audit plan is at Tab #6. The status of the proposed audit plan for the period of July 1, 2022 through April 30, 2023 is:

Completed	2
Committee Presentation	1
Report Writing	1
Planning/Fieldwork	3
Subtotal	**7**
Assigned	1
Unassigned	4
Total	**12**

Internal Audit has completed the Valencia Campus audit and the audit will be presented in closed session. The Audit of Project Echo has been substantially completed and is in report writing. IA will present this audit for approval during the August meeting.

Internal Audit is in the process of completing the FY 2023 University-Wide Risk Assessment and Three-Year Audit Plan. The Risk Assessment report and Three-Year Audit Plan will be presented during the August meeting. Unassigned FY23 audits may be revised based on the results for the 2023 University-Wide Risk Assessment and Three-Year Audit Plan.

Complaint Status. The current status of complaints assigned to Internal Audit for FY2023, as of March 31, 2023, is:

Completed/Closed	23
Planning/Fieldwork	14
Unassigned	3
Total	**40**

Complaints assigned to Internal Audit for review are those of financial related matters (i.e., fraud, theft, misuse of funds, time abuse, etc.). Of the 23 completed/closed cases, five (5) complaints were substantiated and 18 were unsubstantiated.

The Internal Audit director continues to serve as an EthicsPoint Administrator along with the Chief Compliance Officer. Internal Audit Director is working with Main Campus Compliance to strengthen processes for user access and trainings.

Risk Assessment
Risk assessment procedures for the FY 2023 University-Wide Risk Assessment is in process. The risk assessment survey distributed through Opinio closed on March 17th. The survey data has been exported from Opinio and has been provided to the Risk Assessment team for analysis.

In addition to the survey, Internal Audit and the Compliance offices will develop their work plans based on independent risk assessment procedures. Work plans are anticipated to be completed and presented to the A&C Committee during the August meeting. In accordance with Internal Auditing Standards (IIA) and Regents Policy 7.2, Internal Audit's Risk Assessment report with the three-year workplan will require approval from the A&C Committee.

Health System Internal Audit
Clifton Larson Allen (CLA) is the contracted Health System Internal Auditor and serves and performs audits of clinical operations for UNMH, SRMC, and the UNM Medical Group. CLA has completed four (4) audits, which have been presented and received approval from each applicable Health System Audit and Compliance Committee. The reports will be presented in closed session by the CLA team for BOR A&C Committee approval.

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 as of March 31, 2023 regarding the external audits/reviews (third party financial audits) of various grants, contracts, and programs by various grantor agencies. There are currently two (2) audits/reviews to report for this reporting period.

Sandia National Labs completed an audit of all Main Campus and HSC Purchase Orders. The audit period covered awards from 7/1/2019 – 6/30/2021. The final audit report was received on 9/28/2022 with five (5) findings as a result of the audit. UNM is currently implementing corrective action in response to the findings and recommendations.

The City of Albuquerque is conducting an audit of various grants received by HSC, which covers various grant periods from 7/1/22 through 12/31/23. The City of Albuquerque issued one (1) finding and recommendation as a result of the audit. UNM is awaiting the final exit letter for the audit to be closed.

Granting Agency/Entity	Sandia National Labs (SNL)	City of Albuquerque
Contract/Grant/Program Title	All SNL PO's	Various
Contract/Grant Period	Various; Audit covers costs incurred between 7/1/18 - 6/30/21	7/1/22-12/31/23
Audit Exit/Final Report Issue Date	Sep-22	3/22/23
Audit Major Finding	Pre-populated labor hours during holiday/year-end time; Tuition not prorated during last semester; CRSL invoices do not have approved rates; Wrong per diem on one sample; Wrong travel reimbursement on one sample; Other specific fieldwork which had no finding amount as Sandia SPOs approved.	No information received.
Corrective Action Plan	More communication has and will be given regarding timesheets, tuition prorations; It is understood rates for CSRL bills need to be approved by purchasing;	Department working on responses for programmatic concerns.
Campus	Main and HSC	HSC

Budget to Actual Report
July 1, 2022 through March 31, 2023

Description	Status	FY 23 Budgeted Hours (*)	FY 23 Actual Hours	Variance
Audit Plan				
Prior Year				
Children's Campus	Completed - Follow up	200	138	62
President's Travel and Entertainment FY22	Completed	150	126	24
Information Security	Planning	300		300
UNM Valencia	Committee	1,000	1,080	(80)
Project Echo	Fieldwork	900	432	468
Anderson School of Management	Assigned	150		150
Office of Medical Investigator (OMI)	Planning	150	1	149
Enrollment Management	Unassigned			
Internal Medicine	Unassigned			
FY 2023				
2023 Risk Assessment	Fieldwork	150	112	38
Non-Standard Payment (NSP) audit	Unassigned	100		100
President's Travel and Entertainment FY23	Unassigned	100		100
Audit Plan Subtotal		3,200	1,889	1,311
Misconduct and Fraud		3,500	2,265	1,235
Audit Recommendations Follow-up		200	67	133
Management Requests		100		100
Non Audit Plan Subtotal		3,800	2,332	1,468
Total Project Hours		7,000	4,221	2,779
Leave and Administrative				
Holiday		784	780	4
Annual		1,176	835	341
Sick		672	454	218
CPE/Training		350	1,015	(665)
Administrative Time/Management		2,880	2,180	700
Administrative Staff Time		648	501	147
Audit and Compliance Committee, Meetings		550	427	123
IT Support/TeamMate		650	576	74
Total Leave and Administrative Hours		7,710	6,768	942
FY23 Total Hours		14,710	10,989	3,721

* Including 150 hours of student intern

Regents Audit and Compliance Committee

FY 2022 – April 2023 Update
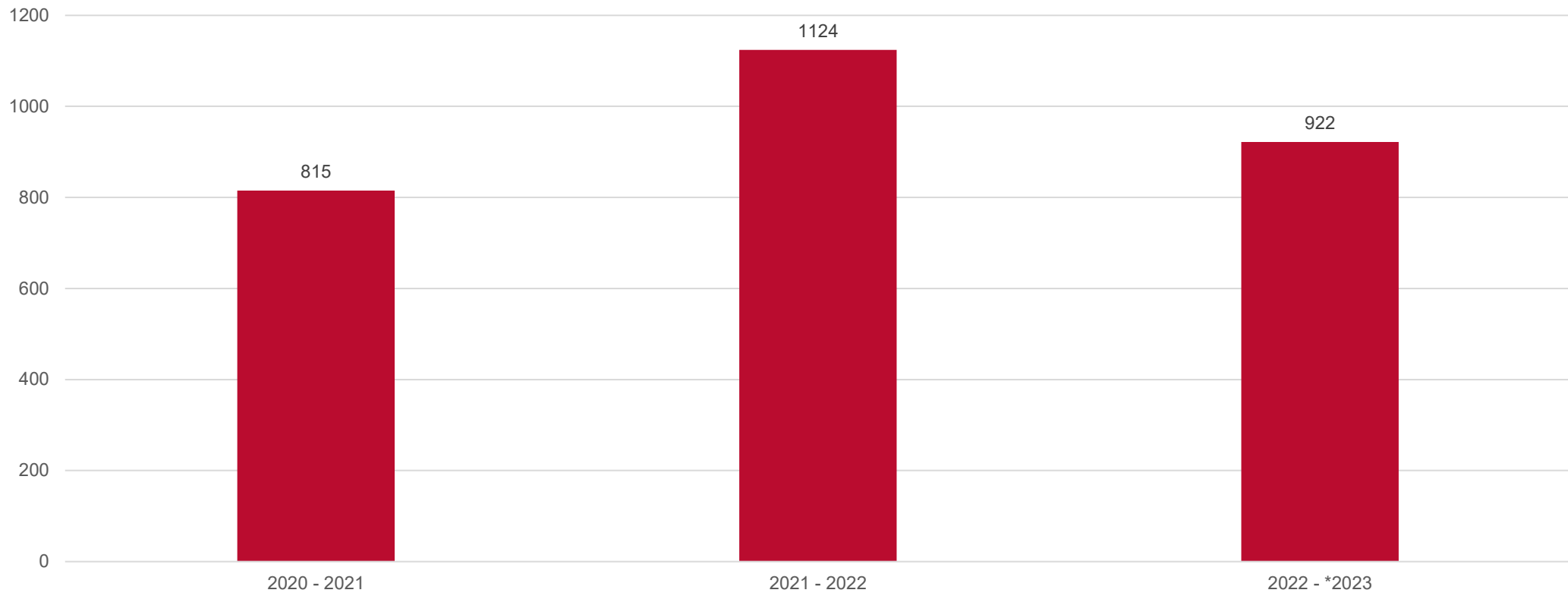
OFFICE OF COMPLIANCE, ETHICS & EQUAL OPPORTUNITY

Office of Compliance, Ethics & Equal Opportunity

EthicsPoint Hotline Activity Report

July 01, 2022 – April 2023

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.
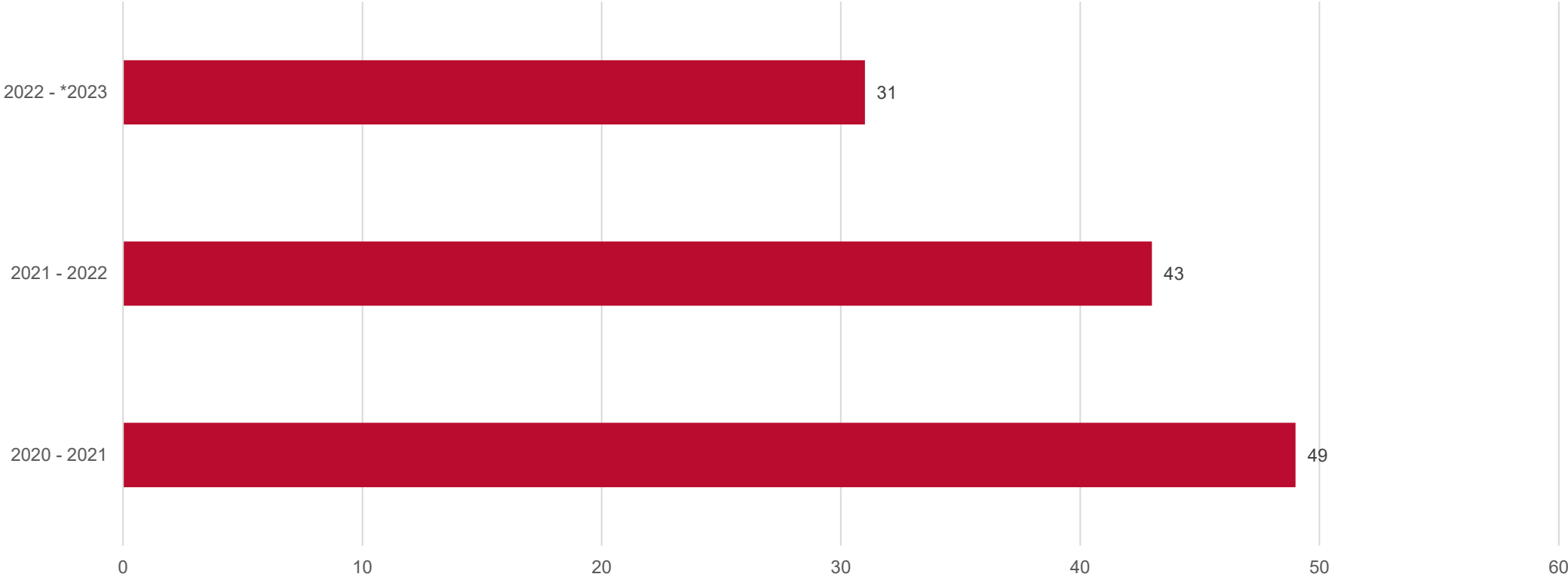
Performance of Cases –
Average Days Cases are Open (Including CEEO)

*Numbers up to April 2023

Period	Average Days
2022 - *2023	31
2021 - 2022	43
2020 - 2021	49

Top Ten Issue Types in Fiscal Year 2022 – April 2023 (Including CEEO)

Top Ten Issue Types

Issue Type	Count
Civil Rights and Sexual Misconduct	536
Human Resources	135
Accommodations	121
Academic Affairs	44
Medical	25
Other	25
Accounting and Financial	13
Information Technology and Data Privacy	9
Risk and Environmental Safety	5
Research	5
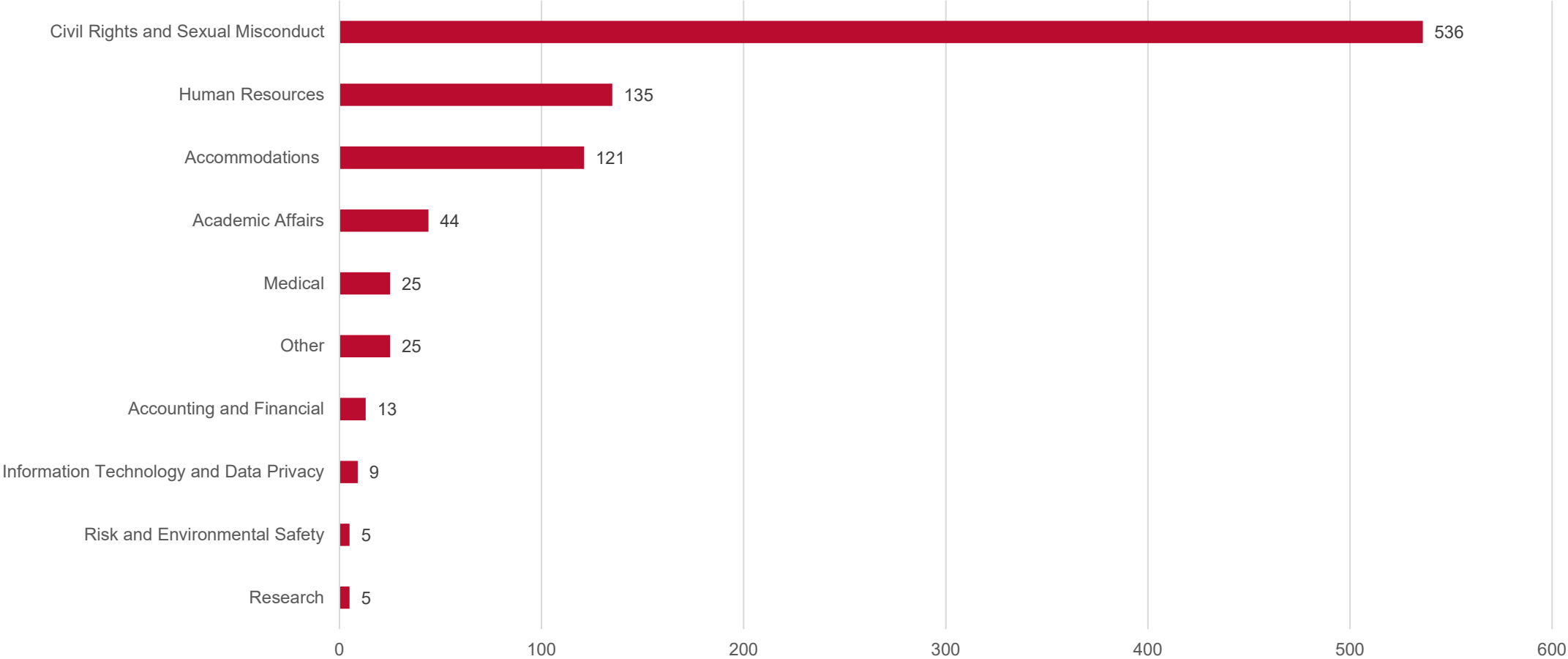
Top Ten Issue Types in Fiscal Year 2022 – April 2023
(Not Including CEEO)

Top Ten Issue Types

Issue Type	Count
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Medical	25
Other	25
Accounting and Financial	13
Information Technology and Data Privacy	9
Risk and Environmental Safety	5
Research	5
Conflict of Interest	2
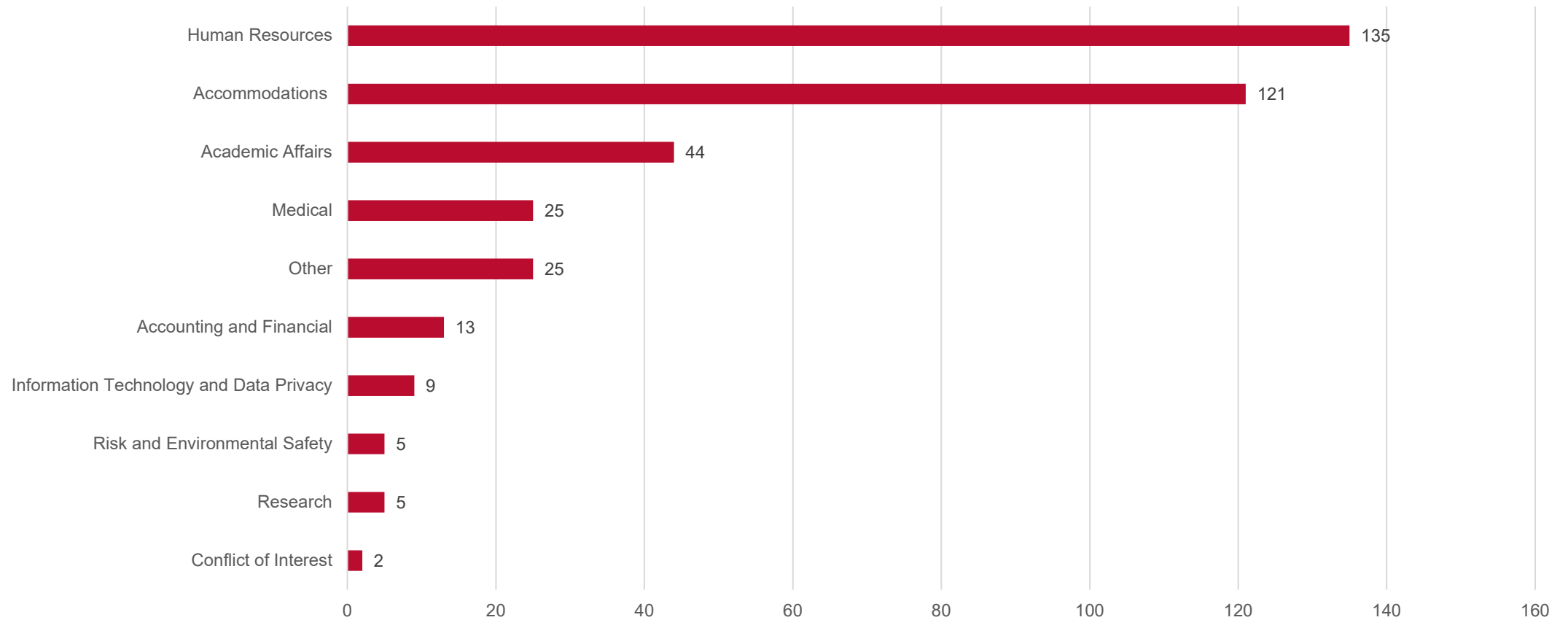
Anonymous Reporting Percentages Over Past 3 Years (Including CEEO)

Academic Year	Percentage of Anonymous Reporters
2020 – 2021	20.25%
2021 – 2022	15.79%
2022 – *2023	15.33%

*Percentages up to April 2023

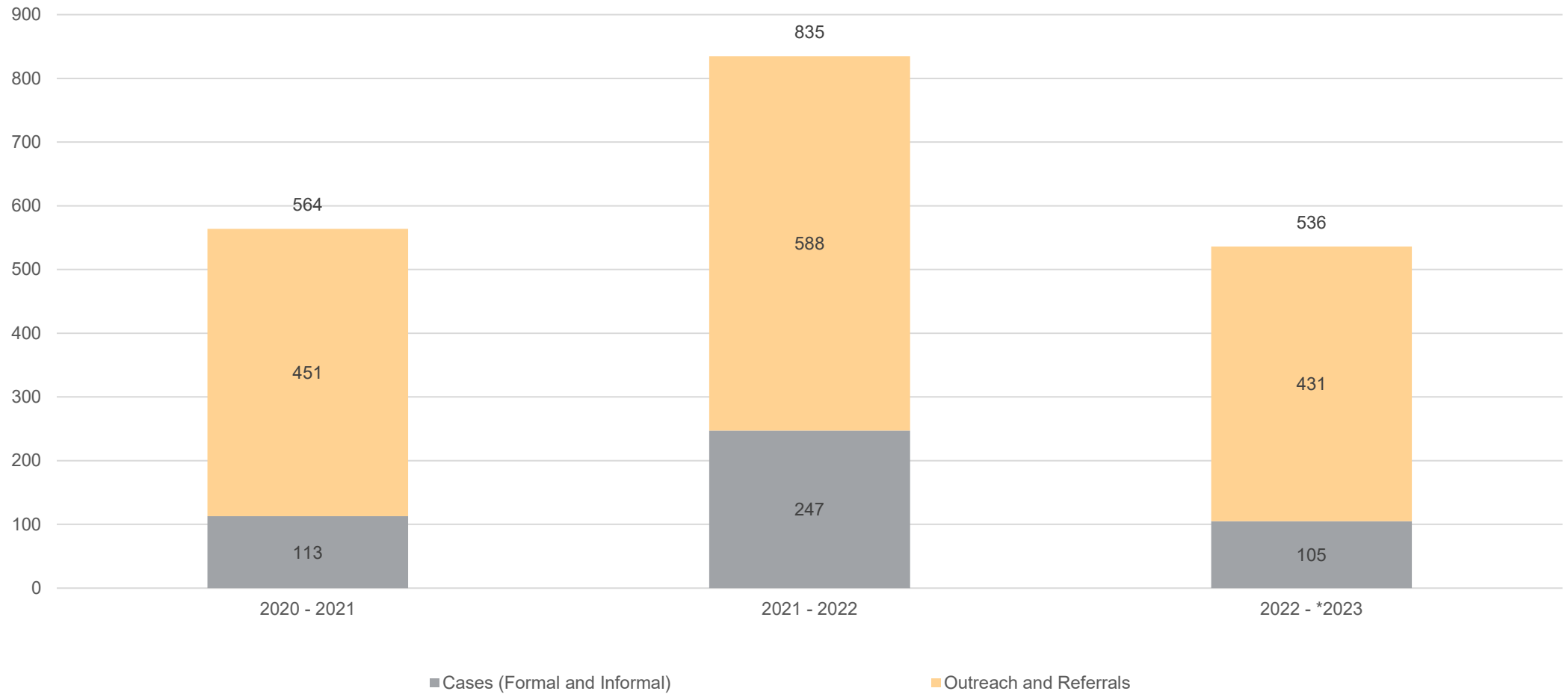# Anonymous Reporting Percentages Over Past 3 Years
(Not Including CEEO)

Academic Year	Percentage of Anonymous Reporters
2020 – 2021	53.38%
2021 – 2022	51.63%
2022 – *2023	32.50%

*Percentages up to April 2023

CEEO
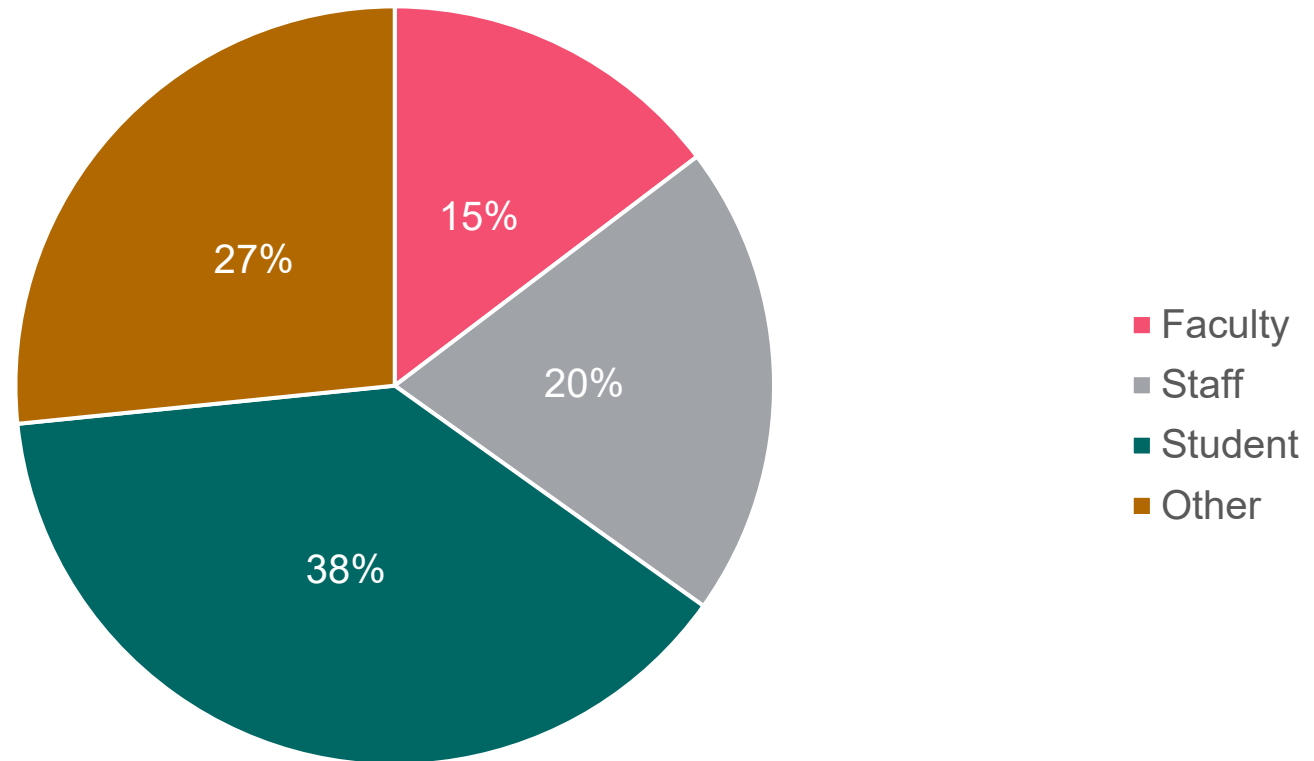# Caseload Trend (Fiscal Year 2020-April 2023)

CEEO Complaints

	2020 - 2021	2021 - 2022	2022 - *2023
Total	564	835	536
Outreach and Referrals	451	588	431
Cases (Formal and Informal)	113	247	105

■ Cases (Formal and Informal)　　　■ Outreach and Referrals

CEEO Complaints by Allegation Type
Fiscal Year 2022-April 2023

| Allegation Type	Count
Sexual Harassment	175
Gender/Sex	88
Other/Non-jurisdictional	56
Race	53
Disability	47
Sexual Orientation	18
Retaliation	16
Gender Identity/Expression	15
Age	14
National Origin	9
Ethnicity	8
Medical Condition	7
Color	6
Religion	4
Pregnancy	4
Ancestry	3
Veteran Status	2
Spousal Affiliation	1
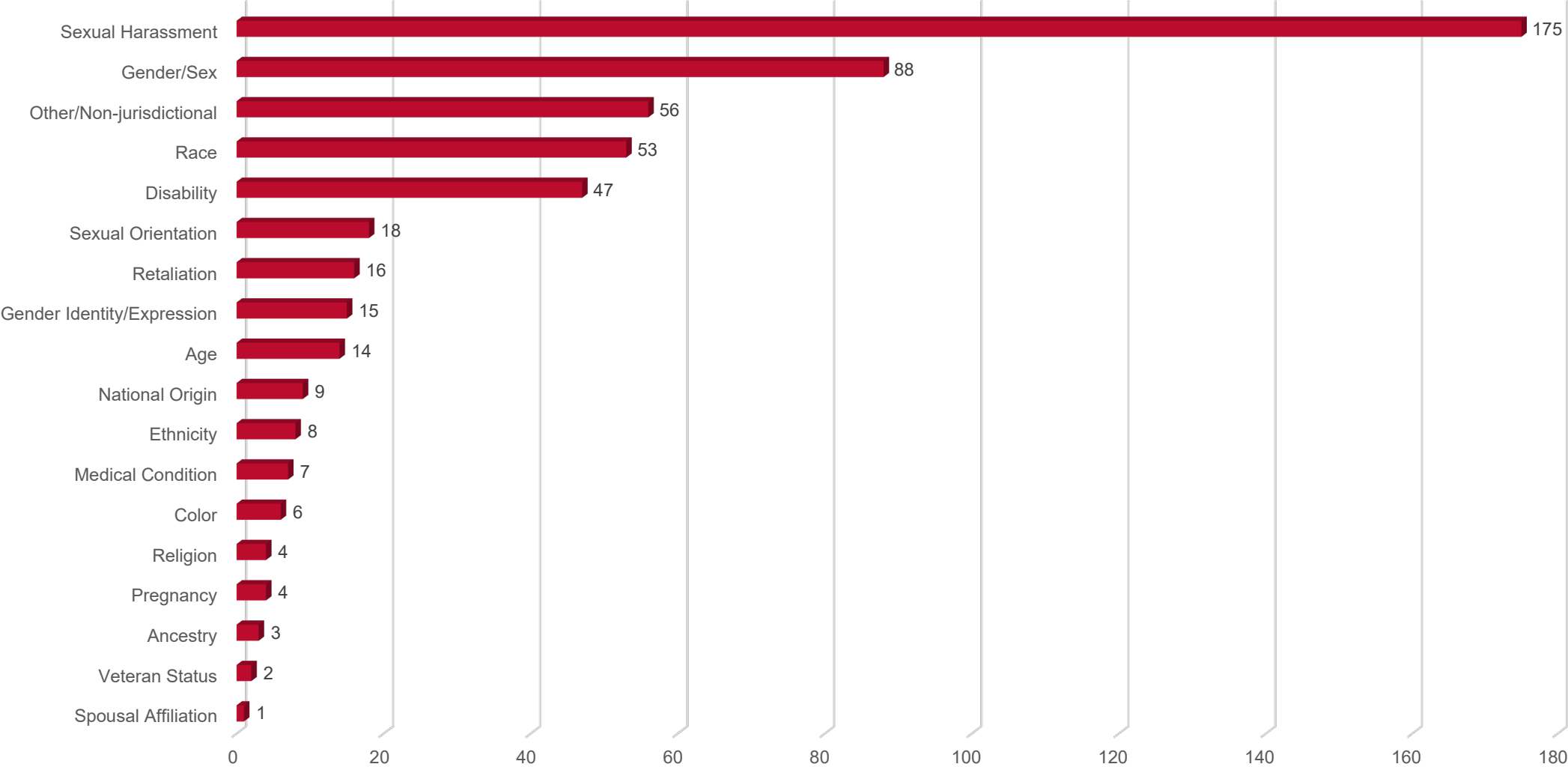
Formal Investigations by Respondent Affiliation Fiscal Year 2022-April 2023

Title IX Complaints 2022 – April 2023 Fiscal Year
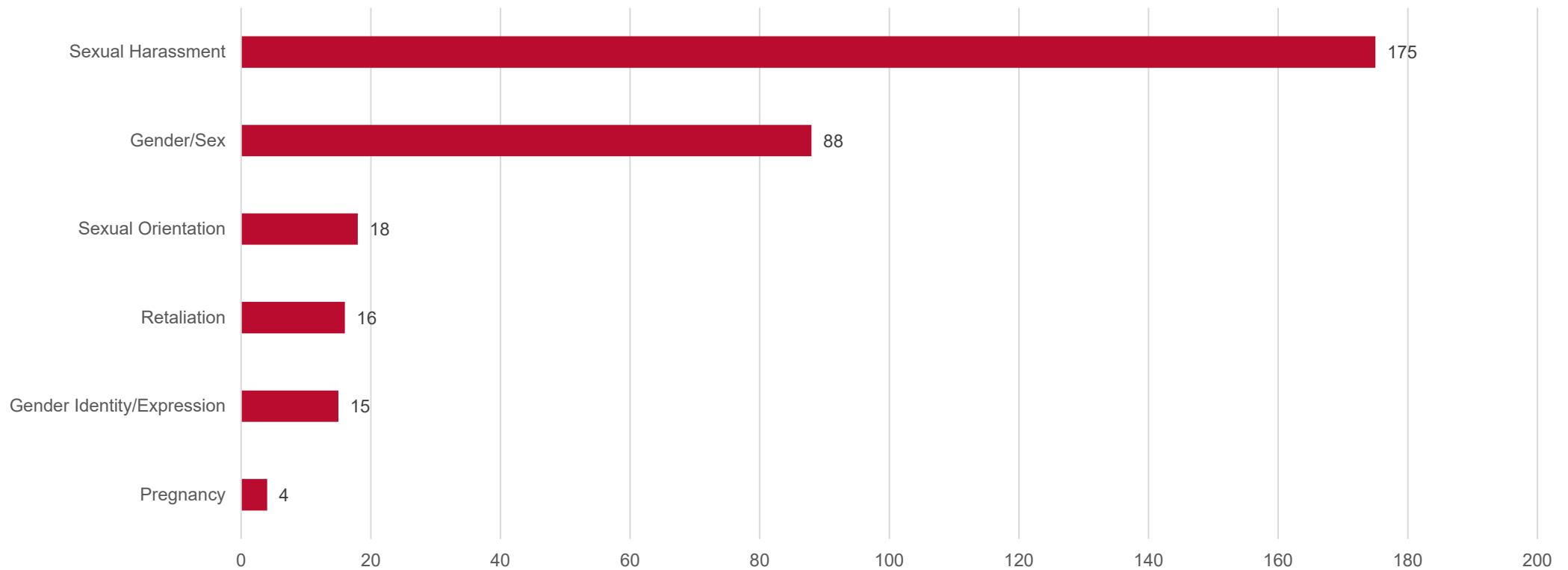
Follow Up Report - Pending
May 4, 2023 Open Session

No	Project Name	Report Approval Date, # of Recommenda-tions, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
1	Reserves	5/23/2019, 7, M	Recommendation 3 - Deficit Reduction Plans (Provost's Office Director of Financial Operations)	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's 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's 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's Office fiscal team will verify that the deficit has been eliminated at the end of the fiscal year and will send the corresponding report to Internal Audit to document that no further action is needed.	6/30/2020	The deficit for Student Publications continued to decrease by $88,748 from ($217,786) at the beginning of FY23 to ($127,038) at 4/30/23. Management indicated Student Publications is projecting to have a positive balance at the end of FY23. Adjustments were made operationally, as well as increased sales, which is the primary reason for anticipated resolution of the recurring deficit. IA will assess the deficit at year end 2023 and determine if further monitoring of the deficit is necessary.	Nicole Christine Dopson, Financial Officer Optg Grp
2	Los Alamos Branch Campus	5/7/2020, 6, M	Recommendation 6 - General Information Technology Security	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.	5/31/2023	Partially completed – Los Alamos management indicates that it has completed several recommendation components and is in the process of implementing the remaining action items. An extension of the targeted implementation date to the end of May 2023 was requested and approved.	Mike Holtzclaw, Chancellor/Branch; Bob Harmon, Dir,Business Opns/Sm Branch: Los Alamos Branch

EXECUTIVE SESSION