

BOARD of REGENTS



THE UNIVERSITY OF
NEW MEXICO.

AUDIT AND COMPLIANCE COMMITTEE VIRTUAL MEETING

Thursday, May 5, 2022 9:00 AM

The University of New Mexico
Board of Regents' Audit and Compliance Committee
May 5, 2022
Virtual Meeting
Agenda

ACTION ITEMS

1. Confirmation of a Quorum and Adoption of Agenda
2. Approval of Meeting Minutes from February 10, 2022
3. Audit and Compliance Committee remaining proposed meeting dates for calendar year 2022. The Committee will meet virtually until further notice.

August 11, 2022

October 13, 2022 (Exit Conference for FY22 Financial Statements Audit)

4. Renewal of Annual Financial Statement Audit Contract

INFORMATION ITEMS

5. Advisors' Comments
6. Fiscal Year 2022 Financial Statements External Audit, Entrance Conference (*Moss Adams, KPMG, NM State Auditor's Office and Norma Allen, University Controller*)
7. Director of Internal Audit Status Report (*Victor Griego, Internal Audit Director*)
8. Office of Compliance, Ethics, And Equal Opportunity Report (*Heather Jaramillo, Director, Office of Equal Opportunity*)
9. Status of Audit Recommendations (*Chien-Chih Yeh, Internal Audit Manager*)

EXECUTIVE SESSION

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

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Virtual Meeting
February 10, 2022 – Draft Meeting Minutes

Members Present: Douglas Brown, Chair, Bill Payne, Vice Chair, Randy Ko (quorum).

Other Attendees: Garnett Stokes, Norma Allen, Terry Babbitt, Francie Cordova, Angela Catena, Teresa Costantinidis, Ava Lovell, James Holloway, Loretta Martinez, Ari Vazquez, Arthur Culpepper, Duane Arruti, Angela Vigil, Bruce Cherrin, Elaine Rising, Laura Putz, Mark Evans, Colin Mitchell, Kevin Stevenson, James Wilterding, Joseph Malouff, Mallory Reviere, Victor Griego, Chien-chih Yeh, Lisa Wauneka, Kevin Enright. (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 Brown called the meeting to order at 9:01 AM. He confirmed attendance of all three members of the committee; therefore, there is a quorum.

ACTION ITEMS:

- The Committee approved the agenda.
- The Committee approved the minutes from October 29, 2021.
- The upcoming October meeting date was changed from October 20, 2022 to October 13, 2022 to better align with, and not conflict with, other Board meetings. With this change, the Committee approved the three upcoming 2022 dates.

INFORMATION ITEMS:

- Advisors' comments: None.
- Victor Griego, Internal Audit Director presented his Director's Report. The Department is still currently working on a hybrid schedule. Mr. Griego has approved these schedules based on guidance from HR. This will continue at least until the end of fiscal year 2022. The Department is in the process of hiring an internal auditor to fill a position that was vacated due to a retirement back in August. Candidate interviews were done, and the Department will soon conduct second interviews. A student intern started working in the Department earlier in the week. Following those hires, the Department will have one vacant position left.

For FY22, as of December 31, 2021, the Department has completed three audits. There is one review, Robotics, that will be presented in this meeting's closed session. The report is a component of a larger comprehensive Research and Public Service Project (RPSP) audit, which will be presented during the May meeting. Two audits are in planning/fieldwork. One of those is for the Children's Campus. A remote computing audit is in the planning phase. That should be done for the May meeting as well. Two more audits are assigned, and five are unassigned.

Regent Payne asked Mr. Griego about when UNM does contracting with non-profits – who's responsibility is it to monitor or audit those contracts? How do we know we are getting our bang for the buck? Mr. Griego responded that internal audit gets status updates and results of the external audits. Internal Audit is not usually directly involved; they are usually audited by a third party or the grantor agency. Internal Audit can request the information from the third party. Regent Payne stated Internal Audit would not necessarily know if there was a problem because the third parties are not required to report it to them. Mr. Griego replied yes. Chair Brown noted that Internal Audit would only be involved after the fact. They are not involved in the negotiation or the process.

Mr. Griego provided the Committee with the status of complaints. As of January 31, 2022, the Department has completed and closed six complaints. There are ten in planning and fieldwork, and

three are unassigned. The total of 19 reflects the fact that the number of complaints is down for FY22 compared to the prior fiscal year. Internal Audit focuses on complaints that involve financial-related matters, i.e. fraud, theft, misuse of funds, time abuse, etc. Mr. Griego stated he is currently assisting with the administration of the EthicsPoint system, which is the system for logging in and tracking complaints. He thanked Ms. Cordova and her team for taking the time to provide system training for him.

Mr. Griego provided the Department's current financial report to the Committee. The adjusted budget is \$1,126,757. A little over \$977,000 is from the general I&G pooled account. The Department also budgeted \$149,000 in departmental reserves. Labor, just as in the past, is over 90% of the budget. Some key non-labor related budget items include \$30,000 for a full migration of the TeamMate auditing software to TeamMate Plus. There is also \$7,000 budgeted for professional development and training. An unexpected expense the Department just recently incurred is \$9,000 for upgraded laptop computers. Internal Audit did an assessment of current inventory of laptops and noted that they are outdated, and IT services recommended the purchase of six new laptops. The mid-year budget assessment revealed that, due to salary savings from the vacant internal auditor position from last year's retirement and the one other vacant position, the Department may not have to use the reserves that were budgeted. Chair Brown asked Mr. Griego what the total of reserves are for Internal Audit. Mr. Griego responded that the reserves are currently approximately \$200,000. The majority of the Department's reserve funds come from multi-year accumulation of salary savings in vacant positions, mostly his own previous position.

Mr. Griego provided an update on the Health System Internal Audit function. CLA has substantially completed two audits as of this meeting date. They are planning to present a remote computing audit and one other completed audit at the May meeting.

Mr. Griego provided the status of external audits and reviews. As of December 31, 2021, there were eight contract and grant reviews underway. Four were completed during the period, and four are currently in process. The University completed Health Resources and Services Administration (HRSA), Patient-Centered Outcomes Research Institute (PCORI), Los Alamos National Laboratories, and the Department of Justice. Only PCORI had some findings and recommendations. Responses are being developed right now. The University is addressing approximately \$6,200 in questioned costs. The other three were clean audits with no findings or recommendations.

The University is wrapping up an audit with the National Sciences Foundation. They did find questioned costs, which the University responded to. They have not been finalized, and they are waiting for the funding agency to determine if those were allowable or not. The ongoing audits also include Sandia National Laboratories. They are auditing all purchase orders on Main Campus and HSC, covering the period of 7/1/18 to 6/30/21. HRSA has a grant surrounding South Central AIDS Education and Training. It is an award in the School of Medicine Internal Medicine Department. The audit period is 7/1/19 through 6/30/21. Leidos Philanthropy is currently conducting a review of all Leidos awards within the Cancer Center, covering a period of 4/15/2016 through 8/31/2021.

- Francie Cordova, Chief Compliance Officer, addressed the Committee to provide the Main Campus Office of Compliance, Ethics, and Equal Opportunity (CEEEO) status report. She stated she has some updates on initiatives and some things going on in their area. The first update is about the EthicsPoint system. They have been using EthicsPoint as the reporting tool for about seven years. Although it is a great tool, it is not unique to UNM, and it is not unique to higher education. Many higher education institutions do use it. They have found over the years that there are fields and ways UNM uses it that are different than what they would like to see. So, they have tweaked it over the years. Now they are in the process of looking at it holistically for the whole enterprise.

Heather Jaramillo, Interim Director in the CEEO office is taking the lead on trying to work with EthicsPoint to make it unique to UNM and more streamlined. One thing that just went live is mobile reporting. It is a tool that is very easy to use. The screens are super easy. Feedback they had received from people using the tool is that it is clunky on the front end. There is a lot of information you have to put in, and that information is important, but it can also be somewhat daunting to somebody who is trying to file a report. So, this new mobile reporting tool not only lets you do it virtually on your phone/iPad, but it also has a very simplified screen. They are going to be doing some communications around using the tool so people can have an easy way to report. They are also working with EthicsPoint to streamline the issue types, as some are not as applicable to higher education. They will soon be adding Banner to populate fields.

They are doing some training and updating for users, data users, and data stewards. Ms. Cordova and Mr. Griego are now the superusers. They overall administer and track the data. They have several users that are responsible for the Hospital, HSC, HR, etc. Many people are new, or newer, to that role. They have an SOP that they wrote pre-COVID about data and the investigative process. They will be reviewing the SOP and making sure they are consistent about using the data. At the end of the academic year, they will be able to see the data and compare it to previous years.

Regent Payne asked how people know the reporting tool exists. He asked if there is a master app where people can see where to go for different things. Ms. Cordova responded that they have various ways that they advertise the EthicsPoint system. It is on all the compliance websites on campus, and they have a lot of brochures and posters around campus. Now that they are doing all the streamlining, they can work with UCAM to re-advertise. It is absolutely being used; the numbers show that. They are close to 10,000 reports in the system. They will do more mass communications as the new tools roll out.

President Stokes informed Regent Payne that she heard his larger question about having one place where people can easily ask the regular questions. That is something she will discuss further with the communication and marketing team. She does think it needs to be simplified. Ms. Cordova stated they have been looking at wayfinding generally for how to get to various sites for reporting.

Ms. Cordova stated they had recently hired Matt Suazo to replace Rob Burford, but Sandia Labs scooped him up from UNM for a lot more money than UNM was paying. When Mr. Burford took over, he was Clery Coordinator. Then he became Compliance Coordinator and they swept up the Clery duties into that role. In retrospect, she thinks that was probably an injustice to both roles. They are both sort of standalone roles with so many responsibilities. They received permission from the President to pull the two apart again. Now the Clery Coordinator is a standalone role; and, the Compliance Coordinator is a standalone role.

They have selected a new person for the Clery Coordinator. They are very excited about the new hire. Her name is Adrienne Helms. She comes to UNM from Virginia. She has worked for and with law enforcement in crime prevention and crime statistics. She has done the traditional law enforcement role. And she has other exciting skills. Ms. Helms is an urban planner by trade, and she uses those skills to look at urban design and landscaping for safety. She has designed a new bystander intervention and bystander observer training that she presented to the City of Albuquerque before COVID. That is why she was in town, and she fell in love with Albuquerque. Before her interview, she had already done some research on some buildings around campus.

Ms. Cordova stated they have also selected a Compliance Coordinator. That role is more traditional compliance pieces, like conflict of interest, data privacy, foreign gifts, etc. He will be starting the same day as the Clery Coordinator. He is an attorney and has been advising clients globally on things like OFAC, foreign gifts, contract and policy development, risk assessment and prevention tools.

Ms. Cordova addressed the Regent's previous concerns about the annual security report being a large, clunky report. They are going to be working on an executive summary that will sort of digest the report. That way people can look at just the highlights and the numbers, and not the whole report unless they want to. In the process of auditing the last report, Ms. Cordova stated that she and Mr. Burford discovered they had over reported burglaries by four. This is because they happened in Housing, and when you count the numbers you have to count Housing separately. That required them to republish the report.

They are also working to revamp the reporting tool for campus security authority people who are working with UNMPD and IT to make it a more interactive tool similar to EthicsPoint. They are working with UNMPD to bring their site on to UNM servers, so the CSA tool will be part of the internal server and supported by UNM IT.

Their area has been working on a national level with the military and military academies as well as other institutions to look at sexual assault, stalking, domestic violence, and intimate partner violence prevention. So, they partnered with the Navy and hosted the third of three national conferences. Attendees from both higher education and the Navy looked at best practices and also looked at how to streamline data between all of the institutions. The next big conference was going to be at West Point, but COVID derailed that. They are still communicating virtually, and are having more local New Mexico conversations.

Angela Catena, Title IX Coordinator addressed the Committee with a Title IX update. She stated that because of our work and efforts at UNM, and the ending of the agreement, UNM is a national model. But due to COVID, UNM has not been able to spotlight that. They have put team together to start working on a summer training institute for all New Mexico Title IX practitioners, including K-12. They have a lot of challenges in trying to get everything together for Title IX. They need a lot of support as well and they are thinking of making it an annual training. Title IX turns 50 this year, so they will acknowledge that as well.

Within the next couple of weeks, they should have the date in August pinned down for this year's training institute. This year it will be one day, but may expand to a multi-day event. Tentative topics include Safe Zone, NCAA transgender athletics policy, and advisor training. They will have a guest speaker who works with trafficking and cyber sexual abuse. Chair Brown asked about defraying cost by charging a modest fee. Ms. Catena replied that they are looking into a registration fee and how much that would cost. They will also ask the University's partners for any support they may be able to provide. They are looking to offset costs and maybe in the future generate revenue.

The Department of Education has said they will be sending out more changes to Title IX. Proposed changes will be published in April.

- Arthur Culpepper, HSC Chief Compliance Officer, addressed the Committee with an update on HSC compliance. He informed the Committee that their annual work plan is underway. They have started field work and will be completing that in June, 2022. They had an outstanding Compliance Week with Main Campus Compliance, Research Compliance, and Health Systems Compliance. It was really a group effort. They had good turnout and good participation by staff and faculty alike.

Dr. Culpepper stated that they are also working to make sure their policies and procedures are up to date. They are doing specific outreach and training in those areas that may come up. His area has completed the annual revision of the Compliance Education Module in Learning Central. They look at it on an annual basis just to make sure they have good, fresh content, because things change on a

frequent basis. Two years ago, they thought it would be beneficial to create a Spanish version. So far, things have been working very well.

Dr. Culpepper provided an update on the exclusion screening process and a brief reminder of what exclusion entails. Basically, exclusion is a prohibition for those entities that receive federal funding where individuals or the entity has shown unexceptional patient care and also a propensity for fraud. Those organizations and individuals are placed on that list. Approximately three to four years ago, they established a relationship with an outside vendor where they provide the names of all employees and Regents through a Banner feed on a monthly basis. The vendor sends them a very robust report that helps them to make sure that they verify and take care of all those pieces. They also have individual user accounts for all parts of the HSC, so when new employees apply, their names can be run in the exclusion database prior to hiring just to make sure they are eligible. Year-to-date they only had two false positives. After they did their investigations, they found them to be non-starters, there were no findings on those at all. They also run checks on vendors. The fines for not checking those exclusions can be very substantial.

Chair Brown asked if there is a similar exclusion check process on Main Campus or in other areas to find out if we are onboarding someone with a bad history. Ms. Cordova responded that it is done in a non-centralized way. It is done in specific areas, but not in a holistic way. Chair Brown stated maybe it is time UNM looks at something like that.

Dr. Culpepper provided a quick overview of some of their current compliance reviews. Their compliance reviews work to identify possible violations or deficiencies in training or procedures. Versus formal audits, these are informal, and they usually work with management or a department head specific to the findings. There were no major compliance reviews conducted in the first or second quarters. But, there were scheduled reviews set up. In the second quarter, they had a compliance review that looked at Institutional Review Boards (IRB). The Boards specifically looked at human subjects' research and protection of those. That is usually collecting blood or administering medicine, interviewing, or even administering a psychological test. They also look at animals. As a result of their compliance review, they interviewed several personnel who were associated with the research protections program. They also talked to the chairpersons of the committees and personnel within the research compliance program to get background on the process and how the IRB was working in terms care protocols introduced by researchers. They found very minor findings and no evidence of anything negligent or intentional in terms of non-compliance. As a result, they have a 95 percent compliance rate. It really shows that good work is taking place in terms of the committees and any of the research, especially human subject, is being looked at very carefully.

Upcoming, they have started their Sponsored Projects' Office pre-award process. The entrance conference is scheduled next week. Later in the fiscal year, they will be looking at the Cancer Center, specifically their clinical trials billing.

Regent Payne asked Dr. Culpepper how many committees they are looking at when they get the statistics. Dr. Culpepper responded there are quite a few and also individuals who are associated with the research. They talk to committee chairs as well as personnel and review many, many documents just to assure everything is in place. As was mentioned before, the fines from the federal government can be very significant and very costly to the University. A lot of different groups give input because a lot of the research has to go through the IRB.

- Chien-Chih Yeh, Internal Audit Manager presented the audit recommendation follow-up report for this reporting cycle. The first implemented recommendation is for Lobo Club Pit suites. Internal Audit has verified that they have developed a procedure that is in place. Payments have either been made or are actively being monitored by management. The second implemented item is for the Office of Capital

Projects. Previously, Internal Audit could not perform test work because they were lacking sample data. Since that time, the Department has been able to test some job order contracting vendor transactions. Those transactions met the documentation requirements. With the recommendations implemented, if approved by the Committee, these two projects will be closed and removed from the follow up report going forward. The third implemented item pertains to an audit of the Facilities and Management Division approved by the Committee last October. Internal Audit tested transactions to make sure required documentation of itemized receipts were attached. This recommendation is also proposed as implemented.

The next two pages of the report detail outstanding pending recommendations. The recommendation on the Reserves audit for the deficit reduction plans still needs to be implemented before the deficits start trending down. Internal Audit will keep this recommendation open until there is further action taken. There is a recommendation for Los Alamos branch campus that was in progress. Management has demonstrated that they have implemented a few things, but needed to continue to work with other partners on Main Campus in order to push the project implementation further. Internal audit granted their request to extend the deadline to May 31, 2022. For the Bookstore operations audit, there is one final recommendation still pending regarding PCI compliance. They have developed a document that needs to be formally approved and they are in process on getting the rest of the action item implemented, so this will be kept open until it can be verified. There is one last item for the Facilities and Management Division. There are similar matters related to the prior observation and it will be kept open until a final determination is made.

Chair Brown asked if the Bookstore operates at a profit. Teresa Costantinidis, Senior Vice President of Finance and Administration replied to Chair Brown stating that Bookstore barely breaks even. Chair Brown asked if there are outside agencies that are good at running Bookstore operations. Ms. Costantinidis replied that new leadership in the Bookstore is looking at options and what the future might look like. They are in the process of looking at the Bookstore both in terms of what it is, but also where it is at UNM.

Regent Ko asked about the testing of itemized receipts. He wanted to know if there will be times they are checked again even when they are not under this recommendation. Mr. Yeh responded in order to verify they implemented the management response action item, Internal Audit pulled a list of the transactions since the audit to see that they have successfully adopted the process. All receipts are in place for transactions tested. Mr. Griego added that from the date of the report that says they implemented the recommendation, they pulled a brand-new sample of transactions or purchases and verified supporting documentation is provided in every one of the transactions.

By unanimous consent, the meeting went into Executive Session at 9:51 AM per the agenda.

- a. Discussion of draft Internal Audit Reports, and discussions of information subject to attorney-client privilege pursuant RPM 1.2.
- b. Schedule of Audits in Process and FY22 Audit Work plan, pursuant to RPM 1.2;
- c. 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 meeting adjourned at 10:35 AM.

Approved:

Audit and Compliance Committee Chair

There is no
handout
required for
this item



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Date: April 26, 2022

To: Doug M. Brown, Chair, Audit and Compliance Committee
Victor Griego, Internal Audit Director

From: Norma Allen, CPA – University Controller

RE: FY22 Renewal of Annual Financial Statement Audit Contract

The following information is provided for the Committee's approval related to the annual financial statement audit for the fiscal year ended June 30, 2022, pending final approval by the State Auditor.

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

Based on the evaluation from the committee members, a recommendation was made to award the contract to Moss Adams with a subcontract to KPMG for the audit of the clinical areas. This selection was approved by the Audit Committee on April 7, 2020 and by the Full Board of Regents on May 12, 2020. The New Mexico State Audit Rule requires that the term of an audit contract be for a period of one year only. Therefore, annual approval is required for each audit year of the three-year proposal period. This request for approval is for the audit for the fiscal year ending June 30, 2022. The total cost for the FY22 audit will be \$1,142,396 which includes NM GRT, pending any supplemental costs that may be included for any unanticipated audit procedures required for the federal CARES ACT/HEERF funds received as well as the GASB 87 Implementation. The total cost for FY 21 was \$1,050,703 which includes NM GRT. The FY 22 total cost is approximately 9% greater than last year.

There is no
handout
required for
this item



University of New Mexico



2022 Entrance Conference Presentation to Audit Committee

Communication with Those Charged With Governance



Agenda

Audit Plan

- Your service team
- Scope
- Summary of audits to be performed
- Materiality

Other Items

Appendix A (for your reference)



Your Service Team

— Roles of Moss Adams, the OSA and KPMG

Moss Adams is responsible for:

UNM main campus and branches financial statement audit — Single Audit of Federal Expenditures – entity-wide — for all non-clinical component units and departments — The Moss Adams reports on consolidated financials and internal controls refer to portions clinical operations that are audited by KPMG.

OSA is responsible for:

Assisting Moss Adams with various audit procedures including test work of state audit rule, single audit and other substantive audit procedures.

KPMG is responsible for:

UNM Clinical Operations (UNM Hospital, UNM Behavioral Operations, UNM Medical Group, and SRMC)

Financial Statement Audits – Audits performed in accordance with:

- Generally Accepted Auditing Standards
- Government Auditing Standards
- New Mexico State Auditor Rule 2.2.2 NMAC

Federal Grant Compliance Audit – audits of federal grants performed in accordance with

OMB Uniform Guidance (Single Audit)

- Major programs tested: R&D, HEERF and others to be determine - likely will have to test PRF but TBD



Your Service Team

Moss Adams – Main Campus and Non-Clinical Operations:

- Lisa Todd, Partner
(UNM financial statement audit, single audit and component units)
- Scott Simpson, Concurring Partner
- Sujan Bhandari, Senior Manager (UNM financial statement audit, UNM Single Audit)(Lobo Energy, UNM Foundation and Anderson Schools of Management Foundation)
- Sheila Herrera, Senior Manager
(STC.UNM, Lobo Development, Innovate ABQ, KNME, KUNM, and NCAA)

Office of the State Auditor:

- Liza Kerr, Quality Control Director
- Elena Tercero, Audit Manager
- Laura Wade, Audit Supervisor

KPMG–Clinical Operations (UNM Hospital, UNM Behavioral Health, UNM Medical Group, SRMC):

- John Kennedy , Partner
- Amy Banovich, Concurring Partner
- Jaime Cavin, Managing Director
- Ruth Senior, Senior Manager



Scope

Risk-based Audit Approach:

- Specifically, significant risks of material misstatement whether due to error or fraud
- Based on our experience, discussions with management and those charged with governance

Audit Phases:

- Internal Controls
 - Conduct testing during the year to conclude on the proper design and implementation of controls
 - Test controls for purposes of assisting us to form an opinion on the financial statements
 - IT controls testing
- Compliance and controls over Federal grant requirements
- Final Audit Testing and Reporting
 - Testing of June 30, 2022 balances
 - Testing and review of financial statement disclosures



Other Items

Remote Work Environment

- We will continue to be working the majority of the time remotely during this time, however, will have a few days on-site as needed. We do not expect any significant impact to the completion of our audit and related procedures

Communication

- Moss Adams, OSA and KPMG schedule weekly status meetings with applicable management teams through the issuance of the audit reports
- OSA to continue to work with Moss Adams in a joint venture of the main campus audit

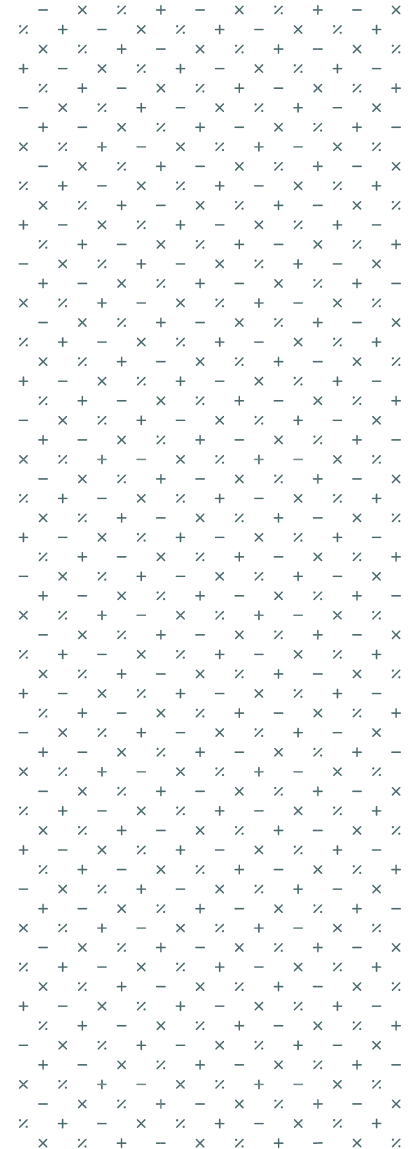




MOSSADAMS



Thank you!



Appendix A

- Timeline, Required Communications and Audit Areas



Timeline for UNM Main Campus (Includes HSC Academic Units), Component and Other Reporting Units

Entity	Planning and/or Interim Fieldwork	Final fieldwork	Review Draft Financial statements	Deliver Drafts to UNM
University of New Mexico	May 9 (2 weeks) June/July for Single Audit	August 1 6 weeks	September 27 2 weeks	N/A
UNM Foundation	June 20 2 weeks	August 15 2 weeks	August 22 1 weeks	September 15, 2022
Anderson Schools of Foundation	August 8 2 weeks	August 8 2 weeks	August 22 1 week	September 15, 2022
UNM Rainforest Innovations	August 15 2 weeks	August 15 2 weeks	August 29 1 week	September 15, 2022
Lobo Development	August 8 1 week	August 15 1 week	August 22 1 week	September 15, 2022
Lobo Energy	July 18 1 week	July 25 1 week	August 1 1 week	September 15, 2022
Lobo Club	June 20 1 week	August 22 1 week	September 5 1 week	September 15, 2022
Alumni	June 20 1 week	August 22 1 week	September 5 1 week	September 15, 2022
NCAA AUP	October 24 1 week	October 31 1 week	November 7 1 week	NA
KNME	June 27 1 week	November 7 1 week	December 12 1 week	NA
KUNM	October 31 1 week	October 31 1 week	November 7 1 week	NA



Timeline Healthcare Reporting Units

Entity	Planning	Interim Fieldwork	Final Fieldwork	Review Draft Financial Statements	Deliver drafts to UNM
UNM Hospital	May 1 week	May 2 weeks	August 1 8 weeks	September 5 2 week	September 16
Behavioral Health	May 1 week	May 1 week	August 8 6 weeks	September 5 2 weeks	September 16
UNM Medical Group	May 1 week	May 1 week	August 8 6 weeks	September 5 2 weeks	September 16
Sandoval Regional	May 1 week	May 1 week	August 1 6 weeks	September 5 2 weeks	September 16



Purpose of Audit Committee Communication

The Auditor's Communication with Those Charged with Governance, requires:

- Communication with Audit Committee
- Pre and Post Audit communication
- Planned scope and timing
- Significant issues and findings



Audit Responsibilities

Management is responsible for:

- Adopting sound accounting policies
- Fairly presenting the financial statements, including disclosures, in conformity with GAAP
- Establishing and maintaining effective internal control over financial reporting (ICFR), including programs and controls to prevent, deter, and detect fraud
- Identifying and ensuring that the Company complies with laws and regulations applicable to its activities, and for informing the auditor of any known material violations of such laws and regulations
- Making all financial records and related information available to the auditor
- Providing unrestricted access to personnel within the entity from whom the auditor determines it necessary to obtain audit evidence
- Adjusting the financial statements to correct material misstatements
- Providing the auditor with a letter confirming certain representations made during the audit that includes, but is not limited to, management's:
 - Disclosure of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Company's financial reporting
 - Acknowledgement of their responsibility for the design and implementation of programs and controls to prevent, deter, and detect fraud
 - Affirmation that the effects of any uncorrected misstatements aggregated by the auditor are immaterial, both individually and in the aggregate, to the financial statements taken as a whole



Audit Responsibilities

The Audit Committee is responsible for:

- Oversight of the financial reporting process
- Oversight of the establishment and maintenance by management of programs and internal controls designed to prevent, deter, and detect fraud

Management and the Audit Committee are responsible for:

- Setting the proper tone and creating and maintaining a culture of integrity and high ethical standards

The audit of the financial statements does not relieve management or the Audit Committee of their responsibilities.



Audit Responsibilities

Auditor is responsible for:

- Forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of the Audit Committee, are presented fairly, in all material respects, in conformity with GAAP.
- Planning and performing our audit with an attitude of professional skepticism to obtain reasonable—not absolute—assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error. Because of the nature of audit evidence and the characteristics of fraud, we are able to obtain reasonable, but not absolute, assurance that material misstatements will be detected. Our audit is not designed to detect error or fraud that is immaterial to the financial statements.
- Conducting the audit in accordance with professional standards and complying with the Code of Professional Conduct of the American Institute of Certified Public Accountants, and the ethical standards of relevant CPA societies and relevant state boards of accountancy.
- Evaluating internal controls as a basis for designing audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal controls.
- Communicating to management and the Audit Committee all required information, including significant matters.
- Communicating to management and the Audit Committee in writing all significant deficiencies and material weaknesses in internal control identified during the audit and reporting to management all deficiencies noted during our audit that are of sufficient importance to merit management’s attention. The objective of our audit of the financial statements is not to report on the Company’s internal control and we are not obligated to search for material weaknesses or significant deficiencies as part of our audit of the financial statements.



Audit Responsibilities – Other Information In Documents Containing Audited Financial Statements

The auditors' report on the financial statements does not extend to other information in documents containing the audited financial statements, excluding required supplementary information.

We are required to:

- Read the other information to identify material inconsistencies with the audited financial statements or material misstatements of fact, and
- Make appropriate arrangements with management or the Audit Committee to obtain the other information prior to the report release date

Any material inconsistencies or misstatements of fact that are not resolved prior to the report release date, and that require revision of the other information, may result in Moss Adams or KPMG modifying or withholding the auditors' report or withdrawing from the engagement.



Limitations to the Audit

- The audit of the financial statements does not relieve management or those charged with governance of their responsibilities
- Audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting
- We design our audit to detect material misstatements, whether due to error or fraud
- Materiality is based on auditor judgment
- Considers both quantitative and qualitative factors



Use of Materiality in the Audits

- Professional standards require that we exercise professional judgment when we consider materiality and its relationship with audit risk when determining the nature, timing, and extent of our audit procedures, and when evaluating the effect of misstatements.
- Information is material if its misstatement or omission could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



Audit Approach – Main Campus (Includes HSC Academic Units) (Moss Adams)

Internal controls key areas of focus:

- Cash receipting transaction cycle
- Investments
- Payroll expenditures
- Non-payroll expenditures (procurement expenditures)
- Completeness and accuracy of census data (pension and OPEB liabilities)
- Contract and grants transaction cycle
- Journal entry approval
- Financial close process
- Banner system controls
 - Test both information technology and manual controls – incorporate use of IT specialists in the audits



Audit Approach – Main Campus (continued) (Includes HSC Academic Units) (Moss Adams)

Substantive Audit work key areas of focus:

- Compliance with Federal Grants and contracts
- Alternative investments valuation (UNM and UNMF)
- Accounts receivable and related revenues (student tuition and fees, Lottery scholarships, and other)
- HEERF funding
- Non-routine transactions
- Measurement of OPEB and related disclosures – updated current year valuation
- Recording of ERB net pension liability - updated current year valuation
- Measurement of Pension and related disclosures
- Derivatives valuation (UNM)
- VEBA plan
- Bonds payable, including compliance and financial statement presentation
- Compliance with bond and HUD loan guarantee covenants
- Accounting for transactions with affiliates (UNMMG, UNM Hospitals, SRMC, and other UNM component units)
- Operating expenses
- Non-operating revenues and expenses
- Follow up on prior year findings
- Financial statement presentation
- State audit rule testing



Audit Approach – Clinical Operations (KPMG)

Internal Controls and Substantive Audit Procedures

Key areas of focus:

- Patient revenue cycle
- Valuation allowance for contractual discounts and uncollectible patient receivables and determination of uncompensated care
- Estimated third-party payor settlements
- Cares Act funding
- Recognition of purchased services (physician clinical effort)
- General expenditures and payroll
- Non-operating revenues/grants and expenses
- Cash and investments
- Mortgage loan and bonds payable
- Restricted assets, designated assets, and capital initiatives
- Evaluate both information technology and manual controls – incorporate use of IT specialists in the audits
- Related party transactions between UNM, UNM Hospitals and SRMC
- Contingencies (malpractice, payor disputes, etc.)
- Financial reporting and presentation



Key Areas – Other Component Units

Other Component Units

- Revenue recognition (patient revenue, investment income, contributions and other revenue sources)
- Expenditures
- Transactions with UNM
- Financial reporting and presentation
- NCAA Intercollegiate Athletics Agreed-upon procedures report
- KNME-TV and KUNM-FM Attestation reports



**Internal Audit Director’s Status Report
Audit and Compliance Committee Meeting
May 5, 2022**

INFORMATION ITEMS

Audit Committee Meeting Calendar. This schedule will accommodate the entrance conference for the FY22 External Financial Statements Audit. The following are the future proposed dates for the remainder of 2022.

August 11, 2022

October 13, 2022 (Exit Conference for FY22 Financial Statements Audit)

Internal Audit Operations and Staffing. The Internal Audit department is currently working on a hybrid office and telecommuting schedule through the end of the fiscal year, which is based on telecommuting guidance issued by Human Resources.

Internal Audit hired one Internal Auditor position who started on April 11th. Internal Audit will have one vacant senior auditor position.

Audit Plan Status. The project status and hours report for the audit plan is at Tab #7. The status of the proposed audit plan for the period of July 1, 2021 through March 31, 2022 is:

Completed	3
Committee Presentation	1
Planning/Fieldwork	3
Subtotal	7
Assigned	4
Unassigned	2
Total	13

The Audit of Research and Public Service Projects, Report #2022-02 has been completed and will be presented in this meeting’s closed session. The Children’s Campus review is in fieldwork and is expected to be completed for presentation during the August meeting. Project Echo and an Information Security Computing audit are in the planning phase.

Complaint Status. The status of complaints assigned to Internal Audit for FY2022, as of March 31, 2022, is:

Completed/Closed	9
Planning/Fieldwork	7
Unassigned	5
Total	21

Complaints assigned to Internal Audit for review are those of financial related matters (i.e., fraud, theft, misuse of funds, time abuse, etc.).

The Internal Audit Director is currently assisting in administration of the EthicsPoint system. Internal Audit is working with UNM CEEO to update processes, and is planning on providing training for users.

**Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
May 5, 2022**

Department Financial Report. At Tab #7 is the Internal Audit Department's operating ledger report for your review. The FY22 adjusted budget is \$1,132,623, of which \$977,757 is from the general pool and \$149,000 is from the departmental reserve. An additional \$5,866 is a budget adjustment for the recent 3% salary and fringe benefits increase.

As of March 31, 2022, the department's expenditures are \$687,950, and encumbrances are \$254,010. The single largest operating cost in the FY22 budget is \$30,000 for a full migration of the TeamMate Internal Audit software from TeamMate AM to TeamMate Plus. Migration fees will be paid prior to fiscal year end, and the migration will begin in August. Migration should be completed by the end of 2022.

Health System Internal Audit

Clifton Larson Allen (CLA) has completed five audits and has presented them to each applicable Health System Audit and Compliance Committees. These reports will be presented in closed session by the CLA team.

In addition, the reporting and communication document related to the Health System internal audit function has been updated and will also be presented by the UNM Internal Audit Director in closed session.

External Audits and Reviews. At Tab #7 is the summary information as of March 31, 2022 regarding the external audits/reviews (third party financial audits) of various grants, contracts, and programs by various grantor agencies. There are currently four (4) audits/reviews to report for this reporting period. Three (3) audits/reviews have been completed, and one (1) is currently in process.

The Health Resources & Services Administration (HRSA) completed an audit of South-Central AIDS Education Training Centers awards to the UNM Health Sciences Center. The audit period covered awards from 7/1/2019 – 6/30/2021. The funding agency submitted an exit letter stating two findings related to a spending plan for large residual balance. HSC has provided responses to the findings with a resolution plan.

The Department of Justice (DOJ) has completed an audit of awards to Main Campus, Department of Social Research. The audit found no programmatic or administrative issues requiring formal resolution.

Leidos Philanthropy has completed a review of all Leidos awards within the Cancer Center, covering a period of 4/15/2016 through 8/31/2021. No issues were identified during the audit.

The University is currently going through an audit with Sandia National Labs of all Main Campus and HSC Purchase Orders. The audit period covered awards from 7/1/2019 – 6/30/2021. The current auditor is reviewing expenditures and budget versus expenditures. The latest questions were received 04/08/2022; questions were answered on 4/8/22 and 4/12/22. UNM is awaiting response from the auditor.

Organization Level 5: '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!	\$977,757.00	\$0.00	\$977,757.00	\$0.00	.00%	\$977,757.00	100.00%	\$0.00	\$0.00	.00%
1641 - Non-Recurring Pooled !	\$0.00	\$5,866.00	\$5,866.00	\$5,866.00	100.00%	\$5,866.00	100.00%	\$0.00	\$0.00	.00%
1900 - Reserves	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$203,387.82	.00%	\$0.00	(\$203,387.82)	.00%
1901 - Budgeted Use of Rese!	\$149,000.00	\$0.00	\$149,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$149,000.00	100.00%
*TOTAL Revenue	\$1,126,757.00	\$5,866.00	\$1,132,623.00	\$5,866.00	.52%	\$1,187,010.82	104.80%	\$0.00	(\$54,387.82)	(4.80%)
Expense										
2020 - Administrative Profess!	\$724,293.00	\$5,398.00	\$729,691.00	\$47,387.24	6.49%	\$439,256.02	60.20%	\$221,710.41	\$68,724.57	9.42%
2060 - Support Staff Salary D!	\$49,328.00	\$468.00	\$49,796.00	\$3,794.50	7.62%	\$34,513.05	69.31%	\$13,461.01	\$1,821.94	3.66%
20J0 - Student Salaries Gen	\$12,500.00	\$0.00	\$12,500.00	\$642.20	5.14%	\$755.30	6.04%	\$0.00	\$11,744.70	93.96%
2110 - Fica Gen	\$50,063.00	\$0.00	\$50,063.00	\$3,681.61	7.35%	\$34,153.39	68.22%	\$0.00	\$15,909.61	31.78%
2140 - Retirement Gen	\$92,744.00	\$0.00	\$92,744.00	\$7,242.24	7.81%	\$67,038.40	72.28%	\$0.00	\$25,705.60	27.72%
2160 - Group Insurance Gen	\$82,444.00	\$0.00	\$82,444.00	\$4,542.32	5.51%	\$41,378.66	50.19%	\$0.00	\$41,065.34	49.81%
2180 - Unemployment Comp!	\$459.00	\$0.00	\$459.00	\$46.07	10.04%	\$426.44	92.91%	\$0.00	\$32.56	7.09%
21A0 - Workers Compensatio!	\$395.00	\$0.00	\$395.00	\$57.57	14.57%	\$427.96	108.34%	\$0.00	(\$32.96)	(8.34%)
21J0 - Other Staff Benefits G!	\$30,068.00	\$0.00	\$30,068.00	\$2,349.24	7.81%	\$21,746.50	72.32%	\$0.00	\$8,321.50	27.68%
21L0 - Accrued Annual Leave!	\$75.00	\$0.00	\$75.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$75.00	100.00%
21L1 - Catastrophic Leave Ex!	\$75.00	\$0.00	\$75.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$75.00	100.00%
3100 - Office Supplies Gener!	\$500.00	\$0.00	\$500.00	\$177.76	35.55%	\$271.74	54.35%	\$236.94	(\$8.68)	(1.74%)
3110 - Books Periodicals Gen	\$50.00	\$0.00	\$50.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$50.00	100.00%
3111 - Manuals	\$0.00	\$0.00	\$0.00	\$76.64	.00%	\$76.64	.00%	\$0.00	(\$76.64)	.00%
3140 - Computer Software G!	\$150.00	\$0.00	\$150.00	\$0.00	.00%	\$531.00	354.00%	\$0.00	(\$381.00)	(254.00%)
3150 - Computer Supplies <\$!	\$793.00	\$0.00	\$793.00	\$0.00	.00%	\$60.00	7.57%	\$2,422.09	(\$1,689.09)	(213.00%)
3170 - Custodial Supplies Gen	\$500.00	\$0.00	\$500.00	\$0.00	.00%	\$35.85	7.17%	\$0.00	\$464.15	92.83%
3180 - Non Capital Equipmen!	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$299.99	.00%	\$0.00	(\$299.99)	.00%
3189 - Tagged Non-Capital E!	\$2,000.00	\$0.00	\$2,000.00	\$0.00	.00%	\$0.00	.00%	\$10,180.00	(\$8,180.00)	(409.00%)
31A0 - Business Food - Local	\$600.00	\$0.00	\$600.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$600.00	100.00%
31C0 - Dues Memberships G!	\$4,500.00	\$0.00	\$4,500.00	\$800.00	17.78%	\$2,100.00	46.67%	\$0.00	\$2,400.00	53.33%
31J0 - Parking Permits Gen	\$150.00	\$0.00	\$150.00	\$0.00	.00%	\$400.00	266.67%	\$0.00	(\$250.00)	(166.67%)
31K0 - Postage Gen	\$40.00	\$0.00	\$40.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$40.00	100.00%
31N2 - Individual Safety Equi!	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$132.00	.00%	\$0.00	(\$132.00)	.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 - 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
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	\$400.00	\$0.00	\$400.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$400.00	100.00%
3805 - Instate Travel-Per Die!	\$100.00	\$0.00	\$100.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$100.00	100.00%
3825 - Out State Travel-Per D!	\$1,000.00	\$0.00	\$1,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$1,000.00	100.00%
3830 - Out State Trvl-Per Die!	\$500.00	\$0.00	\$500.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$500.00	100.00%
6000 - Telecom Charges Gen	\$3,500.00	\$0.00	\$3,500.00	\$292.50	8.36%	\$2,632.50	75.21%	\$0.00	\$867.50	24.79%
6020 - Long Distance Gen	\$50.00	\$0.00	\$50.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$50.00	100.00%
6060 - Voice Mail Box Gen	\$600.00	\$0.00	\$600.00	\$50.00	8.33%	\$450.00	75.00%	\$0.00	\$150.00	25.00%
6300 - Alarm System Gen	\$200.00	\$0.00	\$200.00	\$11.25	5.63%	\$126.25	63.13%	\$0.00	\$73.75	36.88%
6370 - Printing/Copying/Bindi!	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$26.97	.00%	\$0.00	(\$26.97)	.00%
63A0 - Conference Fees Gen	\$4,000.00	\$0.00	\$4,000.00	\$0.00	.00%	\$600.00	15.00%	\$0.00	\$3,400.00	85.00%
63A2 - Seminars/Training Fe!	\$3,000.00	\$0.00	\$3,000.00	\$0.00	.00%	\$3,174.00	105.80%	\$0.00	(\$174.00)	(5.80%)
63C0 - Copying Gen	\$100.00	\$0.00	\$100.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$100.00	100.00%
63V0 - Consultant Fees Gen	\$0.00	\$0.00	\$0.00	\$8,895.00	.00%	\$8,895.00	.00%	\$0.00	(\$8,895.00)	.00%
69Z0 - Other Professional Ser!	\$11,500.00	\$0.00	\$11,500.00	\$702.44	6.11%	\$11,734.12	102.04%	\$6,000.00	(\$6,234.12)	(54.21%)
7000 - Plant Repairs Mainten!	\$200.00	\$0.00	\$200.00	\$0.00	.00%	\$612.27	306.14%	\$0.00	(\$412.27)	(206.14%)
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!	\$41,500.00	\$0.00	\$41,500.00	\$0.00	.00%	\$10,831.59	26.10%	\$0.00	\$30,668.41	73.90%
70F0 - Equipment Rent Expe!	\$2,400.00	\$0.00	\$2,400.00	\$160.67	6.69%	\$1,399.87	58.33%	\$0.00	\$1,000.13	41.67%
80K0 - Banner Tax	\$660.00	\$0.00	\$660.00	\$111.66	16.92%	\$443.90	67.26%	\$0.00	\$216.10	32.74%
80K2 - Foundation Surcharge	\$4,520.00	\$0.00	\$4,520.00	\$404.55	8.95%	\$3,420.43	75.67%	\$0.00	\$1,099.57	24.33%
*TOTAL Expense	\$1,126,757.00	\$5,866.00	\$1,132,623.00	\$81,425.46	7.19%	\$687,949.84	60.74%	\$254,010.45	\$190,662.71	16.83%

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 - 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:	\$1,126,757.00	\$5,866.00	\$1,132,623.00	\$5,866.00	.52%	\$1,187,010.82	104.80%	\$0.00	(\$54,387.82)	(4.80%)
Total Expense:	\$1,126,757.00	\$5,866.00	\$1,132,623.00	\$81,425.46	7.19%	\$687,949.84	60.74%	\$254,010.45	\$190,662.71	16.83%
Net:	\$0.00	\$0.00	\$0.00	(\$75,559.46)	.00%	\$499,060.98	.00%	(\$254,010.45)	\$245,050.53	.00%

Parameters:

Organization Level 5: '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.

Budget to Actual Report
July 1, 2021 through March 31, 2022

Description	Status	FY 22 Budgeted Hours (*)	FY 22 Actual Hours	Variance
Audit Plan				
Prior Year				
Capital Projects	Completed	64	64	0
Audit of Facilities and Maintenance Division	Completed - Follow up	60	55	5
President's Travel and Entertainment FY21	Completed	200	142	58
Children's Campus	Fieldwork	700	527	173
Information Security	Planning	400		400
RPSP (Main Campus and HSC)	A&C Committee	500	441	59
Anderson School of Management	Assigned	500		500
Office of Medical Investigator (OMI)	Assigned	200		200
UNM Valencia	Assigned	200		200
Enrollment Management	Unassigned			
FY 2022				
Project Echo	Planning	300		300
President's Travel and Entertainment FY22	Assigned			
Internal Medicine	Unassigned			
Audit Plan Subtotal		3,124	1,229	1,895
Misconduct and Fraud		3,520	2,626	894
Audit Recommendations Follow-up		350	170	180
Management Requests		300	13	287
Non Audit Plan Subtotal		4,170	2,809	1,361
Total Project Hours		7,294	4,038	3,256
Leave and Administrative				
Holiday		784	713	71
Annual		1,176	785	391
Sick		672	437	235
CPE/Training		400	510	(110)
Administrative Time/Management		3,500	2,334	1,166
Administrative Staff Time		640	501	139
Audit and Compliance Committee, Meetings		550	378	172
IT Support/TeamMate		144	118	26
Total Leave and Administrative Hours		7,866	5,776	2,090
FY22 Total Hours		15,160	9,814	5,346

* Including 600 hours of student intern

Third Party Audits

	Ongoing	Completed	Completed	Completed
Granting Agency/Entity	Sandia National Labs (SNL)	DOJ	Leidos	HRSA
Contract/Grant/Program Title	All SNL PO's	2RPJO and 2RSD4	All Leidos Awards	South-Central AIDS Education and Training Centers
Contract/Grant Period	Various; Audit covers costs incurred between 7/1/18 - 6/30/21	Audit covers grant inception through 6/30/21	Various; Audit covers 4/1/16-8/31/20	Audit covers 7/1/19 - 6/30/21
Contract/Grant Total Amount	Various	2RPJO - \$120,566 2RSD4 - \$219,432	Various	Various
Contract/Grant Amount - Current FY				
Principal Investigator	Various	Kristine Denman (ISR)	Various	landiorio
Department	Various	Institute for Social Research (ISR)	Cancer Center	Truman/Internal Med
Agency Audit/Review Notification Date	Original Engagement Letter - 8/5/21 (covered periods FY19 and F20) Revised Engagement Letter - 1/24/22 (added FY21 expenses to audit)	9/15/2021	1/27/2021	
Audit/Review Entrance/Visit Date(s)		Entrance Conference - 9/28/21	Entrance Conference - 2/19/2021	Entrance Conference - 8/3/2021
Audit/Exit/Final Report Issued		Final Report - 11/10/21	N/A	
Questioned Cost, if any		N/A	See Comment	
Audit/Review Major Finding, if any		N/A	See Comment	
Corrective Action Plan, if any		N/A	See Comment	
Planned Implementation Date		N/A	N/A	
Campus	Main and HSC	Main	HSC	HSC
Auditor if Different than Grantor	SNL	DOJ (OJP)	Leidos	HRSA
Comments	The current Auditor is still requesting answers to various questions regarding expenditures and budget versus expenditures. The latest questions were received 04/08/2022. Questions were answered on 4/8/22 and 4/12/22. Awaiting response from auditor.	Per the Post Monitoring Site Visit Letter: "No programmatic or administrative issues requiring formal resolution were identified during the EPDR [Enhanced Programmatic Desk Review]. The SJS-SAC program appears to be progressing according to the plans presented in the approved application, and it is following Federal, OJP, and BJS guidelines for this grant.	Closed out; no issues identified.	Provided requested pre-visit documents, generated pre-visit requests, pending virtual site visit. Received exit letter, stating two findings related to spending plan for large residual balance. Programmatic concerns have been responded to with a resolution plan.

Audit and Compliance Committee

QUARTERLY MEETING MAY 5, 2022



OFFICE OF
COMPLIANCE, ETHICS
& EQUAL OPPORTUNITY

New CEEO Personnel

BLAINE MOFFATT, JD

COMPLIANCE COORDINATOR

Blaine joins UNM from Texas, where he practiced law and helped corporate clients set up complex global compliance and integrity programs.



ADRIENNE HELMS, MA

CLERY COORDINATOR

Adrienne joins UNM from Virginia. She has an extensive background working with law enforcement and public safety improvement, with a unique focus on urban planning and environmental design for enhanced safety measures.



ADA Updates

1. Building and Paths of Travel Review

- Database preview planned for Regents Retreat
- Efforts underway to obtain funding for additional building assessments on north and south campuses

2. Self-Evaluation Surveys

- Programmatic, academic, and employment surveys completed in Spring 2022; data evaluation underway
- Student surveys slated to be circulated in Fall 2022

3. RAP Form: [UNM Reasonable Accommodation or Accessibility Funding Request \(smartsheet.com\)](https://smartsheet.com)

4. Web and Digital Accessibility Review

Digital Accessibility Program Proposal

- Vendor TPGi provided recommendations for accessibility improvements
- Key UNM departments have discussed the best solutions for the University:
 - CEEO
 - Accessibility Resource Center
 - University Communications & Marketing
 - Information Technologies
 - Center for Teaching and Learning
 - HSC Communications & Marketing
- Primary suggestions: additional personnel, updated policy, and robust resource and training program for University constituents
- Proposal to be provided in advance of Regents Retreat

EthicsPoint Updates

1. Streamlined reporting portal: [EthicsPoint - University of New Mexico](#)
2. Custom CEEO report form developed to comply with Title IX requirements
3. Enterprise use including hospital and medical group
4. SOP created in 2020 is undergoing updates, with training planned for summer 2022
5. Exploring other EthicsPoint features, such as COI disclosures and management plans
6. Annual data will be provided at next Audit Committee meeting

Ethics Taskforce Updates

Subcommittees researched best practices and created draft policies and recommendations for the entire enterprise. Report to President and OUC on the following areas:

1. Conflict of Interest/Conflict of Commitment (COI) - required by [federal law](#)
2. Training on COI
3. Foreign contracts and gifts (including a draft reporting tool) - required by [federal law](#)
4. Human Trafficking – required by [federal law](#)
5. Data Privacy – update current policies
6. Limited English Proficiency – required by [Executive Order](#)
7. Commitment to Diversity – preferred qualification in hiring

Title IX & Clery Training Updates

8.11.22 - Clery Act Training for UNM Clery personnel and campus security authorities

- Joseph Storch, Grand River Solutions, Inc.

8.12.22 - Title IX Summer Training Institute – regional symposium

- Full-day symposium for New Mexico and regional Title IX practitioners
- Topics include:
 - Safe Zone Training
 - Keynote: Cyber Sexual Abuse
 - NCAA and Transgender Athletes
 - Hearing Advisor Training
 - Upcoming changes to Title IX with Joseph Storch and Title IX Coordinator, Angela Catena
- *Early-bird Registration Opens Soon!*

**Follow Up Report - Pending
May 5, 2022 Open Session**

Agenda Item #9

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
1	<u>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'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	Management indicated the deficit for Student Publications is projected to decrease to (\$212,181) from a FY22 beginning balance of (\$229,575). The pandemic has had a significant impact on the revenues Student Publications generates through advertising fees, which contributed to the accumulated deficit. Student Affairs Administration has worked closely with the director of Student Publications and the Provost Office's Director of Financial Operations to identify the recurring deficit and develop options for balancing the unit's budget. Through this review, Student Affairs has made a new funding request through the Budget Leadership Team process to provide recurring funding to support the unit. If new funding is not allocated other options will be reviewed and determined, in order to establish a sustainable budget for Student Publications and the pay down the accumulated deficit this fiscal year. IA will review deficit at year end.	Nicole Christine Dopson, Financial Officer Optg Grp
2	<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.	5/31/2022	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 2022 was requested and approved.	Cynthia Rooney, Chief Exec Officer CEO/Branch; Bob Harmon, Dir,Business Opns/Sm Branch: Los Alamos Branch

**Follow Up Report - Pending
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No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
3	<u>Audit of UNM Bookstore Operations</u>	5/6/2021, 7, M	<u>Recommendation 7 - PCI Compliance</u>	The UNM Financial Services Division and the UNM CIO's office should work with all units that process credit cards, and related business units, to develop and approve written processes assigning roles and responsibilities to: clearly outline and define roles and responsibilities of its service providers and UNM units involved; identify PCI compliance requirements; ensure that management oversight of PCI activities is assigned; maintain local copies of complete responses, and the generated SAQs and AoCs with internal supporting documentation and names and titles of responders; and, formally review the responses to the compliance questions, etc.	Management agrees with the recommendations. In March 2021, the UNM Controller and CIO formed a task force to review and document roles and responsibilities within appropriate offices, and UNM's authorized credit card processors as they relate to the oversight of UNM's authorized credit card processors. An oversight committee and approach will be established through the task force. Activity of the oversight committee will include an internal review of the responses to UNM authorized credit card processor's compliance questions. The documentation and plans are expected to be complete by 10/01/2021, and will be presented to UNM executive leadership, with any necessary funding considerations, for adoption.	10/1/2021	Management has indicated that the document covering roles and responsibilities is currently being reviewed. This document has also been presented to applicable units; its relevant details will be communicated among the applicant units for further update and review.	Duane Arruti, UNM CIO; Norma Allen, University Controller; Jeff Gassaway, Info Security Ofcr
4	<u>Audit of Facilities and Management Division</u>	10/14/2021, 2, M	<u>Recommendation 2 - Audit Findings from Hotline Investigations</u>	FM should strengthen internal controls to: complete a thorough review of construction projects to ensure that outside contractors and vendors are fulfilling their responsibility prior to making final payment; and, to ensure required permits are obtained prior to the commencement of construction projects.	FM has established an expectation that projects are fulfilled as expected by the vendor/contractor performing work. Work shall not commence until vendor/contractor or trades personnel can verify that permits have been obtained. Final payment to vendor/contactors will be withheld until verification of work is completed and inspected. A checklist will be developed as part of project closing procedures.	4/30/2022	Internal Audit is in the process of completing reviews of service contracts to ensure procurement and accounts payable policies and procedures are being followed and to ensure required permits are always obtained.	Alfred Sena,Dir,Facilities Management

EXECUTIVE SESSION