

BOARD of REGENTS



THE UNIVERSITY OF
NEW MEXICO.

AUDIT AND COMPLIANCE COMMITTEE VIRTUAL MEETING

Thursday, May 6, 2021 9:00 am

The University of New Mexico
Board of Regents' Audit and Compliance Committee
May 6, 2021 – 9:00 AM
Virtual Meeting
Agenda

ACTION ITEMS

1. Confirmation of a Quorum and Adoption of Agenda
2. Approval of Meeting Minutes from February 11, 2021
3. Audit and Compliance Committee Meeting dates for Calendar Year 2021. The following proposed meeting dates are being presented for Committee approval. The Committee meets in the Roberts Room. This schedule accommodates exit conference for the FY21 External Financial Statements Audit.

August 5, 2021

October 14, 2021 (Exit Conference for FY21 External Audit)

INFORMATION ITEMS

4. Advisors' Comments
5. Fiscal Year 2021 Financial Statements External Audit, Entrance Conference (*Moss Adams, KPMG, and Elizabeth Metzger, University Controller*)
6. Director of Internal Audit Status Report (*Victor Griego, Interim Internal Audit Director*)
7. Main Campus Chief Compliance Officer Status Report (*Francie Cordova, Chief Compliance Officer; and Rob Burford, Director of Compliance [retired]*)
8. Health Sciences Center Chief Compliance Officer Status Report (*Arthur Culpepper, HSC Chief Compliance Officer*)
9. Status of Audit Recommendations (*Chien-Chih Yeh, Internal Audit Manager*)
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 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 11, 2021 – Draft Meeting Minutes

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

Other Attendees: Garnett Stokes, Liz Metzger, Terry Babbitt, Francie Cordova, Rob Burford, Teresa Costantinidis, Duane Arruti, Dean Bernardone, Jeff Gassaway, Ava Lovell, Loretta Martinez, Arthur Culpepper, Angela Vigil, Bonnie White, Sarah Ramer, James Holloway, Ari Vazquez, Scot Sauder, Heather Jaramillo, Kevin Stevenson, Colin Mitchell, James Wilterding, Lisa Todd (Moss Adams), Sujun Bhandari (Moss Adams), John Kennedy (KPMG), Jaime Cavin (KPMG), Ruth Senior (KPMG), Brian Colon (OSA), Natalie Cordova (OSA), Lynette Kennard (OSA), Liza Kerr (OSA), Mitzi Montoya, Bruce Cherrin, Mallory Reviere, Victor Griego, Chien-chih Yeh, Kevin Enright, Lisa Wauneka, Amy O'Donnell. (Note: other attendees, including members of the public, were able to view though a link; therefore, it is impossible to know who viewed, and those attendees are not included in this list.)

Chairman Brown called the meeting to order at 9:02 AM. He confirmed attendance of two of the three members of the committee; therefore, there is a quorum.

ACTION ITEMS:

- The Committee approved the meeting agenda.
- The Committee approved the minutes from October 16, 2020.
- The Committee approved the next meeting date of May 6, 2021.
- Liz Metzger, University Controller presented information regarding renewal of the FY21 external audit contract. After approval by the Regents, it still needs final approval by the State Auditor. For background purposes, in early FY20, the University submitted a Request for Proposal for a three-year audit contract. Each proposal was evaluated by a six-member committee of various individuals in the University's financial areas. Committee members made a recommendation to award the contract to Moss Adams with a subcontract to KPMG for clinical areas. This Committee approved that award and it was approved by the State Auditor. Although it is a three-year award, each year of the contract must be approved.

The estimated cost in the proposal was \$969,000 plus NM Gross Receipts Tax. When the cost was calculated, the audit requirement of CARES Act funds could not be anticipated. That will have to be included in the FY21 price. The CARES Act funding issue also delayed submittal of the FY20 external financial audit.

The Committee unanimously approved the FY21 external audit contract.

INFORMATION ITEMS:

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

All Internal Audit (IA) regular staff members are classified as Tier 2 staff, working remotely. The department had one student employee on call as a Tier 3 employee, providing support when needed,

but that student graduated in December. The department will hire another student after returning to in-person operations. Internal Audit will continue to work remotely until otherwise notified. Last year, the department submitted a proposal for funding for replacement of the building's roof. That work was recently completed.

Mr. Griego presented the status of the 2021 audit work plan. Three (3) audits carried forward from FY20, and three FY21 audits are completed. There are two (2) audits – UNM Bookstore and Facilities Management - that are close to wrapping up. Current audits in the planning stage are an IT information security audit and Capital Projects. One HSC audit will be presented in this meeting's closed session. Two are in process related to procurement activities in the Medical Group and UNMH.

For the complaint status, 18 are completed, and 12 are in planning or fieldwork. This makes a total of 30; last year at this same time, there were 34 complaints. It is pretty comparable despite the University operating primarily remotely.

For the FY21 adjusted budget, the Department has a budget of \$1,062,979, of which \$964,979 is from the general pooled account and primarily makes up IA's funding. An amount of \$4,000 comes from a reimbursement from UNMH for the audit software sharing agreement. IA budgeted \$94,000 from the department's reserves. Funding of \$964,979 from the general pooled account reflects an I&G budget reduction of \$105,622, due to the impact of Covid-19 and final funding received from the state. IA did take a hit with the budget reduction, but fortunately had some reserves to makeup that shortfall. As of January 31, 2021, the department's expenditures were \$557,741 and encumbrances are \$270,298. Almost 96% of the expenditures are labor costs. Non-labor-related expenses consist of IT services, professional dues and memberships, training and conferences, and software fees. The department expects some cost savings from converting to virtual professional training. Some of the big trainings have seen a reduction of 50% in costs. There is also the elimination of travel costs.

The Internal Audit Department had a quality assessment review. One of the things that internal auditing standards require in addition to an external review, is a periodic internal assessment to make sure the department is complying with standards. Our internal review was completed in January, 2021 by Bill Cottrell, Senior Auditor. He looked at selected projects, went through documentation and reporting, etc. Based on Mr. Cottrell's assessment and review, the department is complying with the standards. Another requirement is the department needs to report to the Board that all staff are independent and objective and complete internal audit standards' responsibility.

Mr. Griego provided status information regarding the external audits and reviews that are going on with UNM. As of December 31, 2020, UNM is under three reviews from federal agencies for contracts and grants. UNM has been under an audit with the National Science Foundation. They are reviewing if UNM has implemented temporary administrative flexibilities that were authorized by the Office of Management and Budget; and, if costs were allowable, eligible and reasonable. They were looking at 40 transactions for which UNM provided documentation. They are hoping the audit will be completed by March. UNM received an engagement letter in January from the Department of Education regarding reporting in accordance with Section 17 of the Higher Education Act of 1965. That audit is underway. UNMH and SRMC received 71 records requests for FY21. UNMH has had six reviews completed with no reports of findings or money taken back. SRMC has had 14 FY21 requests with 11 that are adjudicated with no findings and no money taken back. There are three FY21 claims representing \$29,000 that still remain open.

Chairman Brown asked if UNM has any foreign contracts or research contracts with foreign entities. Regent Lee asked if gifts and donations from foreign sources is only on the Hospital side or the institution as a whole. Mr. Griego responded that it is the institution as a whole. Regent Lee stated something popped into her head about an endowment for sustainable water with possibly questionable foreign sources. Loretta Martinez, General Counsel, stated that she has been working with the

Department of Education on this audit. What they said triggered the review was that we had not filed the reports. They were concerned, given how large of a research enterprise UNM is, that UNM has not filed. UNM has amassed a pretty large team on both sides of campus, including the Foundation, Admissions and the Bursar's Office because the law covers foreign gifts, as well as contracts and agreements. Ms. Martinez stated she received an extension for UNM to reply to the end of March. She is hoping that data may show the reason UNM did not report is that it did not meet the threshold of \$250,000 from the same source. She feels it will be appropriate that the team provide the Committee with a report, regardless if the threshold is met or not. Chairman Brown stated Ms. Martinez might want to take a look at what is going on at ECHO because he is under the impression that they may have received significant money from the government of India. He doesn't know if it qualifies or not, but we should touch that base. Ms. Martinez agreed they will do that. They do not have anyone specifically from ECHO on that team, but it makes sense to put them on.

- Francie Cordova, Chief Compliance Officer, and Rob Burford, retired Director of University Compliance addressed the Committee to provide the Main Campus Compliance Office's status report. First, there has been a merger between Compliance and the Office of Equal Opportunity. They are now the Office of Compliance, Ethics, and Equal Opportunity. The merger was modeled after others done at universities such as UT. Ms. Cordova has been working on this for a while, consulting with her predecessor Libby Washburn. The goal is to provide holistic, seamless compliance support to the University. There will be some cost savings and shared service. In this transition, Ms. Cordova is no longer Interim Chief Compliance Officer. Her deputy is Heather Jaramillo as Interim Equal Opportunity Office Director. They are in the process of some strategic planning.

Ms. Cordova also announced the retirement of Rob Burford. It is clear how much he impacted this campus - from creating the safety walk, to his tenure as Staff Council President, and his work with Clery. The most important thing was his work with and impact on students. It is a big loss for UNM, especially with regards to his institutional knowledge. Ms. Cordova stated he will be continuing on quarter-time until a successor can be selected and trained. The Committee thanked Rob for his service and commitment to UNM.

Ms. Cordova stated they have started a great deal of educating regarding Title IX. Angela Catena, Title IX Coordinator is doing several town halls including one sponsored with ASM. They are also doing one-on-one trainings. New regulations require live hearings in Title IX cases. After much contemplation and working with campus partners, they decided on a hearing office for UNM. It is an independent office, it is now staffed, and they are in their first hearing right now. There are also two University Advisors at .5 FTE each. Ms. Cordova described shared photos of the team members and described their backgrounds to the Committee.

As a university, it is a struggle to provide the level of training that is required federally for the investigators, hearing officer, and appellate body. There is a lot of training required and it is very costly. So, the State University of New York (SUNY), UNM's partner in the national conference, has created an on-line platform that is very reasonable for universities to use. They also maintain the transcripts for auditing purposes, if necessary.

There is slow but steady progress in the area of accessibility and ADA. UNM is an old campus and is resource stricken. Last year they brought in a vendor to look at the most important areas on campus that impact our students, visitors, staff and faculty. Then UNM can focus on those first, and catalog what has been done. Two things are web accessibility, and path of travel and buildings. The University completed a Request for Proposal and chose a vendor for web accessibility. The vendor is Paciello Group. They have a lot of experience and have worked with several universities. They will be reviewing UNM websites, including jobs and admissions - all out-facing sites. They will determine if they are accessible and what can be done to make them more accessible. More importantly, they will develop a template the University can use going forward. They are working with IT, UCAM, and HSC.

Regarding path of travel, they also completed an RFP process and selected a vendor named Architectural Research Consultants (ARC). Path of travel includes everything that might impede accessibility, all the way to door openers and restrooms. It is a super expensive project and there are limited funds. They are identifying the priority buildings now where people gather most. They are also removing buildings, that due to age or other factors, do not meet the ADA requirement and may be exempt. Buildings will be assigned priority. Those that are found to be in a red category need to be fixed immediately.

UNM is going to have to look at sustainable ways to fund accessibility. COVID has identified gaps, particularly with things such as closed captioning and sign interpreters. There has been a huge increase in accommodation requests because of COVID. Ms. Cordova noted they are adding a lot of FAQs regarding accommodation to their website. There has been an increase in trolling, doxing, and Zoom bombing in this climate we are in. They have been working with DEI and IT to determine best practices. They have also created a video for Compliance Week and it is posted on the website, as well as a reporting mechanism for those who may experience these issues. Chairman Brown asked if there is a pattern of who targets are. Ms. Cordova responded there are racial and gender patterns. Ms. Cordova reported they are also currently working on the Conflict of Interest policy.

Rob Burford updated the Committee regarding enterprise risk management. UNM embarked on a risk assessment survey in the spring of 2020. After reviewing responses, they felt that there was not enough information provided, especially on the main campus side. So, they went back and reviewed Ethics Point data over the past three years. Mr. Burford also informed the Committee they just received their 5,000 Ethics Point concern. Discrimination, IT privacy, sexual harassment, and safety issues continued to come up. People are requesting more training, so hopefully they can intervene before more situations occur.

Mr. Burford reviewed the Clery Annual Security report that went out late last year. The deadline is usually October 1st, but was extended to the end of the year due to COVID. There are some trends identified. Motor vehicle thefts have trended downward 65% over the last two years. That is because of the great work by President Stokes and Campus Police. Drug arrests are down 87% and weapons law referrals are down 75% over the last two years. However, it is important to note there are not many of those; therefore, these percentages are easily manipulated up or down. Any differentiation in numbers will greatly affect the percentage. Negatively, burglaries have increased by 28% in the last two years and there were increases in dating violence and stalking. Regent Lee stated some numbers seem odd when we have been mostly sheltering in place. Mr. Burford clarified that there is a lag; the statistics are from 2019. 2020 data will be very interesting to look at. There will probably be an asterisk like they do in sports when years do not represent typical data.

Mr. Burford told the Committee he doesn't want to stop working entirely. He would like to eventually go back to work directly with students in some capacity.

- Arthur Culpepper, HSC Chief Compliance Officer, addressed the Committee with an update on HSC compliance. They are going to be hosting a spring internship for the first time, specifically reaching out to undergraduate students. It is a single position, was posted on January 21st, and budget was approved for an eight-week paid internship.

Dr. Culpepper stated it is UNM's responsibility as an institution to make sure it aligns with exclusion requirements for individuals who have been excluded from participation with federal entities. As a result, they set up a relationship with an external vendor to collect names of employees and run them through the vendor's system. All names are run once a month on the 25th of the month. All HR units have user access to screen applicants.

Dr. Culpepper updated the Committee regarding the relationship UNM has with Medicaid and Medicare. They have agreements with sponsors to provide healthcare. UNM must attest on an annual basis that it has a compliance infrastructure in place that works against fraud, waste and abuse. UNM must also provide training and set the tone for professionalism and conduct. Relationships include Aetna, Blue Cross/Blue Shield, Cigna-Health Spring, Humana, Molina and Presbyterian Health Plan, Inc. They recently learned that there is one downstream contract with First Choice. Attestations are shared with Compliance Officer Angela Vigil.

Regarding prior conversation in this meeting about gifts, and relationships with research activities for foreign institutions and funding agencies, the issue has been in the news nationally. There have been some project terminations at some institutions. That can have branding and reputation implications. UNMHSC has beefed up infrastructure work. They work with PIs, faculty and staff so when disclosure is necessary, all those components are taken care of. They are creating the threshold for best practices with regard to disclosure. The Chinese have a program called the Ten Thousand Talents Program, an evolution of the Thousand Talents Program. It can be used to debrief after foreign travel. Non-compliance threatens the opportunity to go out and get new funding. HSC will work closely with Internal Audit and other groups to make sure there is consistent disclosure.

- Chien-Chih Yeh, Internal Audit Manager presented the audit recommendation follow-up report for this reporting cycle. This report includes four implemented recommendations in the areas of Alumni Association (1), Lobo Club (2), and President's Travel (1). There are currently a total of seven pending recommendations. The number of pending recommendations continues to be reduced. The pandemic has caused some recommendations to be delayed, so these must stay on the pending report until completed. The final page of recommendations are those that are implemented but are still being monitored for various reasons. One is a Chrome River recommendation, and two are for Athletics. One of those Athletics recommendations is related to their deficit reduction plan.

Chairman Brown stated the Athletics deficit reduction plan is going to be a moving target given the COVID impact. Also, sometimes deficits are in relation to budget issues rather than operating results. Chairman Brown also noted the upcoming President's Travel audit should be a pretty quick one due to lack of travel during COVID. Regent Lee commented there will be an upcoming giving day to help Lobo Athletics.

Mr. Griego added that the Alumni Association just recently provided him with documentation to close out their pending recommendation. That has been documented internally, and will be recorded on the next follow up report. Athletics is continuing with the current deficit reduction plan and this Committee will be notified if that plan changes or is updated.

By unanimous consent, the meeting went into Executive Session at 10:03 AM per the agenda.

- a. Presentation of FY20 External Financial Audit pursuant to exceptions at Section 10-15-1H NMSA (1978) and Section 12-6-5 NMSA (1978) (*Moss Adams, KPMG and Liz Metzger, University Controller*)
- b. Discussion of draft Internal Audit Reports, and discussions of information subject to attorney-client privilege pursuant RPM 1.2
- c. Discussion of limited personnel matters (Interim Director of Internal Audit Department) pursuant to exception at Section 10-15-1.H(2) NMSA (1978);
- d. Vote to re-open the meeting.

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

Summary of the Regents' Audit and Compliance Committee Virtual Meeting
February 11, 2021

The Committee unanimously approved the following Health System Internal Audit report:

- 2020-03 Huron Consulting Services

The Committee also approved submission of the draft FY20 External Financial Audit to the New Mexico State Auditor for review and approval.

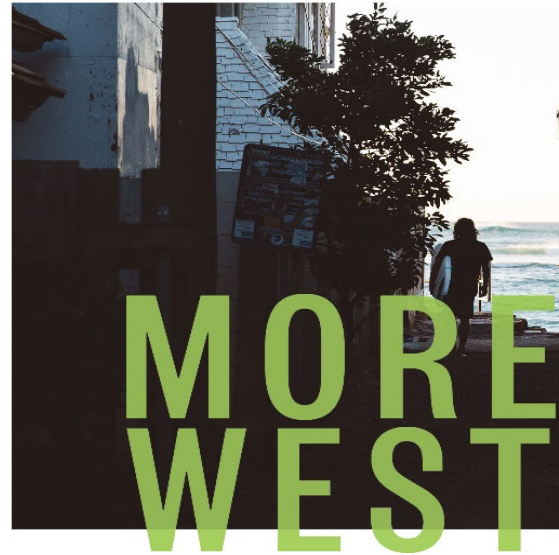
The meeting adjourned at 11:40 AM.

Approved:

Audit and Compliance Committee Chairman

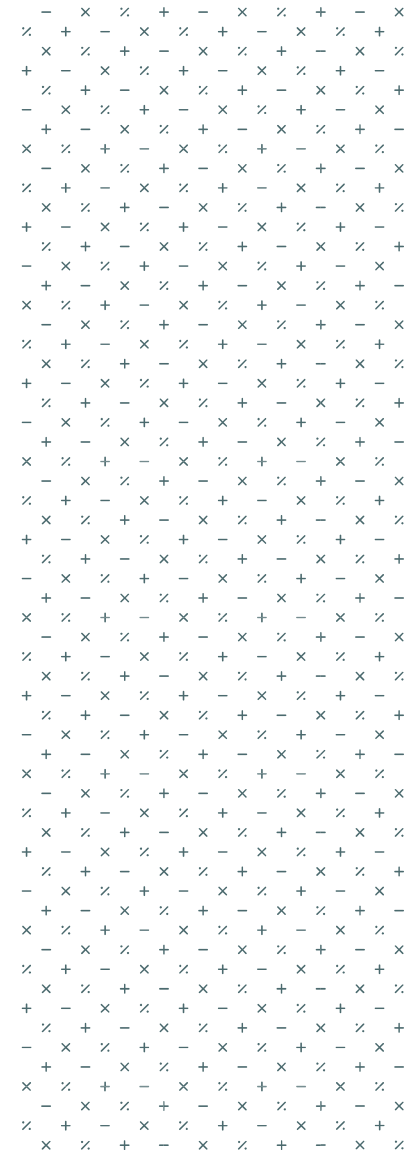
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2021 Entrance Conference Presentation to Audit Committee

May 6, 2021



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: Provider Relief Funding and others to be determined



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:

- Natalie Cordova, Deputy State Auditor
- Lynette Kennard, Financial Audit Director
- Elena Tercero, Audit Manager

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, 2021 balances
 - Testing and review of financial statement disclosures



Other Items

Remote Work Environment

- We will continue to be working remotely during this time and do not expect any significant impact to the completion of our audit and related procedures

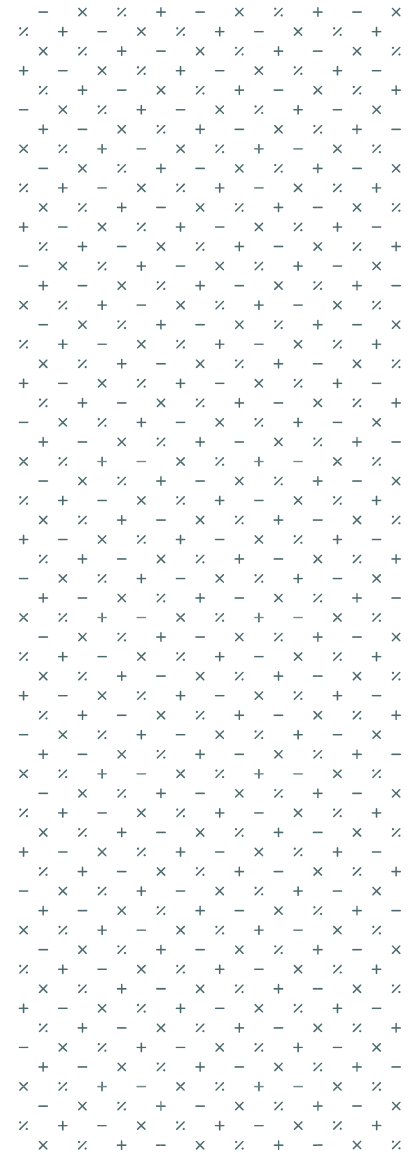
Communication

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





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	4 weeks July TBD for Single Audit	August 2 4 weeks	September 20 3 weeks	N/A
UNM Foundation	June 21 1 week	July 26 2 weeks	August 9 3 weeks	September 15
Andersen Schools Foundation	June 28 1 week	August 9 1 week	August 23 2 weeks	September 15
UNM Rainforest Innovations	June 28 1 week	August 23 1 week	August 30 1 week	September 15
KNME	June 28 1 week	September 20 1 week	September 28 2 weeks	N/A
KUNM	October 19 1 week	October 25 1 week	November 8 1 week	N/A
Lobo Development	June 28 1 week	August 9 1 week	August 16 2 weeks	September 15
Lobo Energy	June 28 1 week	July 26 1 week	August 2 1 week	September 15
Lobo Club	June 28 1 week	August 23 1 week	August 30 1 week	September 15
NCAA AUP	October 25 1 week	November 1 1 week	November 8 1 week	N/A
Alumni	June 28 1 week	August 23 1 week	August 30 1 week	September 15



Timeline Healthcare Reporting Units

Entity	Planning	Interim Fieldwork	Final Fieldwork	Review Draft Financial Statements	Deliver drafts to UNM
UNM Hospital	May 10 1 week	May 17 2 weeks	August 2 8 weeks	September 6 1 week	September 15
Behavioral Health	May 10 1 week	May 17 1 week	August 9 6 weeks	September 6 1 week	September 15
UNM Medical Group	May 10 1 week	May 17 1 week	August 9 6 weeks	September 6 1 week	September 15
Sandoval Regional	May 10 1 week	May 17 1 week	August 2 6 weeks	September 6 1 week	September 15



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
- Valuation allowance for patient receivables and determination of uncompensated care
- 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
- 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



**Interim Internal Audit Director’s Status Report
Audit and Compliance Committee Meeting
May 6, 2021**

INFORMATION ITEMS

Audit Committee Meeting Calendar. This schedule will accommodate the exit conference for the FY21 External Financial Statements Audit. The following are the future proposed dates for the remainder of 2021.

- August 5, 2021
- October 14, 2021 (Exit Conference for FY21 External Audit)

Internal Audit Operations and Staffing. All Internal Audit professional staff are currently classified as Tier 2 employees and currently working remotely. Internal Audit does not currently have a student intern, but plans to hire upon transition to office operations. Internal Audit plans to transition back to office operations on limited capacity basis and based on health and safety guidance beginning in the summer of 2021.

Audit Plan Status. The project status and hours report for the plan is at Tab 6. The status of the proposed audit plan for the period of July 1, 2020 through March 31, 2021 is:

Completed	3
Committee Presentation	1
Report Writing	1
Planning/Fieldwork	3
Subtotal	8
Assigned	3
Unassigned	4
Total	15

Of the 10 audits in planning/fieldwork, and those that are assigned/unassigned, one (1) has been carried forward from the FY2020 audit plan and nine (9) are from the FY2021 audit plan.

UNM Bookstore has been completed and will be presented in closed session. Current audits in planning include IT Information Security and UNM Children’s Campus audits. Audits in fieldwork and report writing and expected to be presented at the August meeting are audits of Facilities Management – Facilities and Maintenance Division and Capital Projects.

Complaint Status. The status of complaints assigned to Internal Audit for FY2021, as of March 31, 2021, is:

Completed/Closed	24
Planning/Fieldwork	7
Unassigned	3
Total	34

**Interim Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
May 6, 2021**

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

Department Financial Report. At Tab #6 is the Internal Audit Department's operating ledger report for your review. The FY21 adjusted budget is \$1,062,979, of which \$964,979 is from the general pooled account, \$4,000 is reimbursements of expenditures from the University of New Mexico Hospital for sharing audit software, and \$94,000 from the departmental reserve. The funding of \$964,979 from the general pooled account reflects a I&G budget reduction of \$105,622, due to final funding from the State for FY2021.

As of March 31, 2021, the department's expenditures are \$725,927, and encumbrances are \$175,940. Of the total expenditures, \$686,295 (94.5%) is for labor costs. Budgeted non-labor operating costs primarily consist of professional dues/memberships, trainings and conferences, IT Services, and audit software totaling \$37,000 for FY2021.

The department should realize cost savings for FY2021 due to one vacant auditor position and through eliminated travel and discounts for virtual trainings and conferences.

The FY2022 Internal Audit budget has been approved and will be presented at the next A&C Committee meeting.

Internal Audit In-house Refresher Training. The Internal Audit department implemented its final recommendation from its 2019 external Quality Assessment Review (QAR), which states "Standards for audit documentation should be developed and followed. The Department should train all staff members regarding the Department's expectations for audit documentation and in the proper use of TeamMate. Consistent use of this electronic tool will facilitate review of work papers and should result in more timely release of audit reports."

The Internal Audit Manager, Chien-Chih Yeh, and Interim Internal Audit Director, Victor Griego, conducted an in-house refresher training in March 2021 to strengthen existing audit documentation and audit procedures in a more consistent manner. Internal Audit has commenced efforts to standardize audit documentation and procedures, through multiple audit phases within its TeamMate internal auditing software to provide guidance to Internal Audit staff.

Health System Internal Audit.

The Health System selected Clifton Larson Allen (CLA) as its external vendor on an initial three-year contract to conduct its internal audits. CLA has initiated its risk assessment procedures and will be providing a presentation in executive session.

External Audits and Reviews. At Tab #6 is the summary information as of March 31, 2021 regarding the external audits and reviews (third party financial audits) of various grants, contracts, and programs by various grantor agencies. There are currently seven (7) reviews underway. Three audits have been carried over since the last reporting period and four (4) new audits/reviews underway within the HSC.

Interim Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
May 6, 2021

The Patient Centered Outcomes Research Institute (PCORI) initiated an audit in March 2021 to review all awards within the HSC, covering a period of 3/10/2020 through 1/31/2021. UNM has provided requested ledgers for sample selection and we are awaiting the auditor's request for transactions to review.

The Health Resources & Services Administration (HRSA) initiated an audit in March 2021 to review various awards within the HSC Internal Medicine department, covering a period of 4/1/2015 through 3/31/2021. UNM has provided requested pre-visit documents and we are waiting for a virtual on-site visit scheduled for May 11th and 12th.

Los Alamos National Laboratories (LANL) initiated an audit in February 2021 to review a contract within the School of Medicine Internal Medicine department, covering a period of 3/20/2014 through 9/30/2017. UNM has provided requested information, and is awaiting exit information to complete the review.

The Leidos Philanthropy initiated an audit in January 2021 to review all Leidos awards within the Cancer Center, covering a period of 4/15/2016 through 8/31/2021. UNM has provided requested ledgers for sample selection, pending request for transactions to review.

Index: 676000 - 113280-AUDIT DEPARTME-General Activ

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
Revenue										
0340 - University Hospital Re!	\$4,000.00	\$.00	\$4,000.00	\$.00	.00%	\$.00	.00%	\$.00	\$4,000.00	100.00%
0415 - COVID-19 CARES Ins!	\$.00	\$.00	\$.00	\$.00	.00%	\$23.20	.00%	\$.00	(\$23.20)	.00%
1640 - Allocations Pooled Allo!	\$1,070,601.00	\$.00	\$1,070,601.00	\$.00	.00%	\$1,070,601.00	100.00%	\$.00	\$.00	.00%
1667 - Instruction and General!	\$.00	(\$105,622.00)	(\$105,622.00)	\$.00	.00%	(\$105,622.00)	100.00%	\$.00	\$.00	.00%
1900 - Reserves	\$.00	\$.00	\$.00	\$.00	.00%	\$204,223.41	.00%	\$.00	(\$204,223.41)	.00%
1901 - Budgeted Use of Rese!	\$67,991.00	\$26,009.00	\$94,000.00	\$.00	.00%	\$.00	.00%	\$.00	\$94,000.00	100.00%
*TOTAL Revenue	\$1,142,592.00	(\$79,613.00)	\$1,062,979.00	\$.00	.00%	\$1,169,225.61	110.00%	\$.00	(\$106,246.61)	(10.00%)
Expense										
2020 - Administrative Profess!	\$738,432.00	(\$75,537.00)	\$662,895.00	\$52,271.41	7.89%	\$467,966.45	70.59%	\$156,814.23	\$38,114.32	5.75%
2060 - Support Staff Salary D!	\$50,053.00	(\$2,002.00)	\$48,051.00	\$3,738.42	7.78%	\$34,192.52	71.16%	\$12,710.63	\$1,147.85	2.39%
20J0 - Student Salaries Gen	\$23,000.00	\$.00	\$23,000.00	\$.00	.00%	\$5,747.70	24.99%	\$.00	\$17,252.30	75.01%
20SA - Salary Adjustments	\$5,211.00	\$.00	\$5,211.00	\$.00	.00%	\$.00	.00%	\$.00	\$5,211.00	100.00%
2110 - Fica Gen	\$49,113.00	\$.00	\$49,113.00	\$3,995.41	8.14%	\$35,998.45	73.30%	\$.00	\$13,114.55	26.70%
2140 - Retirement Gen	\$90,844.00	\$.00	\$90,844.00	\$7,925.40	8.72%	\$70,979.20	78.13%	\$.00	\$19,864.80	21.87%
2160 - Group Insurance Gen	\$80,444.00	\$.00	\$80,444.00	\$5,257.14	6.54%	\$46,672.09	58.02%	\$.00	\$33,771.91	41.98%
2180 - Unemployment Comp!	\$449.00	\$.00	\$449.00	\$50.41	11.23%	\$451.46	100.55%	\$.00	(\$2.46)	(.55%)
21A0 - Workers Compensatio!	\$385.00	\$.00	\$385.00	\$57.61	14.96%	\$410.27	106.56%	\$.00	(\$25.27)	(6.56%)
21J0 - Other Staff Benefits G!	\$29,468.00	\$.00	\$29,468.00	\$2,666.06	9.05%	\$23,877.03	81.03%	\$.00	\$5,590.97	18.97%
21L0 - Accrued Annual Leave!	\$64.00	\$.00	\$64.00	\$.00	.00%	\$.00	.00%	\$.00	\$64.00	100.00%
21L1 - Catastrophic Leave Ex!	\$64.00	\$.00	\$64.00	\$.00	.00%	\$.00	.00%	\$.00	\$64.00	100.00%
3100 - Office Supplies Gener!	\$600.00	\$.00	\$600.00	\$.00	.00%	\$67.44	11.24%	\$414.70	\$117.86	19.64%
3110 - Books Periodicals Gen	\$50.00	\$.00	\$50.00	\$.00	.00%	\$.00	.00%	\$.00	\$50.00	100.00%
3140 - Computer Software G!	\$150.00	\$.00	\$150.00	\$.00	.00%	\$180.00	120.00%	\$.00	(\$30.00)	(20.00%)
3150 - Computer Supplies <\$!	\$800.00	\$.00	\$800.00	\$.00	.00%	\$687.96	86.00%	\$.00	\$112.04	14.01%
3170 - Custodial Supplies Gen	\$.00	\$.00	\$.00	\$.00	.00%	\$103.80	.00%	\$.00	(\$103.80)	.00%
3189 - Tagged Non-Capital E!	\$4,000.00	\$.00	\$4,000.00	\$.00	.00%	\$.00	.00%	\$.00	\$4,000.00	100.00%
31A0 - Business Food - Local	\$1,200.00	\$.00	\$1,200.00	\$.00	.00%	\$.00	.00%	\$.00	\$1,200.00	100.00%
31C0 - Dues Memberships G!	\$5,000.00	\$.00	\$5,000.00	\$.00	.00%	\$3,680.00	73.60%	\$.00	\$1,320.00	26.40%
31J0 - Parking Permits Gen	\$250.00	\$.00	\$250.00	\$.00	.00%	\$.00	.00%	\$.00	\$250.00	100.00%
31K0 - Postage Gen	\$40.00	\$.00	\$40.00	\$.00	.00%	\$.00	.00%	\$.00	\$40.00	100.00%
31P0 - Training Materials Sup!	\$200.00	\$.00	\$200.00	\$.00	.00%	\$.00	.00%	\$.00	\$200.00	100.00%
3800 - In State Travel Gen	\$800.00	\$.00	\$800.00	\$.00	.00%	\$.00	.00%	\$.00	\$800.00	100.00%
3805 - Instate Travel-Per Die!	\$150.00	\$.00	\$150.00	\$.00	.00%	\$.00	.00%	\$.00	\$150.00	100.00%

Index: 676000 - 113280-AUDIT DEPARTME-General Activ

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
3825 - Out State Travel-Per Diem	\$1,500.00	\$0.00	\$1,500.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$1,500.00	100.00%
3830 - Out State Trvl-Per Diem	\$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	\$602.00	\$0.00	\$602.00	\$50.00	8.31%	\$450.00	74.75%	\$0.00	\$152.00	25.25%
6300 - Alarm System Gen	\$200.00	\$0.00	\$200.00	\$11.25	5.63%	\$101.25	50.63%	\$0.00	\$98.75	49.38%
6310 - Internet Fees Gen	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$40.00	.00%	\$0.00	(\$40.00)	.00%
63A0 - Conference Fees Gen	\$5,000.00	\$0.00	\$5,000.00	\$0.00	.00%	\$3,190.00	63.80%	\$0.00	\$1,810.00	36.20%
63A2 - Seminars/Training Fees	\$4,000.00	\$0.00	\$4,000.00	\$0.00	.00%	\$710.00	17.75%	\$0.00	\$3,290.00	82.25%
63C0 - Copying Gen	\$100.00	\$0.00	\$100.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$100.00	100.00%
63V0 - Consultant Fees Gen	\$15,000.00	(\$2,074.00)	\$12,926.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$12,926.00	100.00%
69Z0 - Other Professional Services	\$11,500.00	\$0.00	\$11,500.00	\$699.92	6.09%	\$11,232.16	97.67%	\$6,000.00	(\$5,732.16)	(49.84%)
7000 - Plant Repairs Maintenance	\$200.00	\$0.00	\$200.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$200.00	100.00%
70E0 - Computer Hardware	\$600.00	\$0.00	\$600.00	\$0.00	.00%	\$52.07	8.68%	\$0.00	\$547.93	91.32%
70E1 - Computer Software	\$11,500.00	\$0.00	\$11,500.00	\$10,701.06	93.05%	\$11,196.06	97.36%	\$0.00	\$303.94	2.64%
70F0 - Equipment Rent Expense	\$2,400.00	\$0.00	\$2,400.00	\$150.26	6.26%	\$1,342.64	55.94%	\$0.00	\$1,057.36	44.06%
80E1 - I&G Recoup - Contingency	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$0.00	.00%
80K0 - Banner Tax	\$657.00	\$0.00	\$657.00	\$119.05	18.12%	\$356.64	54.28%	\$0.00	\$300.36	45.72%
80K2 - Foundation Surcharge	\$4,516.00	\$0.00	\$4,516.00	\$439.33	9.73%	\$3,609.79	79.93%	\$0.00	\$906.21	20.07%
*TOTAL Expense	\$1,142,592.00	(\$79,613.00)	\$1,062,979.00	\$88,425.23	8.32%	\$725,927.48	68.29%	\$175,939.56	\$161,111.96	15.16%

Index: 676000 - 113280-AUDIT DEPARTME-General Activ

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
Total Revenue:	\$1,142,592.00	(\$79,613.00)	\$1,062,979.00	\$0.00	.00%	\$1,169,225.61	110.00%	\$0.00	(\$106,246.61)	(10.00%)
Total Expense:	\$1,142,592.00	(\$79,613.00)	\$1,062,979.00	\$88,425.23	8.32%	\$725,927.48	68.29%	\$175,939.56	\$161,111.96	15.16%
Net:	\$0.00	\$0.00	\$0.00	(\$88,425.23)	.00%	\$443,298.13	.00%	(\$175,939.56)	\$267,358.57	.00%

Parameters:

Index: 676000 - 113280-AUDIT DEPARTME-General Activ

Groupings:

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

Granting Agency/Entity	National Science Foundation (NSF)	Department of Education	PCORI	HRSA	Leidos	LANL	UNMH (FY 21) CMS (Patient Billings) - RAC Requests as of 9/30/20	SRMC (FY 21) CMS (Patient Billings) - RAC Requests as of 9/30/20
Contract/Grant/Program Title	All NSF Awards	Sec 117 Reporting Inquiry	All Active PCORI Awards	Ryan White Part C - Various	All Leidos Awards	3RS53	Medicare	Medicare
Contract/Grant Period	Various; Audit covers 3/1/20-9/30/20	Various; inquiry on all gifts/contracts received from foreign sources dating back to 2016	Various; Audit covers 3/1/20-1/31/21	Various; Audit covers 4/1/15-3/31/21	Various; Audit covers 4/1/16-8/31/20	Audit covers 3/20/14-9/30/17	Various	Various
Contract/Grant Total Amount	Various	Various	Various	Various	Various	Various	N/A	N/A
Contract/Grant Amount - Current FY							N/A	N/A
Principal Investigator	Various		Various	landiorio	Various	Perkins	N/A	N/A
Department	Various	Various	Various	Truman/Internal Med	Cancer Center	Internal Med	Hospital RAC Audits	Hospital RAC Audits
Agency Audit/Review Notification Date	10/1/2020	1/15/2021	3/10/2021		1/27/2021	2/25/2021	Various	Various
Audit/Review Entrance/Visit Date(s)	Entrance Conference - 10/15/2020		Entrance Conference - 3/31/2021	Entrance Conference - 3/22/2021	Entrance Conference - 2/19/2021	Via email	Remote	Remote
Audit/Exit/Final Report Issued							Continuous	Continuous
Questioned Cost, if any							N/A	N/A
Audit/Review Major Finding, if any							See Comments	See Comments
Corrective Action Plan, if any							In Process	In Process
Planned Implementation Date							N/A	N/A
Campus	Main	All Campuses and UNM Foundation	HSC	HSC	HSC	HSC	Hospital RAC Audits	Hospital RAC Audits
Auditor if Different than Grantor	Cotton & Company (C&C)		Cotton & Company (C&C)	HRSA	Leidos	LANL	Cotiviti	Cotiviti
Comments	40 transactions were sampled and all support was provided prior to UNM's winter break. UNM has weekly status calls with audit team each Thursday to discuss outstanding items, new items, and questions. UNM provided answers to all follow up questions, and a draft report has been provided to UNM. We are in process of providing a formal written response to their draft report.	UNM has been asked to produce the following records within twenty-one days (extension granted to 3/30/21): True copies of all gift or donation agreements and/or contracts, whether restricted and conditional or otherwise, by and between UNM and any "foreign source" as defined at 20 U.S.C. § 1011f(h)(2). The relevant time for this request is January 1, 2016 to the present.	Provided requested ledgers for sample selection, pending request for transaction to review.	Provided requested pre-visit documents, waiting for on virtual on-site visit scheduled for May 11th and 12th.	Provided requested ledgers for sample selection, pending request for transaction to review.	Provided requested information, awaiting exit information.	Q3 FY21 ending 3/31/21: 43 new requests for records, representing \$718,709 in charges & \$212,526 in reimbursements received between 1/1/21 and 3/31/21. None of the 43 have been reviewed by the RAC. FY2021 update: 102 requests for records have been received, representing \$1,936,682.07 in charges and \$933,879.05 in reimbursements. As of 3/31, 29 claims representing \$556,502 in reimbursements have been completed, with no findings and no money taken back. 73 claims representing \$377,377 in reimbursements remain open. NOTE: Based on preliminary feedback from the RAC, we are aware of a number of the 73 open cases that involve payments for incorrectly billed Botox, and money will be taken back. Money at risk among the roughly 40 cases is less than \$30,000. UNMH is not likely to appeal the findings.	Q3FY 2021 (ending 3/31/21): 4 new requests for records were received between 1/1/21 and 3/31/21, representing \$44,569.77 in reimbursements. None of the 4 have been reviewed by the RAC. FY 2021 update: 18 requests have been received, representing \$142,303.11 in reimbursement As of 3/31/21, 12 cases representing \$76,343.55 have been reviewed by the RAC; a total of \$7,611.90 has been taken back by the RAC on a single claim. The RAC had no findings on the other 11 of 12 claims reviewed (92% had no findings). 6 claims representing \$65,959.46 in reimbursement are still open.

Budget to Actual Report
July 1, 2020 through March 31, 2021

Description	Status	FY 21 Budgeted Hours (*)	FY 21 Actual Hours	Variance
Audit Plan				
Prior Year				
FY 2020 Risk Assessment	Completed	150	136	14
President's Travel and Entertainment FY20	Completed	200	210	(10)
Lobo Club/Athletics	Completed - Follow up	146	122	24
Bookstore	A&C Committee	1,000	865	135
FM Audit of Facilities and Management Division	Report Writing	400	844	(444)
Information Security	Planning	400		400
FY 2021				
Capital Projects	Fieldwork	500	298	202
Children's Campus	Planning	400		400
Office of Medical Investigator (OMI)	Assigned	600		600
Anderson School of Management	Assigned			
President's Travel and Entertainment FY21	Assigned			
UNM Valencia	Unassigned			
Pediatrics (SOM)	Unassigned			
Enrollment Management	Unassigned			
Cash Receipts (Main Campus and HSC)	Unassigned			
Audit Plan Subtotal		3,796	2,475	1,321
Misconduct and Fraud		3,050	2,801	249
Audit Recommendations Follow-up		400	248	152
Management Requests, Internal Audit Department's Self-Assessment		479	323	156
Non Audit Plan Subtotal		3,929	3,372	557
Total Project Hours		7,725	5,847	1,878
Leave and Administrative				
Holiday		784	778	6
Annual		1,176	399	777
Sick		672	137	535
CPE/Training		600	566	34
Administrative Time/Management		2,900	2,699	201
Administrative Staff Time		640	482	158
Audit and Compliance Committee, Meetings		520	422	98
IT Support/TeamMate		143	46	97
Total Leave and Administrative Hours		7,435	5,529	1,906
FY21 Total Hours		15,160	11,376	3,784

* Including 600 hours of student intern

Regents Audit and Compliance Committee

April 2021 Update

Matthew Suazo Compliance/Clery Coordinator

- Five years with CEEO as an investigator and Compliance Manager
- Law enforcement and EEO background with decades of experience



ADA Vendors Selected and Working

Web Accessibility and Path of
Travel/Building Review



Website Accessibility

- TPGi Accessibility Solutions (formerly The Paciello Group)
- January 22, 2021: Kick-Off Meeting
- January 22 - April 5: document and resource gathering; targeted website audits
- April 5 - 23: Stakeholder interviews by TPGi
- June 1: TPGi will provide final draft of deliverables:
 - Current state of web accessibility
 - Opportunities to integrate accessibility into policies, procedures, strategic planning, and training
 - Identify what is needed to move to desired future state of web accessibility

Buildings and Paths of Travel Accessibility

- Architectural Research Consultants for buildings
 - Subcontract to Wilson and Company for paths of travel
- Local firm, located in north Albuquerque
- Kick-off meeting held in February 2021
- First phase of building and paths review began early April 2021

1.0
Inventory /
Analyze

2. ADA Self
Evaluation

3. Facility Survey / Barrier Assessment

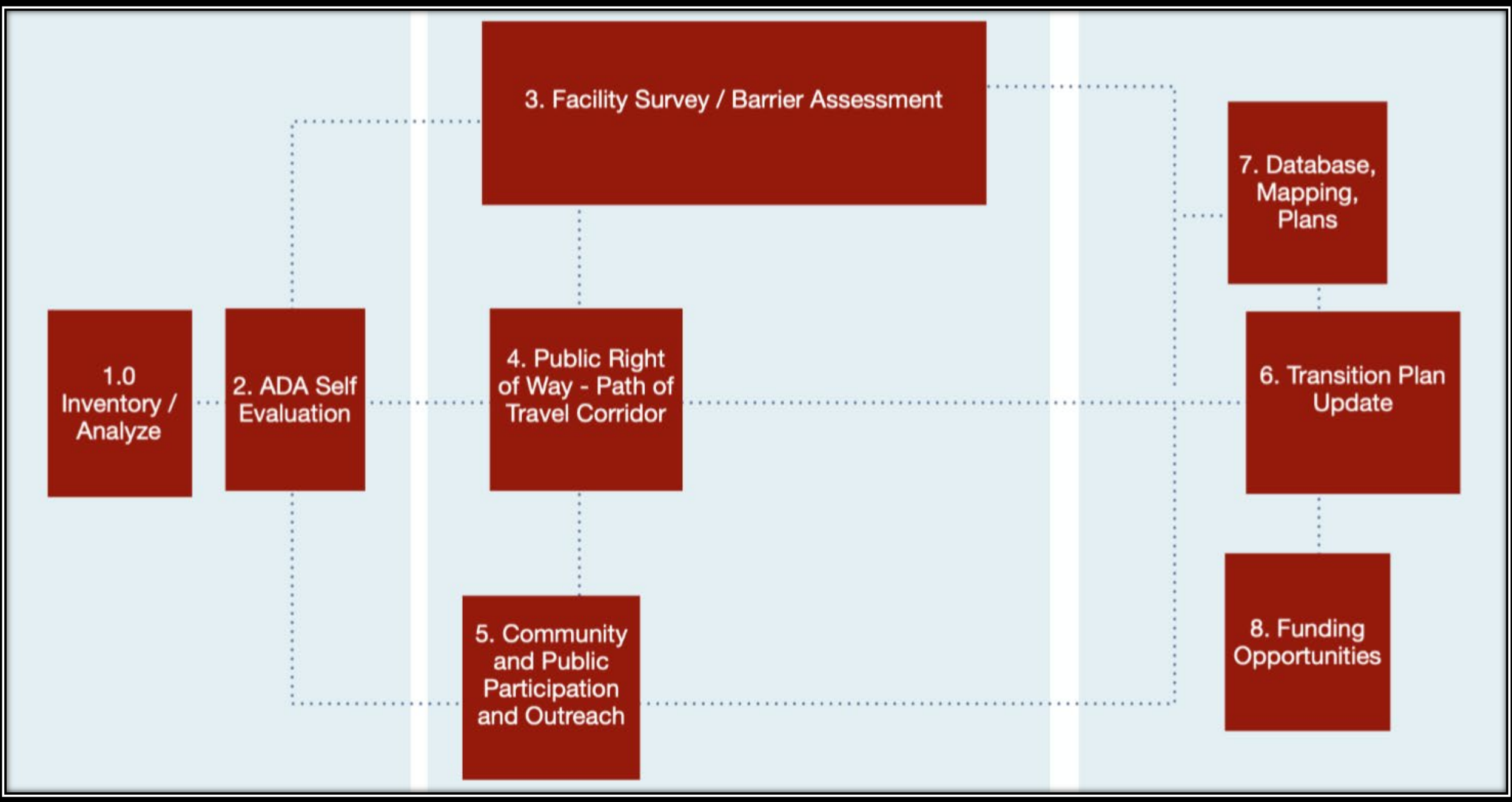
4. Public Right
of Way - Path of
Travel Corridor

5. Community
and Public
Participation
and Outreach

7. Database,
Mapping,
Plans

6. Transition Plan
Update

8. Funding
Opportunities





PHASE 1

- Mesa Vista Hall
- Student Union Building
- Student Health Center
- Humanities
- Consortium for Environmental Research
- University Advisement & Enrichment Center
- Bookstore
- Redondo Village Student Residences
- Johnson Center & Natatorium
- Center for the Arts
- Ortega Hall
- Woodward Lecture Hall
- George Pearl Hall

PHASE 2

- Bandelier Hall
- Science & Math Learning Center
- Castetter Hall
- Mitchell Hall
- Logan Hall 55, 268, A0035
- Electrical & Computer Engineering
- Sara Reynolds Hall
- Communication & Journalism
- Elizabeth Waters Center
- Anthropology
- Biology Annex
- Clark Hall
- Northrop Hall
- Regener Hall
- Centennial Library
- Art Annex





PHASE 3

- Fitz
- Health Science Library
- Bio Medical Research Facility
- Family Practice Center
- Cancer Research Facility
- School of Medicine
- KNME

Specific Requests by Audit Committee

- CAMPUS SAFETY and CLERY - Next meeting
- Data Privacy and Security

DATA SECURITY

DOXING/TROLLING AND ZOOM BOMBS

11/02/2020 - The UNM Compliance Office, IT and the Division on Equity and Inclusion sponsored a panel discussion addressing "Trolling, Doxing, and Zoom Bombing" for the National Compliance Week speaker series. The discussion premieres November 2 at noon. <https://bit.ly/2TCjNaT>

<https://webmeetings.unm.edu/online-safety/responding-to-incidents.html>

Jeff Gassaway – IT Information Security Officer





THANK YOU!



FRANCIE CORDOVA



505-277-5251



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Compliance.unm.edu



INFORMATION TECHNOLOGIES

Privacy Updates – UNM Regents Audit and Compliance (AaC) Committee

Jeff Gassaway, UNM Information Security and Privacy Officer
Certified Information Systems Security Professional (CISSP)
Certified Information Privacy Professional (CIPP)

Progress on UNM Privacy Policy and Program

- Draft Policy and Program status:
 - Regents-level* Policy language sets institutional tone and approach to privacy by
 - Affirming commitment to privacy culture and practices
 - Coordinating privacy practices across existing areas
 - Establishing privacy program and objectives
 - Representation includes staff and faculty from Compliance, HSC, IT, Libraries, Registrar, and University Counsel
 - Under review by Faculty Senate Policy Committee
- * The level of policy ultimately recommended is the decision of the UNM IT Executive Governance Council

Progress on UNM Privacy Policy and Program Continued

- Next steps

- Continue working with The Faculty Senate to respond to questions and address concerns in an amended draft that
 - Addresses Faculty Senate concerns, questions, and recommendations
 - Separates the high-level policy language from the operational program objectives
- Bring amended draft back to UNM IT Advisory Boards
- Bring amended draft to UNM IT Executive Governance Council
- Bring amended draft through UNM Policy Office processes



HSC Institutional Compliance Program

UNM BOARD OF REGENTS' AUDIT & COMPLIANCE COMMITTEE MEETING

THURSDAY, MAY 6, 2021 | 9:00 AM
VIA ZOOM VIDEO CONFERENCING



HSC Institutional Compliance Program

General Administration Updates

HSC ICP | General Administration Updates

- **Launched Compliance Spring Internship April 2021:** Intern was a previous employee for the HSC Health System; now attends Capella University.
- **Conflict of Commitment Guidance:** HSC is completing guidance for faculty and staff to pursue external activities, either paid or unpaid, that may potentially interfere with their primary obligation and commitment to the University of New Mexico.
- **Foreign Influence & Disclosure Webpage Resources:** foreign influences documents and additional resources are placed on the ICP webpage for researchers and other research-based stakeholders.
- **Revisions to Executive Compliance Committee (ECC) Charter:** naming convention changes made for Chancellor to Executive Vice President/CEO, and addition of a Vice Chair position.

HSC Institutional Compliance Program 2021 Effectiveness Review

(Academic, Clinical & Research Functions)

HSC ICP | U.S. Department of Justice – Evaluation of Corporate Compliance Programs

- The “Principles of Federal Prosecution of Business Organizations” in Justice manual describe specific factors that prosecutors should consider in conducting an investigation of a corporation, determining whether to bring charges, and negotiating plea or other agreements.”
- Additionally, the United States Sentencing Guidelines, Criminal Division, Evaluation of Corporate Compliance Programs (Updated June 2020) advises that consideration be given to whether the corporation had in place at the time of the misconduct an *effective compliance program* for purposes of *calculating the appropriate organizational criminal fine*.
- As the Justice Manual notes, there are three (3) “fundamental questions” a prosecutor should ask:
 1. “Is the [University of New Mexico - Health Sciences Center’s] Institutional Compliance Program (ICP) well designed? [[RPM Section 3.7: Health Sciences Center Institutional Compliance Program](#)]
 2. “Is the ICP being applied earnestly and in good faith? In other words, is the program adequately resourced and empowered to function effectively?”
 3. “Does the [HSC’s] ICP work in practice?”

HSC ICP | Compliance Officer/Committee Designation

- ICP has a clear, well-crafted mission.
- ICP is properly organized.
- ICP has sufficient resources (staff and budget), training, autonomy, and autonomy to carry out its mission.
- ICP has an excellent working relationship with the Office of General Counsel and appropriate to achieve the purpose of each interaction.
- ICP has an active Executive Compliance Committee (ECC), which is comprised of HSC executive representatives of each relevant functional business units, as well as senior management.
- ICP assigns or are a part of ad hoc groups or task forces appointed to carry out any special missions (e.g., conducting an investigation or evaluating a proposed enhancement to the compliance functions).
- The HSC Chief Compliance Officer (CCO) has direct access to the Executive Vice President/Chief Executive Officer, all senior management, and legal counsel.
- The CCO has a good working relationship with other key operational areas (e.g., internal audit, academic affairs, office of medical investigator, information security, privacy, and other major units).
- The CCO makes regular reports to the ECC and other university management concerning different aspects of the HSC's and UNM's compliance programs.

HSC ICP | Compliance Policies & Procedures

- ICP has policies and procedures clearly written, relevant to day-to-day responsibilities, readily available to those who need them, and reevaluated on a regular basis.
- ICP monitors staff compliance with internal policies and procedures (e.g., Policy Manager).
- ICP has assured the “Codes of Professionalism and Conduct” is available to all senior leadership, directors, officers, managers, and staff.

HSC ICP | Risk Assessment

- ICP, in conjunction with UNM Main Campus Compliance Program and Internal Audit, developed a risk assessment tool, which has been used to assess and identify weaknesses and risks in the HSC academic, clinical, and research operations.
- ICP works in collaboration with Internal Audit to conduct a risk assessment to identify areas of highest risk to the HSC.
- The ECC reviews and approves the ICP's Annual Work Plan (e.g., high risks).
- As a results of the Enterprise Risk Assessment findings, the ICP facilitated the assignment of a responsible risk owner to each high risk area.

HSC ICP | Open Lines of Communication

- The ICP has fostered an organizational culture that encourages open communications, without fear of retaliation.
- UNM has established an anonymous hotline or other similar mechanism so the faculty and staff, vendors, patients, visitors, and medical and clinical staff can report potential compliance issues.
- **The hotline is well publicized.**
 - The number and what types of calls are received.
 - All calls are logged and tracked (i.e., to establish possible patterns).
 - Caller is consistently informed of the ICP's actions (e.g., case status; additional inquiries to the complainant).
- **Potential instances of fraud and abuse are consistently investigated, or referred to appropriate parties for investigation.**
- The results of internal investigations are shared with the Executive Vice President/Chief Executive Officer, ECC, and relevant business units on a regular basis (e.g., School of Medicine, UNM Cancer Center)
- The ICP utilizes alternative communications methods (e.g., ICP webpage).

HSC ICP | Appropriate Training and Education

- The ICP conducts compliance training for faculty and staff, including general and specific training pertinent to their responsibilities.
- The ICP evaluates the content of its Learning Central Compliance Education and Training (LCCET) and determines that the subject matter content is appropriate and sufficient to include the range of issues confronting faculty, physicians and staff.
- The ICP keeps up-to-date with any changes in Federal and state laws and regulations and adapts its education and training program accordingly.
- The ICP formulates the content of its LCCET to consider results from its audits and investigations; results from previous trainings and education program; trends in hotline reports; or other agency guidance and advisories.
- The ICP evaluates the appropriateness of its training format by reviewing of training sessions; whether training is delivered via live compliance professionals or via computer-based training programs (e.g., LCCET); the frequency of training sessions; and the need for general and specific sessions.
- The ECC has been provided with appropriate training on compliance issues (e.g., Red Flags, Reporting of Foreign Funding from International Agencies).
- The LCCET documents which faculty and staff have completed the required training.

HSC ICP | Internal Monitoring and Auditing

- **The ICP Work Plan is re-evaluated annually, to assure it addresses the proper areas of concern (e.g., findings from prior audits and high compliance risks areas identified as a part of the risk assessment process).**
- **The Internal Audit Department is available to the HSC ICP, to conduct unscheduled reviews.**
 - The ICP has the ability to request additional audits or monitoring should the need arise.

HSC ICP | Response to Detected Deficiencies

- The UNM Compliance Program has established a “response team,” consisting of representatives from the HSC ICP, Learning Environment Office, Office of Equal Opportunity, Internal Audit, and any other relevant functional areas, which may be able to evaluate any identified compliance issues quickly.
- All reported compliance issues assigned to the HSC ICP are thoroughly and promptly investigated.
- Corrective action plans are developed that take into account the root causes of each potential substantiated report.
- Periodic reviews of problem areas are conducted to verify that the appropriate corrective action that was implemented successfully eliminated the existing deficiency(cies).
- A matter that results in a probable violation of law, does the ICP promptly disclose the matter to the appropriate agency (e.g., Federal Bureau of Investigation (FBI), National Institutes of Health (NIH), Office of Inspector General (OIG)).

HSC ICP | Enforcement of Disciplinary Standards

- Disciplinary standards are well-publicized and readily available to all HSC faculty and staff.
- Disciplinary standards are enforced consistently across the HSC.
- Each instance of disciplinary standards are thoroughly documented.
- Background checks are being conducted on all “new” employees.
- Exclusion screening is being conducted monthly on all “new” and “existing” employees, which is required by HSC policy.



HSC Institutional Compliance Program

Thank you for your time,

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**Follow Up Report - Implemented
May 6, 2021 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
1	<u>Alumni Association Operations</u>	10/15/2018, 6, M	<u>Recommendation 4 - License Plate Royalties Agreement</u>	The Vice President for Alumni Relations/Association Executive Director should work with the President's office and UNM Legal Counsel to execute a signed agreement for the Association's rights to license plate royalties.	Although the Association feels that the resolution passed by the Regents in 2015 remains the primary source of codifying the designation of the License Plate royalties to the Association, the Association is in agreement that a more strongly defined agreement is needed to ensure the continued allocation of royalties from current and future license plate revenue to the Association. Leadership of the organization will work with University Counsel to produce a more formalized agreement.	12/31/2019	Alumni Association management has indicated that it is comfortable with UNM's commitment for the Association's rights to the license plate royalties. The UNM administration has made the commitment and the UNM Board of Regents passed a resolution confirming their commitment to this agreement. The Association feels there is no additional action needed at this time.	Connie Beimer, Interim VP, Alumni Relations
2	<u>Lobo Club</u>	8/13/2020, 5, M	<u>Recommendation 5 - Develop IT Policies and Procedures</u>	Develop written IT policies and procedures governing the donor management system that address the specific matters identified.	Lobo Club will develop written IT policies and procedures that: creates an Administrator permission to be held by a non-core user, Lobo Club staff member who will be responsible for performing Administrator functions within the donor management system; removes administrator functionality from the permission; and defines change management practices that include but are not limited to activating/inactivating of drive years.	2/28/2021	IA reviewed the donor management system administrator procedures, which addressed the recommendations and management response to Recommendation 5. IA also tested and confirmed that the procedures drafted had been applied in the system, without exception.	Jalen Ivan Dominguez, Executive Director, Lobo Club

**Follow Up Report - Pending
May 6, 2021 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
1	<u>Review of College of Arts and Sciences Operations</u>	4/18/2013, 4, H	<u>Recommendation A: Implementation of Process to Track Research Activities</u>	A process should be implemented that enables colleges to effectively track and monitor time that faculty members spend on research activities to help management determine if faculty members are meeting academic load requirements and workload guidelines.	To track faculty research activities, an RFP was created for the purchase of a scholarly productivity subscription service, which will have the ability to track faculty research activities. Actual implementation of the software is expected to be completed by December 15, 2015.	8/31/2019	The former Interim Provost indicated the Provost's office is in the process of shared governance consultation with faculty and believes they are almost ready to go out for RFP for purchasing an external service for tracking faculty research activities.	Provost; Duane Arruti, IT; OVPR
2	<u>Reserves</u>	5/23/2019, 7, M	<u>Recommendation 3 - Deficit Reduction Plans (Provost's Office Director of Financial Operations)</u>	The Provost's Office Director of Financial Operations should ensure FY 2018 deficits for Enrollment Management are eliminated prior to the close of FY 2019 and monitor and enforce current deficit reduction plans to ensure existing departments' deficits are reduced and eliminated according to plans.	If it is determined that a deficit reduction plan is needed, units will work with the Provost Office to establish a reasonable reduction plan within UAP 7000 policy limitations. At this time, all deficit reduction plans are monitored and documented by the Provost Office. Enrollment management did not have a documented deficit reduction plan because the FY18 deficit was to be eliminated by the end of FY19. Enrollment Management has verified that the accumulated deficit will be eliminated by the end of FY19. The Provost Office fiscal team will verify that the deficit has been eliminated at the end of the fiscal year and will send the corresponding report to Internal Audit to document that no further action is needed.	6/30/2020	Partially Resolved - Internal Audit noted that the Accessibility Resource Center has reserves of \$252,734 as of March 31, 2021. However, Student Publication's deficit is (\$424,638) as of March 31, 2021, which increased during FY 2021. Both units will be assessed at June 30, 2021 to determine if a formal deficit plan needs to be developed for either unit.	Nicole Christine Dopson, Financial Officer Optg Grp
3	<u>Reserves</u>	5/23/2019, 7, M	<u>Recommendation 3 - Deficit Reduction Plans (HSC Senior Executive for Finance and Operations)</u>	The HSC Senior Executive Officer for Finance and Administration should ensure FY 2018 deficits for OBGYN, Radiopharmacy, and Dermatology are eliminated prior to the close of FY 2019 and monitor and enforce current deficit reduction plans to ensure existing departments deficits are reduced and eliminated according to plans.	HSC Management agrees with recommendation #3. The OBGYN and Radiopharmacy deficits have already been resolved while Dermatology will not be able to clear their deficit by the end of FY2019 and will have a deficit reduction plan in place at year-end. Deficit reduction plans will be documented through the FY 2019 CAR process.	6/30/2020	Dermatology's deficit continued to decrease from (\$516,997) as of 12/31/2020 to (\$378,407) as of 3/31/2021. Internal Audit will review Dermatology's operating ledger after 6/30/2021 to determine if the deficit is further reduced or eliminated prior to closing this recommendation.	Ava Lovell, Exec Ofcr Fin & Admin/HSC, Sr; Joseph Wrobel, Chf Budgt & Facil Officer

**Follow Up Report - Pending
May 6, 2021 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
4	<u>Los Alamos Branch Campus</u>	5/7/2020, 6, M	<u>Recommendation 6 - General Information Technology Security</u>	NM-LA IT department should strengthen its IT security by executing the following: Developing a written information security program and communicating the program's policies and procedures with employees and monitoring its implementation periodically.	We agree with the auditor's comments and recommendation. The following action will be taken to improve our processes with IT security. UNM-LA IT, with assistance from UNM IT, will review UNM policies with regard to: (1) computer accounts and user identification, (2) access control, (3) acceptable computer use, (4) computer security awareness, and (5) tracking software maintenance and licenses and other recommendations listed. A written program of these policies, and the procedures related to them, will be compiled and communicated to employees during new hire orientation, annually as part of our annual policy awareness process, and through the Operating Procedures manual.	8/31/2021	Partially completed – Los Alamos management indicates that it has completed several recommendation components and is in the process of implementing the rest of the recommendation. An extension of the targeted implementation date to the end of August 2021 was requested and approved.	Cynthia Rooney, Chief Exec Officer CEO/Branch; Bob Harmon, Dir, Business Opns/Sm Branch: Los Alamos Branch
5	<u>Lobo Club</u>	8/13/2020, 5, M	<u>Recommendation 1 - Improve Processes around Pit Suites</u>	Lobo Club Executive Director should enforce established controls around Pit suite sales and collections to ensure that all suite holders have current contracts in place prior to the start of the basketball season.	The Director of Premium Seating will provide copies of all fully executed contracts to the Finance Manager, which will be reviewed by the Finance Manager and Executive Director before distribution of tickets and parking to suite holders. Originals will be kept by the Finance Manager and copies will be kept by Director of Premium Seating.	11/1/2021	Due to the continued impact of COVID-19, the University ("the Pit") Arena is unable to hold in-person basketball games, impacting the 2020-21 basketball suite holders and deferring their contracts. The Lobo Club has asked for this management response to be delayed until a point in time when there is a full basketball season to test, which IA agrees is reasonable.	Jalen Ivan Dominguez, Executive Director, Lobo Club

**Follow Up Report - Implemented,
but kept as Pending for additional monitoring by Internal Audit
May 6, 2021 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
1	<u>Chrome River Data Analysis</u>	5/17/2018, 10, H	<u>Recommendation 3 - Training Resources</u>	The leadership of UNM's CR committee should require all CR approvers complete CR Approver Training before they approve transactions in CR, and identify a central tracking mechanism to ensure all CR approvers complete the training.	Management acknowledges the recommendation. Management will review existing CR approver training and work with subject matter experts from respective core offices to develop relevant CR approver training content that supports effective approver training and will explore opportunities that support central tracking mechanisms to ensure required training is completed. Delivery of the training and tracking of who completes the training is contingent upon a functioning central training software system (currently Learning Central).	3/31/2019	The Chrome River Approver Training has been developed and is available in the University's Learning Central training system. New approvers will be required to complete the training going forward. For all existing approvers, it was added to their learning plan (currently as optional) in Learning Central and an email was sent by UNM Chrome River Team on May 10, 2019 to notify current approvers of such optional training. Internal Audit will monitor to determine if management's controls are effective in ensuring approvers complete the training.	Elizabeth Metzger, University Controller, Ava Lovell, Exec Ofcr Fin & Admin/HSC
2	<u>Athletics Administration</u>	5/17/2018, 20, H	<u>Recommendation 1 - Business Processes</u>	The Athletics Fiscal Operations Director should: A) consider adding resources to the business office, such as an additional full-time employee, to strengthen internal controls within the accounting function; B) closely monitor budgeted expenses on a regular basis and adjust to reflect actual revenues generated, thus decreasing the risk of inaccurate revenue accruals, over-expended budgets, and year-end deficits; C) amortize the \$500,000 additional investment received from Levy Restaurants over the term of the contract; and, D) record funds intended for specific purposes and their corresponding expenses in their own index.	A comprehensive business operations manual detailing policies and procedures for specific business functions, including, but not limited to: journal vouchers, accounts payable, purchasing, cashiering, payroll, financial award processes, compliance with endowment restrictions, etc., will be developed and implemented. In addition, a comprehensive assessment of the business operations within Athletics will be completed in order for a determination to be made as to the most efficient use of the current resources within the office. Account reconciliations will be performed on a regular basis throughout the year. In addition, revenue accruals will be adjusted on a quarterly basis to recognize actual revenues earned for the period. Further, budgeted expenses will also be closely monitored on a regular basis and adjusted to reflect actual revenues generated.	9/30/2019	The Athletics department has completed a working draft of its business operations manual. The business operations manual is being continuously updated as Athletics updates procedures and streamlines processes through its ARMS system. The manual has been disseminated to senior management at Athletics. While the document may continue to update, Athletics management provided a copy of the current business operations manual to Internal Audit for review. Internal Audit reviewed the drafted business operations manual and noted it includes all key operations processes. Internal Audit considers this recommendation implemented, but will continue to monitor the manual as it is being updated until management finalizes the manual.	Nicole Dopson, Dir, Financial Operations

**Follow Up Report - Implemented,
but kept as Pending for additional monitoring by Internal Audit
May 6, 2021 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
3	<u>Athletics Administration</u>	5/17/2018, 20, H	<u>Recommendation 3 - Deficit Reduction Plan</u>	The Director for Intercollegiate Athletics should ensure the approved deficit reduction plan is implemented.	The Athletics Department will work in conjunction with the Office of Planning, Budget and Analysis in implementing the approved deficit reduction plan.	5/18/2018	Athletics has maintained its approved ten-year Deficit Reduction Plan. Athletics and the UNM Shared Services report on Athletics financial status at regular scheduled meetings. COVID-19 has had a significant impact on Athletics' financial situation and its deficit. Internal Audit will continue to monitor the deficit for FY 21.	Eduardo Nunez, Dir, Intercollegiate Athletics

EXECUTIVE SESSION