

BOARD of REGENTS



AUDIT AND COMPLIANCE COMMITTEE SPECIAL MEETING

*Friday, November 11, 2016 at 1:00 pm
Scholes Hall, Roberts Room*

The University of New Mexico
Board of Regents' Audit and Compliance Committee
Special Meeting
November 11, 2016 – 1:00 PM
Roberts Room
Agenda

ACTION ITEMS

1. Confirmation of a Quorum and Adoption of Agenda
2. Approval of Meeting Minutes from October 21, 2016

INFORMATION ITEMS

3. Main Campus Chief Compliance Officer Status Report (*Libby Washburn, UNM Main Campus Chief Compliance Officer*)
4. Advisors' Comments
5. Follow-Up Items from September 5, 2016 Meeting
6. Status of Audit Recommendations (*Chien-chih Yeh, Internal Audit Manager*)
Implemented
Pending
7. Director of Internal Audit Status Report (*Manu Patel, Internal Audit Director*)

EXECUTIVE SESSION

8. Vote to close the meeting and to proceed in Executive Session as follows:
 - a. Discussion of draft Internal Audit Reports, and discussion of information subject to attorney-client privilege pursuant to RPM 1.2;
 - b. Discussion of limited personnel matters pursuant to exception at Section 10-15-1.H(2) NMSA (1978);
 - c. Schedule of Audits in Process and Proposed FY17 Audit Work plan, pursuant to RPM 1.2;
 - d. Vote to re-open the meeting.
9. Certification that only those matters described in Agenda item # 8 were discussed in Executive Session and if necessary ratification of action, if any, taken in Executive Session
10. Adjournment

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Meeting
October 21, 2016 – Draft Meeting Minutes

Members Present: Chairman Jack Fortner, Tom Clifford, Ryan Berryman (Quorum).

Other Attendees: Robert Frank, David Harris, Amy Wohlert, Ava Lovell, Liz Metzger, Libby Washburn, Duane Arruti, Jeff Gassaway, Brian Pietrewicz, Mike Schwantes, Kimberly Bell, John Kennedy (KPMG), Jaime Cavin (KPMG), DeVon Wiens (Moss Adams), Josh Lewis (Moss Adams), Robert Burford, Ella Watt, Purvi Mody, Manu Patel, Chien-chih Yeh, Eileen Sanchez, Mallory Reviere, Amy O'Donnell.

Chairman Fortner called the meeting to order at 2:00 PM in ROBERTS ROOM, Scholes Hall, UNM.

ACTION ITEMS:

- The Committee approved the meeting agenda and minutes from the meeting of September 2, 2016.

By unanimous consent, the meeting went into Executive Session for the reasons stated in the agenda. The meeting went in to closed session at 2:02 PM.

- a. Presentation of FY16 External Financial Audit pursuant to exceptions at Section 10-15-1H NMSA (1978) and Section 12-6-5 NMSA (1978) (*KPMG, Moss Adams, 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 pursuant to exception at Section 10-15-1.H(2) NMSA (1978);
- d. Schedule of Audits in Process and Proposed FY17 Audit Work plan, pursuant to RPM 1.2
- e. Vote to re-open the meeting.

The meeting returned to open session at 5:14 PM, with certification that only those matters described above were discussed in Executive Session. Due to the length of the content and discussion of the external financial audit, this meeting was adjourned prior to completion of agenda items. A special meeting will be called to complete these items.

The Committee unanimously approved the FY16 External Financial Audit for submission to the New Mexico Office of the State Auditor. The audit cannot be released until it is approved and released by the State Auditor. Regent Clifford noted he would like Internal Audit Director Patel to inform the Committee if there are any discussions with the State Auditor.

The Committee unanimously approved the following UNM Hospital audits:

- UNM Hospitals and Sandoval Regional Medical Center Billing Compliance Protocol Report
- UNM Hospitals and Sandoval Regional Medical Center Inpatient Controlled Substance Reports (2016-01 and 2016-02)

Summary of the Regents' Audit and Compliance Committee Meeting
October 21, 2016

The meeting adjourned at 5:16 PM.

Approved:

Audit and Compliance Committee Chairman



Compliance Office - Main Campus

**UNIVERSITY OF NEW MEXICO MAIN CAMPUS COMPLIANCE PROGRAM
BACKGROUND INFORMATION AND PROPOSED COMPLIANCE PLAN FOR 2017**

BACKGROUND

The University of New Mexico is committed to the highest standards of integrity, controls, risk management and ethics in pursuit of its mission of engaging students, faculty and staff in its comprehensive educational, research and service programs. In 2012, UNM President Robert Frank convened a university-wide study group to conduct a comprehensive review of UNM's compliance functions. In September 2012, the group recommended that Main Campus adopt a compliance organization structure in accordance with the U.S. Sentencing Commission's Federal Sentencing Guidelines for Organizations.

The Federal Sentencing Guidelines for Organizations were promulgated in 1991 to make sure that organizations do not profit from wrongdoing and also to encourage organizations to implement appropriate compliance programs to prevent wrongdoing from occurring in the first place. The guidelines outline seven key criteria for establishing an effective compliance program:

1. Compliance standards and procedures must be established to detect criminal conduct.
2. High level personnel must be knowledgeable and involved in oversight.
3. Substantial discretionary authority must be carefully delegated.
4. Compliance standards and procedures must be communicated to employees.
5. Reasonable steps must be taken to achieve compliance in the establishment of monitoring and auditing systems and of reporting systems with protective safeguards.
6. Compliance and ethics programs must be promoted and consistently enforced.
7. Any violations require appropriate responses to prevent similar conduct, which may include modification of compliance standards and procedures and other preventive measures.

In January 2013, using these Guidelines as a roadmap and evaluating peer institutions and best practices, UNM created a Main Campus Compliance Program. Regents' Policy Manual (RPM) 7.2 ("Internal Auditing and Compliance") was amended in September 2014 to ensure that university activities are conducted in compliance with applicable federal and state laws and regulations and with the highest ethical standards.¹

¹ The UNM Internal Audit Department is also guided by RPM 7.2 and provides significant oversight functions for UNM. The Health Sciences Center Institutional Compliance Program is separately administered in accordance with RPM 3.7 ("Health Sciences Center Institutional Compliance Program"). Additional compliance functions are performed through the EVP for Administration and the Provost/EVP for Academic affairs such as Safety & Risk and Research Compliance.

In accordance with RPM 7.2, the Main Campus Compliance Office is authorized to:

- Obtain the necessary assistance of personnel involved in compliance activities. The Chief Compliance Officer identifies Compliance Partners with expertise in specific compliance areas.
- Require that Compliance Partners provide regular (e.g., quarterly) reports that are sufficient to determine compliance status.
- Communicate with University management, faculty, staff, and governmental entities, as needed.
- Cooperate with any legitimate inquiry or investigation from an outside law enforcement or investigative agency.

The mission of the program is to reinforce UNM's commitment to compliance and ethical conduct. The Main Campus Compliance Office collaborates with the UNM community and senior leadership to coordinate compliance efforts across the campus. Its role is to ensure institutional compliance with applicable laws and regulations; to promote ethical behavior and integrity; and to provide the tools and guidance needed to meet all necessary oversight requirements.

COMPLIANCE PROGRAM GOVERNANCE AND STRUCTURE

The Main Campus Compliance Program is administered by the Chief Compliance Officer. To guarantee independence, the Chief Compliance Officer reports functionally to the UNM Board of Regents and administratively to the President. This dual reporting requirement allows the Compliance Program to be free from interference and empowered to obtain the information needed to perform the work.

Helen Gonzales served as UNM's first Chief Compliance Officer from January 2013 to June 2016. In three and a half years, Gonzales and Compliance Specialist Eileen Sanchez developed an innovative and effective Main Campus Compliance Program. They researched and compiled an extensive amount of "best practice" information from universities and organizations around the country as they built a centralized compliance portfolio at UNM. In addition to personnel costs, the Office has an operating budget of \$26,532 primarily spent on education, training and informational materials.

The Compliance Program structure includes an oversight committee. The Institutional Compliance Committee provides university-wide support for the Main Campus Compliance Program. Compliance Partners, including high-level personnel from 18 different departments and offices across the campus are represented on the Committee. Administrative partners on the Committee have responsibility and expertise in the major compliance areas, including athletics, human resources, research, student affairs, facilities and finance. The Committee meets quarterly and is chaired by the Chief Compliance Officer.

Helen Gonzales retired as Chief Compliance Officer in June 2016. Libby Washburn joined UNM in September 2016 as the new Chief Compliance Officer.

UNM COMPLIANCE MATRIX OF FEDERAL, STATE AND LOCAL LAWS/COMPLIANCE DIRECTORY

The UNM Compliance Matrix was developed by the Main Campus Compliance Office to document all known federal, state and local laws and regulations governing colleges and universities. It includes a summary of each law and the applicable reporting deadlines. The Compliance Matrix relates the laws and regulations to the responsible UNM Compliance Partner along with specific reporting requirements, identification of the applicable university policy, appropriate training requirements, and regulatory agencies monitoring the law or regulation. Every year, each Compliance Partner receives an updated, current copy of their Compliance Matrix. The Chief Compliance Officer meets with each Compliance Partner to discuss relevant portions of the Compliance Matrix. The Compliance Matrix has the capability to add internal controls and risks identified for each law and regulation and is updated as internal controls and risks are identified.

The Compliance Directory is an accessible tool for the UNM Community to link to different Compliance Areas and the responsible units and departments for that compliance area. The directory is listed on the Main Campus Compliance Office website: <http://compliance.unm.edu>.

REPORTING

The Main Campus Compliance Office has developed strategies to ensure that UNM is promoting a compliant and ethical environment. These strategies complement other UNM compliance programs. An effective compliance program facilitates communications regarding compliance concerns and risks. This is accomplished through routine risk assessment surveys and monitoring. In addition, inquiries, allegations and complaints reach the Main Campus Compliance Office through many channels, including walk-ins, letters, emails and a hotline.

UNM Compliance Hotline

The UNM Compliance Hotline is the main reporting system for the UNM community to make inquiries, file complaints, and report alleged misconduct and violations of laws, regulations and policies. The Compliance Hotline operates 24 hours a day, seven days a week. In March 2015, the Main Campus Compliance Office took over the Compliance Hotline from the UNM Internal Audit Department when a new vendor was chosen and the current system was implemented. The Compliance Hotline uses EthicsPoint, a case management system provided by Navex Global that has the capability to accommodate allegations and document information gathered from an investigation. This operating system is used by numerous colleges and universities who are peer institutions to UNM. The Main Campus Compliance Office administers the Compliance Hotline for UNM Main and Branch Campuses, UNM Health Sciences Center, UNM Hospital, UNM Medical Group and Sandoval Regional Medical Center.

All complaints received through the Compliance Hotline are reviewed to determine 1) the significance/urgency of the matter; 2) whether sufficient information exists to initiate further

review; and 3) the most appropriate office or person to address the situation in the allegation. People reporting through the Compliance Hotline have the option to maintain their anonymity and the Compliance Hotline handles the information in a confidential manner to the extent allowed by law and policy.

After a matter is reported through the Compliance Hotline, Compliance Office staff begins to process the complaint, which typically takes less than 24 hours. All inquiries, complaints and allegations must be evaluated and documented regardless of the source and before any action is taken. Proper evaluation is necessary, although many issues will not require a full investigation.

The purpose of investigations is to evaluate information provided by the source. After the initial review and determination of what type of review is warranted, staff coordinates investigations with other university staff that is independent of the concern and has the expertise to review the allegation adequately. For some investigations, the complaint must be sent to the unit that creates procedures around the issues. Some units may have a stake in the outcome, but the unit's participation may be necessary to resolve or address the issue. Investigations are conducted as expeditiously as possible.

Information gathered through review of materials and interviews (as necessary) is evaluated to determine whether there is sufficient evidence to support a conclusion regarding the allegation. If an allegation is substantiated, it is forwarded to the appropriate department or unit for disposition. If it is determined there is not sufficient information or evidence to support an allegation, the case is documented and closed until further information is available. The Main Campus Compliance Office follows up as necessary to verify resolution has been achieved based on the findings, if any, from the investigation. However, the Compliance Office does not follow up with specific departments and units to verify the specific disciplinary action that has been taken.

The UNM Compliance Hotline has the capability to inform a reporter that a case has been closed, even if the reporter submitted the inquiry or allegation in a confidential manner. However, the reporter is not provided with specific information regarding the ultimate result of the investigation. Generally, the reporter is provided with generic information that the case has been closed.

Since April 1, 2015, the UNM Compliance Hotline has logged in 250 tips, reports and complaints.

Risk Assessment

The Chief Compliance Officer meets on a quarterly basis with the Compliance Partners to discuss the potential risks in each compliance unit. These one-on-one meetings serve as an opportunity for the Chief Compliance Officer and the Compliance Partners to discuss potential risks at UNM. These risks are then reviewed and discussed with the President and the Audit and Compliance Committee.

For FY 2015, the Main Campus Compliance Office supplemented Internal Audit's annual assessment process by including a more comprehensive questionnaire. The assessment questionnaire was revised to expand the risk categories to include strategic, compliance, reputational and operational risks.

The 2015 assessment was informative and identified the following potential areas of high risk:

- Complex NCAA Rules
- Student Privacy Violations
- Non-Compliance with State or Federal Regulations and UNM Policies
- Cybersecurity
- Title IX
- State Funding and Future Financial Stability
- Clery Act
- Minors on Campus
- Conflicts of Interest
- Student Safety

While the Main Campus Office has made progress in addressing and mitigating risks, more work needs to be done.

PROPOSED COMPLIANCE PLAN FOR 2017

In 2017, to further develop and strengthen a culture of compliance, the Main Campus Compliance Program will focus on the following broad risk areas described in greater detail below. This is not an exhaustive list and the Compliance Office will continue to identify risks throughout the year and amend this Compliance Plan accordingly.

In addition, the Compliance Office coordinates with UNM's Office of Equal Opportunity, UNM Internal Audit Department and the Office of Ombuds Services for Staff. In 2017, the Compliance Office will work closely with Internal Audit, OEO, and the Ombuds Office to explore ways to facilitate communication among the offices to better support a culture of compliance on the UNM campus. Collaboration between these departments will hopefully result in the leveraging of resources. While the mission and roles of these offices are different, the approach the offices take to assist in mitigation should be coordinated as much as possible to achieve a comprehensive outcome and improve efficiencies.

SAFETY AND SECURITY

DOJ Follow Up

In October 2016, UNM entered into an agreement with the U.S. Department of Justice formalizing UNM's obligations under federal civil rights laws to prevent and address sexual harassment and sexual misconduct. UNM has three years to implement the agreement to

proactively address procedures and practices related to Title IX and Title IV compliance. Compliance with the DOJ agreement will constitute a significant campus-wide effort over the next three academic years.

The Main Campus Compliance Office will oversee the implementation process with various units to confirm that UNM is meeting its requirements and deadlines under the agreement. A detailed implementation schedule is currently being developed. Implementation efforts have already started and will continue throughout 2017 and beyond.

Minors on Campus

UNM programs involving youth exist in multiple units across the campus. The safety of minors on campus who are involved in campus-sponsored functions is a serious concern. In March 2016, UNM Policy 2205 was adopted regarding Minors on Campus to help protect the many thousands of children who visit the campus each year. When the policy was implemented, a waiver form and checklist were also created and distributed. A Minors on Campus training has been developed for employees who work with minors.

In 2017, the Main Campus Compliance Office will work with the Minors on Campus Taskforce to finalize Phase 2 of the Minors on Campus Policy. This includes determining which university entities will administer the Minors on Campus processes such as background checks, reporting requirements, and collecting waivers, emergency contact and medical release forms. In addition, Phase 2 includes conducting a comprehensive inventory of the programs across campus that involve minors and implementing a central tracking system to monitor these programs. Mandatory training also needs to be enforced for all authorized adults working with minors on the campus.

UNM COMPLIANCE HOTLINE

Increase Awareness about the UNM Compliance Hotline

In 2017, the Main Campus Compliance Office will work with the Communications Office and IT to communicate all UNM students, faculty and staff to encourage the reporting of misconduct, and describing the channels for direct or confidential reporting. Another goal will be to publicize the Compliance Hotline throughout the university on a variety of platforms including social media and the UNM website.

Create Protocols for Investigations

Investigation protocols serve to delineate the formal procedures for initiating investigations for a range of university compliance issues. Such protocols protect the integrity of the process as well as the rights of the person filing the complaint and the alleged offender. Currently, different units and departments within UNM have protocols in place but there are no uniform protocols when investigating concerns received through the UNM Compliance Hotline. In 2017, the Main

Campus Compliance Office will work to develop consistent investigative protocols for handling day-to-day internal investigations received through the Compliance Hotline. These protocols will describe how an investigation is started, conducted, documented and how a decision is ultimately reached and communicated. Consistent, uniform protocols will improve the integrity of the process.

Follow Up on Complaint Outcomes

As noted above, the Main Campus Compliance Office follows up as necessary to verify resolution has been attained based on findings, if any, resulting from a Compliance Hotline investigation. However, the Compliance Office does not follow up with specific departments and units to verify the specific disciplinary actions that were taken. In 2017, the Compliance Office will follow up to verify the resolution that is attained in all investigations. The Compliance Office will create a process for verifying resolution with all of the Compliance Partners.

Neutral Investigators

Compliance Hotline complaints are ideally handled by objective investigators who have no particular interest in the outcome. However, by necessity, some complaints are sent to the unit that creates procedures around a particular policy, and occasionally has a stake in the outcome. Cases involving complaints against high level officials also present particularly difficult challenges.

The Chief Compliance Officer can identify other potential neutral investigators within the university who can be used for issues involving bias or high profile complaints. In rare instances, UNM can consider seeking individuals outside the university to conduct or assist with investigations that pose substantial risk to UNM's reputation and integrity.

UNM should also analyze whether investigative staff is needed to guarantee unbiased investigation and avoidance of retaliation against people who file complaints. In 2017, the Main Campus Compliance Office will review and present a proposal to UNM leadership on the need for hiring independent, neutral investigators for the office to investigate complaints received through the UNM Compliance Hotline.

WHISTLEBLOWER POLICY

Fear of retaliation is a major reason that individuals fail to report misconduct. In implementing the UNM Compliance Hotline, UNM adheres to a non-retaliation policy. UNM's current whistleblower policy was last revised in 2007. A revised whistleblower protection policy is needed to encourage people to bring their concerns forward without fear of retaliation. The Main Campus Compliance Office will support the UNM Policy Office's efforts to finalize the Whistleblower Protection Policy in 2017.

RISK ASSESSMENT

The UNM Compliance Hotline is a passive way for UNM to identify risks. An organization should periodically assess the risk of improper conduct within its operations and take appropriate steps to design, implement or modify actions to reduce the risk of improper or unethical behavior. An organization should conduct a risk assessment once a year.

Working with the UNM Internal Audit Department, the Main Campus Compliance Office conducted an extensive formal risk assessment in FY 2015 to identify risks on the UNM campus. This assessment was informative and identified several outstanding risks, including Minor Youth on Campus, Title IX violations and student safety on campus.

In 2017, the Main Campus Compliance Office will undertake a new formal risk assessment and response plan. The assessment will include a broad risk analysis survey and a review of recent litigation and settlements. Compliance Partners will be asked to identify and assess the institutional-level risks and opportunities for which they are responsible. Results of all risk assessments and response plans will be collected by Main Campus Compliance Office staff. The President can meet with key university leaders to discuss and determine the potential impact of the identified risks. Together, they can prioritize how best to handle multiple risks.

The Main Campus Compliance Office will monitor the risks identified by the assessment throughout 2017. The Chief Compliance Officer will also continue to meet quarterly with the Compliance Partners to generally discuss risk.

COMPLIANCE MATRIX

As noted above, the UNM Compliance Matrix was developed by the Main Campus Compliance Office to document all known federal, state and local laws and regulations governing colleges and universities. It includes a brief summary of each law and the applicable reporting deadlines. In 2017, the Main Campus Compliance Office will track progress on the significant federal and state mandated reports and keep a copy of each of these reports and filings in an online Compliance Monitoring Tracking System.

TRAINING

Training and education are necessary to ensure that faculty, staff and students understand applicable laws, regulations and university policies that apply to them. This is critical for an effective compliance program. Currently, UNM requires annual mandatory basic safety training for all employees. UNM also requires annual mandatory training focused on preventing harassment and sexual violence. In addition, there is a one-time ethics training (that must occur within the first 30 days of employment) entitled "Ethics: A Framework for Ethical Decision Making." Additional trainings might be necessary for individual divisions and departments.

In 2017, the Main Campus Compliance Office will undertake a review to confirm administrators, faculty, staff and students are current on all required and job specific trainings. In addition, in accordance with the Regents' guiding principles on ethical conduct, the Main Campus Compliance Office will advocate for the incorporation of additional ethics training for management and employees into the annual training curriculum. This office will work with Human Resources on this issue.

ONGOING

The Main Campus Compliance Office will continue to evaluate emerging compliance trends in higher education and government and recommend best practices for UNM.

CONTACT INFORMATION

University of New Mexico Main Campus Compliance Office

Libby Washburn, Chief Compliance Officer

Eileen Sanchez, Compliance Specialist

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Albuquerque, NM 87131-0001

Phone: 505-277-0169 Fax: 505-277-1190

Email: compliance@unm.edu

<http://compliance.unm.edu>

UNM Compliance Hotline

Toll-Free Phone: 1-888-899-6092

<https://unm.ethicspoint.com>

**Compliance Office Main Campus
UNM Compliance Hotline Report**

November 11, 2016

Revised

Submitted by Eileen Sanchez, CCEP
Compliance Specialist
EthicsPoint System Administrator
Compliance Office Main Campus

***UNM COMPLIANCE HOTLINE
BENCHMARKING REPORTS
JANUARY 1, 2016 TO SEPTEMBER 30, 2016***

Comparing UNM’s Hotline data against a broader spectrum of organizations allows us to see how UNM compares to industry norms. The university is currently using data for benchmarking from Navex Global, owner of EthicsPoint, UNM’s Compliance Hotline vendor. Navex Global has collectively received 867,551 reports through EthicsPoint, including reports from approximately 800 higher education institutions who use the system. These comparison benchmarking statistics allow UNM to understand and better answer questions regarding the university’s culture, communications, investigations, training, policies and reporting channels. It also allows for better internal benchmarking and trend-spotting, as well as improved recordkeeping and better organization of cases.

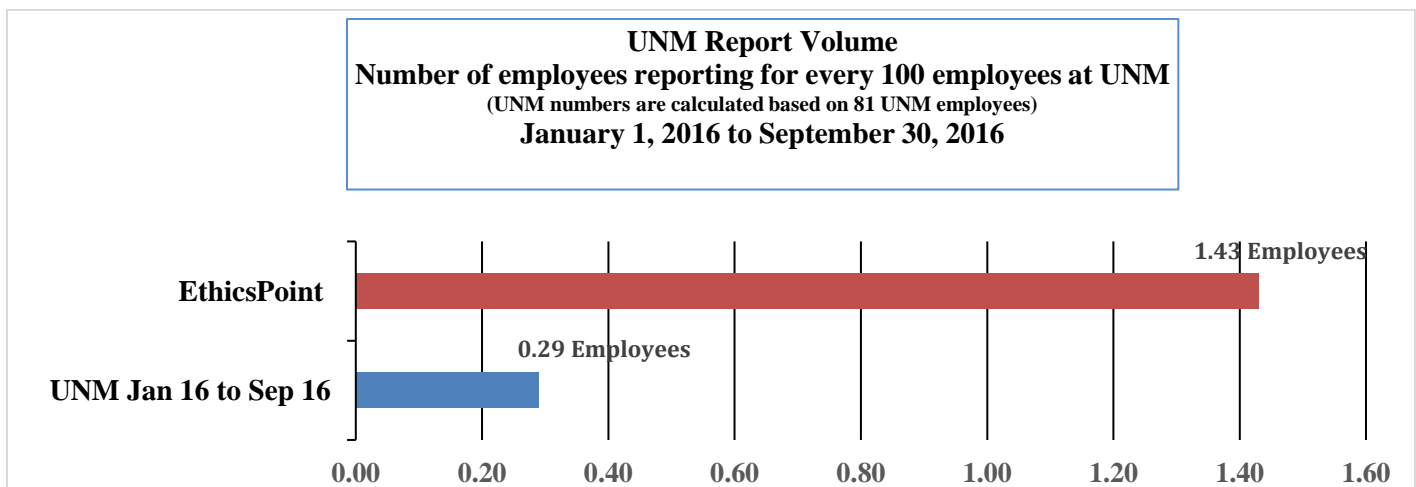
Report Volume

Report Volume benchmarking enables UNM to compare the total number of employees using the hotline with other organizations. Currently, UNM’s report volume is extremely low, only 0.29 employees report for every 100 employees compared to EthicsPoint with 1.43 employees reporting for every 100 employees. Employees need to know the reporting channels that are available to make reports and have confidence that reporting will make a difference. Compliance units need to capture and input all inquiries, complaints and allegations and enter into the hotline.

Cases Opened = 131

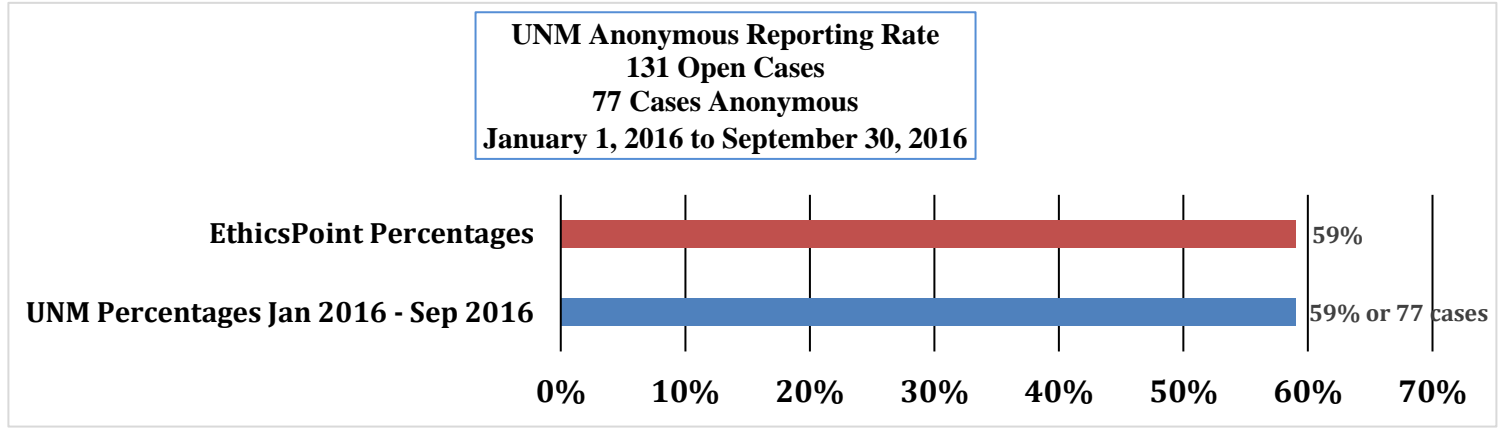
January 1, 2016 to September 30, 2016

Reported by: Employees = 81, Students = 7, Former Employees = 5, Parents = 1, Vendor = 1, Other/Anonymous = 36



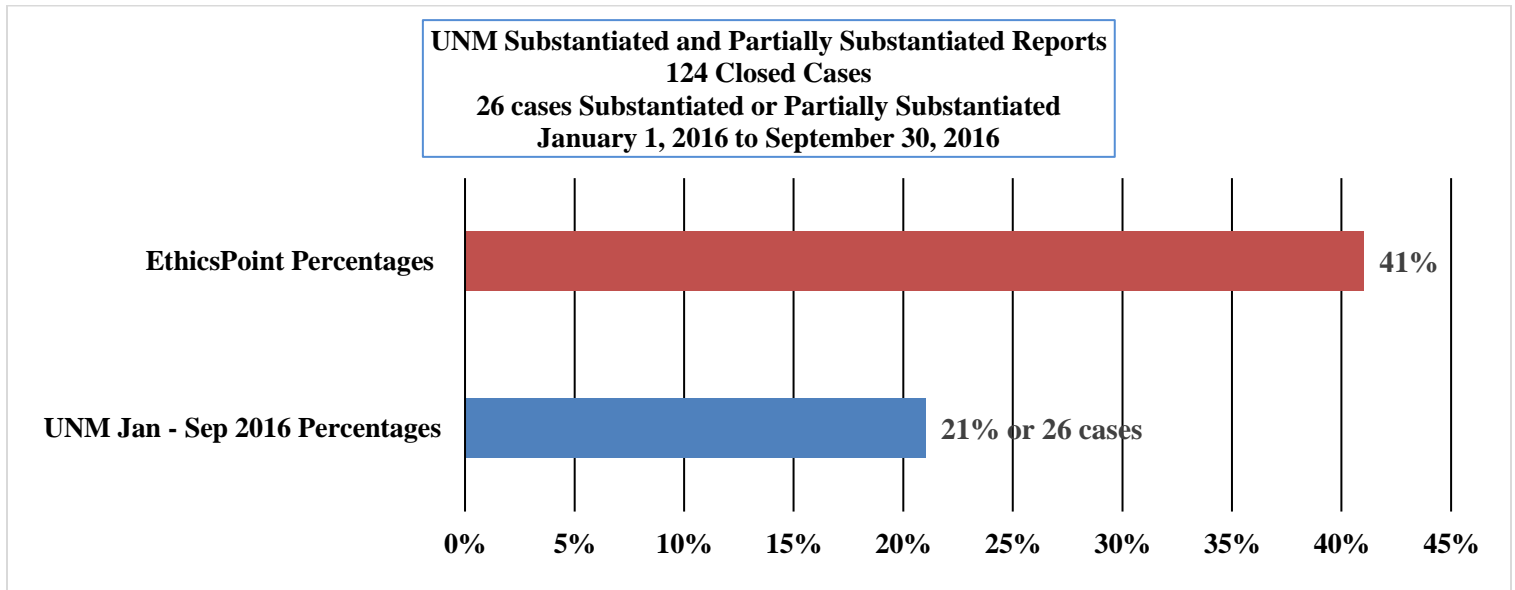
Anonymous Reporting Rate

The chart below shows the percentage of reporters who chose to withhold their identity. The data shows that **out of 131 opened cases, 77 cases or 59% of the university's reporters chose to remain anonymous.** UNM's rate has increased compared to 46% at the end of December 2015. EthicsPoints had a drop from the previous year from 61% to 59%. Reporters sometimes withhold their identity due to a fear of retaliation or a desire to not become involved, not because they are reporting a false or frivolous issue.



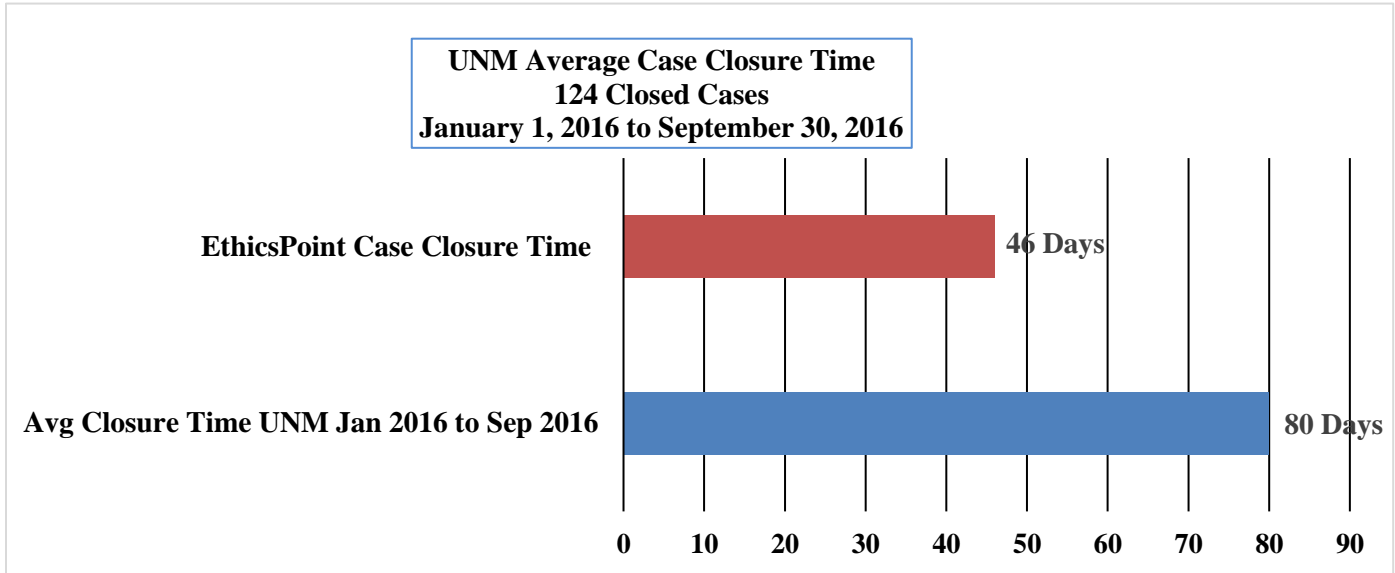
Substantiated and Partially Substantiated Reports

The Substantiation rate shows the number of allegations that had some merit. A high substantiation rate shows that well-informed employees are making high-quality reports and that investigations are effective. The trend concerning low substantiation rates must be monitored.



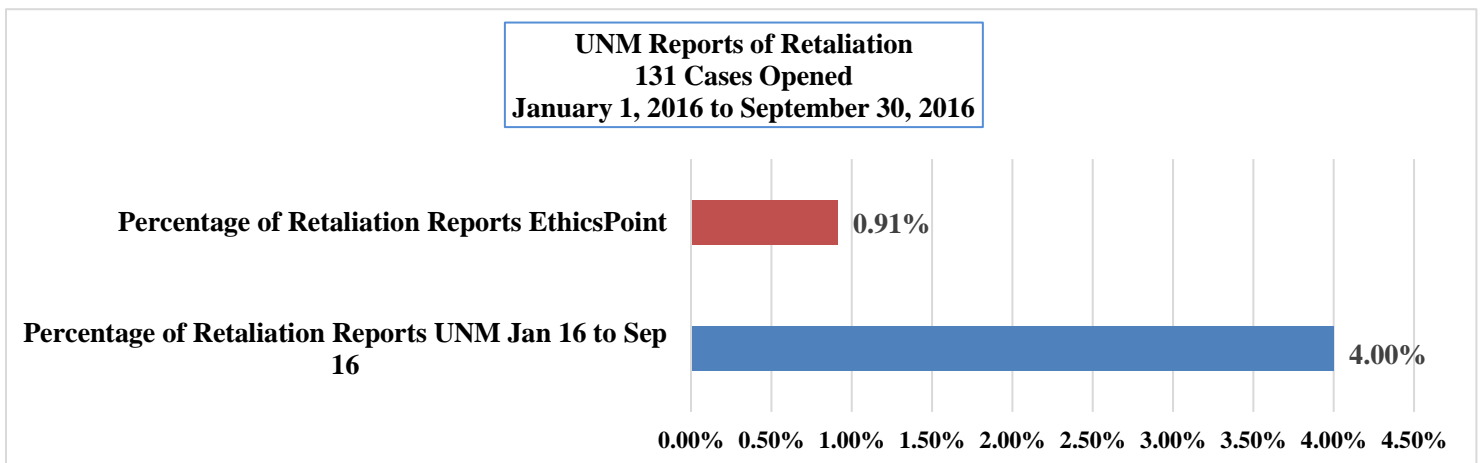
Case Closure Time

The chart shows the number of calendar days it takes to close a case. Investigations should be completed in a timely manner to ensure that reporters trust their reports are being taken seriously. If reporters think that UNM is not listening, and not taking action, this could be damaging to the university in a number of ways. These numbers could mean many things including that the university might not have enough resources to address the volume of reports being received or that the cases being reported are becoming more complex. Best practice is for a 30 day case closure time.



Reports of Retaliation

Retaliation issues are a serious concern and EthicsPoint now provides data to allow organizations to benchmark this important issue. UNM must have the opportunity to investigate complaints internally, reported through the hotline, rather than having employees reporting to outside agencies. Persons who report suspected misconduct are protected from retaliation at UNM. Monitoring systems, such as the UNM Compliance Hotline, along with implementing anti-retaliation training for employees may help to be effective in preventing retaliation.



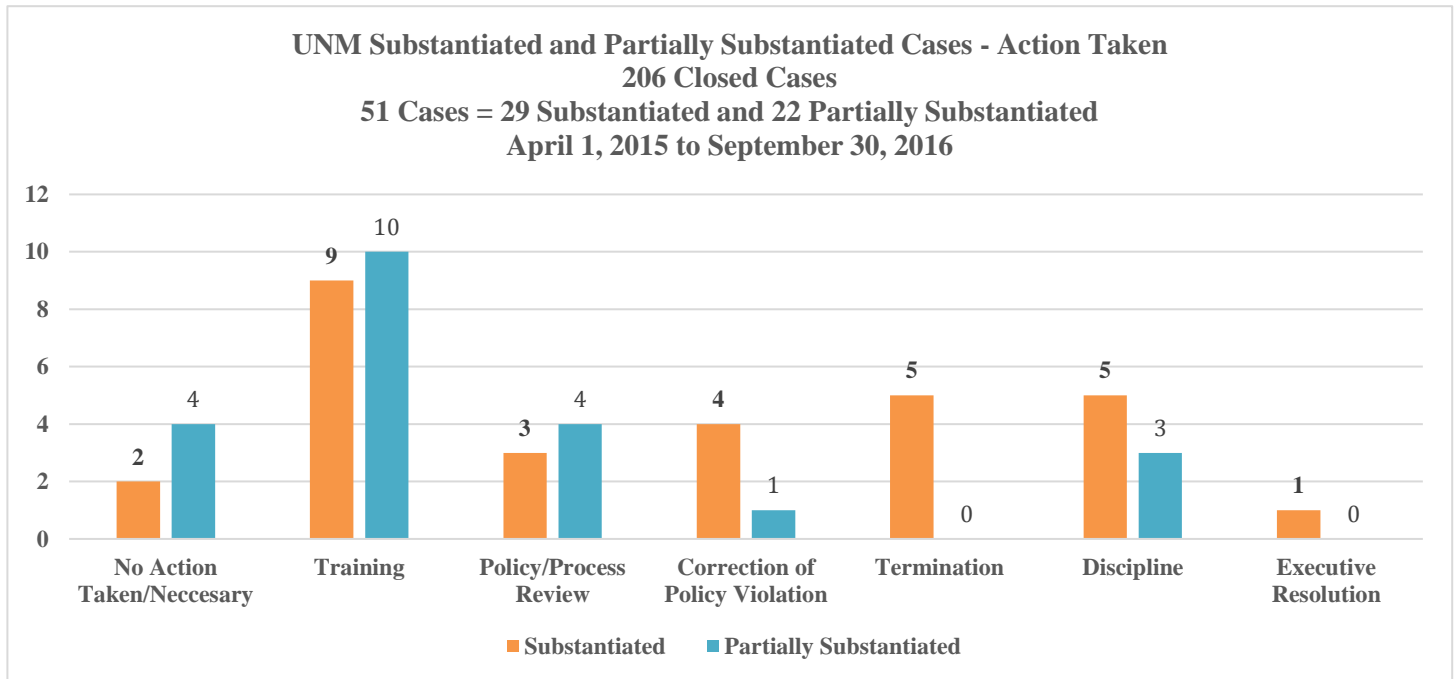
**UNM COMPLIANCE HOTLINE
STATISTICAL REPORTS
APRIL 1, 2015 TO SEPTEMBER 30, 2016**

(Note: This data is different than the previous benchmarking charts. This data represents all cases since the UNM Compliance Hotline started receiving reports through EthicsPoint beginning April 1, 2015.)

The charts below shows statistical data from the UNM Compliance Hotline beginning April 1, 2015 to September 30, 2016. Analyzing the hotline data allows UNM to report potential compliance issues and to determine the location where those issues are occurring. Collecting and reviewing hotline data permits UNM to capture and investigate reports from all locations and reporting channels in a centralized database, creating a well-organized approach to documenting cases and simplifying workflow.

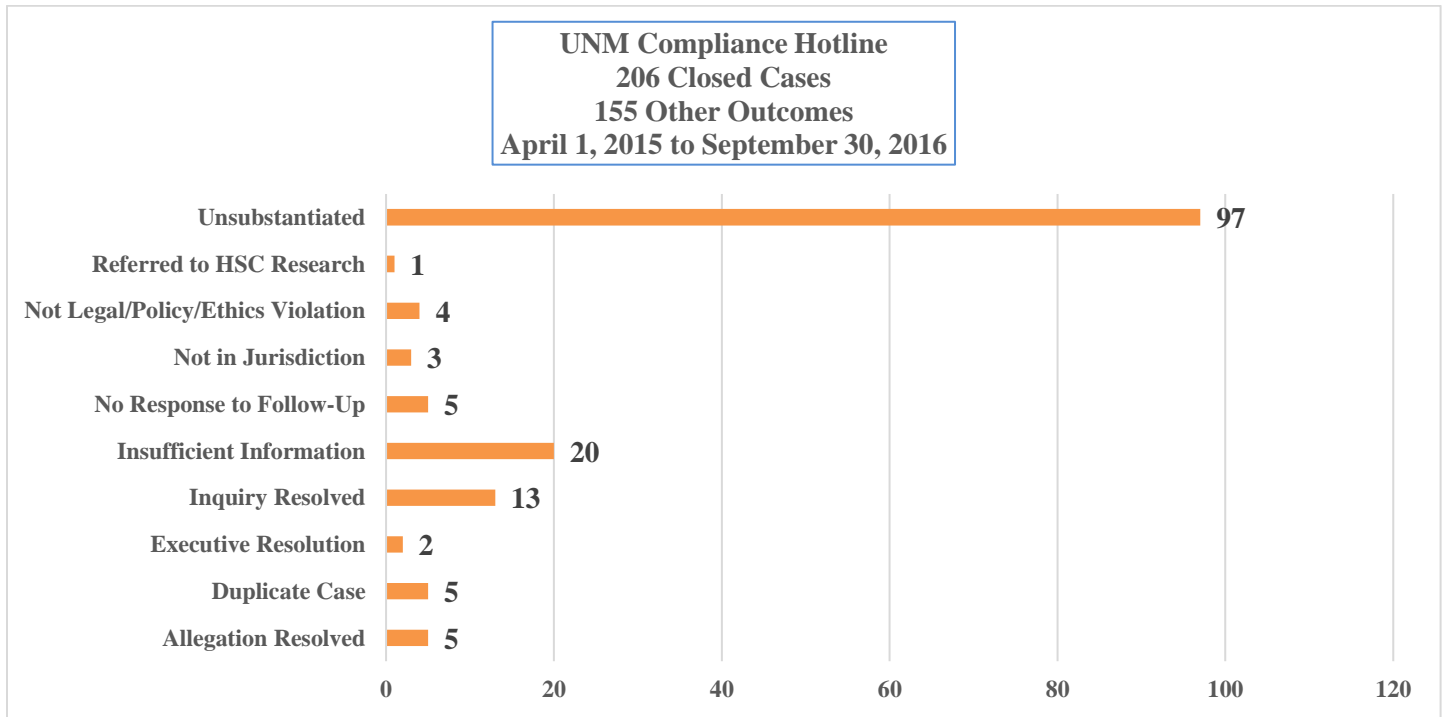
Action Taken for Substantiated and Partially Substantiated Cases

The chart below is broken out by the action taken for cases with Substantiated or Partially Substantiated as an Outcome. Reviewing and monitoring the action taken for closed cases will help to determine if appropriate action is being tendered based on the outcome and comparing the action taken to similar cases within the UNM Compliance Hotline. **25% or 51 cases** of the 206 closed cases were Substantiated or Partially Substantiated.



Closed Cases – Additional Outcomes

The chart below shows **155 or 75%** of the closed cases that had additional outcomes other than Substantiated or Partially Substantiated.

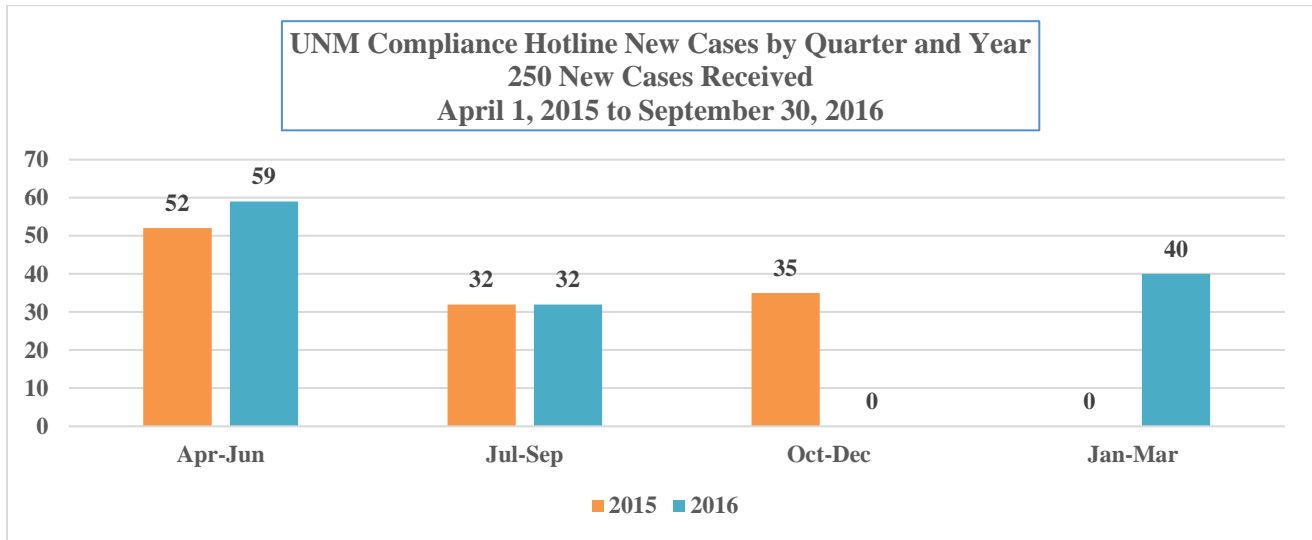


The Action Taken for the 155 additional outcomes is shown below.

Outcomes	Action Taken
Allegation Resolved	1 Policy Process Review, 3 Training, 1 Executive Resolution
Duplicate Case	5 Duplicate Case
Executive Resolution	1 No Action Taken/Necessary, 1 Executive Resolution
Inquiry Resolved	7 No Action Taken/Necessary, 4 Policy Process Review, 2 Executive Resolution
Insufficient Information	19 No Action Taken/Necessary, 1 Correction of Policy Violation
No Response to Follow-Up	5 No Action Taken/Necessary
Not in Jurisdiction	3 No Action Taken/Necessary
Not Legal/Policy/Ethics Violation	3 No Action Taken/Necessary, 1 Policy Process Review
Referred to HSC Research	1 Correction of Policy Violation
Unsubstantiated	86 No Action Taken/Necessary, 3 Policy Process Review, 4 Training, 1 Executive Resolution, 2 Correction of Policy Violation, 1 Ombuds/Staff

Cases by Quarter

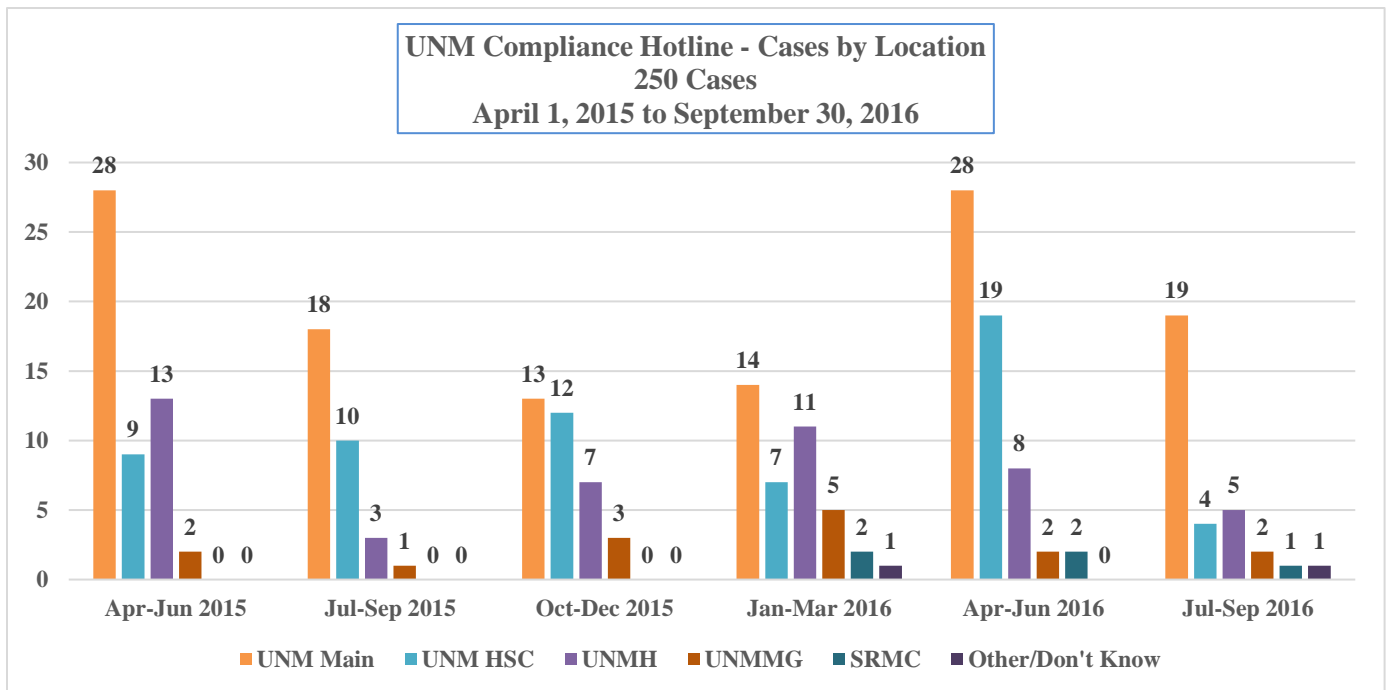
The number of cases being received by Quarter and Year is shown below. It appears from this data that the numbers have been consistent for Apr-Jun and Jul-Sep for both 2015 and 2016. Monitoring future quarters will help to determine trends and peak reporting times.



Total Cases Opened by Quarter and Location

250 Cases

The chart below depicts the 250 opened cases and where the allegations were reported from. Monitoring and tracking cases by location can help identify trends and problems within specific areas at UNM.



There is no
handout
required for
this item

There is no
handout
required for
this item

**Follow Up Report Summary - Implemented
Nov 2016 Open Session**

Row Labels	Project Name	Count of Recommendation Title
1	Review of College of Education Operations	3
2	UNM Taos	1
3	Safety and Risk Services	5
4	Men's Basketball P-Card Use	3
5	Clery Act	2
6	Brain Safe Project	4
7	UNM SIM/Center for Life Cash Handling	8
Grand Total		26

Follow Up Report - Implemented
Nov 2016 Open Session

No	Project Name	Recommendation Title	Executive Recommendation	Estimated Implementation Date	Responsible Party
1	<u>Review of College of Education Operations</u>	<u>Recommendation 6 - Residency School</u>	The Dean of the COE and the Provost office should consider developing a College of Education Teacher Preparation Residency School. Such a residency school could provide COE students with hands on training throughout their teacher preparation experience.	8/31/2016	Salvador Hector Ochoa, Dean
1	<u>Review of College of Education Operations</u>	<u>Recommendation 7- Field Services Assessments</u>	The College should consider establishing a coordinated clinical field service assessment program to effectively provide feedback while teacher candidates are conducting field service and to follow up with them after graduation. Consider changes in programs to include student field service experience earlier in the program/student experience and establish a program to assess the effectiveness of traditional field service.	8/31/2016	Salvador Hector Ochoa, Dean
1	<u>Review of College of Education Operations</u>	<u>Recommendation 8 - Expand Field Service to Rural NM</u>	The Dean of the COE should work with the Provost's Office to develop a permanent funding model for field service, and explore expansion of the Co-Teaching Collaborative School model within the Teacher Education Department, to other departments within the College, and to rural areas of New Mexico.	8/31/2016	Salvador Hector Ochoa, Dean
2	<u>UNM Taos</u>	<u>Recommendation 6 - Develop Policies and Procedures for Employer Issued Smart Phones</u>	In addition to UAPP 7710, UNM-Taos should further develop policies and procedures that require smart phones to be tagged, monitored, and inventoried.	6/30/2016	Mario Suazo, Dir,Business Opns/Sm Branch
3	<u>Safety and Risk Services</u>	<u>Recommendation 1 - Fire Suppression Service and Sprinkler Repair</u>	The Director of Safety and Risk Services should ensure that all five year flushing services identified in the FY2012 and FY2013 FSCFRs are addressed.	6/30/2016	Carla Domenici, Dir,Safety & Risk Services
3	<u>Safety and Risk Services</u>	<u>Recommendation 5 - Fire Extinguisher Reconciliation</u>	The Director of Safety and Risk Services should ensure that invoices provided by the fire extinguisher contractor are reconciled to the master fire extinguisher inventory list. Any discrepancies should be addressed and resolved.	6/30/2016	Carla Domenici, Dir,Safety & Risk Services
3	<u>Safety and Risk Services</u>	<u>Recommendation 7 - Reporting Test Results</u>	SRS Director should ensure that the results of any monitoring tests for hazardous material levels performed are communicated according to OSHA 1910.1018(e)(5)(i). Documentation of report distribution should be kept with the report to facilitate a clear audit trail.	6/30/2016	Carla Domenici, Dir,Safety & Risk Services
3	<u>Safety and Risk Services</u>	<u>Recommendation 13 - Annual Crystalline Silica Tests</u>	The Director of Safety and Risk Services should work with chemical safety committees to identify areas of risk related to exposure and inhalation and determine what are the most appropriate annual monitoring tests to be conducted.	6/30/2016	Carla Domenici, Dir,Safety & Risk Services

**Follow Up Report - Implemented
Nov 2016 Open Session**

No	Project Name	Recommendation Title	Executive Recommendation	Estimated Implementation Date	Responsible Party
3	<u>Safety and Risk Services</u>	<u>Recommendation 16 - SRS Training - ERM Training</u>	The Director of Safety and Risk Services should provide EOD with an annual list of (1) CSOs to ensure that CSO and ERM training becomes part of their required annual Learning Central training courses, and (2) PIs and PCard holders who make chemical purchases to ensure that ERM becomes part of their required annual Learning Central training courses.	3/31/2016	Carla Domenici, Dir, Safety & Risk Services
4	<u>Men's Basketball P-Card Use</u>	<u>Recommendation 2 - P-Card Reconciliations</u>	The Athletics Chief Financial Officer should ensure missing P-Card Reconciliations are completed and submitted to the P-Card Office.	9/30/2016	Yvonne Otts, Financial Analyst
4	<u>Men's Basketball P-Card Use</u>	<u>Recommendation 8 - P-Card Reviews</u>	The Athletics Chief Financial Officer should ensure that P-Card Reconciliations and reviews are performed by person(s) familiar with detailed understanding of monthly Men's Basketball activities and events.	9/30/2016	Yvonne Otts, Financial Analyst
4	<u>Men's Basketball P-Card Use</u>	<u>Recommendation 8 - P-Card Reviews</u>	The Men's Basketball Head Coach should ensure that P-Card Reconciliations and reviews are performed by person(s) familiar with detailed understanding of monthly Men's Basketball activities and events. He should, at a minimum, complete a "high level" review of monthly P-Card activity before signing off on the P-Card Reconciliation.	9/30/2016	Craig Neal, Athletic Coach 4
5	<u>Clery Act</u>	<u>Recommendation 16 - Fire Drills</u>	The EVP for Finance and Administration should instruct the Director of SRS to work with UNM Residence Life and Student Housing, Casas del Rio, and Lobo Village to ensure students are educated on safe and proper evacuation procedures. The Director of SRS should monitor all housing facilities to ensure facility managers are conducting required fire drills.	6/30/2016	Carla Domenici, Int Dir, Safety & Risk Services
5	<u>Clery Act</u>	<u>Recommendation 26 - IT Application Controls</u>	The EVP for Academic Affairs/Provost should require UNM Housing to develop its own written IT policies and procedures.	6/30/2016	Melissa Vargas, Strategic Planner
6	<u>Brain Safe Project</u>	<u>Recommendation 1 - Project Funding and Purchasing and A/P Policies and Procedures</u>	The UNM President should work with the Executive Vice President for Administration, Provost/Executive Vice President for Academic Affairs, and HSC Chancellor to identify funding for UNM's cost related to the Brain Safe project. A budget should then be established and an official approved purchase order should be issued for this Brain Safe Agreement.	12/31/2015	Robert George Frank, President
6	<u>Brain Safe Project</u>	<u>Recommendation 2 - Professional Service Agreements</u>	Agreements should clearly state deliverables and billings to be received by UNM. Agreements should also clearly state the terms of the compensation if based on time-periods, price per unit, and/or both.	12/31/2015	Robert George Frank, President

**Follow Up Report - Implemented
Nov 2016 Open Session**

No	Project Name	Recommendation Title	Executive Recommendation	Estimated Implementation Date	Responsible Party
6	<u>Brain Safe Project</u>	<u>Recommendation 3 - Written Termination Notice of Research Agreement</u>	The UNM President should submit a written termination notice to MRN for the research agreement dated October 29, 2013.	12/31/2015	Robert George Frank, President
6	<u>Brain Safe Project</u>	<u>Recommendation 5 - Project Review and Assessment</u>	Administration should review current policies, processes, and management controls to reduce the risk of non-compliance with federal regulation CFR 45 part 46: Human Subjects Research Governing the Protection of Human Subjects in Research and UNM Faculty Handbook E90: Human Beings as Subjects in Research.	12/31/2015	Robert George Frank, President
7	<u>UNM SIM/Center for Life Cash Handling</u>	<u>Recommendation 1 - Cash Deposit</u>	SIM should: 1. Deposit the remaining fund via money list at the UNM Cashier Department. 2. Deposit all future cash received at University Cashier Department, as required. 3. Consider establishing a formal Petty Cash Fund with approval of HSC Financial Services.	6/1/2016	Arti Prasad, Clinician Ed - Professor
7	<u>UNM SIM/Center for Life Cash Handling</u>	<u>Recommendation 2 - Timely Deposit</u>	Section of Integrative Medicine should deposit all monies received in a timely manner as required by UAPP 7200, Cash Management.	6/1/2016	Arti Prasad, Clinician Ed - Professor
7	<u>UNM SIM/Center for Life Cash Handling</u>	<u>Recommendation 3 - Purchases and Department Review</u>	If a formal petty cash fund is established, SIM should develop procedures to ensure that (1) no petty cash is used to pay for services; (2) no petty cash is used to pay items greater than \$100 per day/per vendor; (3) UNM does not pay for personal gifts to UNM employees; and (4) UNM does not pay for gross receipts tax on purchases of tangible property from nongovernmental entities.	10/31/2016	Arti Prasad, Clinician Ed - Professor
7	<u>UNM SIM/Center for Life Cash Handling</u>	<u>Recommendation 4 - Purchases and Department Review</u>	SIM should work with UNM Purchasing to determine if it is feasible to utilize qualified UNM employees as workshop instructors to provide services that are outside of their job duties; and if so, how to process payments for their services.	10/31/2016	Arti Prasad, Clinician Ed - Professor, Michael Schwantes
7	<u>UNM SIM/Center for Life Cash Handling</u>	<u>Recommendation 5 - Form 1099 Reporting</u>	SIM should report the payments for service of \$443 in calendar year 2015 to the UNM Purchasing office for form 1099 reporting.	10/31/2016	Arti Prasad, Clinician Ed - Professor
7	<u>UNM SIM/Center for Life Cash Handling</u>	<u>Recommendation 6 - Management Review and Approval</u>	CFL should reevaluate the Communications Specialist's job duties involving monies, taking the segregation of duties into account. If staff is limited, CFL should develop effective compensating controls to mitigate the risk of errors or irregularities. An example includes an independent and detailed review of supporting documentation to ensure receipt/payment transactions are allowable, accurately coded, properly reconciled, etc.	10/31/2016	Arti Prasad, Clinician Ed - Professor

**Follow Up Report - Implemented
Nov 2016 Open Session**

No	Project Name	Recommendation Title	Executive Recommendation	Estimated Implementation Date	Responsible Party
7	<u>UNM SIM/Center for Life Cash Handling</u>	<u>Recommendation 7 - Training</u>	The individual responsible for cash handling should take a refresher training. Their direct supervisor should take Cash Management training as required by UAPP 7200: Cash Management.	6/30/2016	Arti Prasad, Clinician Ed - Professor
7	<u>UNM SIM/Center for Life Cash Handling</u>	<u>Recommendation 8 - Account Coding</u>	HSC should develop standard operating procedures (SOP) or enforce existing procedures to help facilitate initiation, review, and approval of accurate sale transactions in the UNM Banner system. The procedures should strengthen internal controls to ensure inconsistent account coding is detected and corrected in the normal course of business.	10/31/2016	Michael Schwantes, Dir, Fin Syst & Rstr Acctg

**Follow Up Report Summary - Pending
Nov 2016 Open Session**

Row Labels	Project Name	Count of Recommendation Title
1	P-Card	1
2	Review of College of Arts and Sciences Operations	1
3	Safeguards for Protecting Private Data– Service Providers and Contractc	2
4	Review of College of Education Operations	1
5	Cancer Center Portable Devices	1
6	UNM Taos	2
7	Harwood Museum	2
8	Payroll Follow-Up Audit	11
9	Safety and Risk Services	5
10	CTSC Food and Nutrition P-Card Use	1
11	Men's Basketball P-Card Use	4
12	Brain Safe Project	1
Grand Total		32

**Follow Up Report - Pending
Nov 2016 Open Session**

No	Project Name	Recommendation Title	Executive Recommendation	Estimated Implementation Date	Responsible Party
1	<u>P-Card</u>	<u>Recommendation 2 - Implementation of new system to record and track hazardous chemicals and radioactive materials</u>	The Purchasing department and SRS should implement a system which effectively records the purchase of hazardous materials and radioactive materials, and provides all relevant information to SRS for tracking.	12/31/2016	Carla Domenici, Dir, Safety & Risk Services
2	<u>Review of College of Arts and Sciences Operations</u>	<u>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.	6/30/2017	Greg Heileman, Associate Provost; Chaouki Tanios Abdallah
3	<u>Safeguards for Protecting Private Data- Service Providers and Contractors</u>	<u>Recommendation 1 - UNM Information Security Program</u>	The CIO needs to implement the UNM Information Security Program University-wide.	12/31/2016	Duane Ej Arruti, INT Chief Information Officer
3	<u>Safeguards for Protecting Private Data- Service Providers and Contractors</u>	<u>Recommendation 2 - University Information Security Function</u>	The President should give the CIO the explicit authority and responsibility to manage information security University-wide, including the decentralized computing services. The President should also ensure that the CIO has the budget to develop, implement, and enforce security policies.	7/31/2017	Duane Ej Arruti, INT Chief Information Officer
4	<u>Review of College of Education Operations</u>	<u>Recommendation 3 - Time to acquire a degree at UNM COE</u>	The Dean of the College of Education should work with Office of the Provost to ensure any redesign of the College addresses the Provost's recommendation for reducing minimum credit hours for degree programs.	12/31/2017	Salvador Hector Ochoa, Dean
5	<u>Cancer Center Portable Devices</u>	<u>Recommendation 5 - Archived PHI</u>	The Chief Financial Officer of the CC should explore the feasibility of using the PACS system for archiving information.	1/31/2017	RODNEY MARTINEZ, Chief Financial Officer
6	<u>UNM Taos</u>	<u>Recommendation 8 - Develop General IT Security Policies and Procedures</u>	UNM-Taos IT Department should document IT security policies and procedures, which enforce procedures for regular back-up and off-site storage of IT systems, developing a disaster recovery plan, and encrypting computers issued to employees.	12/31/2016	Mario Suazo, Dir, Business Opns/Sm Branch
6	<u>UNM Taos</u>	<u>Recommendation 9 - All UNM Taos Employees Should Take Required Training</u>	All UNM Taos faculty, staff, and student employees should take the required annual training courses.	1/31/2017	Br Campus; Debra Martinez, HR Administrator 2

**Follow Up Report - Pending
Nov 2016 Open Session**

No	Project Name	Recommendation Title	Executive Recommendation	Estimated Implementation Date	Responsible Party
7	<u>Harwood Museum</u>	<u>Recommendation 7 - Art Collection Record Keeping</u>	Harwood should (1) complete data entry of art collection items that are missing critical information, such as value and loaned items from other museums; (2) clean up duplicate data resulting from the database migration; (3) ensure the collection records are reviewed by the Director periodically; (4) report accurate value for fine art insurance coverage to UNM Safety and Risk Services based on data generated from the complete and accurate database.	5/1/2017	Richard Tobin, Dir, Harwood Museum
7	<u>Harwood Museum</u>	<u>Recommendation 8 - Art Collections Inventory</u>	Harwood should complete a formal physical inventory for its collection items, maintain current inventory records, and notify Inventory Control of its certified inventory results within a year.	5/1/2017	Richard Tobin, Dir, Harwood Museum
8	<u>Payroll Follow-Up Audit</u>	<u>Recommendation 1 - Payroll Adjustment Codes</u>	The University Controller's Office should revise the adjustment code forms and explanations of the causes of the adjustments to clarify the causes, conditions, and responsible parties creating the adjustments.	4/1/2017	Elizabeth Metzger, University Controller; Julian Sandoval, Chief Financial Svcs Officer
8	<u>Payroll Follow-Up Audit</u>	<u>Recommendation 2 - Payroll Adjustment Late Paperwork Training</u>	The University Controller's Office should develop mandatory training on business practices, required processes, and meeting deadlines aimed at reducing late filing of employment paperwork, EPAFs, payroll adjustments, and employee accounts receivable.	4/1/2017	Elizabeth Metzger, University Controller
8	<u>Payroll Follow-Up Audit</u>	<u>Recommendation 3 - Administrative Fee</u>	The University Controller's Office should consider charging an administrative fee to departments that submit late EPAFs or other employment documents, as well as for causing unnecessary payroll adjustments.	9/30/2017	Elizabeth Metzger, University Controller
8	<u>Payroll Follow-Up Audit</u>	<u>Recommendation 4 - Develop a Policy to Ease the Administrative Burden</u>	The University Controller's Office should work with the UNM Policy Office to develop (or amend) a policy to allow de minimus write-offs in order to ease the administrative burden of collection when the cost of collection exceeds the amount to be collected.	1/31/2017	Elizabeth Metzger, University Controller
8	<u>Payroll Follow-Up Audit</u>	<u>Recommendation 5 - Automated Tracking of Accounts Receivable</u>	The University Controller's Office should research tracking of overpayments in the Banner Accounts Receivable module as a means to ease the administrative burden of manually tracking employee receivables.	1/31/2017	Elizabeth Metzger, University Controller
8	<u>Payroll Follow-Up Audit</u>	<u>Recommendation 6 - Assess One Source Portal</u>	UNM HR should work with OFAS to assess the impact of new processes being implemented, especially Talent Management, on the hiring process instructions detailed in the One Source Information portal.	1/1/2017	Dorothy Terese Anderson, Vice President, Human Resources

**Follow Up Report - Pending
Nov 2016 Open Session**

No	Project Name	Recommendation Title	Executive Recommendation	Estimated Implementation Date	Responsible Party
8	<u>Payroll Follow-Up Audit</u>	<u>Recommendation 7 - OFAS Adjustment Email Notification</u>	OFAS should work with UNM IT to adopt an EPAF email notification system similar to the one developed by HR IT for UNM Staff.	6/30/2017	Theresa Ramos,Dir, Faculty Employment & Svcs; Carol Parker, Sr. Vice
8	<u>Payroll Follow-Up Audit</u>	<u>Recommendation 8 - OFAS to Continue Automation of Processes</u>	OFAS should expedite the transition to automated processing of contract renewal processes, and develop a time line to coincide with implementation of Talent Management. OFAS should work with UNM IT to further develop EPAF processes for employment transactions that are not currently using EPAFs.	6/30/2017	Theresa Ramos,Dir, Faculty Employment & Svcs; Carol Parker, Sr. Vice Provost
8	<u>Payroll Follow-Up Audit</u>	<u>Recommendation 9 - OFAS to Work with Payroll Department</u>	OFAS should work with the Payroll Department to integrate their new processes with payroll department processes, work out kinks, discuss issues, and solve potential problems with the rollout of the new system.	6/30/2017	Theresa Ramos,Dir, Faculty Employment & Svcs; Carol Parker, Sr. Vice Provost
8	<u>Payroll Follow-Up Audit</u>	<u>Recommendation 10 - HSC to Develop Additional EPAFs</u>	HSC should work with UNM IT and UNM HR to further develop EPAF processes for employment transactions that are not currently using EPAFs.	3/31/2017	Michael Schwantes,Dir, Fin Syst & Rstr Acctg
8	<u>Payroll Follow-Up Audit</u>	<u>Recommendation 1A - Required Training - 2015-01-A Stand Alone Report</u>	The University's President should direct the Human Resources Department, the Office of Faculty Affairs and Services, HSC Faculty Contracts, SOM Office of Academic Affairs, and Graduate Studies to work with the UNM Policy Office to revise Policy 3290, clarifying that all University employees and academic volunteers must take mandatory training courses.	1/31/2017	Robert George Frank,President; Kevin Stevenson, Strategic Planner
9	<u>Safety and Risk Services</u>	<u>Recommendation 6 - Safety Concerns Reported to SRS</u>	The Director of Safety and Risk Services should develop and document a process for investigating safety concerns reported to SRS. The process should include detailed use of TMA or similar software to ensure that a clear audit trail from the date of report to final disposition is noted. The process should specifically include the requirement to notify the person who expressed concern about the final outcome.	6/30/2017	Michael Tuttle,Mgr,Risk Mgmt, Ins & Claims; Carla Domenici, Dir,Safety & Risk Services
9	<u>Safety and Risk Services</u>	<u>Recommendation 8 - Construction Safety</u>	The Director of Safety and Risk Services should require that SRS participate in all construction projects as directed by the Construction Safety Manual. As a documentary audit trail, SRS should collect and keep documentation that they attended the pre-bid meetings, approved the CSSP, and sent the Notice-To-Proceed after approving the CSSP.	6/30/2017	Chemanji Shu-Nyamboli, Environ Hlth Manager; Carla Domenici, Dir,Safety & Risk Services

**Follow Up Report - Pending
Nov 2016 Open Session**

No	Project Name	Recommendation Title	Executive Recommendation	Estimated Implementation Date	Responsible Party
9	<u>Safety and Risk Services</u>	<u>Recommendation 9 - Peer Review</u>	SRS should participate in regular peer reviews, including one in the next 12 months, in order to gain insight and efficiency through interaction with similar and/or peer institutions.	6/30/2017	Carla Domenici, Dir, Safety & Risk Services
9	<u>Safety and Risk Services</u>	<u>Recommendation 17- SRS Training - CSO Training</u>	The University President should send a directive to CSOs, PIs, and PCard holders identified as persons who make chemical purchases to comply with their annual requirements to complete CSO and/or ERM training. They should be reminded of the importance to ensure lab safety and accurate chemical labeling and inventory.	12/31/2016	Dorothy Terese Anderson, Vice President, Human Resources; Chaouki Tanios Abdallah
9	<u>Safety and Risk Services</u>	<u>Recommendation 18 - Chemical Purchases and Perpetual Inventory</u>	The Executive Vice President for Finance and Administration, Executive Vice President for Academic Affairs/Provost, and the Chancellor for Health Sciences should work with the Director of Safety and Risk Services to determine the best course of action to ensure that all chemicals purchased are properly and accurately inventoried via the ERM system. Two considerations might be that all chemical purchases are only allowed to be made via CRLS or LoboMart, or that SRS be the central receiving point for all chemical purchases made outside of CRLS.	12/31/2016	David Harris, Executive Vice President; Paul Roth Chaouki Tanios Abdallah
10	<u>CTSC Food and Nutrition P-Card Use</u>	<u>Recommendation 3 - P-Card Office Review and P-Card Reviewer and Approver Training</u>	The P-Card Manager should: Strengthen the P-Card reconciliation review process to ensure documentation submitted for purchases is complete and accurate. Provide a P-Card training for Department P-Card reviewers and approvers to ensure P-Card activity is adequately reviewed.	12/31/2016	Peggy Sedillo, Mgr, Purchasing
11	<u>Men's Basketball P-Card Use</u>	<u>Recommendation 3 - Payment for Scouting Services</u>	The Athletics Chief Financial Officer should determine which scouting service providers have not been paid for services, verify services have been performed, and make payment arrangements.	12/31/2016	Yvonne Otts, Financial Analyst
11	<u>Men's Basketball P-Card Use</u>	<u>Recommendation 6 - Receipts, Invoices, and Other Supporting Documentation</u>	The Athletics Chief Financial Officer should develop P-Card policies and procedures requiring documentation that lists participants that were provided meals during Men's Basketball events. The Athletics Chief Financial Officer should ensure that adequate supporting documentation is obtained for all P-Card purchases. Itemized receipts should be submitted for all purchases.	12/31/2016	Yvonne Otts, Financial Analyst

**Follow Up Report - Pending
Nov 2016 Open Session**

No	Project Name	Recommendation Title	Executive Recommendation	Estimated Implementation Date	Responsible Party
11	<u>Men's Basketball P-Card Use</u>	<u>Recommendation 6 - Receipts, Invoices, and Other Supporting Documentation</u>	<p>The P-Card Manager should develop P-Card policies and procedures requiring documentation that lists participants that were provided meals during Men's Basketball events.</p> <p>The P-Card Manager should also ensure that adequate supporting documentation is obtained for all P-Card purchases. Itemized receipts should be submitted for all purchases.</p>	12/31/2016	Peggy Sedillo, Mgr, Purchasing
11	<u>Men's Basketball P-Card Use</u>	<u>Recommendation 11 - P-Card Trainings for Supervisors and Reviewers</u>	Provide P-Card training for Department P-Card reviewers and approvers to ensure P-Card activity is adequately reviewed to detect P-Card misuse.	12/31/2016	Peggy Sedillo, Mgr, Purchasing
12	<u>Brain Safe Project</u>	<u>Recommendation 4 - Non-Compliance with IRB Process</u>	MRN should be required to securely transfer all data collected and results generated from the Brain Safe project to the University. MRN should provide certification and assurance that all data collected and results generated from the project have been securely deleted and are unrecoverable.	12/31/2015	Robert George Frank, President, Paul Roth

**Internal Audit Director’s Status Report
Audit and Compliance Committee Special Meeting
November 11, 2016**

INFORMATION ITEMS

Audit Plan Status. The project status and hours report for the plan is at Tab # 8C. The status of the proposed plan as of October 31, 2016 is:

Completed	3
Fieldwork	4
Report Writing	2
Subtotal	9
Assigned	3
Unassigned/Deferred	7
Total	19

The Fiscal Year 2017 (FY17) audit plan includes nine audits carried over from FY16. The Department will adjust the FY17 audit plan based on input from the Audit and Compliance Committee and the Executive leadership.

Department Financial Report. At Tab 7 is the Internal Audit Department’s budget status report for your review. The FY17 adjusted budget is \$856,100, of which \$806,100 is from the general pooled account, and \$50,000 from the departmental reserve. As of October 31, 2016, the department’s actual expenditures are \$251,251 and encumbrances are \$470,809. The department will have projected reserves of \$30,000 as of June 30, 2017.

External Audits and Reviews. At Tab 7 is the summary information regarding the external audits and reviews (third party audits) of various grants, contracts, and programs by various federal and state grantors as of September 30, 2016. There is only one review underway by the National Science Foundation (amount undetermined). Witham Smith and Brown (WSB) are conducting this review on behalf of NSF. Since July 31, 2016, three reviews completed without any findings and questioned costs. The Office of Inspector General, Department of Health and Human Services highly praised the University’s Contract and Grant Accounting for closeout audit completed without any issues and all costs charged to the grant were allowable in accordance with the terms of the contract and federal cost principles.

The Center for Medicaid and Medicare Services (CMS) has contracted with Connolly to conduct billing reviews. The University of New Mexico Hospital and Sandoval Regional Medical Center have received various requests from the Recovery Audit Contractor (RAC) to provide over 626 records related to patient billings, totaling \$15.8 million from June 1, 2015 to December 31, 2015. The RAC auditors had no findings for \$13 million (495 records); the University Health System has paid back approximately \$610 thousand (120 records) and approximately \$145 thousand (11 records) are at risk for takeback as of September 30, 2016.

Student Internship. The Internal Audit department currently has four student interns. One student intern is expected to graduate and will leave the department in December 2016; however, due to budgetary constraints this position will be left open.

Operating Ledger Summary
Through the Month of Oct 2016

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										
07ZZ - Reimbursement Holding	\$.00	\$.00	\$.00	\$.00	.00%	\$.00	.00%	\$.00	\$.00	.00%
1640 - Allocations Pooled Allocatio!	\$802,250.00	\$.00	\$802,250.00	\$.00	.00%	\$802,250.00	100.00%	\$.00	\$.00	.00%
1660 - Allocations Other Gen	\$.00	\$3,850.00	\$3,850.00	\$.00	.00%	\$3,850.00	100.00%	\$.00	\$.00	.00%
1900 - Reserves	\$.00	\$.00	\$.00	\$.00	.00%	\$74,012.35	.00%	\$.00	(\$74,012.35)	.00%
1901 - Budgeted Use of Reserves	\$50,000.00	\$.00	\$50,000.00	\$.00	.00%	\$.00	.00%	\$.00	\$50,000.00	100.00%
*TOTAL Revenue	\$852,250.00	\$3,850.00	\$856,100.00	\$.00	.00%	\$880,112.35	102.80%	\$.00	(\$24,012.35)	(2.80%)
Expense										
2020 - Administrative Professional !	\$643,931.00	\$.00	\$643,931.00	\$51,509.49	8.00%	\$209,176.81	32.48%	\$437,568.40	(\$2,814.21)	(.44%)
2060 - Support Staff Salary Detail !	\$38,932.00	\$.00	\$38,932.00	\$3,593.60	9.23%	\$14,212.42	36.51%	\$33,240.80	(\$8,521.22)	(21.89%)
20J0 - Student Salaries Gen	\$32,000.00	\$.00	\$32,000.00	\$2,788.00	8.71%	\$13,115.00	40.98%	\$.00	\$18,885.00	59.02%
20P0 - Temporary Salary Gen	\$30,550.00	\$.00	\$30,550.00	\$352.60	1.15%	\$1,099.88	3.60%	\$.00	\$29,450.12	96.40%
20SA - Salary Adjustments	\$42,800.00	\$3,850.00	\$46,650.00	\$.00	.00%	\$.00	.00%	\$.00	\$46,650.00	100.00%
3100 - Office Supplies General	\$1,500.00	\$.00	\$1,500.00	\$183.01	12.20%	\$328.70	21.91%	\$.00	\$1,171.30	78.09%
3110 - Books Periodicals Gen	\$250.00	\$.00	\$250.00	\$.00	.00%	\$.00	.00%	\$.00	\$250.00	100.00%
3140 - Computer Software Gen	\$200.00	\$.00	\$200.00	\$.00	.00%	\$.00	.00%	\$.00	\$200.00	100.00%
3150 - Computer Supplies <\$5,001	\$200.00	\$.00	\$200.00	\$.00	.00%	\$112.46	56.23%	\$.00	\$87.54	43.77%
3189 - Computers & Servers <\$5,0!	\$.00	\$.00	\$.00	\$.00	.00%	(\$1,135.46)	.00%	\$.00	\$1,135.46	.00%
31A0 - Business Food - Local	\$1,007.00	\$.00	\$1,007.00	\$.00	.00%	\$301.50	29.94%	\$.00	\$705.50	70.06%
31C0 - Dues Memberships Gen	\$4,500.00	\$.00	\$4,500.00	\$.00	.00%	\$765.00	17.00%	\$.00	\$3,735.00	83.00%
31J0 - Parking Permits Gen	\$500.00	\$.00	\$500.00	\$.00	.00%	\$400.00	80.00%	\$.00	\$100.00	20.00%
31K0 - Postage Gen	\$80.00	\$.00	\$80.00	\$.00	.00%	\$.00	.00%	\$.00	\$80.00	100.00%
31P0 - Training Materials Supplies !	\$.00	\$.00	\$.00	\$109.00	.00%	\$109.00	.00%	\$.00	(\$109.00)	.00%
3800 - In State Travel Gen	\$2,000.00	\$.00	\$2,000.00	\$.00	.00%	\$.00	.00%	\$.00	\$2,000.00	100.00%
3805 - Instate Travel-Per Diem Sta!	\$500.00	\$.00	\$500.00	\$.00	.00%	\$.00	.00%	\$.00	\$500.00	100.00%
3810 - Instate Travel-Per Diem No!	\$200.00	\$.00	\$200.00	\$.00	.00%	\$.00	.00%	\$.00	\$200.00	100.00%
3820 - Out Of State Travel Gen	\$2,500.00	\$.00	\$2,500.00	(\$16.16)	(.65%)	\$1,418.24	56.73%	\$.00	\$1,081.76	43.27%
3825 - Out State Travel-Per Diem !	\$500.00	\$.00	\$500.00	\$.00	.00%	\$189.00	37.80%	\$.00	\$311.00	62.20%
3830 - Out State Trvl-Per Diem No!	\$200.00	\$.00	\$200.00	\$.00	.00%	\$79.80	39.90%	\$.00	\$120.20	60.10%
6000 - Telecom Charges Gen	\$4,000.00	\$.00	\$4,000.00	\$292.50	7.31%	\$1,170.00	29.25%	\$.00	\$2,830.00	70.75%
6020 - Long Distance Gen	\$100.00	\$.00	\$100.00	\$.55	.55%	\$23.63	23.63%	\$.00	\$76.37	76.37%
6060 - Voice Mail Box Gen	\$700.00	\$.00	\$700.00	\$45.00	6.43%	\$180.00	25.71%	\$.00	\$520.00	74.29%
6300 - Alarm System Gen	\$300.00	\$.00	\$300.00	\$11.25	3.75%	\$45.00	15.00%	\$.00	\$255.00	85.00%

Operating Ledger Summary
Through the Month of Oct 2016

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
6315 - Electronic Databases	\$0.00	\$0.00	\$0.00	\$120.00	.00%	\$360.00	.00%	\$0.00	(\$360.00)	.00%
63A0 - Conference Fees Gen	\$4,000.00	\$0.00	\$4,000.00	(\$890.00)	(22.25%)	\$990.00	24.75%	\$0.00	\$3,010.00	75.25%
63A2 - Seminars/Training Fees	\$4,000.00	\$0.00	\$4,000.00	\$695.00	17.38%	\$1,360.00	34.00%	\$0.00	\$2,640.00	66.00%
63C0 - Copying Gen	\$100.00	\$0.00	\$100.00	\$6.00	6.00%	\$6.00	6.00%	\$0.00	\$94.00	94.00%
69Z0 - Other Professional Services!	\$20,000.00	\$0.00	\$20,000.00	\$716.59	3.58%	\$3,965.26	19.83%	\$0.00	\$16,034.74	80.17%
70E0 - Computer Hardware Mainte!	\$0.00	\$0.00	\$0.00	\$687.50	.00%	\$687.50	.00%	\$0.00	(\$687.50)	.00%
70E1 - Computer Software Mainte!	\$8,500.00	\$0.00	\$8,500.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$8,500.00	100.00%
70F0 - Equipment Rent Expense G!	\$3,000.00	\$0.00	\$3,000.00	\$278.52	9.28%	\$918.87	30.63%	\$0.00	\$2,081.13	69.37%
80K0 - Banner Tax	\$700.00	\$0.00	\$700.00	\$22.39	3.20%	\$122.75	17.54%	\$0.00	\$577.25	82.46%
80K2 - Foundation Surcharge	\$4,500.00	\$0.00	\$4,500.00	\$302.41	6.72%	\$1,249.38	27.76%	\$0.00	\$3,250.62	72.24%
*TOTAL Expense	\$852,250.00	\$3,850.00	\$856,100.00	\$60,807.25	7.10%	\$251,250.74	29.35%	\$470,809.20	\$134,040.06	15.66%
Total Revenue:	\$852,250.00	\$3,850.00	\$856,100.00	\$0.00	.00%	\$880,112.35	102.80%	\$0.00	(\$24,012.35)	(2.80%)
Total Expense:	\$852,250.00	\$3,850.00	\$856,100.00	\$60,807.25	7.10%	\$251,250.74	29.35%	\$470,809.20	\$134,040.06	15.66%
Net:	\$0.00	\$0.00	\$0.00	(\$60,807.25)	.00%	\$628,861.61	.00%	(\$470,809.20)	\$158,052.41	.00%

Parameters:

Index: 676000 - 113280-AUDIT DEPARTME-General Activ

Groupings:

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

**External Audits and Reviews
September 30, 2016**

Granting Agency/Entity	National Science Foundation (NSF)	CMS (Patient Billings) - RAC Requests as of December 31, 2015
Contract/Grant/Program title	Various	Medicare
Contract/Grant Period	Various	Various
Contract/Grant Total Amount	TBD	N/A
Contract/Grant Amount - Current FY	TBD	N/A
Principal Investigator	Various	N/A
Department	Various	Hospital RAC Audits
Agency Audit/Review Notification Date	TBD	Various
Audit/Review Entrance/Visit Date(s)	TBD	Remote
Audit/Exit/Final Report Issued	TBD	Continuous
Question Cost, if any	TBD	N/A
Audit/Review Major Finding, if any	TBD	See Comments
Corrective Action Plan, if any	TBD	In Process
Planned Implementation Date	TBD	N/A
Campus	Main/HSC	Hospital RAC Audits
Auditor if Different than Grantor	WithumSmith+Brown (WSB)	Connolly
Comments	NSF, OIG Audit	<p>\$15.8 million total RAC audits (626 records requested), of which \$13 million (495 records) had no audit findings. UNM Health System paid back a net of \$610K (120 records that were coded at higher and lower levels) and \$145K (11 records are pending review) may be at risk of pay back as of August 31, 2016.</p>

EXECUTIVE SESSION