BOARD of REGENTS

AUDIT AND COMPLIANCE COMMITTEE VIRTUAL MEETING

Thursday, October 14, 2021 9:00 am

The University of New Mexico
Board of Regents' Audit and Compliance Committee
October 14, 2021 – 9:00 AM
Virtual Meeting
Agenda

ACTION ITEMS

1. Confirmation of a Quorum and Adoption of Agenda

2. Approval of Meeting Minutes from August 5, 2021

3. Audit and Compliance Committee proposed meeting dates for Fiscal Year 2022

> February 10, 2022
> May 5, 2022 (Entrance Conference for FY22 Financial Statements Audit)

INFORMATION ITEMS

4. Advisors' Comments

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

6. Main Campus Chief Compliance Officer Status Report *(Francie Cordova, Chief Compliance Officer, Matthew Suazo, Compliance Coordinator, Angela Catena, Title IX Coordinator)*

7. Health Sciences Center Chief Compliance Officer Status Report *(Arthur Culpepper, HSC Chief Compliance Officer)*

8. Status of Audit Recommendations (Chien-Chih Yeh, *Internal Audit Manager)*
   Implemented
   Pending

EXECUTIVE SESSION

9. 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. Schedule of Audits in Process and Proposed FY22 Audit Work plan, pursuant to RPM 1.2
   c. Vote to re-open the meeting.

10. Certification that only those matters described in Agenda item #9 were discussed in Executive Session and if necessary ratification of action, if any, taken in Executive Session.

11. Adjournment

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Virtual Meeting
August 5, 2021 – Draft Meeting Minutes

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

Other Attendees: Garnett Stokes, Liz Metzger, Terry Babbitt, Francie Cordova, Teresa Costantinidis, Bruce Cherrin, Lisa Marbury, Amy Coburn, Michelle Bailey, Duane Arruti, Dean Bernardone, Jeff Gassaway, Ava Lovell, Loretta Martinez, Arthur Culpepper, Angela Vigil, Bonnie White, Kate Becker, Paula Williams, James Holloway, Ari Vazquez, Brian Pietrewicz, Lawrence Alderete, Ajay Gupta (CLA), Dave Strzyzewski (CLA), Randy Romes (CLA), Matt Suazo, Patricia Young, 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 through 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 8:16 AM. He confirmed attendance of all three members of the committee; therefore, there is a quorum. Regent Payne was asked to take over Chair duties at 9:30 as Regent Brown had to leave due to a conflict.

ACTION ITEMS:

- The Committee approved the meeting agenda.

- The Committee approved the minutes from May 6, 2021.

- The Committee approved the next meeting date of October 14, 2021.

INFORMATION ITEMS:

- Advisors' comments: None.

- Victor Griego, Internal Audit Director presented his Director's Report. He stated he is honored and excited to be chosen as the Internal Audit Director after serving as Interim.

  Staff is adjusting to in-office operations. Most staff members are working a hybrid schedule. The department needs to fill two staff auditor positions in the next few months. The first being Mr. Griego's former position, and the second is to fill a vacancy for an upcoming retirement on September 1, 2021.

  Mr. Griego presented the status of the audit work plan. Fifteen (15) audits were on the FY21 audit work plan. Nine (9) are completed or in field work. One (1) will be presented in closed session at today's meeting. Another audit is complete, but is pending final approval from the President. The department plans on presenting that one in October. There is an IT audit in the planning phase. An audit of the UNM Children's Campus is underway. UNM Internal Audit does an annual risk assessment as well as a University-wide 3-year risk assessment. An updated audit plan for FY22 will be presented at the next meeting.

  IA received a total of 36 complaints in FY21. Of those, 25 are completed and closed, and ten (10) are in planning or fieldwork. Only one (1) is currently unassigned. Complaints assigned to the Internal Audit Department are those that are financial-related. They can include fraud, theft, misuse of funds, time abuse and time reporting issues. Chair Brown asked Mr. Griego if that number is down. Mr. Griego responded that is comparable with last year. Even with COVID and a remote work environment, complaints are still coming in. What has really gone down is the number of unassigned complaints. The department has been more efficient in getting complaints resolved.

  For the FY21 adjusted budget, the Department had a budget of $1,062,979, and final expenses of $963,838. This left the department with a reserve of approximately $97,000 from FY21. The reserve is

primarily due to a vacant position. Some also came from reduced travel and training costs during COVID. The department has an approved budget for FY22 of $1,126,757. Of that, $977.757 is I&G funding, and a use of reserves amount of $149,000. The majority of department expenses are labor costs – about one million, or 92% of the budget.

The external financial statement audit is currently in year two of a three-year contract with Moss Adams and KPMG. The exit conference for the FY21 audit will be at the October meeting.

Mr. Griego just completed the final in-house audit on the health systems side. This procurement audit will be presented in closed session. Clifton. Larson + Allen will now take over that audit function. They will present their audit plan in this meeting's closed session.

There are currently seven (7) external reviews in process. One for the National Science Foundation has been completed, and UNM received a preliminary draft. There are some potential findings which will be discussed in closed session. All other reviews are on the Health Sciences side. The Health Resources and Services Administration has two audits in the planning phase covering a period of 4/1/2015 through 3/31/2021 and 7/1/2019 through 6/30/2021. Los Alamos National Labs is conducting a review of a contract covering a period of 3/20/2014 through 9/30/2017 within the School of Medicine's Internal Medicine Department. UNM has provided all requested information for these reviews and is awaiting further information from the funding agency. Leidos Philanthropy is currently conducting a review of all Leidos awards within the Cancer Center, covering a period of 4/15/2016 through 8/31/2021. UNM has provided requested ledgers for sample selection, and is still awaiting a request for transactions to review.

- Francie Cordova, Chief Compliance Officer, addressed the Committee to provide the Main Campus Compliance Office's status report. She provided an update on the Ethics Task Force. President Stokes convened the task force in September, 2019. Members include faculty, staff, students, and some community members that looked at campus initiatives in the areas of ethics and integrity. A report was issued and draft policies created. Because it was so successful, they have now convened some subcommittees. Conflict of interest is a hot topic. There will be a committee on foreign gifts and contracts and research. There will also be a reporting tool for people to report. They will be looking at data privacy from an overarching perspective. They will be looking at human trafficking, limited English proficiency, and diversity commitment/preferred qualifications for staff and faculty. The goal is to finish by December and have some policies and training tools for review by the President and Regents.

The end-of-year Ethics Point hotline activity report is based on academic year. There was a drop last year due to COVID, but it is not as significant as people may have thought. There were 815 as opposed to 1155 the year before. The Compliance area is doing better with speed of resolving complaints – a drop from an average of 72 days to 49 days, but there were less cases. The top ten issues are primarily civil rights issues - that is the same nationally, for all universities, and across virtually all types of companies. These are issues such as sexual harassment, sexual violence, disabilities, etc. If you remove the civil rights case data, the largest amount of issues fall under Human Resources. Anonymous reporting was up last year, at about 20% overall, including OEO cases. It does make it a bit harder to investigate those. Most OEO cases, due to the nature of the investigations, are not anonymous. When the OEO cases are removed from the data, anonymous cases are over 50%. Most civil rights cases come in via email currently due to the remote environment. Otherwise they primarily come in as walk-ins. As far as population of people being accused of violating policy, this academic year it was staff. The previous year, it was faculty. It used to be students, but that has decreased. Ms. Cordova presented the gender complaint by type to the Committee.

Ms. Cordova introduced Matt Suazo, Compliance Coordinator to talk about Clery Act. Mr. Suazo took over for Rob Burford who recently retired. The requirements of the Clery Act are to collect, count, and classify crime reports, issue campus alerts and timely warnings, publish an annual safety and security report, and submit crime statistics to the education department. For universities like UNM that have housing, the reporting must include fire safety statistics as well as a missing student notification process coordinated through UNMPD. Campuses with police/security need to keep a daily crime log. Failure to comply with Clery is not only irresponsible and illegal, it is a disservice to the community in general. Consequences include significant fines to the University. For the Regents, the Compliance office compiled UNM's statistics in comparison to New Mexico State and peer institutions with the most Clery crimes. UNM no longer leads the nation in vehicle thefts. Due to work by President Stokes and UNMPD, though still high, vehicle thefts are down at UNM compared to recent past years. One thing to note is that the category of vehicle thefts does also include attempted vehicle theft, even if not fully successful attempts. Clery data is compiled by calendar year, not academic year like the Ethics Point data. Finally, Mr. Suazo wanted to relay that Safety Week will be the week of September 21st.

Chair Brown thanked Mr. Suazo for a clear and complete report. He stated that vehicle thefts are still high, and there is clearly an organized crime component. He hopes crimes for chop shops could be elevated to felonies.

Detective Tish Young, UNMPD addressed the Committee regarding safety initiatives. More than 160 cameras have been installed in campus parking lots. They hired a new Security Operations Director, Jeff McDonald. They are doing research into new technologies such as drones, license plate readers, shot spotters, etc. They want to see if any of these technologies might work at UNM. UNMPD staffing levels have increased. This allows them to do more proactive initiatives. They are doing more campus, community, and student initiatives, talking with parents, and partnering with Equity and Inclusion. They are promoting safety features such as the Lobo Guardian app, emergency blue phones, police escorts, and reporting. This spring was the first time they were invited to go into classrooms. They spoke about conflict resolution and mediation. They will continue to work with students, faculty, staff and the community and build rapport. UNMPD will be involved in Safety Week. They are training with staff in the residence halls to see how they can better work together. They are increasing officer training to better reflect changes happening in society. There are layers of safety on campus, including the Campus Safety Council. The Council makes recommendations on how the campus might make environmental changes like cameras or lighting. In June, they kicked off the Nob Hill Public Safety Echo. This is a community policing effort.

- Arthur Culpepper, HSC Chief Compliance Officer, addressed the Committee with an update on HSC compliance. He wanted to update the Committee regarding the change in leadership for the HSC Executive Compliance Committee. Dr. Richard Larson completed his term and Ava Lovell will take over as Chair of the Committee. They will send out electronic election information to select a new vice chair. The charter was updated. They will provide another update on the officers for that committee at the next meeting.

There has been a lot of focus regarding foreign research. They are beginning to look at the H1B visa process to ensure compliance in hiring, employee extension, and visa termination process. Last year there was an inquiry from the federal government regarding foreign dollars. This is a part of the areas HSC Compliance looked at with regard to foreign research and engagement.

HSC is also looking into conflict of interest per the President's Task Force initiative. There are three (3) different parts of the HSC: academic, clinical, and research aspects. They are looking at the current state of policies, procedures, consultation reports, historical audits, and other individual reporting. Policy 3720 looks at the employee code of conduct and conflicts of interest and goes into detail. They will be reviewing those policies as well as the faculty handbook E110 to assure the processes are

working appropriately. If there are going to be any gaps that are identified or discovered in this process, the work group will work together to identify recommendations on how to shore that process up. There are individuals in the work group that are also working on the President's Task Force. This will ensure there is alignment with the policies overall. Connected to that is information from NIH. There has been increased focus on making sure there is disclosure of financial interest from both foreign and domestic providers of research support. They are making sure faculty and researchers are well informed in reference to submitting grants.

- Chien-Chih Yeh, Internal Audit Manager presented the audit recommendation follow-up report for this reporting cycle. There is a five page report this time. There is a total of five implemented recommendations. The first one refers to reserve balances. Deficit has been reduced and the recommendation is closed. The other four (4) that are implemented pertain to the Bookstore. That is the most recent audit approved by this Committee at the last meeting. One is for cash receipts and deposits. Another is for segregation of duties. The third is for timely posting of credit memos. And finally, the fourth is for recommended training. All employees tested completed required training as suggested.

  For pending recommendations, there is one for the reserves audit that management indicated needs a deficit reduction plan to fully complete this item. Internal Audit will keep the recommendation open until the department can determine that progress. There is a recommendation for Los Alamos IT. Internal Audit is awaiting some information and hopes to have further updates next time. The Lobo Club item is dependent on basketball season to start before testing can be done. Three more items are from the most recent Bookstore audit. The first two are IT-related. Parts of these are implemented, but Internal Audit is still awaiting a few items before they can be fully resolved.

  Regent Payne asked how all the many contracts within the University are managed. What kind of auditing is done to ensure there is not some kind of kickback mechanism or increased bidding added in contracts? Mr. Yeh responded there are several methods to collect the information and determine whether it should be put on a front burner and subject to further review. One way is the reassessment of the risk assessment mentioned earlier. Based on feedback from senior leadership and other management, if there is any indication in a certain area that warrants additional review, it can be added to the audit work plan and scoped for the issue. Another way is through the complaint system. If a complaint is received, it will be investigated. There can also be a special management request (could be from the Regents). Chair Brown added that President Stokes immediately asked about any contracts UNM might have with APS, following the recent incidents there. She wants to make sure we check for any vulnerability there. He has not yet heard the results of that inquiry. That is the sort of thing we do if we are alerted. There are so many thousands of contracts, it is difficult to monitor all on an active basis. Mr. Griego added that audit procedures are done for every departmental audit. They do look at key controls. If something is found to be high enough risk, Internal Audit can initiate a standalone procurement and contracting audit.

By unanimous consent, the meeting went into Executive Session at 9:14 AM per the agenda.

  a. Discussion of draft Internal Audit Reports, and discussions of information subject to attorney-client privilege pursuant RPM 1.2;
  b. Discussion of limited personnel matters pursuant to exception at Section 10-15-1.H(2) NMSA (1978);
  c. Schedule of Audits in Process and FY22 Audit Work plan, pursuant to RPM 1.2;
  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.

The Committee unanimously approved the CLA Audit Work Plan for UNM Hospitals.

The Committee unanimously approved the following UNM Internal Audit report:

- 2021-01 Audit of Capital Projects Within Planning, Design and Construction

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

- 2020-04 UNMH Purchasing

The meeting adjourned at 10:45 AM.

Approved:

_____
Audit and Compliance Committee Chairman

There is no handout required for this item

There is no handout required for this item

Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
October 14, 2021

INFORMATION ITEMS

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

> February 10, 2022
> May 5, 2022 (Entrance Conference for FY22 Financial Statements Audit)

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

Internal Audit has posted one Internal Auditor, Senior position that is currently vacant due to a retirement. In addition, Internal Audit is posting a job advertisement for one student intern to provide support for professional staff projects.

Audit Plan Status. The project status and hours report for the audit plan is at Tab #5. The status of the proposed audit plan for the period of July 1, 2021 through August 31, 2021 is:

Completed	1
Committee Presentation	2
Planning/Fieldwork	3
Subtotal	**6**
Assigned	2
Unassigned	5
Total	**13**

The Audit of Facilities and Maintenance Division has been completed and will be presented in this meeting's closed session, along with President's Travel and Entertainment Expenses for FY21. Audits in the planning phase include Information Security, UNM Children's Campus, and Research of Public Service Projects.

Internal Audit conducted annual risk assessment procedures to update and propose its FY 2022 and FY 2023 audit plan, which will be also presented in closed session.

Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
October 14, 2021

Complaint Status. The status of complaints assigned to Internal Audit for FY2022, as of September 30, 2021, is:

Completed/Closed	1
Planning/Fieldwork	13
Unassigned	1
Total	**15**

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 #5 is the Internal Audit Department's operating ledger report for your review. The FY22 adjusted budget is $1,126,757 of which $977,757 is from the general pooled and $149,000 is from the departmental reserve. Actual expenses for FY 22 through September 30, 2021 are $231,512.

Budgeted expenses primarily consist of labor (92%). Included in the FY22 budget is also a budgeted cost of $30,000 for a full migration of the TeamMate Internal Audit software from TeamMate AM to TeamMate Plus and $7,000 for training and professional development.

Financial Statements External Audit. The FY21 external audit has been substantially completed, and is in the second year of a three-year contract with Moss Adams and KPMG. A special meeting for the FY21 exit conference will be held on October 29th to present the financial statement audit. The audit report is expected to be finalized and submitted to the State Auditor by the November 1st deadline.

Annual Risk Assessment Update.
In FY 2020, Internal Audit, in collaboration with Main Campus and HSC Compliance offices, completed a comprehensive University-Wide risk assessment of select University colleges, schools, centers, branches, departments, and programs that were included in the proposed three-year Internal Audit plan for Fiscal Years 2021-2023.

Internal Audit performed annual risk assessment procedures to identify new and/or emerging risks, and updated its proposed audit plan for fiscal years 2022 – 2023. The proposed audit plan will be presented for approval in closed session.

External Audits and Reviews. There has been no change in status since last reporting cycle. There are currently seven (7) reviews underway. One audit has been completed and six (6) are currently in process. In addition, UNM has not received any updates regarding a potential finding surrounding the National Science Foundation grants reported during the August 5th meeting.

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

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
Revenue										
1640 - Allocations Pooled Allo!	$977,757.00	$.00	$977,757.00	$.00	.00%	$977,757.00	100.00%	$.00	$.00	.00%
1900 - Reserves	$.00	$.00	$.00	$.00	.00%	$203,387.82	.00%	$.00	($203,387.82)	.00%
1901 - Budgeted Use of Rese!	$149,000.00	$.00	$149,000.00	$.00	.00%	$.00	.00%	$.00	$149,000.00	100.00%
*TOTAL Revenue										
	$1,126,757.00	**$.00**	**$1,126,757.00**	**$.00**	**.00%**	**$1,181,144.82**	**104.83%**	**$.00**	**($54,387.82)**	**(4.83%)**
Expense										
2020 - Administrative Professi!	$724,293.00	$.00	$724,293.00	$47,387.24	6.54%	$154,932.58	21.39%	$501,768.96	$67,591.46	9.33%
2060 - Support Staff Salary D!	$49,328.00	$.00	$49,328.00	$3,794.50	7.69%	$9,842.93	19.95%	$37,755.28	$1,729.79	3.51%
20J0 - Student Salaries Gen	$12,500.00	$.00	$12,500.00	$.00	.00%	$.00	.00%	$.00	$12,500.00	100.00%
2110 - Fica Gen	$50,063.00	$.00	$50,063.00	$3,686.02	7.36%	$11,899.76	23.77%	$.00	$38,163.24	76.23%
2140 - Retirement Gen	$92,744.00	$.00	$92,744.00	$7,242.25	7.81%	$23,315.77	25.14%	$.00	$69,428.23	74.86%
2160 - Group Insurance Gen	$82,444.00	$.00	$82,444.00	$4,542.32	5.51%	$14,110.50	17.12%	$.00	$68,333.50	82.88%
2180 - Unemployment Comp!	$459.00	$.00	$459.00	$46.07	10.04%	$148.31	32.31%	$.00	$310.69	67.69%
21A0 - Workers Compensatio!	$395.00	$.00	$395.00	$57.05	14.44%	$147.93	37.45%	$.00	$247.07	62.55%
21J0 - Other Staff Benefits G!	$30,068.00	$.00	$30,068.00	$2,349.22	7.81%	$7,563.74	25.16%	$.00	$22,504.26	74.84%
21L0 - Accrued Annual Leave!	$75.00	$.00	$75.00	$.00	.00%	$.00	.00%	$.00	$75.00	100.00%
21L1 - Catastrophic Leave Ex!	$75.00	$.00	$75.00	$.00	.00%	$.00	.00%	$.00	$75.00	100.00%
3100 - Office Supplies Gener!	$500.00	$.00	$500.00	$.00	.00%	$.00	.00%	$414.70	$85.30	17.06%
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%	$.00	.00%	$.00	$150.00	100.00%
3150 - Computer Supplies <$!	$793.00	$.00	$793.00	$.00	.00%	$.00	.00%	$700.00	$93.00	11.73%
3170 - Custodial Supplies Gen	$500.00	$.00	$500.00	$35.85	7.17%	$35.85	7.17%	$.00	$464.15	92.83%
3180 - Non Capital Equipmen!	$.00	$.00	$.00	$290.00	.00%	$299.99	.00%	$.00	($299.99)	.00%
3189 - Tagged Non-Capital E!	$2,000.00	$.00	$2,000.00	$.00	.00%	$.00	.00%	$2,650.00	($650.00)	(32.50%)
31A0 - Business Food - Local	$600.00	$.00	$600.00	$.00	.00%	$.00	.00%	$.00	$600.00	100.00%
31C0 - Dues Memberships G!	$4,500.00	$.00	$4,500.00	$.00	.00%	$555.00	12.33%	$.00	$3,945.00	87.67%
31J0 - Parking Permits Gen	$150.00	$.00	$150.00	$.00	.00%	$400.00	266.67%	$.00	($250.00)	(166.67%)
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	$400.00	$.00	$400.00	$.00	.00%	$.00	.00%	$.00	$400.00	100.00%
3805 - Instate Travel-Per Die!	$100.00	$.00	$100.00	$.00	.00%	$.00	.00%	$.00	$100.00	100.00%

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

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

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
3825 - Out State Travel-Per D!	$1,000.00	$.00	$1,000.00	$.00	.00%	$.00	.00%	$.00	$1,000.00	100.00%
3830 - Out State Trvl-Per Die!	$500.00	$.00	$500.00	$.00	.00%	$.00	.00%	$.00	$500.00	100.00%
6000 - Telecom Charges Gen	$3,500.00	$.00	$3,500.00	$292.50	8.36%	$877.50	25.07%	$.00	$2,622.50	74.93%
6020 - Long Distance Gen	$50.00	$.00	$50.00	$.00	.00%	$.00	.00%	$.00	$50.00	100.00%
6060 - Voice Mail Box Gen	$600.00	$.00	$600.00	$50.00	8.33%	$150.00	25.00%	$.00	$450.00	75.00%
6300 - Alarm System Gen	$200.00	$.00	$200.00	$11.25	5.63%	$33.75	16.88%	$.00	$166.25	83.13%
63A0 - Conference Fees Gen	$4,000.00	$.00	$4,000.00	$600.00	15.00%	$600.00	15.00%	$.00	$3,400.00	85.00%
63A2 - Seminars/Training Fe!	$3,000.00	$.00	$3,000.00	$2,600.00	86.67%	$2,734.00	91.13%	$.00	$266.00	8.87%
63C0 - Copying Gen	$100.00	$.00	$100.00	$.00	.00%	$.00	.00%	$.00	$100.00	100.00%
69Z0 - Other Professional Ser!	$11,500.00	$.00	$11,500.00	$699.92	6.09%	$2,099.76	18.26%	$6,000.00	$3,400.24	29.57%
7000 - Plant Repairs Mainten!	$200.00	$.00	$200.00	$179.99	90.00%	$487.83	243.91%	$.00	($287.83)	(143.92%)
70E0 - Computer Hardware !	$600.00	$.00	$600.00	$.00	.00%	$.00	.00%	$.00	$600.00	100.00%
70E1 - Computer Software M!	$41,500.00	$.00	$41,500.00	$.00	.00%	$.00	.00%	$.00	$41,500.00	100.00%
70F0 - Equipment Rent Expe!	$2,400.00	$.00	$2,400.00	$153.92	6.41%	$455.04	18.96%	$.00	$1,944.96	81.04%
80K0 - Banner Tax	$660.00	$.00	$660.00	$49.13	7.44%	$87.29	13.23%	$.00	$572.71	86.77%
80K2 - Foundation Surcharge	$4,520.00	$.00	$4,520.00	$370.09	8.19%	$1,153.45	25.52%	$.00	$3,366.55	74.48%
*TOTAL Expense										
	$1,126,757.00	$.00	$1,126,757.00	$74,437.32	6.61%	$231,930.98	20.58%	$549,288.94	$345,537.08	30.67%
Total Revenue:	$1,126,757.00	$.00	$1,126,757.00	$.00	.00%	$1,181,144.82	104.83%	$.00	($54,387.82)	(4.83%)
Total Expense:	$1,126,757.00	$.00	$1,126,757.00	$74,437.32	6.61%	$231,930.98	20.58%	$549,288.94	$345,537.08	30.67%
Net:	$.00	$.00	$.00	($74,437.32)	.00%	$949,213.84	.00%	($549,288.94)	$399,924.90	.00%

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

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

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Budget to Actual Report
July 1, 2021 through August 31, 2021

Description	Status	FY 22 Budgeted Hours (*)	FY 22 Actual Hours	Variance
Audit Plan				
Prior Year				
Capital Projects	Completed - Follow up	64	64	0
Audit of Facilities and Maintenance Division	A&C Committee	60	52	8
President's Travel and Entertainment FY21	A&C Committee	200	103	97
Children's Campus	Planning	400	113	287
Information Security	Planning	400		400
RPSP (Main Campus and HSC)	Planning	300		300
Anderson School of Management	Assigned	500		500
Office of Medical Investigator (OMI)	Assigned	220		220
Enrollment Management	Unassigned	200		200
UNM Valencia	Unassigned			
FY 2022				
Project Echo	Unassigned	600		600
Internal Medicine	Unassigned	200		200
President's Travel and Entertainment FY22	Unassigned			
Audit Plan Subtotal		3,144	332	2,812
Misconduct and Fraud		3,500	641	2,859
Audit Recommendations Follow-up		350	91	259
Management Requests		300	1	299
Non Audit Plan Subtotal		4,150	733	3,417
Total Project Hours		7,294	1,065	6,229
Leave and Administrative				
Holiday		784	80	704
Annual		1,176	246	930
Sick		672	60	612
CPE/Training		400	58	342
Administrative Time/Management		3,500	693	2,807
Administrative Staff Time		640	118	522
Audit and Compliance Committee, Meetings		550	93	457
IT Support/TeamMate		144	29	115
Total Leave and Administrative Hours		7,866	1,377	6,489
FY22 Total Hours		**15,160**	**2,442**	**12,718**

* Including 600 hours of student intern

ADA Transition Plan – Complete

Mesa Vista Hall
Johnson Center & Natatorium
Student Union Building
Center for the Arts
Student Health Center and Undergraduate Studies
Ortega Hall
Humanities
Woodward Lecture Hall
Consortium for Environmental Research, Informatics & Art
Art
University Advisement & Enrichment Center
Bookstore
Redondo Village Student Residences
George Pearl Hall
Cornell Parking Structure

Complete

Sara Reynolds Hall
Elizabeth Waters Center for Dance at Carlisle Gymnasium
Bandelier Hall East
Anthropology
Science and Mathematics Learning Center
Bandelier Hall West
Biology Annex
Castetter Hall
Clark Hall
Mitchel Hall
Northrop Hall
Logan Hall
Regener Hall
Electrical and Computer Engineering/Centennial Library
Art Annex
Centennial Engineering Center
Communication and Journalism
Farris Engineering Center

Mostly Complete

School of Medicine Bldg. No. 2
Reginald Heber Fitz Hall
KNME TV Studio
Cancer Research Facility
E&SCP
Marron Hall
Hibben Center
Economics
Social Sciences
Tech Education Center
Education Classrooms
Masley Hall
Health Sciences Library & Informatics Center
Family Practices Center
Bratton Hall
Biomedical Research Facility

Mostly Complete

Scholes Hall
Dane Smith Hall
Zimmerman Library
Santa Clara Hall Dormitory
Travelstead Hall
Kiva
Laguna Hall Dormitory
DeVargas Hall Dormitory
La Posada Dining Hall
R.O. Anderson Graduate School of Management and Parish Library
Yale Parking Structure
Coronado Hall Dormitory
John and June Perovich Business Center

Safety Week

Safety Week September 20th to September 24th
- 10 events during the week:

- Safety Walk main campus September 21st and north campus September 23rd
  - (67) locations identified
  - (172) work order submitted to Facilities Management

Annual Security Report

Submitted October 1ˢᵗ
- Live on the UNM Campus Safety website: https://campussafety.unm.edu/

Direct links at:
- UNMPD website
- Compliance, Ethics & Equal Opportunity websites
  - Compliance Office
  - Office of Equal Opportunity

Civil Rights Investigative Process Update

Title IX 2020 Amendments Effective August 14, 2020
- ◦ ~~Single Investigator Model~~ → Hearing Officer Model

UNM is fully compliant

August 24, 2021 DE vacated suppression provision
- ◦ The provision prohibited decision makers from using evidence or statements from someone who did not participate in cross-examination at a live hearing

Hearing Office
- ◦ Hearing Officer, Hearing Coordinator, two 0.5 FTE Advisors, one on call Advisor
- ◦ As of 9/29 – 19 cases referred to the Hearing Office

What Can We Anticipate?

More changes to Title IX
- Biden Administration – NPRM May 2022
- House Representatives pushing for October publication of NPRM

DE confirms Title IX protects against discrimination based on sexual orientation and gender identity

Hearings are here to stay

Thank You

We welcome any questions you may have.

UNM HEALTH SCIENCES | **HSC Institutional Compliance Program**

UNM BOARD OF REGENTS' AUDIT & COMPLIANCE COMMITTEE MEETING

THURSDAY, OCTOBER 14, 2021 | 9:00 AM
VIA ZOOM VIDEO CONFERENCING

HSC ICP | General Announcements

- **Executive Compliance Committee ("ECC")**
  - is comprised of UNMHSC senior leadership who provides direction and guidance related to the UNM HSC's Institutional Compliance Work Plan and Institutional Compliance Program.

- **2021 New Chair and Vice Chair Elections**
  - Ava Lovell, HSC Executive Officer Finance & Administration **| Chair**
  - Dr. Robb McLean, CEO UNM Medical Group **| Vice Chair**

- **2022 ECC Meeting Schedule**
  - January 19, 2022 | 2:00 PM
  - April 20, 2022 | 2:00 PM
  - July 20, 2022 | 2:00 PM
  - October 19, 2022 | 2:00 PM

HSC ICP | Audits, Reviews & Monitoring

THE UNIVERSITY OF NEW MEXICO JOINT 2020 – 2021 EFFECTIVENESS REVIEW ON INSTITUTIONAL COMPLIANCE

- The review defines the individual reports of 2020-2021 accomplishments for the:
  - UNM Office of Compliance, Ethics and Equal Opportunity Program
  - UNM Health Sciences Center – Institutional Compliance Program
  - UNM Health System Compliance Program

- The report presents each program's activities and events identified in the US Sentencing Guidelines and Office of Inspector General's (OIG) guidance, which include the seven (7) fundamental elements to an effective compliance program.

- The report demonstrates the continued objective of joint collaboration and coordination to:
  - Prevent and detect wrongdoing by university faculty, staff, students and vendors; and,
  - Ensure UNM senior leadership enforces the compliance programs and promotes adherence to the Codes of Conduct, policy and procedures, and university guidance.

HSC ICP | Audits, Reviews & Monitoring

2021-2022 HSC INSTITUTIONAL COMPLIANCE WORKPLAN
WORKPLAN COMPOSITION

- Compliance committee and board resolutions, agendas and minutes related to compliance oversight.

- Conversations with UNM Office of Compliance, Ethics and Equity, UNM Health System Compliance and HSC Office of Research.

- Compliance training and communications initiatives.

- Hotline information, logs and follow-through activities.

- Compliance auditing/monitoring reports, trends and corrective action plans

- Office of Inspector General (OIG) - Annual Work Plan

HSC ICP | Audits, Reviews & Monitoring

- ICP Workplan addresses compliance risks in the HSC academic, clinical and research areas.
  - Identifies and prioritizes areas of focus of the compliance program
  - Works to Improve business unit operational efficiency

- Directs compliance and business unit program operations efforts in the work to eliminate potential areas of non-compliance.

- Improves compliance program communication and effectiveness.

- Serves as the roadmap to keep focused and track the implementation of targeted compliance activities.

- Assists the compliance program in communicating what we are doing, and why it is important.

2021-2022 HSC INSTITUTIONAL COMPLIANCE WORKPLAN
WORKPLAN STRUCTURE

- The structure of the HSC ICP Work Plan, includes:
  A. **Tasks**
     - Goals and metrics, with levels of detail.
  B. **Timeframe**
     - Annually, with quarterly tasks status updates and completion reports.
  C. **Workplan Responsibility**
     - HSC Chief Compliance Officer and Compliance Staff
     - Participation of Key HSC Personnel (Academic, Clinical and Research)
     - Ownership and Accountability
     - Internal & External Subject Matter Expertise

No	Project Name	Report Approval Date, # of Recommenda-tions, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
1	Audit of UNM Bookstore Operations	5/6/2021, 7, M	Recommendation 5 - Access Control	Bookstore management should develop formal authentication policies to timely deactivate any users that no longer need access to computing systems, or are terminated, and periodically monitor the task by reconciliating active users to active employees; and, to eliminate using group, shared, or generic accounts that cannot readily trace access and activities to an individual for accountability.	ISS IT has deactivated all users that no longer need access or have been terminated. ISS IT will also reconcile all users on a quarterly basis. ISS IT will provide User Management & De-provisioning SOP by 4/30/21. ISS IT has cleaned up all permission groups and removed any shared or generic accounts. User Management & De-provisioning SOP to be provided by 4/30/21.	4/30/2021	IA has received revised user access reports and related documentation requested. IA performed procedures and determined that the Bookstore's processes in place for user access are consistent with IA's recommendation. Accordingly, this recommendation is considered cleared.	John Reindorp, IT Officer, ISS; Lisa Walden, Interim Director, UNM Bookstores
2	Audit of UNM Bookstore Operations	5/6/2021, 7, M	Recommendation 6 - General IT Security	The UNM Bookstore should strengthen its IT security by requiring users of applications to change their passwords periodically.	ISS IT will require all cashiers of the Point-of-Sale to change their password every 180 days or every week of June 1 and week of December 1. This change will also include any other application that does not already require a regular password change. User Management & De-provisioning SOP will be provided by 4/30/21.	5/31/2021	IA reviewed documentation ISS IT provided, which is consistent with their proposed action items. As a result, IA considers the recommendation implemented.	John Reindorp, IT Officer, ISS; Lisa Walden, Interim Director, UNM Bookstores
3	Office of Capital Projects	8/5/2021, 5, M	Recommendation 1 - Formalize Processes Governing All Projects	PDC should revise the PDC Procedures Manual so that it applies to all projects within PDC, and provides adequate guidelines to ensure it conforms with the myriad types of risks, regulations, and laws such projects are subject to.	PDC agrees with the finding. PDC will revise its Procedures Manual to address capital project processes for projects of all sizes and related fiscal activities.	8/16/2021	PDC revised its procedures manual to ensure it applies to all PDC projects, incorporated additional risk management compliance processes, and formalized financial processes that govern PDC's operations, consistent with Internal Audit's recommendation.	Amy Coburn,Director, PDC; Lisa Marbury, Asst VP,Institutional Support Svcs
4	Office of Capital Projects	8/5/2021, 5, M	Recommendation 3 - Improve Invoice Approval Process	PDC should revise its invoice review and approval process to create a record of PM/CM approval prior to indicating the work as "received" within LoboMart.	PDC agrees with the finding. Upon feedback from IA during fieldwork, PDC immediately revised the process to capture PM/CM approval of invoices, with those approvals retained within the spreadsheet utilized to track invoice approval and payment for projects.	8/16/2021	PDC has fully implemented its invoice approval documentation process.	Amy Coburn,Director, PDC; Lisa Marbury, Asst VP,Institutional Support Svcs

No	Project Name	Report Approval Date, # of Recommenda-tions, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
5	Office of Capital Projects	8/5/2021, 5, M	Recommendation 4 - Internal Service Center Management	PDC should review the fee schedule against anticipated future operating cost annually, and submit proposed fee schedule to Unrestricted Accounting annually.	PDC agrees with the finding. PDC will update the project fee schedule annually, and submit it to Unrestricted Accounting consistent with the requirements in UAP 2440; PDC will also coordinate with Unrestricted Accounting to ensure excess reserve balances in the ISC do not negatively impact the University's F&A cost pool calculation.	8/16/2021	PDC provided their FY22 Project Fee schedule as well as communicated their excess reserve status to the Controller's Office. The Controller's Office has also granted an exception to UAP 2440, Internal Service Centers, to allow PDC to operate in a reserve draw down capacity to provide operating stability over the near-term due to a lack of major construction projects in the pipeline.	Amy Coburn,Director, PDC; Lisa Marbury, Asst VP,Institutional Support Svcs
6	Office of Capital Projects	8/5/2021, 5, M	Recommendation 5 - Project Fees	PDC should strictly adhere to its published fee schedule. Management should also periodically review with the Financial Officer whether fee rate calculations applied to projects are being charged timely and accurately.	PDC agrees with this finding. Going forward, PDC will charge fees on PDC projects consistent with its project fee schedule and management will periodically review for accuracy of project fees.	8/16/2021	The project fees tested were calculated at the correct rate and accounted for all costs for the relevant billing period.	Amy Coburn,Director, PDC; Lisa Marbury, Asst VP,Institutional Support Svcs

No	Project Name	Report Approval Date, # of Recommenda- tions, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
1	Reserves	5/23/2019, 7, M	Recommendation 3 - Deficit Reduction Plans (Provost's Office Director of Financial Operations)	The Provost's Office Director of Financial Operations should ensure FY 2018 deficits for Enrollment Management are eliminated prior to the close of FY 2019 and monitor and enforce current deficit reduction plans to ensure existing departments' deficits are reduced and eliminated according to plans.	If it is determined that a deficit reduction plan is needed, units will work with the Provost 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 - Although the Student Publication deficit has continued to decrease from ($229,575) at 6/30/2021 to ($219,396) at 9/30/21, Shared Services has indicated a deficit reduction plan may be needed to eliminate the deficit. Internal Audit will continue to monitor this deficit until the deficit is eliminated or a deficit reduction plan is implemented.	Nicole Christine Dopson, Financial Officer Optg Grp
2	Los Alamos Branch Campus	5/7/2020, 6, M	Recommendation 6 - General Information Technology Security	NM-LA IT department should strengthen its IT security by executing the following: Developing a written information security program 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.	1/31/2022	Partially completed – Los Alamos management indicates that it has completed several recommendation components and is in the process of implementing the remaining action items. An extension of the targeted implementation date to the end of January 2022 was requested and approved.	Cynthia Rooney, Chief Exec Officer CEO/Branch; Bob Harmon, Dir,Business Opns/Sm Branch: Los Alamos Branch
3	Lobo Club	8/13/2020, 5, M	Recommendation 1 - Improve Processes around Pit Suites	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 kept by Director of Premium Seating.	11/1/2021	Due to the impact of COVID-19, University Arena ("the Pit") was unable to hold in-person basketball games during the 2020-21 season, resulting in basketball suite holders deferring their contract terms one year. The Lobo Club asked that this management response be tested for the upcoming 2021-22 basketball season, which IA agreed was reasonable.	Jalen Ivan Dominguez, Executive Director, Lobo Club

No	Project Name	Report Approval Date, # of Recommenda-tions, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
4	Audit of UNM Bookstore Operations	5/6/2021, 7, M	Recommendation 7 - PCI Compliance	The UNM Financial Services Division and the UNM CIO's office should work with all units that process credit cards, and related business units, to develop and approve written processes assigning roles and responsibilities to: clearly outline and define roles and responsibilities of its service providers and UNM units involved; identify PCI compliance requirements; ensure that management oversight of PCI activities is assigned; maintain local copies of complete responses, and the generated SAQs and AoCs with internal supporting documentation and names and titles of responders; and, formally review the responses to the compliance questions, etc.	Management agrees with the recommendations. In March 2021, the UNM Controller and CIO formed a task force to review and document roles and responsibilities within appropriate offices, and UNM's authorized credit card processors as they relate to the oversight of UNM's authorized credit card processors. An oversight committee and approach will be established through the task force. Activity of the oversight committee will include an internal review of the responses to UNM authorized credit card processor's compliance questions. The documentation and plans are expected to be complete by 10/01/2021, and will be presented to UNM executive leadership, with any necessary funding considerations, for adoption.	10/1/2021		Duane Arruti, UNM CIO; Liz Metzger, University Controller; Jeff Gassaway, Info Security Ofcr
5	Office of Capital Projects	8/5/2021, 5, M	Recommendation 2 - Vendor Selection	Purchasing should ensure that PDC adequately supports the vendor selected when utilizing a JOC vendor who does not have the lowest adjustment factor in the trade group.	Purchasing and PDC agree with the finding. Purchasing worked with PDC to improve the existing justification form to obtain better justification from PM/CMs when awards are not given to the lowest bidder on JOC projects.	10/31/2021	IA was only able to identify one (1) JOC vendor selection in the first two months of FY22, which is not sufficient for assessing the implementation status. IA will defer testing for two months to allow for additional JOC vendors to be utilized on projects.	Bruce Cherrin,Chief Procurement Officer

No	Project Name	Report Approval Date, # of Recommenda-tions, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
1	Chrome River Data Analysis	5/17/2018, 10, H	Recommendation 3 - Training Resources	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

EXECUTIVE SESSION