BOARD of REGENTS

THE UNIVERSITY OF
NEW MEXICO.

AUDIT AND COMPLIANCE COMMITTEE MEETING

Thursday, October 17, 2019 9:00 am
Scholes Hall, Roberts Room

The University of New Mexico
Board of Regents' Audit and Compliance Committee
October 17, 2019 – 9:00 AM
Roberts Room
Agenda

ACTION ITEMS

1. Confirmation of a Quorum and Adoption of Agenda

2. Approval of Meeting Minutes from August 15, 2019

3. Audit and Compliance Committee proposed meeting dates for Fiscal Year 2020. The Committee meets in the Roberts Room.
    February 6, 2020
    May 7, 2020 (Entrance Conference for FY20 Financial Statements Audit)

EXECUTIVE SESSION

4. Vote to close the meeting and to proceed in Executive Session as follows:

    a. Presentation of FY19 External Financial Audit pursuant to exceptions at Section 10-15-1H NMSA (1978) and Section 12-6-5 NMSA (1978) (*Moss Adams, KPMG and Liz Metzger, University Controller*)
    b. Discussion of draft Internal Audit Reports, and discussions of information subject to attorney-client privilege pursuant RPM 1.2
    c. Discussion of limited personnel matters (Interim Director of Internal Audit Department) pursuant to exception at Section 10-15-1.H(2) NMSA (1978);
    d. Schedule of Audits in Process and Proposed FY20 Audit Work plan, pursuant to RPM 1.2
    e. Vote to re-open the meeting.

5. Certification that only those matters described in Agenda item # 4 were discussed in Executive Session and if necessary ratification of action, if any, taken in Executive Session.

INFORMATION ITEMS

6. Advisors' Comments

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

8. Main Campus Chief Compliance Officer Status Report and OEO Data Trend Analysis Report *(Francie Cordova, Interim Chief Compliance Officer and Rob Burford, Director of Compliance)*

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

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

11. Adjournment

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Meeting
August 15, 2019 – Draft Meeting Minutes

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

Other Attendees: Garnett Stokes, Liz Metzger, Ava Lovell, Terry Babbitt, Francie Cordova, Dorothy
                     Anderson, Duane Arruti, Loretta Martinez, Purvi Mody, Arthur Culpepper, Paula
                     Williams, Rodney McNeese, Ari Vazquez, Melissa Vargas, Nicole Dopson, Brian
                     Pietrewicz, Chamiza Pacheco de Alas, Carla Domenici, Peggy Davis, Victor
                     Griego, Chien-chih Yeh, Manu Patel, Lisa Wauneka, William Cottrell, Avedona
                     Lucero, Kevin Enright, Gonzalo Olivas, Mallory Reviere, Jacob Smith, Amy
                     O'Donnell.

Chairman Brown called the meeting to order at 9:02 AM in the Roberts Room, Scholes Hall, UNM.

ACTION ITEMS:

- The Committee approved the meeting agenda.

- The Committee approved the prior meeting minutes from May 23, 2019.

- The Committee approved the next meeting date of October 17, 2019 (Exit Conference for FY19
  Financial Statements Audit).

INFORMATION ITEMS:

- Advisors' Comments: None.

- Victor Griego, UNM Interim Internal Audit Director presented his Director's Report. Through
  July 31, 2019, there have been nine audits completed; one that is being presented today and eight
  that are in fieldwork. Four of those should be completed for presentation at the next Audit and
  Compliance Committee meeting.

  Mr. Griego detailed the status of complaints. In FY19, the department completed and closed
  23 complaints. Through August 8, 2019 of FY20, the department completed and closed five
  complaints. Seven complaints are currently in planning and fieldwork. Six have not been
  assigned. Chairman Brown asked at what point Mr. Griego escalates a complaint to the
  attention of Administration or the Regents due to severity or an emerging pattern. Mr. Griego
  responded that happens typically when there is misuse of funds or fraud that is severe enough
  that they should be notified. If it is severe enough, it may turn into an audit. There are
  requirements also for when the department needs to notify the State Auditor. Chairman
  Brown stated he is worried about things getting out and becoming a reputational risk. In the
  last meeting of this Committee, the Chairman brought up the question of patterns for
  complaints. The department is researching best types of reports to run out of the database.

  Mr. Griego reviewed the department's current financial report. The approved budget is
  $884,584. $804,584 is the department's I&G allocation; $76,000 comes from approved use
  of reserves. Ninety percent of the budget is for salaries. The reserves come from salary
  savings from vacant positions in FY19. These funds will be used primarily for the Quality
  Assessment Review, paying the quarter-time, temporary salary of the former director, and for
  planned training. Chairman Brown asked if the department has student interns. Mr. Griego
  responded that the department currently has one intern, Jacob Smith, and he introduced Jacob
  to the Committee.

Every five years, the Internal Audit Department is required to have a Quality Assessment Review (QAR) from an outside reviewer. There is an approved contract in place. It will be a team of four and the team lead is a former audit supervisor from Oklahoma State University. The department is in the process of gathering documents for the team in preparation for the on-site review. It is tentatively scheduled for the week of October 14th. Chien-chih Yeh, audit manager is leading this QAR effort in the department. The QAR team will send out surveys to key officials; when they are on site they will request interviews.

The Internal Audit Department has had several meetings with compliance areas for the joint effort of the FY20 risk assessment. Institutional Analytics is designing the survey and will assist in survey distribution.

The external auditors are currently in fieldwork for the FY19 external financial audit. The exit conference for this audit will take place at the October meeting of this Committee. The external auditors are on their last year of a three-year contract, so the Controller's office is working on an RFP which should go out in the last quarter of this calendar year.

Mr. Griego provided the Committee with a summary of third party reviews of contracts and grants currently in progress at UNM. As of June 30, 2019, there are seven reviews underway. The Health Resources and Services Administration is auditing three grants totaling 2.7 million dollars. As of May 2019, no issues were noted. The Office of Justice is auditing six programs totaling 3.1 million dollars. As of the end of March 2019, they had only identified some salary and fringe benefits costs that were unsupported. However, Contract and Grant Accounting anticipates that will be cleared. The City of Albuquerque has one behavioral health review with no issues reported so far. The hospitals currently have 193 billing records under review.

Annually the department compiles information on the 990 tax forms. The report for this year will be presented in this meeting's closed session.

Chairman Brown asked about the timing of the October meeting. It is two days after the full Board meeting. He inquired if the meeting date should be moved up prior to the Board meeting in order to be able to provide a report from this Committee to the full Board. Following discussion, it was determined that it would not be acceptable to move October's meeting due to timing issues for the external auditors. Discussion about meeting dates will continue after October.

- The Main Campus Compliance Office provided a presentation to the Committee. Francie Cordova, Interim Chief Compliance Officer stated that at the last meeting they presented on the hotline statistics. This time she is presenting Office of Equal Opportunity (OEO) data. The OEO data is captured separately and there is separate reporting. Some complaints do come in through the hotline and they are transferred to the OEO area to a different system that is walled off.

    The prior Committee members asked her to report this annually, and every so often would ask for specifics. Looking at trend data, they are not unhappy about the increase in reports. Mostly because they did not use to get many cases. A goal was to have people come to them and trust them, and they have. Most cases are resolved informally. There are a number of formal investigations. Last year they had 731 cases, and this year looks like it will be approximately 900

cases. Regent Doughty clarified this does not say occurrences are increasing, but that awareness and reporting have increased. Ms. Cordova added it is also due to the office's ability to address these issues, outreach, and marketing. The largest complaints fall into the sexual harassment category. That is typical nationally. Universities were at the forefront of the "Me Too" movement; before the entertainment industry, etc. The national average is very similar and complaint numbers are staying steady in terms of percentages. Some areas are increasing such as stalking and domestic violence. Chairman Brown asked how they gauge what the actual trend is with the exponential increase in reporting. Ms. Cordova responded they can run the trend data by area, by type of reporter (student, faculty, staff, etc.), location, if there are weapons or alcohol involved, etc.

They also meet with different areas on a regular basis to discuss their specifics and help them identify trends. If they can identify a particular troubling location, they can say maybe they should not have students there. Regent Lee noted formal and informal case percentages stay fairly steady. Ms. Cordova stated they try to investigate when they see cases that are severe or pervasive. Those cases are staying pretty steady. Chairman Brown added there is educational value in complaints that do not become cases. Ms. Cordova stated they monitor them for three months after there is education or a dialogue; ninety-nine percent of these cases do not have repeat complaints. Typically it is people who say they did not know the behavior was incorrect or offensive. They do pattern checks on every case that comes in – with the police, Dean of Students, and with HR, to help them decide if it will warrant formal or informal action.

The Department of Justice (DOJ) has been very complimentary about the work the campus is doing. Instead of working in isolation, they now work in an integrated fashion with other areas of campus. The Compliance and OEO websites are now updated and ADA compliant. Complaints can be filed more easily and the trend data is posted. The DOJ updates are on the Compliance website; both websites have all their yearly surveys. Ms. Cordova believes UNM is the only university in the nation that did live training of all the students.

The Ethics Task Force is meeting on August 28th. It is a diverse group of members of the community, students, faculty, and staff. They are also making strides in improving accessibility. The campus is old and often not very compliant. They employed a vendor to scope out the highest risk areas. That report should be completed by the October meeting. It will help them develop a plan going forward. The federal standard is a good faith effort, and UNM can show it is working on the issue. Ms. Cordova informed the Committee that they can let her know how often she should report this information, what they would like to see, and specific areas of focus.

- Dr. Culpepper, HSC Chief Compliance Officer, presented the Committee with an update on work in his area. Currently, they are working on their exclusion screening project, assuring there are not excluded persons as a part of the medical system. There are two types of exclusions: mandatory (due to crimes, patient abuse, felonies related to healthcare, etc.) and permissive (misdemeanor convictions, dispensing controlled substances, etc.). There are opportunities for reinstatement. That is a lengthy process with federal paperwork. Medical direction or prescription done by an excluded person is prohibited. There are very significant fines associated with this. Companies as well as physicians, volunteers, vendors, etc. can be put on the exclusion list. Jail time is also possible.

In 2018, they selected a vendor through an RFP process, Compliance Resource Center. They have been working with them now for over six months to get the system set up. It is a two-phase

process. There are a number of databases throughout the country that are checked, such as OSHA, GSA, EPA, Homeland Security, and so forth. The State of New Mexico does not have a database, but some other states do and those need to be checked because people come from other states. Chairman Brown asked if there are steps to try to get New Mexico on a database. Dr. Culpepper stated it would be beneficial but he does not know what would be required for infrastructure. Chairman Brown stated that would be good to add on to the legislative agenda.

Individuals are screened based upon their name, and the HSC Compliance Office gets a monthly report. Some names can be common. If there were to be a match, there is infrastructure through the vendor and they will bring in the individual to sign an affidavit that either says it is true or is not true. Nothing of that nature has happened here at this juncture. They are consistently sending data manually and are working with an IT source for an electronic solution, so either the vendor will be able to pull the data or they will push it to them. They are also finalizing their escalation procedures and hope to have that finished sometime in September. They just completed a training for onboarding and the initial check into the system. Then, following that, they will be part of the data that goes to the vendor on a monthly basis.

His office is also participating in the combined risk assessment efforts. They have worked on their portion and shared it with the data analyst. Due to construction, the HSC Compliance Office is temporarily moving to building 1650. They are adding staff members: an investigator Kay Kennedy, and a compliance educator JoAnn Martinez. A new compliance manager is joining from Seattle on August 19th, Victoria Rendon.

- Chien-chih Yeh, Internal Audit Manager updated the Committee with the status of audit recommendations. There are four reports. Two recommendations for the College of Nursing are implemented and verified. There is a recommendation related to approver training from the Chrome River data analysis. Management implemented their proposed corrective action plan. Internal Audit is going to leave this item open for now pending verification of completion rate for training.

  The next report has almost 12 pages of pending recommendations, with 16 recommendations added since the last meeting of this Committee. The Reserves and UNMMG and HSC Hiring Practices audits each have eight recommendations. If they are not due yet, there may not be a current status update. Chairman Brown asked if the policy change will fix the issue with the tuition payments to third parties. Chamiza Pacheco de Alas, Chief of Staff, Office of the Chancellor replied that Policy 3700, when followed properly, will address the anti-donation issue and will allow the important program to continue. Policies will need to be approved by the President. They are drafting new contracts with the nurses to assure there are no anti-donation issues.

  There is a separate four page report for Athletics. During this reporting cycle, one recommendation is verified as implemented. Two more will stay open. The deficit reduction plan is in place, but Internal Audit will verify if it continues to be positive. Chairman Brown asked if Internal Audit is in coordination with the Attorney General's office in terms of their clearance on Athletics. Mr. Griego replied that Internal Audit has been in communications with the State Auditor's Office (SAO) and he believes the last pending item they had for their recommendations was regarding a signed MOU that is now in place. UNM's internal audit has a few outstanding recommendations. Mr. Griego told the Committee he will reach out to the SAO to see if they would like to report back to the Committee to say everything

has been completed. Chairman Brown stated it would be nice to be able to put out a release on that.

By unanimous consent, the meeting went into Executive Session at 9:47 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 FY20 Audit Work plan, pursuant to RPM 1.2;
    d. Vote to re-open the meeting.

The meeting returned to open session at 10:50 AM, with certification that only those matters described above were discussed in Executive Session.

The Committee unanimously approved the following UNMH reports:

- Contract Management Report 2019-02
- Charge Description Master Report UNM Hospital and UNM Medical Group, Inc. Report 2019-03, UNM SRMC Report 2019-04
- Human Resources and Payroll Processing Report 2019-03
- UNMH IT Terminated Employees Removal From System Access Report 2019-04
- UNMMG IT Terminated Employees Removal From System Access Report 2019-04
- SRMC IT Terminated Employees Removal From System Access Report 2019-05

The Committee unanimously approved the following UNM report:

- Related Party Transactions: Governing Documents and the UNM Hospital Mill Levy Report 2018-03A

The meeting adjourned at 10:51 AM.

Approved:

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Audit and Compliance Committee Chairman

There is no handout required for this item

EXECUTIVE SESSION

There is no handout required for this item

There is no handout required for this item

Interim Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
October 17, 2019

INFORMATION ITEMS

Audit Committee Meeting Calendar. The Committee meets at 9:00 AM in the Roberts Room. This approved schedule will accommodate the exit conference for the FY19 External Financial Statements Audit. The following are the future proposed date for the remainder of fiscal year 2019 for the Committee's consideration.

>   February 6, 2020
>   May 7, 2020 (Entrance Conference for FY20 Financial Statements Audit)

Financial Statements External Audit Exit Conference and RFP. The University's FY 2019 external audit is in the final year of the three-year contract with KPMG and Moss Adams. The University is planning on submitting the new RFP by the end of October for a three-year external audit proposal. The selection will likely be early 2020, after the review of the proposals, and presentations by the firms chosen as finalists.

Audit Plan Status. The project status and hours report for the plan is at Tab #4d. The status of the proposed audit plan for the period of July 1, 2019 (FY 2020) through September 29, 2019 is:

Completed	1
Committee Presentation	3
Planning/Fieldwork	5
Subtotal	
Assigned	2
Unassigned	4
Total	**15**

The Fiscal Year 2020 (FY20) draft audit plan includes seven (7) audits carried over from FY19.

FY 2019 Audits Completed
During FY 2019, nine (9) audits were completed, which included four (4) audits from the FY 2018 and FY 2019 audit plan, three (3) audits initiated through complaints, and two (2) management requested audits.

Interim Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
October 17, 2019

Complaint Status. The status of complaints assigned to Internal Audit for FY 2019 and FY 2020, as of October 9, 2019 is:

FY 2019	
Completed/Closed	23
FY 2020, as of October 10, 2019	
Completed/Closed	6
Planning/Fieldwork	14
Unassigned	5
Total FY 2020, as of October 10, 2019	25
Grand Total FY19-Aug FY20	**48**

Department Financial Report. At Tab #7 is the Internal Audit Department's budget status report for your review. The FY20 adjusted budget is $884,584, of which $804,584 is from the general pooled account, $4,000 is reimbursements of expenditures from the University of New Mexico Hospital for sharing audit software, and $76,000 from the departmental reserve. As of September 30, 2019, the department's actual expenditures are $188,325 and encumbrances are $506,744. Of the total expenditures, $178,559 (95%) is for labor costs. All encumbrances are for labor.

Internal Audit Quality Assessment Review. The QAR team has been onsite conducting interviews with seven (7) selected University officials and are reviewing audit and investigation files. The team selected three (3) audits and three (3) investigation files for review. A team of four is conducting the review with the completion of fieldwork scheduled for October 17, 2019. The final report is expected to be issued by mid December 2019 with QAR recommendations presented during the February 2020 Audit and Compliance Committee meeting.

FY 2020 Risk Assessment. The risk assessment team including Main Campus Compliance office, HSC Compliance office, Health Systems Internal Audit, and Internal Audit has been working with UNM Institutional Analytics to finalize the risk assessment survey that will be distributed for the FY 2020 University-Wide risk assessment. The team is planning on submitting the risk assessment questionnaire in early 2020. It is estimated the completed risk assessment and work plans will be completed by the May 2020 Audit and Compliance Committee meeting.

Internal Audit Website. The University is in the process of migrating departments/areas to a new, standardized web content management system (WCMS). UNM now uses a WCMS called Cascade Server. Previously, Internal Audit managed the department's website using a Dreamweaver website authoring program from Adobe software. Migration to Cascade requires detailed training through the University's Communication and Marketing (UCAM) web support services, followed by complete redesign using the standardized templates within UNM's

Cascade platform. The department used internal staff resources to complete the redevelopment of the site, then turned it over to the UCAM staff for testing and migrating to live status. Using internal resources versus paying UCAM staff to fully build the site provided significant cost savings within the department's operating budget. Internal Audit successfully completed the migration last month.

External Audits and Reviews. At Tab #7 is the summary information as of September 30, 2019 regarding the external audits and reviews (third party financial audits) of various grants, contracts, and programs by various grantor agencies. There are currently four (4) reviews underway. The Health Resources and Services Administration (HRSA) is auditing two grants totaling $2.4 million from grant period August 1, 2015 through March 31, 2017. The University has provided requested information, and as of May 2019, no issues were noted during their site visit. The University is awaiting formal communication by the sponsor. The University of Texas Rio Grande Valley has requested backup documentation for all invoices from September 1, 2015 through June 30, 2019. The total of the sub-award is $282.4 thousand. The Program Manager of the Defense Intelligence Agency (DIA) visited UNM on 9/17/19 to specifically review the checklist for grant programs 2RCY6 and 2RMR3 totaling $3.8 million, and to meet with the University financial staff. The DIA Program Manager closed the first grant 2RCY6.

During the current reporting period (July through September 2019), four (4) external grant audits totaling $4.1 million closed out with no cost payback and five minor audit recommendations. The University Contract and Grant office submitted the corrective action plan on May 24, 2019 to address recommendations. The Office of Justice has closed all five recommendations with no further action required as of September 13, 2019.

The Center for Medicaid and Medicare Services (CMS) has contracted with Conifer to conduct billing reviews. The University of New Mexico Hospital and Sandoval Regional Medical Center have received requests from the Recovery Audit Contractor (RAC) to provide forty-nine (49) records related to patient billings, totaling $2.5 million, from July through September 30, 2019. Six (6) claims totaling $308 thousand were reviewed with no repayment to CMS. Forty-three (43) claims totaling $2.2 million are pending further review.

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Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
Revenue										
0340 - University Hospital Re!	$4,000.00	$.00	$4,000.00	$.00	.00%	$.00	.00%	$.00	$4,000.00	100.00%
1640 - Allocations Pooled Allo!	$804,584.00	$.00	$804,584.00	$.00	.00%	$804,584.00	100.00%	$.00	$.00	.00%
1900 - Reserves	$.00	$.00	$.00	$.00	.00%	$161,394.39	.00%	$.00	($161,394.39)	.00%
1901 - Budgeted Use of Rese!	$76,000.00	$.00	$76,000.00	$.00	.00%	$.00	.00%	$.00	$76,000.00	100.00%
*TOTAL Revenue										
	$884,584.00	**$.00**	**$884,584.00**	**$.00**	**.00%**	**$965,978.39**	**109.20%**	**$.00**	**($81,394.39)**	**(9.20%)**
Expense										
2020 - Administrative Professi!	$713,507.00	$.00	$713,507.00	$55,272.96	7.75%	$165,818.88	23.24%	$462,081.66	$85,606.46	12.00%
2060 - Support Staff Salary D!	$48,128.00	$.00	$48,128.00	$3,738.42	7.77%	$10,284.16	21.37%	$38,692.65	($848.81)	(1.76%)
20J0 - Student Salaries Gen	$23,000.00	$.00	$23,000.00	$909.65	3.96%	$2,456.40	10.68%	$.00	$20,543.60	89.32%
20SA - Salary Adjustments	$19,867.00	$.00	$19,867.00	$.00	.00%	$.00	.00%	$.00	$19,867.00	100.00%
3100 - Office Supplies Gener!	$600.00	$.00	$600.00	$76.93	12.82%	$123.64	20.61%	$.00	$476.36	79.39%
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	$150.00	100.00%
3150 - Computer Supplies <$!	$100.00	$.00	$100.00	$39.96	39.96%	$39.96	39.96%	$.00	$60.04	60.04%
3180 - Non Capital Equipmen!	$.00	$.00	$.00	$.00	.00%	$809.98	.00%	$.00	($809.98)	.00%
3189 - Computers & Servers !	$2,000.00	$.00	$2,000.00	$.00	.00%	$.00	.00%	$.00	$2,000.00	100.00%
31A0 - Business Food - Local	$1,200.00	$.00	$1,200.00	$.00	.00%	$.00	.00%	$.00	$1,200.00	100.00%
31B0 - Food F&A Unallowabl!	$.00	$.00	$.00	$.00	.00%	$203.00	.00%	$.00	($203.00)	.00%
31C0 - Dues Memberships G!	$4,000.00	$.00	$4,000.00	$130.00	3.25%	$545.00	13.63%	$.00	$3,455.00	86.38%
31J0 - Parking Permits Gen	$250.00	$.00	$250.00	$.00	.00%	$400.00	160.00%	$.00	($150.00)	(60.00%)
31K0 - Postage Gen	$40.00	$.00	$40.00	$.00	.00%	$.00	.00%	$.00	$40.00	100.00%
31P0 - Training Materials Sup!	$200.00	$.00	$200.00	$.00	.00%	$.00	.00%	$.00	$200.00	100.00%
3800 - In State Travel Gen	$800.00	$.00	$800.00	$658.48	82.31%	$658.48	82.31%	$.00	$141.52	17.69%
3805 - Instate Travel-Per Die!	$151.00	$.00	$151.00	$.00	.00%	$.00	.00%	$.00	$151.00	100.00%
3820 - Out Of State Travel G!	$.00	$.00	$.00	$1,058.46	.00%	$1,275.47	.00%	$.00	($1,275.47)	.00%
3825 - Out State Travel-Per D!	$1,500.00	$.00	$1,500.00	$.00	.00%	$.00	.00%	$.00	$1,500.00	100.00%
3830 - Out State Trvl-Per Die!	$450.00	$.00	$450.00	$.00	.00%	$.00	.00%	$.00	$450.00	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	$.11	.22%	$5.83	11.66%	$.00	$44.17	88.34%
6060 - Voice Mail Box Gen	$634.00	$.00	$634.00	$50.00	7.89%	$150.00	23.66%	$.00	$484.00	76.34%
6300 - Alarm System Gen	$200.00	$.00	$200.00	$11.25	5.63%	$77.41	38.70%	$.00	$122.59	61.30%
63A0 - Conference Fees Gen	$2,000.00	$.00	$2,000.00	$.00	.00%	$.00	.00%	$.00	$2,000.00	100.00%
63A2 - Seminars/Training Fe!	$7,000.00	$.00	$7,000.00	$800.00	11.43%	$800.00	11.43%	$.00	$6,200.00	88.57%

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63C0 - Copying Gen	$100.00	$.00	$100.00	$.00	.00%	$.00	.00%	$.00	$100.00	100.00%
63V0 - Consultant Fees Gen	$25,000.00	$.00	$25,000.00	$.00	.00%	$.00	.00%	$.00	$25,000.00	100.00%
69Z0 - Other Professional Ser!	$11,500.00	$.00	$11,500.00	$716.59	6.23%	$2,149.77	18.69%	$6,000.00	$3,350.23	29.13%
7000 - Plant Repairs Mainten!	$200.00	$.00	$200.00	$.00	.00%	$.00	.00%	$.00	$200.00	100.00%
70E0 - Computer Hardware !	$600.00	$.00	$600.00	$.00	.00%	$.00	.00%	$.00	$600.00	100.00%
70E1 - Computer Software M!	$11,500.00	$.00	$11,500.00	$.00	.00%	$.00	.00%	$.00	$11,500.00	100.00%
70F0 - Equipment Rent Expe!	$2,400.00	$.00	$2,400.00	$264.62	11.03%	$631.32	26.30%	$.00	$1,768.68	73.69%
75Z0 - Other Repairs Mainten!	$.00	$.00	$.00	$.00	.00%	$10.00	.00%	$.00	($10.00)	.00%
80K0 - Banner Tax	$657.00	$.00	$657.00	$30.28	4.61%	$76.87	11.70%	$.00	$580.13	88.30%
80K2 - Foundation Surcharge	$3,250.00	$.00	$3,250.00	$314.75	9.68%	$931.23	28.65%	$.00	$2,318.77	71.35%
*TOTAL Expense										
	$884,584.00	**$.00**	**$884,584.00**	**$64,364.96**	**7.28%**	**$188,324.90**	**21.29%**	**$506,774.31**	**$189,484.79**	**21.42%**
Total Revenue:	$884,584.00	$.00	$884,584.00	$.00	.00%	$965,978.39	109.20%	$.00	($81,394.39)	(9.20%)
Total Expense:	$884,584.00	$.00	$884,584.00	$64,364.96	7.28%	$188,324.90	21.29%	$506,774.31	$189,484.79	21.42%
Net:	$.00	$.00	$.00	($64,364.96)	.00%	$777,653.49	.00%	($506,774.31)	$270,879.18	.00%

Parameters:

Index: 676000 - 113280-AUDIT DEPARTME-General Activ

Groupings:

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

Granting Agency/Entity	HRSA	HRSA	University of Texas Rio Grande Valley	Intelligence Community Centers for Academic Excellence (IC CAE)	CMS (Patient Billings) - RAC Requests as of September 30, 2019)
Contract/Grant/Program Title	3RY66	3RX49	2RGK2	2RCY6 and 2RMR3	Medicare
Contract/Grant Period	8/1/15 - 7/31/17	4/1/15 - 3/31/17	9/1/15 - 8/31/19	Various; 2RCY6 ended on 9/7/19, 2RMR3 grant period is 9/28/18 through 9/27/21.	Various
Contract/Grant Total Amount	$945,256.00	$1,465,732.00	$282,400.00	$3,875,199.43	N/A
Contract/Grant Amount - Current FY					N/A
Principal Investigator	Steven Williams	Steven Williams	Yang Qin	Frank Gilfeather	N/A
Department	Infectious Diseases	Infectious Diseases	Chemistry	Provost Office	Hospital RAC Audits
Agency Audit/Review Notification Date	HRSA	HRSA	USDA-NIFA Audit of UGRTV (UNM subawardee)	Defense Intelligence Agency (DIA)	Various
Audit/Review Entrance/Visit Date(s)	6/13/2017	6/13/2017	7/8/2019	9/17/2019	Remote
Audit/Exit/Final Report Issued			TBD	TBD	Continuous
Questioned Cost, if any					N/A
Audit/Review Major Finding, if any					See Comments
Corrective Action Plan, if any					In Process
Planned Implementation Date					N/A
Campus	HSC	HSC	Main	Main	Hospital RAC Audits
Auditor if Different than Grantor					Cotiviti
Comments	Initial response letter sent November 2017. Revised report submitted May 2018 and waiting for response from sponsor. Final site visit comment response under review by HRSA per January 2019 conference call. Sponsor had questions on responses to comments, we have clarified and returned for sponsor review May 3, 2019. Sponsors sent follow up email on programmatic items noted 9.6.19.	Initial response letter sent November 2017. Revised report submitted May 2018 and waiting for response from sponsor. Final site visit comment response under review by HRSA per January 2019 conference call. Sponsor had questions on responses to comments, we have clarified and returned for sponsor review May 3, 2019. Sponsors sent follow up email on programmatic items noted 9.6.19.	Received request for backup documentation on all invoices from inception through 6/30/19. The USDA is conducting a financial and compliance review of several NIFA awards at UTRGV, and as such, UTRGV is requesting backup documentation on our subaward through the life of the project. The University provided invoice support for invoices 1-12 on 8/12/19 to UTRGV. The Director of Grants and Contracts at UTRGV on 8/28/19 requested back up for two Invoices number 13 and 18, which were provided to UTRGV on 8/28/19.	Defense Intelligence Agency (DIA) Program Manager visited UNM on 9/17/19 to specifically review the check list for grant programs 2RCY6 and 2RMR3 and to meet with financial staff. DIA Program Manager closed the first grant 2RCY6.	Provided 49 claims reimbursements totaling $926 thousand, of which, six (6) claims were reviewed with reimbursement of $90 thousand from July 1,2019 - September 30, 19. No repayment was made. As of September 30, 2019 there are 43 claims pending review with original reimbursement of $836 thousand.

ETHICS TASK FORCE

1. Campus Culture – Civility, Respect and Professional Boundaries

- Bill Slease – Chair
- Sarah Smith
- Rob Burford
- Patrick Hart
- Muhammad Afzaal Hussain

COMMITTEES

2. Research and Academic Ethics

- Bill Gannon - Chair

- Xavier Torres

- Ana Tomlinson

COMMITTEES

3. Conflict of Interest

▸ Ana Tomlinson and Arthur Culpepper – Co-Chairs

4. Financial and Resource Misuse

▸ Victor Griego – Chair

▸ Janice Ruggiero

5. Sexual Harassment/Consensual Relationships

▸ Stephen Bishop - Chair

▸ Francie Cordova

COMMITTEES

▸ Complete January 2020

▸ Full Board or committee?

ADA TRANSITION PLAN

WILLKIE FARR & GALLAGHER LLP

NEW YORK WASHINGTON HOUSTON PALO ALTO PARIS LONDON FRANKFURT BRUSSELS MILAN ROME

Internal Investigations: Practical Guide and Considerations

University of New Mexico

Albuquerque, NM

August 30, 2019

Norman C. Bay
Head of Energy Regulatory & Enforcement Group
NBay@Willkie.com
202 303 1155

- Annual Safety Report – October 1 posted on UNM-PD website

- Ongoing:

- CSA training Enhancement

- Supportive measures for faculty and staff

CLERY

MAIN CAMPUS COMPLIANCE OFFICE

EthicsPoint Hotline Activity Report
January 1, 2019 – June 30, 2019

Reporting on EthicsPoint hotline case statistics for UNM Main Campus, UNM Health Sciences Center,
*   UNM Hospital, UNM Medical Group, Branch Campuses, and Sandoval Regional Medical Center.*

UNM Hotline – Total Cases Reported
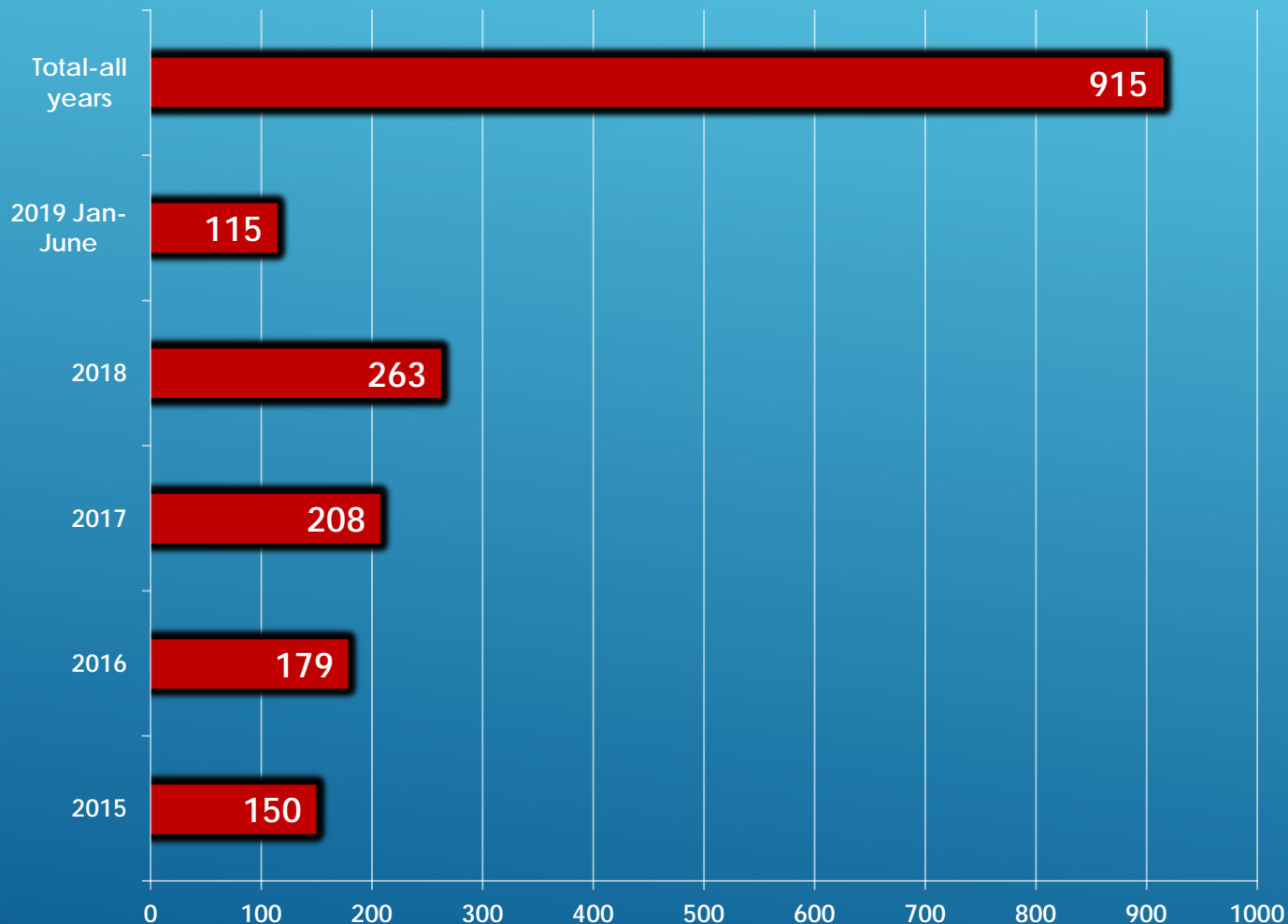
- There have been a total of 915 cases reported to the hotline since it's inception in 2015.

- For the first six months of 2019, there have been 115 cases received.

- For comparison, there were 113 cases for the first six months of 2018.

Hotline Cases by Intake Method

	Letter/Mail	Walk-in	Phone	Hotline-Phone	Hotline-Web
# of Cases	12	5	3	41	54
% of Cases	10%	4%	3%	36%	47%

Hotline Cases by Location

	UNM Main	HSC	UNM Hospital	UNM Med Group	SRMC
# of cases	58	24	24	6	3
% of cases	50%	21%	21%	5%	3%
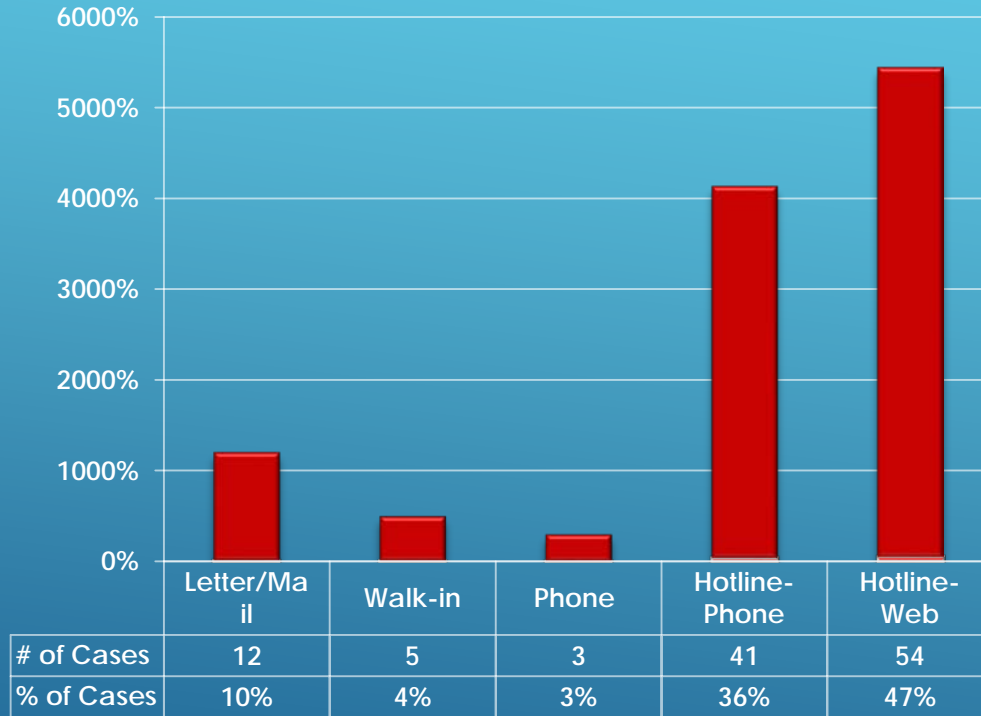
The preferred methods for reporting hotline cases remain via the web-based form and hotline phone intake process.
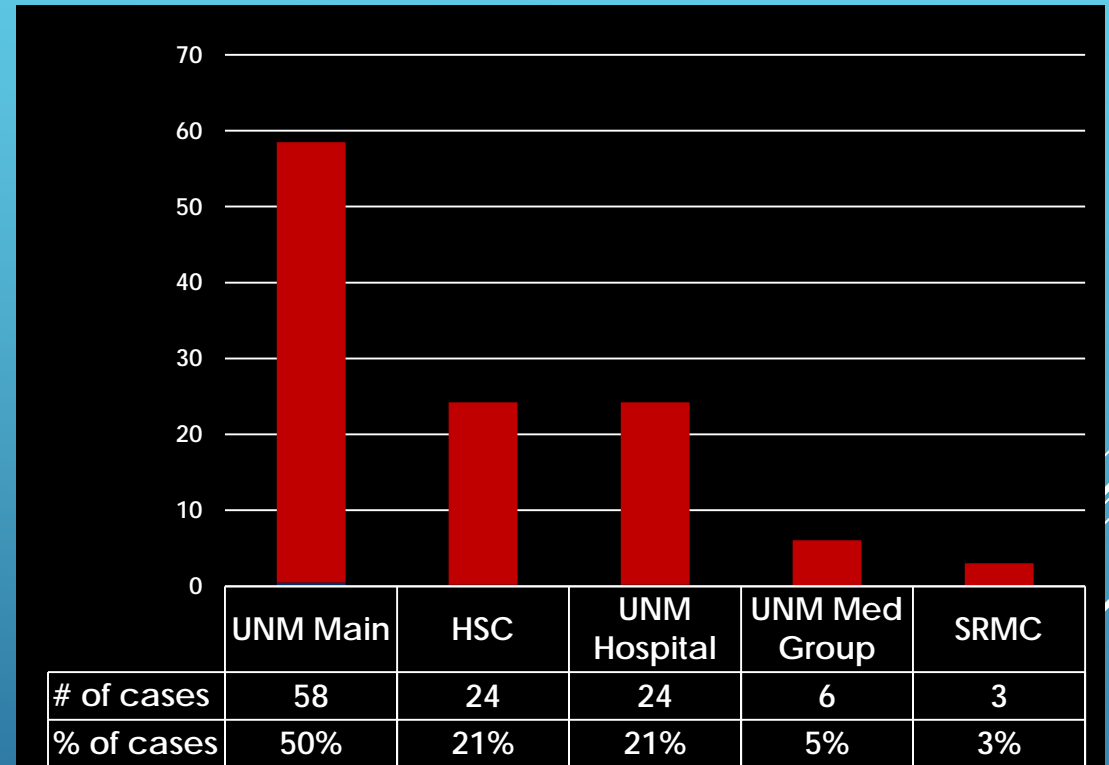
While Main Campus continues to have the highest number of cases, the medical area tiers, when added together, are about the same as Main Campus case numbers.

Hotline Case Volume by Issue

	Acad Afrs	Acct/ Fin	HR	IT & Data/ Priv	Medical	Research	Other	Safety & Risk
# of Cases	7	12	70	2	13	2	8	1
% of Cases	6%	10%	61%	2%	11%	2%	7%	1%

Summary of 70 HR Issues Reported

■ 1st 6 mos 2019 ■ 1st 6 mos 2018
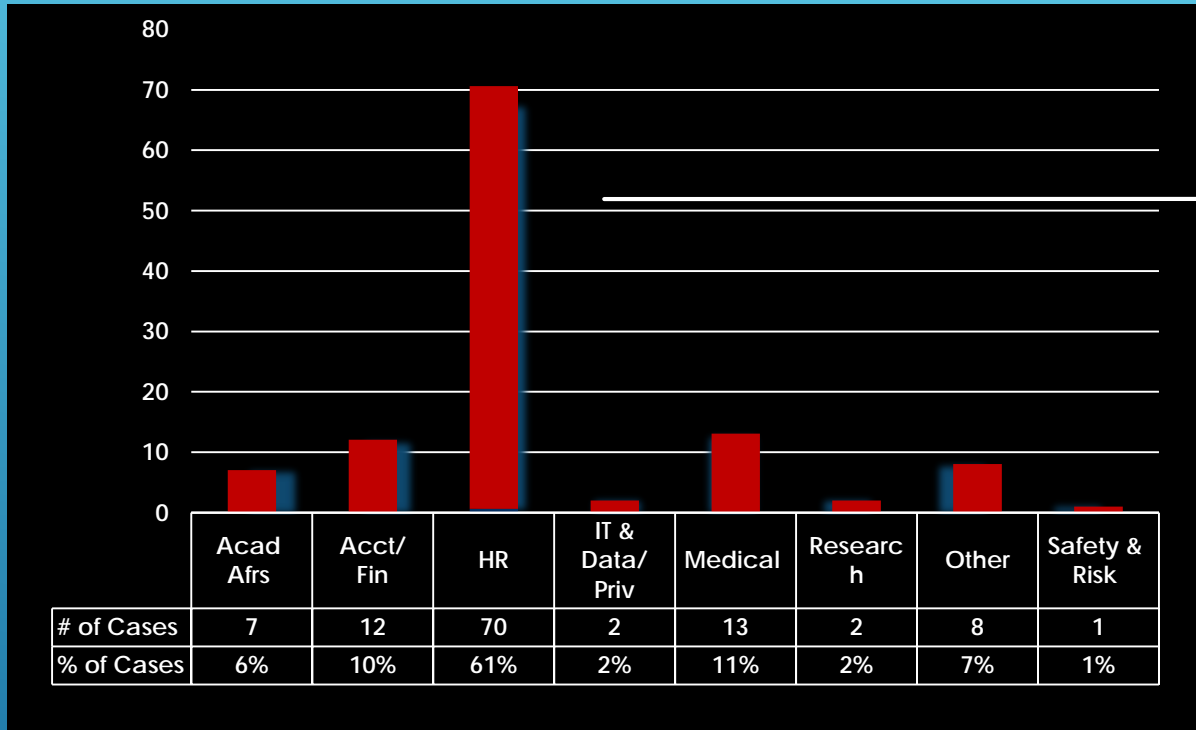
Human Resources issues continue to be the highest volume of complaints and this trend extends into the first six months of 2019. This is standard for this type of reporting system.
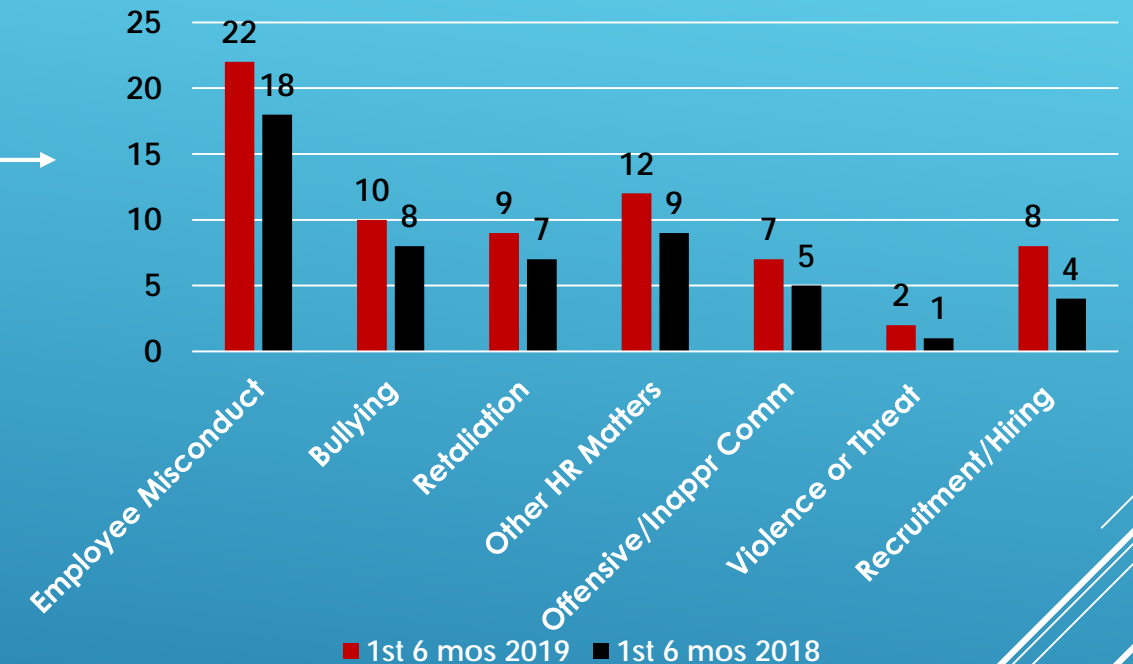
Of the 70 HR issues reported in the first 6 months of 2019, 53 cases have been investigated and closed, resulting in a 76% closure rate for this time period. 10 (19%) of those closed cases had substantiated outcomes with 6 (11%) with partially substantiated findings. 22 (42%) of the cases were unsubstantiated with findings for other smaller categories noted.

Case Outcomes – 81 Closed Cases
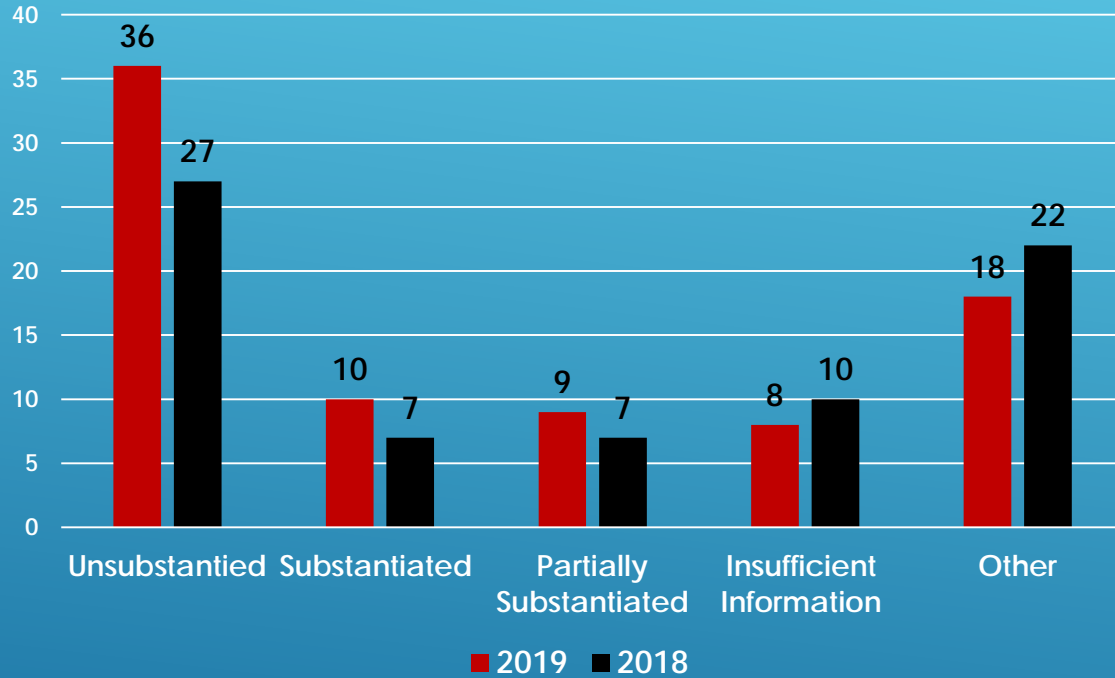
Of the 115 cases reported in the first six months of 2019, 81 cases have been investigated and closed, with 34 cases still being investigated at the close of June, 2019. The graph above shows the Outcome comparison for the same time period for 2018 and 2019. The table to the right shows the actions that were taken on substantiated and unsubstantiated cases.

Action Taken on Substantiated and Partially Substantiated Cases

Substantiated 10 cases

5 Policy/Process Review

1 Training

1 Correction of Policy Violation
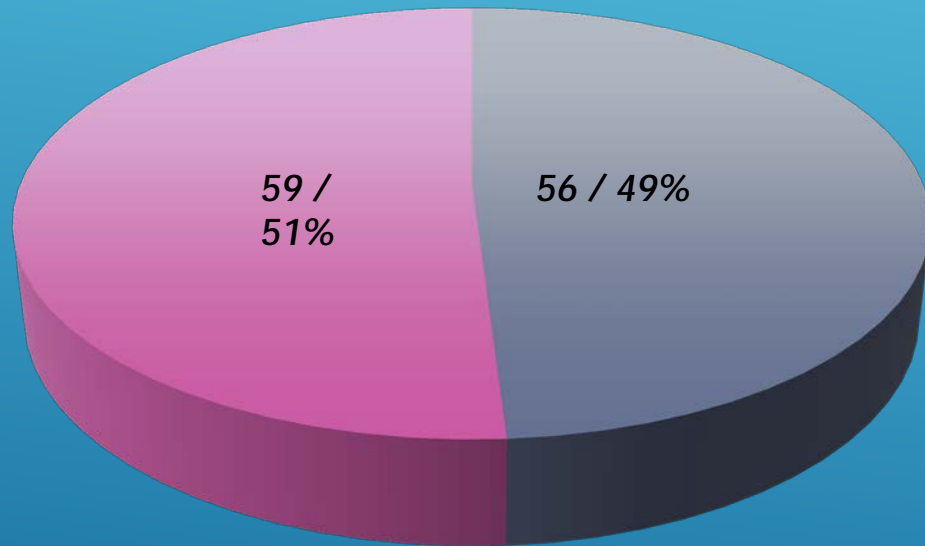
1 Discipline

1 Termination

1 No Action Taken

Partially Substantiated 9 cases

5 Policy/Process Review

1 Discipline

1 Correction of Policy Violation

1 Training

1 No Action Taken

Anonymous vs. Identified Reporting

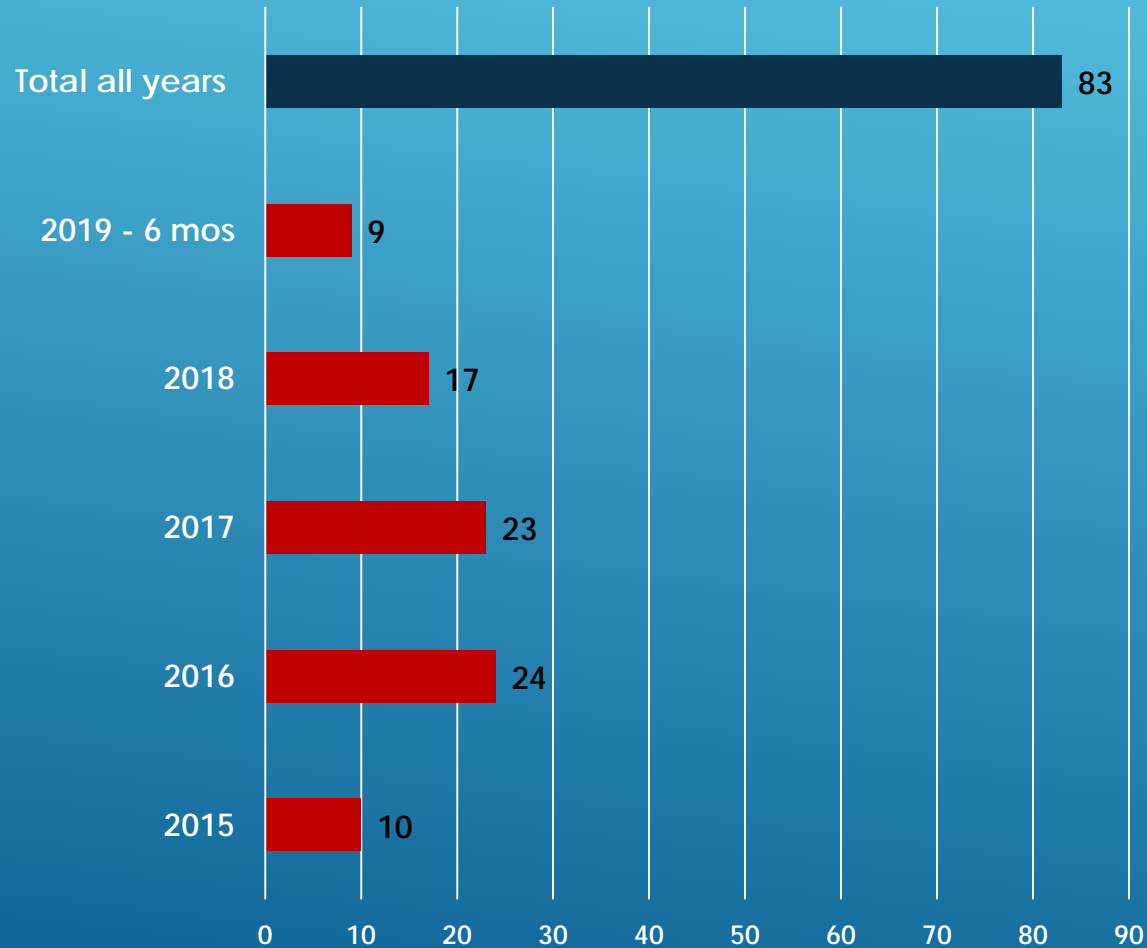## January – June 2019

59 / 51%

56 / 49%

■ Anonymous   ■ Identified

- For the first six months of 2019, Identified reporting is greater than Anonymous reporting. This is a positive turn that may indicate increased awareness and confidence in the reporting system.

- In comparison, for the same time period in 2018, Anonymous reporting was 61% and Identified at 39%, the reporting period statistics indicate an 8% increase/improvement in Identified Reporting over last year.

REPORTED CLAIMS OF RETALIATION

Total all years: 83
2019 - 6 mos: 9
2018: 17
2017: 23
2016: 24
2015: 10

(Bar chart x-axis: 0, 10, 20, 30, 40, 50, 60, 70, 80, 90)

▸ Due to the importance of claims of retaliation in the workplace today, The Main Campus Compliance Office continually monitors reported cases of retaliation.

▸ Of the 83 cases of retaliation that have been reported since 2015, including the 9 received the first six months of 2019, 43 represent primary or secondary claims of retaliation. Of those 43 cases, the following outcomes are noted:

  ▸ 18   Unsubstantiated
  ▸ 5   Substantiated
  ▸ 3   Partially Substantiated
  ▸ 7   Resolved
  ▸ 4   Insufficient Information
  ▸ 2   Withdrawn by Reporter
  ▸ 3   Investigation still in process

The remaining 40 cases reflect reports that indicate a fear of retaliation for submitting the report, not actual claims of retaliation.

CASE CLOSURE RATE COMPARISON

UNM's hotline case closure rate continues to be higher than the target rate of 45 days from open-to-close which is also the average rate for all EthicsPoint users. A majority of cases close within this target range, but there are some factors that affect or distort case closure rates. As an example of cases that can affect the overall case closure rate:

- A case that required the in-depth interview of 7 witnesses across several departments and an additional review by Internal Audit took 123 day from open to close.

- A complaint alleging a Recruitment/Hiring issue required the interview of multiple implicated individuals and the collection and review of 38 documents resulting in a 133 days to close the case.

- A case noting multiple complaints involving Accounting/ Financial and Human Resources issues required multiple department investigations and collaborations, interviews with multiple implicated individuals and witnesses, and a large number of documents that required reviewing. The case closed with a 140 days closure rate.

Chart: Case closure rates

Category	Value
EthicsPoint 2017	44
UNM 2017	94
UNM 2018	85
UNM 2019 Jan-June	96

(x-axis: 0, 20, 40, 60, 80, 100, 120)

QUESTIONS

HSC Institutional Compliance Program Update

UNM BOARD OF REGENTS AUDIT & COMPLIANCE COMMITTEE MEETING

OCTOBER 17, 2019 | 9:00 AM | SCHOLES HALL, ROBERTS ROOM

HSC Hotline Analytics

Intake Method	Count (%)
● Hotline Web	84 (50.3%)
● Hotline Phone	61 (36.53%)
● Letter / Mail	12 (7.19%)
● Phone	4 (2.4%)
● Employee Walk-In	2 (1.2%)
● none	1 (0.6%)
● E-mail	1 (0.6%)
● Fax	1 (0.6%)
● Interview	1 (0.6%)
Total	167

Case Type	Count (%)
● Allegation	152 (91.02%)
● Inquiry	13 (7.78%)
● none	2 (1.2%)
Total	167

HSC Hotline Analytics

Anonymous	Count (%)
● Anonymous	103 (61.68%)
● Identified	64 (38.32%)
Total	167

Issue	Count (%)
● Medical - Patient Care	21 (12.57%)
● Human Resources - Employee Misconduct	19 (11.38%)
● Human Resources - Bullying	18 (10.78%)
● Human Resources - Offensive or Inappropriate Communi...	16 (9.58%)
● Medical - HIPAA	15 (8.98%)
● Human Resources - Other Human Resource Matters	13 (7.78%)
● Equal Opportunity - Harassment or Discrimination	6 (3.59%)
● Medical - Other Medical Research or Patient Matters	6 (3.59%)
● Human Resources - Retaliation	5 (2.99%)
● Other - Concern	5 (2.99%)

Exclusion Screening Update

» Automated transfer of Banner and Lawson files completed

» Submission of monthly exclusion files to vendor 25th of each month

» Compliance Resource Center (CRC) utilizes HHS, OIG, LEIE and SAM agency databases

» CRC provides reports delineating screening findings.

» HSC ICP reviews findings reports, to evaluate and disposition, if "Confirmed Match."

Exclusion Screening Update

University of New Mexico - Entity (Banner)	
File Name(s)	Exclusions_Vendor_Banner
Report Date	August 31, 2019
Agencies Screened	• Department of Health and Human Services (HHS) Office of General (OIG) List of Excluded Individuals and Entities (LEIE • General Services Administration (GSA) System for Award N (SAM)
Number of Records Submitted	5,197
Potential Hits	105
Possible Matches	11
Confirmed Matches	0

University of New Mexico - Employee	
File Name(s)	Exclusions_Employee_Lawson
Report Date	August 31, 2019
Agencies Screened	• Department of Health and Human Services (HHS) Office of Inspector General (OIG) List of Excluded Individuals and Entities (LEIE) • General Services Administration (GSA) System for Award Management (SAM)
Number of Records Submitted	7,961
Potential Hits	2,745
Possible Matches	61
Confirmed Matches	0

Best Practices in Hosting Minors on Campus

» Program sponsors are often inexperienced of the potentiality a reputation can be compromised through a false allegation arising out of unsupervised contact.

» Required reading and understanding of **UAP Policy 2205: Minors on Campus**

» Collaborate with Compliance Subcommittee, to establish and maintain inventory of programs and activities involving minors on campus.

» Assist HSC Enterprise (HSC-Health System and HSC-Academics) in the design, planning and implementation of minors on campus programming.

» **Next steps:** Outreach efforts to key HSC stakeholders, to field questions concerning minors on campus activities and programmatic questions.

ICP Pursuit of Compliance Metrics & Program Efficacy

» **According to a report released by Deloitte & Touche LLP and Compliance Week, <u>In Focus: Compliance Trends Survey 2013</u>, almost one-third of companies (31%) do not measure the effectiveness of their program at all.**

» HSC ICP will identify metrics that will best assist in providing:
- A window into the HSC Enterprise's compliance risks and controls within HSC-Health Systems and HSC-Academics.
- Insights into compliance efforts to effectively prevent, detect, and respond to current and future compliance risks.

» **<u>Next steps:</u>**
- Working HSC Executive Compliance Committee to identify program metrics
- Present program metrics to BOR Audit & Compliance Committee

HSC Institutional Compliance Program

Thank you for your time,

Dr. Arthur Culpepper,
Chief HSC Compliance Officer
Deputy HSC Title IX Coordinator

ACulpepper@salud.unm.edu

Main: 505.272.7371
Direct: 505.272.2746

Follow Up Report - Implemented (Non-Athletics)
Oct 2019 Open Session

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
HSC Masters Degree Tuition Payments	10/15/2018, 8, H	Recommendation 3 - Neonatal Nurses Are Responsible for Travel Costs	In accordance with the Neonatal Practice Trainee Agreements, HSC should recoup the cost of the travel expenses related to the Neonatal Practitioner Trainees obtaining advanced degrees.	The HSC Chancellor will work with University Counsel and the UNM Pediatrics Department to determine if University payment of travel costs should be allowable or not; and, if not allowable, HSC management will take steps to collect reimbursement to the University of such travel costs.	9/30/2019	The neonatal nurses should be held harmless for the travel costs proactively paid by the University, and will not be required to reimburse these costs.	Paul Roth, Chancellor for HSC; Chamiza Pacheco de Alas; Chief of Staff, Office of the Chancellor
HSC Masters Degree Tuition Payments	10/15/2018, 8, H	Recommendation 8 - Obtain Anti-Donation Determination from NM AG	The UNM President should work with the Office of University Counsel, and the New Mexico Attorney General to determine the effect of the anti-donation statute, and resolve any anti-donation issues inherent in the HSC tuition payments, including repayment of tuition costs, if any.	The President's office will coordinate with University Counsel to request a formal opinion on this issue. The New Mexico Attorney General will be asked to provide an opinion regarding use of Public Funds (UNM paid the tuition and travel costs for one or more UNM employees to receive degrees from non-UNM institutions that were not required for the employees' jobs with UNM).	6/30/2019	Finding #8 is closed because it is not practical to wait further than the current 17 month period to receive guidance from the NM AG.	Garnett Stokes,President; Terry Babbitt,Chief of Staff
Audit of UNMMG and HSC Hiring Practices	5/23/2019, 9, M	Recommendation 2 - UNM HR Lack of Documentation for In-Range Salary Increases	UNM HR should implement processes to maintain documentation that supports salary increases, and prevent overrides to the system.	The Division of Human Resources agrees with the recommendation from Internal Audit. HR will develop a checklist for personnel actions that result in a salary increase that will be utilized by the HR Consultants when reviewing departmental personnel requests. The checklist will identify the type of request, such as inrangeadjustment, reclassification, interim appointment, etc., the appropriate range of acceptable salary increases and the required supporting documentation. Any request thatexceeds the identified standard will be escalated to either HR Compensation or ExecutiveDirector of Client Services for review and approval, as appropriate. For FY20, the Executive Director of Client Services will conduct an audit of a random sampling of the submitted personnel requests and confirm appropriate documentation and approvals were obtained.	9/1/2019	UNM HR has reviewed and revised existing Client Services Standard Operating Procedures (SOP) for In-Range salary increases, Career Ladders, Acting & Interim Positions, and Position Reclassifications, and has established standard training for new HR Consultants.	Dorothy Terese Anderson,Vice President,Human Resources; Kathy Agnew,Exec Dir,Human Resources

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
Reserves	5/23/2019, 7, M	Recommendation 1 - Index Reserves to Cover Index Deficits (Provost's Office Director of Financial Operations)	The Provost's Office Director of Financial Operations, and HSC Senior Executive Officer for Finance and Administration should conduct a review of index deficits and and identify specific indices, which departments can close with available funds. In addition, financial monitoring processes should be strengthened to ensure indices are not overspent resulting in annual deficits.	In most cases, minor deficits within each individual index should be cleared out prior to the fiscal year end. However, some units use indices as a way to track profitability within the unit. The units this generally applies to would include auxiliaries and self-supporting units (i.e. Continuing Education). Other exceptions include research clearing accounts and units with summer programs, which expenses post prior to the collection of revenues that cross the fiscal year. With those units, I would recommend an exception as long as the unit makes adjusting entries at the beginning of the fiscal to clear out the deficits and appropriately categorizes the reserve movement in the Categorization of Reserves (CAR) system.	9/30/2019	The Provost's Office Director of Financial Operation submitted an email communication with a formal memo prepared by the Budget Office to department fiscal agents communicating UAP 7000: Budget and Reserve requirements for deficits and categorization of reserves. Internal Audit noted the communication indicated fiscal management should prevent indices from being overspent, and that minor deficits should be cleared out prior to the fiscal year-end.	Nicole Christine Dopson,Financia l Officer Optg Grp
Reserves	5/23/2019, 7, M	Recommendation 1 - Index Reserves to Cover Index Deficits (HSC Senior Officer for Finance and Administration)	The HSC Senior Executive Officer for Finance and Administration should conduct a review of index deficits and and identify specific indices, which departments can close with available funds. In addition, financial monitoring processes should be strengthened to ensure indices are not overspent resulting in annual deficits.	Management agrees with recommendation #1 for the HSC. Our current standard operating procedure is to address and monitor year-end deficits through the UAP 7000 Categorization of Reserves (CAR) process along with HSC budget reviews. Deficits are reviewed at the College level as well as by the HSC Budget office during the CAR process. There are two possible outcomes when a unit has incurred a deficit: they will have a deficit reduction plan which is documented and monitored or the department will cover the deficit with the next year's operating budget. During HSC budget reviews deficits are examined to make sure they have been addressed or that the deficit reduction plan is being followed. Deficits do occur as a part of normal business operations at the HSC and should not normally be closed out against positive reserves. Tracking these deficits in the University's accounting system is a necessary internal control to ensure departments are spending resources responsibly.	9/30/2019	Internal Audit reviewed HSC's process for reviewing net margins/losses for each HSC department. Internal Audit obtained the detailed monthly analysis for June 30, 2019 and noted the analysis used for determining net margins and losses for each HSC department and budget adjustments required, as determined.	Ava Lovell,Exec Ofcr Fin & Admin/HSC,Sr; Joseph Wrobel, Chf Budgt & Facil Officer

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
Reserves	5/23/2019, 7, M	Recommendation 2 - Discretionary Reserves	The Provost's Office Director of Financial Operations should conduct a review of discretionary reserves reported by Branch Campuses, specifically UNM Gallup and Valencia Branches for reasonableness.	During the Categorization of Reserves (CAR) process for FY19 reserves, the Provost Office fiscal team will review the Branch Campus CAR reports to verify that all reserves are being categorized appropriately, and not defaulting to discretionary reserves prior to the CAR system deadline. If it is determined that reserves are not being categorized per policy, branch campus CEOs will be notified and adjusting entries will be made prior to the closure of the CAR system. In addition, an email will be sent by August 1, 2019 (prior to the CAR system opening) that Branch Campuses are required per policy to categorize reserve balances according to UAP 7000, and additional review from the Provost Office will take place this year prior to the reporting deadline.	9/30/2019	The Provost's Office Director of Financial Operations completed the Categorization of Reserve (CAR) process for all Branch campuses to ensure reserves for each Branch were appropriately designated. Internal Audit reviewed reserve designations and documentation to verify committed and dedicated reserve designations were adequately supported and discretionary reserves were correctly stated.	Nicole Christine Dopson,Financial Officer Optg Grp
Reserves	5/23/2019, 7, M	Recommendation 3 - Deficit Reduction Plans (SVP for Finance and Administration)	The Interim Senior Vice President for Finance and Administration should ensure FY 2018 deficits for Food Services Vendor Billing 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.	The Sr. VP for Finance and Administration office will eliminate FY 2018 deficits prior to the close of FY 2019. If it is determined that a deficit reduction plan is needed, units will work with the Sr. VP 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 office.	9/30/2019	Internal Audit noted deficits in departments reporting to the Senior Executive Vice President for Finance and Administration were eliminated or reduced in accordance with deficit reduction plans.	Teresa Costantinidis, SVP for Finance & Administration; Norma Allen, Dir,Univ Budget

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
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 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

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
Review of College of Arts and Sciences Operations	4/18/2013, 4, H	Recommendation A: Implementation of Process to Track Research Activities	A process should be implemented that enables colleges to effectively track and monitor time that faculty members spend on research activities to help management determine if faculty members are meeting academic load requirements and workload guidelines.	To track faculty research activities, an RFP was created for the purchase of a scholarly productivity subscription service, which will have the ability to track faculty research activities. Actual implementation of the software is expected to be completed by December 15, 2015.	8/31/2019	The former Interim Provost indicated the Provost's office is in the process of shared governance consultation with faculty and believes they are almost ready to go out for RFP for purchasing an external service for tracking faculty research activities.	Provost; Duane Arruti, IT; Gabriel Lopez, OVPR
HSC Masters Degree Tuition Payments	10/15/2018, 8, H	Recommendation 1 - Revise Policy for Tuition Payments	The University President should work the UNM Policy Office to develop a narrow exception to policy for extraordinary circumstances to allow University payment of tuition for employees to obtain outside degrees. Final approval should of any resulting tuition payments should rest with the University President.	The UNM President will work with the UNM Policy Office to re-draft UAPPM Policies 3260 and 3290 to address the University funding the payment of tuition to third-party educational institutions (and associated travel expenses) and to articulate certain criteria for approval for that funding: The substantive course underlying the degree in question must be one as to which the University will derive a benefit or value related to the employee's job function within the University; the substantive course curriculum is not offered at the University of New Mexico; and, the employee is responsible for any of the federal or state tax consequences of the University's funding of the tuition and related expenses.	9/30/2019	May 9, 2019 - Policy revisions are under way for UAP 3290 (Professional Development and Training), UAP 3700 (Education Benefits), and UAP 4000 (Allowable and Unallowable Expenditures). Draft policy revisions have been prepared, but have not been finalized.

August 8, 2019 – Policy revisions have been drafted; however, turnover in the Policy Office has delayed finalization and implementation. Implementation date has been extended to 9/30/2019. | Garnett Stokes,President; Terry Babbitt, Chief of Staff |
| HSC Masters Degree Tuition Payments | 10/15/2018, 8, H | Recommendation 2 - Internal Guidelines | For special circumstances where management decides to allow payment of tuition for employees, appropriate guidance should be developed and followed. | Any internal policy and internal guidance and/or processes will have University-wide application through the amendment and restatement of UAPPM Policies 3260 and 3290 and will be consistent with those revised policies. The HSC Chancellor will develop implementing internal guidance for administering at the HSC any programs where the University pays tuition for employees to obtain advanced degrees consistent with those amended and restated policies. | 9/30/2019 | Nov 19, 2018 - Development of internal guidelines for administering tuition payments for employees to obtain advanced degrees is pending the resolution of policy revisions and final determination of the tax consequences to the employees.

August 9, 2019 - A draft internal checklist is being finalized that is consistent with Policy 3700. It was being held until that policy is final but a draft has been provided to IA. | Paul Roth, Chancellor for HSC; Chamiza Pacheco de Alas; Chief of Staff, Office of the Chancellor |

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
HSC Masters Degree Tuition Payments	10/15/2018, 8, H	Recommendation 4 - Tuition Agreements	Payment of tuition for employees to obtain outside degrees must only be allowed for narrow exceptions to University policy, if granted by the University President. In such cases, the University should establish a formal agreement with the employee whenever the University pays for tuition and other expenses for an employee to obtain a college degree at an outside institution.	The HSC Chancellor will work with University Counsel to establish formal agreements with employees where the University agrees to pay for tuition and other expenses for an employee to obtain a college degree at an outside institution: the employee must sign an agreement under which the employee agrees, in exchange for the University's funding of the tuition and related expenses, to continue his or her employment with the University for a specified period of time, and, in the event the employee, for any reason, separates from employment at the University, any unamortized amount will be repaid in a manner consistent with a pre-determined repayment plan; and the employee is responsible for any of the federal or state tax consequences of the University's funding of the tuition and related expenses.	9/30/2019	May 9, 2019 - Assessment of the tuition agreements is underway. Development and finalization of standard agreements is pending the resolution of policy revisions, and final determination of the tax consequences to the employees. August 7, 2019 - A draft agreement was provided to Internal Audit prior to Audit Committee. This agreement is being revised to matchup with the tax advice received and with the not yet adopted policy 3700.	Paul Roth, Chancellor for HSC; Chamiza Pacheco de Alas; Chief of Staff, Office of the Chancellor
HSC Masters Degree Tuition Payments	10/15/2018, 8, H	Recommendation 5 - Terminated Neonatal Nurse	UNM Pediatrics department should work with Bursar's office to collect the amount owed the University, to include both tuition and travel costs, over a more reasonable time period, in accordance with the Neonatal Practice Trainee Agreement.	HSC Chancellor recognizes this deficiency in the current form of the Neonatal Practice Trainee Agreement, although the agreement does make the amounts immediately outstanding, and the University, if it chose to, could commence collection activities. Going forward, the University will amend the form of the Neonatal Practice Trainee Agreement, to provide that any amount that may be owed to the University be repaid over a specified period of time.	9/30/2019	November 26, 2018 - Department of Pediatrics is working with HSC Financial Services to work out a repayment plan with the departed neonatology nurse practitioner who left after completing the program. Should this prove unfruitful, other collection options will be explored. August 7, 2019 - Dr. Roth will send a communication to the chair of pediatrics instructing her and her Department to follow up on the outstanding amount of tuition owed on a more reasonable timeline. An initial communication already went out from the Department with a response offering a small monthly payment that IA deemed insufficient. Dr. Roth will ask the Department for more aggressive followup and a collection plan.	Paul Roth, Chancellor for HSC; Chamiza Pacheco de Alas; Chief of Staff, Office of the Chancellor

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HSC Masters Degree Tuition Payments	10/15/2018, 8, H	Recommendation 6 - Neonatal Nurse Taxation	The UNM School of Medicine Pediatrics department should work with the UNM Payroll department and all nurses participating in the advanced degree program to determine the appropriate process for rectifying the taxable treatment of the tuition benefit.	The UNM School of Medicine Department of Pediatrics, working with School of Medicine, HSC financial leadership, and the UNM Payroll Department will meet and confer to rectify the tax treatment consequences of the tuition benefit for all of the nurses participating in the advanced degree program.	9/30/2019	August 7, 2019 - The HSC and OUC have had multiple meetings with outside tax counsel at Modrall Sperling Law Firm and the determination has been made that the tuition benefit is taxable to nurses. OUC is currently working on a plan to address this issue for Nurse Practitioners already impacted. Moving forward, the draft contract which will be provided will include a provision for grossing up salary to account for taxability in exchange for the commitment to stay at the University. Draft contract is being revised to address taxation issue moving forward.	Paul Roth, Chancellor for HSC; Chamiza Pacheco de Alas; Chief of Staff, Office of the Chancellor
HSC Masters Degree Tuition Payments	10/15/2018, 8, H	Recommendation 7 - Tax Department	HSC should work with the UNM Controller's Office to develop a formal process, prior to finalization of transactions, for routing of tax determination decisions to Taxation.	The HSC Chancellor will work with University Controller to develop a formal process for tax determinations. Tax treatment and taxation determinations should be made by the University's Taxation Department, in advance of any funding of tuition advances. However, even in the absence of that, the HSC Finance and Accounting Department should route its proposed tax treatment of tuition advances to the University's Taxation Department prior to any funding. In addition, because the funding of such tuition payments may have tax implications to the affected employees, UAPPM Policy 3290 should be amended to provide: The Taxation Department should develop and implement a standardized worksheet to be used by all Departments listing all facts and circumstances of the tuition payment to address tax impact.	9/30/2019	August 7, 2019 - This item will be a part of the check list. There is already an existing process via tax@unm.edu that was used in several of the audited cases. This will be operationalized via the checklist to be a part of the process every time.	Paul Roth, Chancellor for HSC; Chamiza Pacheco de Alas; Chief of Staff, Office of the Chancellor

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Alumni Association Operations	10/15/2018, 6, M	Recommendation 2 - Financial Management	The Vice President for Alumni Relations/Association Executive Director should: a) Work with the UNM President's Office to develop a proposal to reestablish its I&G funding to previous levels; b) Work with the Association Board to request permanent contribution to the Relations office; c) Perform a cost savings analysis to determine where management should control and reduce expenses.	The Association believes that the work of the Office of Alumni Relations is critical to the University and that UNM should reassess its current I & G allocation to the office, reinstating it to such a level that, at minimum, there is a commitment to salaries for positions as established in FY19 through FY24, including any such salary increases that are granted by the Board of Regents. For FY19, a strategy will be developed to address the current anticipated shortfalls. Assessment of expenses and analysis of potential savings will be ongoing, and the Association will participate as appropriate in providing feedback on measures designed to provide savings where possible without a significant reduction in programs or services to alumni. The Association will look to engage in dialogue with the President's office in the coming year to provide information which will help support the above request.	12/31/2019	The plan and Association's budget for FY '20 was approved. Operational savings for FY '19 were realized, resulting in a carry-forward for the Alumni Relations Office budget of just over $2,000. For FY '20, a shared services agreement has been established for fiscal services for both the Alumni Relations Office and the Association. Alumni management believes this will create additional budget savings. Considering FY '20 is just underway, the ongoing planning and conversation are in the early stages, with the Association embarking upon a strategic planning process in the fall. Upon completion of the strategic plan, both the Association and the University will discuss the appropriate funding options for the future. Management believes the plan will be completed and corrective action for this recommendation will be fully implemented by December 31, 2019.	Dana Allen, VP, Alumni Relations
Alumni Association Operations	10/15/2018, 6, M	Recommendation 3 - Long-Term Budget Plan for Use of Investment Income	The Vice President for Alumni Relations/Association Executive Director should work with the Alumni Board to develop a long-term strategic plan for the use of investment funds. The plan should include expectations of need and/or requests on a long-term basis, which will provide the Board with an advanced notice of expected need and/or use of funds for future years.	The Association believes that the strategy for the use of its endowment is embedded within its current investment policy. The Association also believes that its current process provides an appropriate level of discussion and implementation of the use of its investment funds. The Finance Committee serves as the primary team tasked with reviewing the Association's Investment Account, performance and the Investment Policy set forth by the Association. The Committee is currently engaged in a review of these areas, and has initiated the first steps required to make recommendations to the Board on updates and revisions.	12/31/2019	The Association Finance and Executive Committees established a process which included working with students on recommendations and planning to help advise Association leadership on a suggested path(s). This requires work during both Spring '19 and Fall '19 semesters. The initial recommendations from the students/class working in Spring '19 have been submitted to the Finance committee chair for review/feedback/edits and from there, next steps will be formulated over the summer with an eye towards working with a Fall '19 class on developing the final pieces of the recommendations. The Vice President for Alumni Relations believes corrective action will be fully implemented by the target date of Dec. 31, 2019.	Dana Allen, VP, Alumni Relations

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Alumni Association Operations	10/15/2018, 6, M	Recommendation 4 - License Plate Royalties Agreement	The Vice President for Alumni Relations/Association Executive Director should work with the President's office and UNM Legal Counsel to execute a signed agreement for the Association's rights to license plate royalties.	Although the Association feels that the resolution passed by the Regents in 2015 remains the primary source of codifying the designation of the License Plate royalties to the Association, the Association is in agreement that a more strongly defined agreement is needed to ensure the continued allocation of royalties from current and future license plate revenue to the Association. Leadership of the organization will work with University Counsel to produce a more formalized agreement.	12/31/2019	The Executive Director for the Alumni Association indicated the redesign of the UNM license plates remain in the hands of the state MVD to assess the viability of the design against their standards. The Alumni Association is still awaiting approval from the MVD to move ahead with proposed options. However, it has received feedback that this may take additional weeks to work through the MVD process. Full implementation for this recommendation has been extended to Dec. 31, 2019.	Dana Allen, VP, Alumni Relations
Alumni Association Operations	10/15/2018, 6, M	Recommendation 5 - Chapel and Hodgins Hall Rental Deposits	The Vice President for Alumni Relations/Association Executive Director should revise the current processes for the collection and recording of Chapel and Hodgins Hall rental deposits. The Vice President for Alumni Relations/Association Executive Director should work with the UNM Cashier's office to set up a Touch Net account that will deposit funds directly in the Relation's UNM bank account.	The Alumni Chapel and Hodgin Hall serve as a connecting point for alumni, campus and the community as a whole and the Alumni Relations Office staff welcomes the opportunity to continue to provide the highest levels of service possible to ensure their continued accessibility to all. The Alumni Relations Office will work with the appropriate staff in the Cashier's Office, IT and any other offices deemed necessary to establish a more streamlined means for depositing revenue generated from the rental of these facilities directly into the appropriate University accounts, while still allowing for Alumni Relations Office staff to do the work needed to provide high levels of customer service.	12/1/2019	The Alumni Association currently transitioned to Fiscal Shared Services (FSS) beginning July 1, 2019. Through this transition FSS has worked closely with the Alumni Association, the Cashier's Office and IT to move from the current system PayPal to Touch Net, which is a University system that will allow all deposits to be deposited directly into the UNM bank account. The Alumni Association is in the testing phase and finalizing the interface of the reservation website. The Provost's Office Director of Financial Operations indicated that this phase should be completed by the end of October with the Touch Net system implemented by December 1, 2019, if not sooner.	Dana Allen, VP, Alumni Relations

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Reserves	5/23/2019, 7, M	Recommendation 1 - Index Reserves to Cover Index Deficits (SVP for Finance and Administration)	The Interim Senior Vice President for Finance and Administration should conduct a review of index deficits and identify specific indices, which departments can close with available funds. In addition, financial monitoring processes should be strengthened to ensure indices are not overspent.	Institutional Support Services (ISS) agrees six (6) of twelve (12) dedications tested in the amount totaling $11,054,251 were dedicated to cover existing deficits in other indices. The common business practice is to allocate dollars from a revenue producing index code to indices that are non-revenue under the same fund group. We follow this business practice in order to track expenses in various cost centers managed by one department. For example in Popejoy Hall, we have a school-time series cost center and we allocate revenue dollars from a development index code to cover their expenses.	9/30/2019	Institutional Support Services (ISS) leadership has been working closely with ISS departments to make revenue allocations throughout the fiscal year to reduce and eliminate deficits before year-end close. For Popejoy Hall, the dedications made to apply to deficits in non-revenue generating indices was reduced from $1,534,433 in FY18 to $6,647.63 in FY19. For Residence Life & Student Housing, the dedications made to apply to deficits in non-revenue generating indices was reduced from $9,519,818 in FY18 to $484,878 in FY19. All 1903 entries to consolidate reserves within the same fund were completed before September 30, 2019. ISS will continue to review the timing of allocations being made within our departments in an effort to eliminate any deficits before the end of FY20.	Teresa Costantinidis, SVP for Finance & Administration; Chris Vallejos, AVP,Bsn Plng & Svcs/ISS
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.	9/30/2019	Partially Resolved - Internal Audit verified the Enrollment Management deficit was eliminated during FY 2019. However, it was noted that the deficits for Student Publications and the Accessibility Resource Center both increased during FY 2019 even though a deficit reduction plan was in place. Internal Audit will continue to monitor these deficits for FY 2020.	Nicole Christine Dopson,Financial Officer Optg Grp
Reserves	5/23/2019, 7, M	Recommendation 3 - Deficit Reduction Plans (HSC Senior Executive for Finance and Operations)	The HSC Senior Executive Officer for Finance and Administration should ensure FY 2018 deficits for OBGYN, Radiopharmacy, and Dermatology are eliminated prior to the close of FY 2019 and monitor and enforce current deficit reduction plans to ensure existing departments deficits are reduced and eliminated according to plans.	HSC Management agrees with recommendation #3. The OBGYN and Radiopharmacy deficits have already been resolved while Dermatology will not be able to clear their deficit by the end of FY2019 and will have a deficit reduction plan in place at year-end. Deficit reduction plans will be documented through the FY 2019 CAR process.	10/31/2019	Internal Audit verified deficits that were reduced or eliminated during FY 2019. However, it was noted that the deficits for Surgery and Dermatology increased during FY 2019, even though a deficit reduction plan was in place (Internal Medicine) or should have been eliminated (Dermatology). Internal Audit will continue to monitor these deficits for FY 2020.	Ava Lovell,Exec Ofcr Fin & Admin/HSC,Sr; Joseph Wrobel, Chf Budgt & Facil Officer

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Audit of UNMMG and HSC Hiring Practices	5/23/2019, 9, M	Recommendation 1 - Alternative Appointment-Sole Source Placements	HSC Chancellor should work with UNMMG HR to strengthen the process for determining appropriate use of the alternative appointment - sole source method of hiring. A competitive search should be undertaken where there is a question whether the person has truly unique qualifications.	Management concurs with Recommendation #1, while referencing the UNM Office of University Counsel (OUC) opinion provided on page 27 of this document, the concept of "sole source" does not apply to Research Park entities. The HSC Chancellor will work with UNMMG executive leadership to cause UNMMG to strengthen and document the alternative appointment hiring criteria and procedures in conjunction with any UNMHSC-Affiliated University Research Park and EconomicDevelopment Act corporation, such as UNMMG, SRMC, etc. The documentation will be an HSC Policy.	10/30/2019		Paul Roth,Chancellor for Health Sciences: UNM Health Sciences Center; Ava Lovell, Exec Ofcr Fin & Admin/HSC
Audit of UNMMG and HSC Hiring Practices	5/23/2019, 9, M	Recommendation 3 - Management Bypass of Hiring Policy	HSC Chancellor should work with UNMMG HR and UNM HR to develop guidelines that differentiate UNM HSC Department positions and UNM Health System positions, and detailing which positions should be hired through UNM HR and which through UNMMG HR.	Management concurs with Recommendation #3. The HSC Chancellor will work with UNM HR and UNM Health System leadership and with UNMMG executive leadership to develop and implement the criteria and procedures for identifying UNM Health System positions and the attributes that differentiate them frompositions normally hired through the UNM Human Resources system for the HSC Academic Enterprise (HSC-A). The documentation will be an HSC Policy.	10/30/2019		Paul Roth,Chancellor for Health Sciences: UNM Health Sciences Center; Ava Lovell, Exec Ofcr Fin & Admin/HSC
Audit of UNMMG and HSC Hiring Practices	5/23/2019, 9, M	Recommendation 4 - UNMMG In-Range Salary Adjustment	HSC Chancellor should work with UNMMG HR to ensure that salary increases are properly approved, and that adjustments are fully supported.	Management concurs with Recommendation #4. The HSC Chancellor will work with UNMMG executive leadership to set expectations and standards in an amendment to the Affiliation and Management Services Agreement in effect with UNMMG, to ensure that the proper documentation and records are maintained. Reference proposed UAP #6030, section 3.0 Master Services Agreement.	10/31/2019	8/7/2019 - Extended due date to 10/31/19 due to late receipt of redacted report	Paul Roth,Chancellor for Health Sciences: UNM Health Sciences Center; Michael Richards, Vice Chancellor Clinical Affairs

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Audit of UNMMG and HSC Hiring Practices	5/23/2019, 9, M	Recommendation 5 - Equity Issues	HSC Chancellor should work with UNM HR and UNMMG HR to review whether hiring some HSC Administrative positions through UNMMG and others through HSC has created any equity issues.	Management concurs with Recommendation #5. The HSC Chancellor will conduct a review of equity issues that may have arisen from Health System hires as a result of the alternative appointment process conducted through UNMMG. The HSC Chancellor will issue a memo of any findings and corrections and work with UNMMG executives to implement such corrections, if needed, as a result of the equity review.	10/31/2019	8/7/2019 - Extended due date to 10/31/19 due to late receipt of redacted report	Paul Roth,Chancellor for Health Sciences: UNM Health Sciences Center; Jeanne Marquardt, School of Medicine Administrator
Audit of UNMMG and HSC Hiring Practices	5/23/2019, 9, M	Recommendation 6 - HSC Alternative Appointment - Sole Source	HSC Chancellor should work with HSC management to identify circumstances that warrant extraordinary hiring for certain HSC positions, and develop appropriate guidelines and processes. HSC Chancellor should work with UNM HR to differentiate hiring for HSC departments and the UNM Health System, and should develop processes and hiring guidelines for when hiring should be made through the UNM Medical Group.	Management concurs with Recommendation #6, part 1. The HSC Chancellor will work with UNM HR to issue an RFP for services to correct our compensation/HR system as it does not take into consideration that there are three business lines at UNM - Main campus and traditional higher education staff needs (which deserve a new assessment to accommodate any new business models necessary for survival), Athletics, and staffing for an Academic Medical Center. Each business line has to compete in their own environment nationally. We will engage in a comprehensive review of our HR system at UNM and bring in a reputable outside firm that does this kind of work, with experience with institutions in all three business lines and perform an objective review andrecommend back to leadership any changes which we should consider.	12/31/2019		Paul Roth,Chancellor for Health Sciences: UNM Health Sciences Center; Ava Lovell, Exec Ofcr Fin & Admin/HSC

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Audit of UNMMG and HSC Hiring Practices	5/23/2019, 9, M	Recommendation 7 - HSC Chancellor Oversight of UNMMG Hiring	HSC Chancellor should work with UNM HR and UNMMG HR to review the Project Echo – COO and the UNM Neurosurgery Department Administrator hiring to determine if UNMMG is the appropriate place to house these administrative positions. HSC Chancellor should also work with UNMMG HR to review the previously identified Alternative Appointment – Sole Source hires to determine the appropriate location for those positions.	Management concurs with Recommendation #7. The HSC Chancellor will document the criteria and procedures for identifying positions and the attributes that differentiate them from positions normally hired through the UNM Human Resources system for the HSC Academic Enterprise (HSC-A). The documentation will be an HSC procedure. The HSC Chancellor will conduct a review of placement issues that may have arisen from hires as a result of the alternative appointment process conducted through the UNM Medical Group. The Chancellor for HSC will issue a memo of any findings and corrective action as well as work with UNMMG executive leadership in respect of those findings and conclusions, if needed, as a result of any placement issues.	12/31/2019		Paul Roth,Chancellor for Health Sciences: UNM Health Sciences Center; Ava Lovell, Exec Ofcr Fin & Admin/HSC
Audit of UNMMG and HSC Hiring Practices	5/23/2019, 9, M	Recommendation 8 - Executive Director, Clinical Finance and Business Systems – UNM Health System Noncompliance Hiring and Salary Policy	HSC Chancellor should work with UNMMG HR to develop appropriate guidelines for hiring Health System positions through the UNMMG, including the appropriate level for hiring decisions, and better documentation of the justification for sole source hiring. UNM HSC Chancellor should ensure enforcement of existing and newly developed UNMMG hiring policies and guidelines for the UNM Health System	Management concurs with Recommendation #8, part 1. The HSC Chancellor will document the criteria and procedures for identifying UNM Health System positions and the attributes that differentiate them from positions normally hired through the UNM Human Resources system for the HSC Academic Enterprise (HSC-A). The document will be an HSC Policy. Management concurs with Recommendation #8, part 2. The HSC Chancellor will set expectations and standards in the Master Services Agreement (MSA) with UNMMG, to ensure that the enforcement of policies are maintained. Reference proposed UAP #6030, section 3.0 Master Services Agreement.	10/30/2019		Paul Roth,Chancellor for Health Sciences: UNM Health Sciences Center; Michael Richards, Vice Chancellor Clinical Affairs

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Audit of UNMMG and HSC Hiring Practices	5/23/2019, 9, M	Recommendation 9 - Review of University Research Park Entities	The President's office should work with HSC and UNMMG leadership to arrive at a collective understanding of the purpose of the UNMMG, specifically as it relates to its organization as a New Mexico Research Park Act organization, and acceptable hiring practices by UNMMG for UNM HSC and the UNM Health System. The President's office should work with the Office of University Counsel to review the MOUs and Affiliated Services Agreements between UNM and the UNMMG, and revise or update the agreements as needed.	The University President concurs with the internal audit recommendation. The President's office will work with the UNM HSC, UNMMG and the University Counsel to: 1) Review cross-entity hiring practices to ensure compliance with applicableUniversity and UNMMG policies; 2) Discuss roles and responsibilities of UNMMG and other Research park entities to clarify acceptable unique circumstances in hiring employee(s) for UNM HSC and UNM Health System, if any; and 3) Review Memorandum of Agreements/Understandings and Affiliated Services agreements between the University Research Park Organizations and the University to ensure compliance with the purpose and intent for establishing the Research Park entities for the benefit of the University and applicable laws, rules and regulations, and Regents policies.	12/31/2019	President Stokes has retained assistance from former Interim Senior Vice President Craig White to address a number of issues related to Research Park Act organizations and their related MOUs and service agreements. He will work with the Office of University Council to address the UNMMG concerns identified in this recommendation. Revised target implementation date is December 31, 2019.	Garnett Stokes,President ; Terry Babbitt, Chief of Staff

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Implemented by Athletics, but kept as Pending for additional monitoring by Internal Audit:							
5/17/2018, 20, H	Recommendation 3 - Deficit Reduction Plan	The Director for Intercollegiate Athletics should ensure the approved deficit reduction plan is implemented.	The Athletics Department will work in conjunction with the Office of Planning, Budget and Analysis in implementing the approved deficit reduction plan.	5/18/2018	Athletics has an approved ten-year Deficit Reduction Plan. Internal Audit will perform continued follow-up procedures to determine compliance with its deficit reduction plan. Internal Audit noted Athletics ended the year in the black for FY 2019.	7/30/2018	Eduardo Nunez, Dir, Intercollegiate Athletics
5/17/2018, 20, H	Recommendation 5 - Enhancement Funds	The Athletics' Chief Financial Officer should ensure that sports enhancement fundraising and donor cultivation activity is charged to the enhancement funds within Lobo Club. Reserves remaining in the Sports Enhancement Funds recorded in Banner should be expended on goods or services that are not a fundraising or donor cultivation activity.	All sports enhancement fundraising and donor cultivation activity is currently charged to the enhancement funds within Lobo Club. Following the conclusion of each fundraising event, the net profits raised will only be transferred from the Lobo Club to Athletics for public use as funds are needed. Otherwise, monies generated from fundraising events will remain at the Lobo Club.	5/18/2018	Internal Audit has verified fundraising and donor cultivation activities are now recorded using the Lobo Club sports enhancement funds. Internal Audit has also verified the remaining reserves in the UNM sports enhancement indices are being reduced with expenses for valid sports activities not related to fundraising and donor cultivation.	2/8/2019	Nicole Dopson, Dir,Financial Operations

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Pending:							
5/17/2018, 20, H	Recommendation 1 - Business Processes	The Athletics Fiscal Operations Director should: A) consider adding resources to the business office, such as an additional full-time employee, to strengthen internal controls within the accounting function; B) closely monitor budgeted expenses on a regular basis and adjust to reflect actual revenues generated, thus decreasing the risk of inaccurate revenue accruals, over-expended budgets, and year-end deficits; C) amortize the $500,000 additional investment received from Levy Restaurants over the term of the contract; and, D) record funds intended for specific purposes and their corresponding expenses in their own index.	A comprehensive business operations manual detailing policies and procedures for specific business functions, including, but not limited to: journal vouchers, accounts payable, purchasing, cashiering, payroll, financial award processes, compliance with endowment restrictions, etc., will be developed and implemented. In addition, a comprehensive assessment of the business operations within Athletics will be completed in order for a determination to be made as to the most efficient use of the current resources within the office. Account reconciliations will be performed on a regular basis throughout the year. In addition, revenue accruals will be adjusted on a quarterly basis to recognize actual revenues earned for the period. Further, budgeted expenses will also be closely monitored on a regular basis and adjusted to reflect actual revenues generated.	9/30/2019	The Associate Athletics Director for Business and Operations provided Internal Audit with the drafted Business Operations Manual and indicated it will continuously be updated as new situations arise within the department. The department transitioned to a new software system in June known as ARMS. This software system is used by almost all coaches and staff and has allowed Athletics to streamline a great deal of operational processes with the intent of moving even more tasks into the system over the course of the year. A committee has been identified to further review and provide changes to this draft document before circulating to all staff. The committee includes representatives from Fiscal Shared Services, Athletics Compliance, and the Lobo Club. Internal Audit will complete a review of the drafted Business Operations Manual to ensure it encompasses key business operations of Athletics and it has been reviewed and approved by Athletics management.		Nicole Dopson, Dir,Financial Operations
5/17/2018, 20, H	Recommendation 18 - NCAA and Mountain West Conference Tournament Tickets	Athletics should purchase NCAA and MWC tournament tickets only for UNM officials with such a provision for tickets in their employment contract. The Director of Intercollegiate Athletics should require NCAA and MWC tournament tickets to be purchased through the Lobo Club.	Athletics purchases NCAA and MWC tournament tickets only for UNM officials who are attending to conduct official university business and/or have such a provision for tickets in their employment contract. The Director of Intercollegiate Athletics requires NCAA and MWC tournament tickets to be purchased through the Lobo Club, which may then sell or distribute tickets as it deems necessary.	9/30/2019	MWC tickets were purchased for FY19 and were only distributed to individuals attending the MWC tournament on official business, which include tickets allotted to student athletes and coaching staff per contract. Any other MWC and/or NCAA Tournament tickets that were purchased for non-business purposes are only purchased through the Lobo Club. Athletics has implemented processes to monitor the ticket allotments. The department has drafted an internal policy to document distribution of unused tickets, which will be incorporated in the final Business Operations Manual. Internal Audit will perform audit procedures to ensure the purchase and distribution of MWC and NCAA tournament tickets is appropriate and aligned with the policy in the Business Operations Manual.		Eduardo Nunez,Dir,Interc ollegiate Athletics

Report Approval Date, # of Recommenda- tions, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Action / Last Status Update	Actual Implementation Date	Responsible Party
5/17/2018, 20, H	Recommendation 20 - Events Management Payroll Processing	The Director of Intercollegiate Athletics should add additional resources to assist in the payroll process for part-time and on-call employees to ensure payroll processing is complete by the pay period deadline.	The Senior Associate Athletics Director – Administration will work with the Assistant Athletics Director – Events to change the current payroll tracking process to include the final Friday of the payroll cycle. Individual timesheets with both employee and supervisor signatures will be used. The Senior Associate Athletics Director – Administration will key timesheets, and prior to approval by the Senior Associate Athletics Director - CFO, will send the list of all inputted employees on Monday morning of the payroll deadline to ensure all time has been keyed properly and in advance of the deadline. The Senior Associate Athletics Director – CFO will then approve time and submit for processing prior to the payroll deadline.	9/30/2019	HR has implemented Lobo Time to process payroll for the on-call Special Events Workers (ORG 925M). The implementation of Lobo Time for on-call special events workers accomplished the following goals: - Requires that events workers clock in/out on a time clock which more accurately captures and calculated their time worked. - Eliminates the need to manually track, calculate, transcribe, and input payroll for the Special Events Workers (ORG 925M). - Lobo Time is programmed to apply UNM's timekeeping polices, therefore, manual intervention is no longer required to apply UNM timekeeping policies. - Eliminated the need to pay "prior hours worked" for events staff as LoboTime has eliminated the time it takes to manually process payroll. Therefore, time can accurately be reported for all events worked during the pay period. Follow-up audit procedures will be completed to determine if implementation of Lobo Time for Events Management has resulted in on-call special events workers getting paid by pay period deadlines.		Eduardo Nunez,Dir,Interc ollegiate Athletics