

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Quarterly Meeting
October 28, 2024 – Meeting Minutes

Members Present: Kim Rael (acting as Chair), Victor Reyes

Other Attendees: Garnett Stokes, Norma Allen, Susan Reimer, Terry Babbitt, Teresa Costantinidis, Angela Vigil Christine Landavazo, James Holloway, Duane Arruti, Francie Cordova, Beck Rivera, Adrienne Helms, Sumanth Guduguntla, James Robertson, Jason Galloway, Susan Warren (KPMG), John Bunnell (KPMG), Josh Lewis (Moss Adams), Lauren Kisten (Moss Adams), Paul Garcia (CRI), Ajay Gupta (virtual), Emily Morelli, Victor Griego, Chien-chih Yeh, Antonio Baca, Amy O'Donnell.

Regent Rael called the meeting to order at 2:05. She confirmed there was a quorum.

ACTION ITEMS:

- The Committee approved the agenda.
- The Committee approved the minutes from the meeting of August 8, 2024.
- The Committee reviewed the proposed upcoming calendar year 2025 dates of this committee. The Controller's Office requested a date change for the October 2025 meeting to October 29th to meet the needs of the external financial audit exit conference.
- The Committee unanimously approved the following reports:
 - FY 24 External Financial Audit Report
 - UNM Internal Audit Department Annual Report

INFORMATION ITEMS:

- Advisors' comments: None.
- Victor Griego, Internal Audit Director provided his quarterly Director's report. He stated that the May meetings are scheduled for the entrance meetings for the external financial audit, and October meetings for the exit meetings. The FY24 exit meeting will be presented today in closed session.

Mr. Griego provided an update on the Internal Audit operations. The department is currently going through the second round of interviews for the three finalists for an open internal auditor position and should be hiring that position in the next couple of weeks.

The audit plan status for FY 25 is as follows. As of September 30th, the department has 13 audits on the audit plan. Four (4) have been completed and are in report writing, four (4) are in planning and fieldwork, and five (5) have not yet been assigned. In the last meeting, the Committee approved the Non-Standard Payment Audit. The department is currently in the follow up process to verify recommendations that are being implemented. Audits of the Anderson School of Management and Office of Community Health are both in the report writing phase. The department plans to have those done to present in February. Internal Audit has also initiated the annual audit of the President's Travel, Entertainment, and Other Expenses. That's a quick audit that has historically been clean, so that should be finalized and ready to present in February as well. Planning procedures have been initiated for an audit of the University IT Disaster Recovery Plan, and the department also just initiated an audit for Athletics Administration.

Mr. Griego provided a briefing on the complaint status from EthicsPoint. The department has 49 cases for FY 25. Eight (8) have been completed and closed, 38 are in planning and fieldwork, and three (3) are unassigned. Of the eight (8) that have been closed during FY 25, as of October 15th, one (1) was substantiated, and seven (7) were unsubstantiated.

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The FY 24 external audit has been completed, and the external auditors will be presenting it in closed session. The Controller's Office communicated to Internal Audit that there was an external audit retention survey that was sent out to 33 individuals at Health Sciences, Main Campus and the component units. 58% of the participants responded and 100% of them had a favorable survey for the external auditors. Therefore, the Controller's Office is going to retain the external auditors for the third year contract option. That will be coming to the committee during the May meeting for approval.

The Health System internal audit function, CLA, does not have any reports to present for this cycle, but they will be providing a status on the audit plan for FY 25 in closed session.

Regents Policy 7.3 requires the Internal Audit Director give a report to the committee regarding any external reviews that are being done by agencies for contracts and grants. This is for informational purposes only; the Director is usually not involved in these audits. There are seven (7) to report for this cycle. The Department of Justice audited an award to the HSC Biochemistry Department, and the period covered from fiscal years 2018 to 2024. They didn't report any findings on this audit. The Los Alamos National Labs also completed an audit of all Los Alamos awards at various HSC departments. The period for the audit included fiscal year 2022. Once again, they didn't have any reported findings. So, both of those audits were clean audits.

Two others from Sandia National Labs were: 1) various awards for Main Campus and HSC purchase orders for an audit period of fiscal years 2019 - 2021; and 2) expenditures for fiscal years 2022 and 2023. They did issue potential questioned costs for the audits, but UNM is challenging the findings that they had. Currently, there's no requirement to return any funds. Regent Reyes asked if it was Sandia National Labs that had that finding. Mr. Griego replied yes.

There was also one from the National Science Foundation (NSF). They had three (3) audits covering various time periods and contracts and awards. That audit also has reported potential findings of questioned costs and UNM is currently working with the NSF audit resolution to try to resolve those findings as well. There is nothing definite as far as reported findings and UNM is challenging all reported findings.

Regent Reyes asked about the DOJ audit – what triggers that? Mr. Griego replied that one was under the Health Sciences Center Biochemistry Department. Basically, the funding agency can elect to have an audit. Sometimes the agency will conduct the audit, or they'll actually contract with an outside firm to do the audit. Jason Galloway, Chief Financial Services Officer, UNM Health Sciences Finance and Administration stated the DOJ is the sponsor. They used to come on site, but now they actually just do virtual. I mean. Regent Reyes asked what the award is for. Mr. Galloway replied that one specifically, was funds to do analysis. There is scanning done at OMI, and they do some studies on that. There is analysis done on different samples.

Francie Cordova, Chief Compliance Officer provided her status report to the Committee. She reported they are really working on staffing. Ms. Cordova reviewed the CEEO organizational chart and provided information on vacant positions/postings. They are primarily trying to find some relief for their investigators; their department has a difficult time keeping them. They are adding a fifth investigator as a temporary employee right now to give some relief. They just repositioned the data manager, meaning that they reclassified them. They are also having trouble keeping this position that is very key in helping identify trends. They reclassified that to a higher grade, and actually live-called all the candidates to make sure they understood what they're doing. They like the data, but they hate the subject matter. No one wants to be doing stuff on sexual assault and those sorts of things. So, they wanted to make sure they knew what they were getting into.

Sumanth, their new data person is here today. They are happy to have him. They also basically upgraded their Administrative Assistant into an Intake Coordinator role. Her role now is to meet with the parties, tell them about the process, talk to them about their options, and do some of that supportive work up front to give relief to the investigators. They hope that this will help with caseload management, as they don't see any downward trend with the numbers.

Ms. Cordova stated that numbers just continue to grow in their office in terms of the complaints coming in. This year, they have been working on a lot of policies, which they do often anyway as a best practice to mitigate risk. They finished all policies 2720, 2740, 2760 and 2765 as interim policies, but they have rewritten them now to be permanent policies. They sent them to legal on Friday, and then they will eventually go to the Policy Office. There are decision making points for the campus to give public comment.

They have also rewritten the Clery policy so it will be going out for public comment. They are finalizing their conflict of interest and conflict of commitment policies. They found the policies are sort of all over the place, not particularly consistent. One of the things they are striving for is an annual disclosure for all employees right now. High-level employees at the University and research people are required to make these disclosures, but they are recommending an annual disclosure for all employees and an electronic tool to monitor that. They are finalizing minors on campus policies. It has been primarily a passive policy up to this point, and so they are doing some work to really bring some teeth and some guts to that policy. They are finalizing the foreign gifts and contracts policy. This is the policy where the University is required to disclose any foreign source gifts or contracts that hit a threshold amount during the calendar year of \$250,000. And there is some pending federal legislation to reduce that cap to \$50,000, which would mean a lot more disclosures. It's getting the final touches in Legal, and it will go to the Policy Office as well. They created an electronic smart sheet for reporting - it's really complicated reporting.

UNM is under an audit from the Office of Federal Contracts right now for its affirmative action plan. Ms. Cordova stated she does not think that this is a targeted audit. It has not been on their audit cycle for a while, so she thinks it's a regular audit. The investigators will be getting the UNM data tomorrow, specifically. They are looking at Main Campus and Health Sciences Center right now. What happened last time in 2015 is they started wide and then narrowed down to faculty compensation. But they don't know what they'll be looking at - if they'll look at staff, veterans, people with disabilities, etc. All of those things are on the affirmative action plan. By the next meeting, hopefully it will have resolved. They look to see if we're in compliance with our policies. They're looking at compensation discrepancies. They want to make sure men and women, minorities, and non-minorities are all being paid substantially equal for the same work. It is a complicated process. They have broken all our job groups across the University down into what they think is apples-to-apples looks, including things like breaking down the faculty from Engineering to Arts and Sciences because there's big discrepancies between those. They created separate job groups for all of them years ago when the last audit happened. Last time when they were looking at faculty compensation, discrepancies they saw were special components that faculty had, things they were doing beyond being faculty that explain that difference in salary.

Regent Reyes asked if they're also confirming UNM's required compliance with federal policy. Ms. Cordova replied that is correct. Federal policies, federal posting laws, equal opportunity; it's a pretty holistic review. Last time, it took them a full year to resolve the audit. It is getting so close to an election cycle; it might mean a longer or shorter time, or something else. Ms. Cordova does think the investigators will be physically on campus, probably in the next few months.

They are expanding the UNM Accessibility Committee and compliance with guidance on web accessibility. The DOJ just issued new guidance on web accessibility for individuals with disabilities. They will be presenting something to the President soon, and then to this Committee, about compliance guidelines for the whole University. New Title VI regulations are likely coming in December.

People have discovered EthicsPoint, the external-facing system that can be used by anyone - internal people, visitors, people outside the University - to report anything at all across the enterprise. That's Hospital, HSC, branch campuses, main campus, Athletics, etc. This year, UNM received almost 1,550 complaints. UNM started using EthicsPoint in 2014 and revamped it a year and a half ago or so. Now it is branded with UNM branding. It was vendor branding before. Ms. Cordova and Mr. Griego oversee the EthicsPoint system, and make sure that things get to the right place. There's a lot of logic built in that will get things to the right place

already if people report in a way that makes the system do it. It's the best practice in the DOJ world, and they are glad people are using it.

Everyone else gets their cases closed pretty quickly, but CEEO and Internal Audit take a lot longer because the cases are more complex and have a lot more to them. For the most part the average is about 80 days, which is still going down even as the cases are going up. The largest areas are discrimination, sexual harassment, and sexual misconduct. CEEO's are almost 1,000 alone, and also include accommodations, which are skyrocketing now. The next big categories are Human Resources and Academic Affairs. Academic Affairs is using the system on both sides of campus now to track their cases. Others include accounting and financial, other compliance issues, research, and conflicts of interest.

If CEEO cases are removed, then Human Resources becomes the biggest driver. It is normal nationally for CEEO-types of cases to be highest. UNM allows anonymous reporting. It isn't ideal because oftentimes you can't resolve things if you don't know who's reporting. But CEEO does not do anonymous reporting much. It's just too hard to prove some sort of discrimination or sexual harassment or misconduct without knowing who people are. Without their cases, then anonymous reporting goes up really high. Almost half of the people reporting are anonymous. There are some false reports that happen in the system in some areas. They're really false cases that people were submitting anonymously. There was a period of time when they were coming in pretty routinely and those might have driven this statistic up a bit.

Title IX makes up about half of CEEO cases overall. That is all sex-based discrimination, harassment, sexual assault, etc. Race and national origin numbers have gone up since we've had the war going on. And that's also true nationally. Sexual harassment is still the biggest bucket of cases, but sexual assault is right behind. It is, again, the same nationally. Stalking and dating violence and domestic violence are the next highest amount. Since COVID, they just have not gone down. They have just been going up and up and up. It's an area where they are really working on with advocates and with others to look at prevention measures. Students were always the biggest group of people being alleged to have committed bad things in the CEEO world. For the last five years, it has always been faculty and staff. It is no longer students. They are most often accused of wrongdoing. It is now staff at 48% and faculty at 27%, so both higher than students. That is concerning. You would expect that students being younger people typically would be the drivers, but they aren't right now. Regent Reyes asked if that is nationally also. Ms. Cordova replied she is not sure that she has seen this explicitly called out in other universities' data, but she will look because it's interesting data.

Adrienne Helms, Clery Coordinator provided a Clery update. They have been very busy, so they have a lot to get to. The Clery Act is a federal consumer protection law that requires federally funded universities and colleges to publicize and outline policies and procedures related to safety and security in addition to crime statistics. The idea behind that is to allow prospective and current students and employees to make more informed decisions about whether to work or live at UNM. A large part of that is publishing the annual security and fire safety reports for each branch. Each of these reports contains annual crime and fire statistics for three calendar years and policies and procedures for the current academic year. The offenses are defined federally. For New Mexico or city numbers, you'll have to go to the city, county or the state for those. These are reports considered to have been made in good faith. They are not limited to reports involving students or employees.

The criteria is an offense that meets Clery conditions that occurred within a Clery geography and reported to a campus security authority (CSA). Crime statistics are counted in the year they were reported, and some incidents account for multiple statistics. A domestic violence incident could also qualify as an aggravated assault; one incident reflected in two statistics. The statistics are not affected by whether campus is open, time of year, who is involved, etc. It doesn't matter if it is reported to law enforcement or goes to court. It is reports that are received.

Total numbers came down from a total of 609 crimes in 2022 to a total of 506 in 2023. The rate of on campus crimes that occurred in student housing has decreased even though our resident rates have gone up. Last year, CEEO was asked for a breakdown of offenders when it came to weapons violations in particular. There was one report involving a student when it came to having a weapon. Even then, it was a student resident's guest. It was very limited to unaffiliated individuals or hospital visitors, patients, things like that. Liquor law violations went down significantly as well.

Regent Reyes asked for the definition of Clery geography. Ms. Helms responded that Clery geography is broken out into three categories, not just limited to on main campus. It does include the hospital and all of North and South Campus in addition to Central. There are non-campus properties that UNM controls across the country, for example student trips where they stay overnight and there is a contract in place for students to stay. There is law enforcement outreach to solicit any reports that they received. It can be sites around town or throughout the state where UNM has off-site courses, like at a bowling alley. Public property is actually included. A lot of weapons violations come from traffic stops. Included are incidents that occur on the sidewalk closest to us, and then in the road, and then on the public right of way on the opposite side of the street. Once you enter a private business, like Frontier or the Wendy's, you're no longer in UNM's Clery geography. However, if you're getting an alert or an advisory regarding an incident, that is because law enforcement deemed it a potential threat to campus, due to some kind of intelligence that told them that the suspect left that location and there's a chance they could be coming toward campus.

Safety Week is observed every September during National Campus Safety Awareness Month. This year, once again, there were a number of very successful events. UNM partnered again with Environmental health and safety, UNMPD and APD. Events included the safety walk, bike registrations, VIN etching, Coffee with a Cop, and escalation training. There was a day dedicated to north campus activities, and that got a lot of foot traffic. This year, they also introduced an appreciation reception for their campus safety partners at the University Club. The safety walk had about 100 attendees. But this year, what was interesting is that instead of only students, which is normal, there was a lot more staff. This year, they also hosted the second annual Campus Safety Summit, which again, had a great turnout. And once again, it wasn't just limited to UNM stakeholders. There were folks from the City of Albuquerque, from APD, and a six-speaker lineup. Topics included auto theft prevention, crime trends, Campus Watch, the campus safety plan, culture of safety, and who to call. This is a very innovative and exciting program that is a network of signage and other information disseminated to make sure people in each building know exactly which numbers to call in the event of an emergency, or criminal incident, or what have you.

At the Safety Summit, they were so pleased to launch the survivors' guide to rights and options. This is a requirement of the Violence Against Women Act. It was an amendment to the Clery Act imposed through the 2013 reauthorization regulations. It is meant to be a standalone document as an excerpt of the annual security report. A lot of it is dedicated to crimes involving sexual assault, domestic violence, dating violence and stalking. In the event that a student or employee reports one of those crimes, UNM as an institution is required to provide this document as a standalone document to that victim so that they have information right then and there. They don't have to go looking for information about medical assistance, etc. Back in 2015 and 2016, the sexual misconduct and assault response team (SMART), published what we call the SMART brochure. That served the community extremely well until they looked at it last year, and they decided they could use some updating. It is now more reader friendly and can be accessed using a QR code. There is an e-book on there as well as a downloadable PDF. They are both fully accessible for people with disabilities. This is a big project. It took about 18 months to get right. If a student or employee has experienced one of these crimes, and they've got a QR code on there, as well as information about the packet that they can give directly to somebody and then print off whatever they need. It is applicable for each of UNM's branches. If they hang on to that resource, they don't need to worry about getting a different one. They'll have it at their fingertips. Of course, it's easier to update and distribute since it's online.

There are some other new Clery tools and another QR code. There is a new online CSA report form on the UNMPD website - a new annual CSA survey form, which is the annual certification asking CSAs to make sure they've reported everything from the previous calendar year. There is a crime and geography classifier tool, essentially an app that asks that provides certain prompts, and based on what you put in, it spits out the actual crime classification and geography. They are working on a new CSA training video, a new Clery geography map in the works this week, and a responsive online assessment form for the campus wide notifications to UNMPD and the emergency management team. They are also in the test phase of automating the daily crime log and daily fire log.

Beck Rivera, Deputy Chief Compliance Officer, provided the Committee with updates regarding minors on campus. The policy has been pretty passive, trusting and relying on those that are serving as program leaders for these programs that involve youth, to ensure: appropriate insurance has been purchased; the ratios of those authorized adults to the children are being followed; and, behavioral expectations are being conveyed, etc. This has pretty much been the practice since it was implemented in March 2016. In fact, the policy has only undergone one revision in 2018. Over the last about year and a half, they reconvened the Minors on Campus Committee to perform some research as to what other institutions are doing in terms of best practices and what risks and liabilities have been identified that maybe weren't contemplated in the current version of the policy. They proposed a wealth of changes, and CEEO started presenting coverage items such as transportation expectations to constituents in April. In the current version of the policy, there are no behavioral expectations or practices with regard to transportation.

Another facet of the policy that isn't currently contemplated is pickup and drop off procedures, and so they propose that the program leader spell out the manner in which they are releasing children and care of their authorized pick up person. There is discussion with regard to medication management: proposed language inside of the policy to discuss requirements to document where that medication will be stored; who is permitted to hold onto it/dispense it; and, also calling out the ability for the program leaders to get in contact with the ADA coordinator if there are other accommodations that are required. Additionally, with regard to insurance, proposing an additional layer of insurance for programs that might have overnight stays. CEEO has proposed some changes to the background checks that are very explicit in terms of what background checks should involve, especially for those external organizations that wouldn't be going through UNM Human Resources to get their background checks. There is a draft code of conduct that all authorized adults would review and sign, as well as a code of conduct for the youth who are actually participating in the program so that they can review with their parent or guardian.

The second component of our minors on campus work is working with a vendor to create a platform to collect all of the verifications, background checks, releases, waivers, and the medication management forms all into one place. Not only will this serve as an opportunity for the parents to sign up their kids for various programs or activities or camps, it provides an opportunity to verify on the back end how many youths are in particular programs. In the unfortunate event of an emergency, there is a receptacle to very acutely look at what programs are on any campus. It is actually a program that's being used by Athletics currently for their camps. They are excited to get the ball rolling and extend it for campus wide implementation. They are on target to have a soft launch in March. That means that they will be able to get it up and running right before the big influx of summer camps and programs.

Regent Reyes asked if the program staff are mandatory reporters the way that other staff would be. Do they have the same training that other staff have to go through? Mr. Rivera replied yes. There is a minors on campus training in Learning Central. The goal with the platform and the policy improvements is that UNM will have a much more robust training program; they'll start triaging how to get that available to other individuals as well.

There's one other section with regard to reporting. Title IX and the Clery Act are currently not acknowledged in the Policy 2205, the minors on campus policy. They want to remind those authorized adults/program leaders that just because you have a program involving youth, doesn't mean that you shouldn't be reporting alleged

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sexual harassment or discrimination or potential crimes that should be routed over to the Clery coordinator. They are very excited to have proposed these changes to the Policy Office, and they are hopeful that early next year it can be vetted with our community and get approved.

Chien-chih Yeh, Audit Manager updated the Committee regarding the status of audit recommendations. The Committee approved the Non-Standard Payments (NSP) Audit with seven (7) recommendations at the last meeting. Those seven (7) recommendations were populated into this report. One of them is finalized - a revised MOU for non-standard payment processing was executed between the School of Medicine and UNM Medical Group. This recommendation is implemented. This is the only one during this reporting cycle. The other six (6) NSP recommendations are still pending. Most of them are not due, except recommendations #3 and #4. For those two recommendations, the implementation date was just two weeks ago. The auditor reached out to their management and they indicated they are implemented. That information needs to be verified by Internal Audit to make sure that is the case before it is reported back to the Committee.

The next part of the report details the other outstanding recommendations from other audits. We have talked to the Los Alamos IT folks. They are overseeing the IT recommendation. Internal Audit has communicated expectations, and they shared their plan to implement the recommendation. Internal Audit will obtain the information as soon as they provide it and will update the Committee at the next meeting. The next two (2) recommendations are for Project ECHO. They are not yet due. The last one is coming up pretty soon, so we will reach out to the auditee again and just see if they can provide updated information for reporting to the Committee at the February meeting. The remaining pending recommendations are for the Office of the Medical Investigator (OMI) audit. There are a total of seven (7) recommendations. Most of them are not due until the middle of next year. So, there's not really that much to update. Internal Audit reached out to them to see if there is any updated status, but right now, there is no new information.

By unanimous consent, the meeting went into Executive Session at 2:58 PM per the agenda.

- a. Presentation of FY24 External Financial Audit pursuant to external audit exception in RPM 1.2. (*KPMG, Moss Adams, Carr, Riggs & Ingram, and Norma Allen, University Controller*).
- b. Discussion of draft Internal Audit reports, audit work plans and information subject to attorney-client privilege pursuant to RPM 1.2 and NMSA 1978, § 10-15-1(H)(7).
- c. Discussion of limited personnel matters as defined in and permitted by NMSA 1978, § 10-15-1(H)(2).
- d. Vote to re-open the meeting.

The meeting returned to open session at 3:45 PM with certification that only those matters described above were discussed in Executive Session, and if necessary, ratification of the action taken in Executive Session.

The meeting adjourned at 3:46 PM.

Approved:



Audit and Compliance Committee Chair