

BOARD of REGENTS



THE UNIVERSITY OF
NEW MEXICO.

AUDIT AND COMPLIANCE COMMITTEE VIRTUAL MEETING

Friday, October 16, 2020 9:00 am

The University of New Mexico
Board of Regents' Audit and Compliance Committee
October 16, 2020 – 9:00 AM
Virtual Meeting
Agenda

ACTION ITEMS

1. Confirmation of a Quorum and Adoption of Agenda
2. Approval of Meeting Minutes from August 13, 2020
3. Audit and Compliance Committee proposed meeting dates for Fiscal Year 2021

February 11, 2021

May 6, 2021 (Entrance Conference for FY21 Financial Statements Audit)

INFORMATION ITEMS

4. Advisors' Comments
5. Director of Internal Audit Status Report (*Victor Griego, Interim Internal Audit Director*)
6. 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*)
7. Health Sciences Center Chief Compliance Officer Status Report (*Arthur Culpepper, HSC Chief Compliance Officer*)
8. Status of Audit Recommendations (*Chien-Chih Yeh, Internal Audit Manager*)
Implemented
Pending

EXECUTIVE SESSION

9. Vote to close the meeting and to proceed in Executive Session as follows:
 - a. Discussion of draft Internal Audit Reports, and discussions of information subject to attorney-client privilege pursuant RPM 1.2
 - b. Discussion of limited personnel matters (Interim Director of Internal Audit Department) pursuant to exception at Section 10-15-1.H(2) NMSA (1978);
 - c. Schedule of Audits in Process and Proposed FY21 Audit Work plan, pursuant to RPM 1.2
 - d. Vote to re-open the meeting.
10. Certification that only those matters described in Agenda item #9 were discussed in Executive Session and if necessary ratification of action, if any, taken in Executive Session.
11. Adjournment

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Virtual Meeting
August 13, 2020 – Draft Meeting Minutes

Members Present: Douglas Brown, Chair, Marron Lee, Vice Chair, Robert Doughty, Member.

Other Attendees: Garnett Stokes, Liz Metzger, Terry Babbitt, Rob Burford, Teresa Costantinidis, Duane Arruti, Dean Bernardone, Jeff Gassaway, Ava Lovell, Loretta Martinez, Arthur Culpepper, Angela Vigil, Bonnie White, Ari Vazquez, Eddie Nunez, Jalen Rodriguez, Josh Padilla, Warren Ellis, John Perner, Mallory Reviere, Victor Griego, Chien-chih Yeh, Kevin Enright, Lisa Wauneka, Amy O'Donnell. (Note: other attendees, including members of the public, were able to view through a link; therefore, it is impossible to know who viewed, and those attendees are not included in this list.)

Chairman Brown called the meeting to order at 1:01 PM. He confirmed attendance of all three members of the committee, therefore there is a quorum.

ACTION ITEMS:

- The Committee approved the meeting agenda.
- The Committee approved the minutes from May 7, 2020.
- The Committee approved the next meeting date of October 16, 2020.

INFORMATION ITEMS:

- Advisors' comments: None.
- Victor Griego, Interim Internal Audit Director presented his Director's Report. The final proposed meeting date for the rest of the calendar year is October 16, 2020 at 9:00 AM. The external audit exit conference will be presented at this meeting.

All Internal Audit regular staff members are classified as Tier 2 staff, working remotely. The department has one student employee on call as a Tier 3 employee, providing support when needed. The Department is in the process of stocking the office with all PPE necessary to meet all health and safety requirements and guidelines for when the department starts transitioning back to office operations. Mr. Griego stated he will keep the President's office updated on when we do develop that plan to start transitioning back.

Mr. Griego presented the status of the 2020 audit work plan. For fiscal year 2020, of the 15 audits in the department's plan, the department previously completed seven. Two will be presented in today's meeting in closed session. Four are in planning and fieldwork; therefore, of the 15, the department has gotten to 13 of them, and did just complete the risk assessment. The 2021 audit plan will be proposed in closed session in the risk assessment presentation. Mr. Griego detailed the complaint status. For fiscal year 2020, and through August 6th of this year, Internal Audit has been assigned 43 total complaints; of those, 27 have been closed. Of the remaining, 14 are in planning or fieldwork, which will be wrapping up, and two have not been assigned.

For the department's financial report for fiscal year 2020, the final budget was \$889,000, which primarily consists of \$804,584 of base funding, and also \$76,000 budgeted from use of reserves. For the year, the department had total expenditures of \$770,151 with encumbrances of \$6,613. Of the total expenditures, \$703,868 is labor related, which is approximately 91% of the total budget.

So once again for the year, most of the expenses are related to labor costs. The department ended the year actually \$119,000 under budget, which is primarily due to a vacant senior auditor position, and some training and professional development conferences that had to be canceled due to COVID-19.

Regent Lee relayed a question someone posted in the comments: Is the number of 47 complaints low, or par for the course? Mr. Griego responded that it is fairly average, or maybe a bit low.

As mentioned, the internal audit and compliance offices worked on a joint collaboration to complete the 2020 risk assessment with the idea that it would increase the effectiveness and reduce duplication for risk assessment procedures. The risk assessment survey deadline was May 28th. From there, the collaborative group completed risk assessment procedures. Mr. Griego stated he will be presenting the results of the internal audit risk assessment and the three-year audit plan in closed session, and Rob Burford, Director of University Compliance will give a presentation on the compliance side of the risk assessment.

The external auditors are currently working on the external audit, completing fieldwork procedures primarily in a remote fashion as well. The auditors are expecting to be ready for the October 16th exit conference. They are moving along smoothly and completing the audit, as expected, even though they're working primarily remotely.

Mr. Griego provided status information regarding the external audits and reviews that are going on with UNM. The City of Albuquerque completed a review on a total of \$750,000 within Family and Community Medicine. There were no issues noted in that review. The Defense Intelligence Agency reviewed two grant programs totaling \$3.9 million. Both reviews have been completed and there are no findings or corrective actions noted in either of those reviews. The National Science Foundation completed a review of a grant program totaling \$7.2 million, and they concluded that there are adequate internal controls in place. There was only one issue that came up. That was a question of compensation pay to the PI on the grant. Ultimately, there was a settlement and that issue got resolved before the review was completed. The audit was closed on July 24th. Finally, UNMH and Sandoval Regional Medical Center provided 364 medical records that were requested for review, with reimbursements totaling \$2 million, to the Recovery Act Center. That is related to patient building billings. As of June 30, 2020, 162 claims with reimbursement of \$1.3 million were reviewed. As a result, \$171,000 was refunded based on the review of the claims.

Chairman Brown stated it seems like 13-percent refunds of our collections on those sounds like a lot. Mr. Griego responded that's coming from the Health System side with Sandoval Regional Medical Center and UNMH. That would probably be a question on their side - if that's typically a high number of refunds. He stated he is not sure what typical refunds are for medical billings. Chairman Brown asked if Dr. Culpepper, HSC Chief Compliance Officer could address that question. Dr. Culpepper stated each of the entities just mentioned are different. There are going to be profiles when you look at the statistics for each of their performance. There is an overall that is looked at normally by the Vice Chancellor of Clinical Affairs, Dr. Richards, that usually comes to the HSC committee. This might be something that's carried to that committee and inquired at the next meeting.

- Mr. Burford addressed the committee to provide the Main Campus Compliance Office status report. Francie Cordova, Main Campus Interim Chief Compliance Officer sent her regrets because she was unable to join this meeting as she's preparing for the new Title IX regulations which start actually tomorrow on August 14th. And she is interviewing people for the new hearing officer

position; that's where she is now. But she asked Mr. Burford to make some comments for her in her absence. Mr. Burford stated he has comments as well. First of all, on the Title IX regulations, a main adjustment is there are going to be significant changes to require a more formal complaint process that culminates in a live hearing that is a quasi-judicial hearing. The hearing officer is going to be part of that process.

The University must also provide advisors that conduct cross examination, because they cannot allow each of the parties to cross examine. The Compliance Office has met with the law school, State Bar staff, and faculty leaders to have a pool of advisors to draw from. So far, they haven't come to any conclusions on that, but are still working diligently to make that happen. A third change is OEO will no longer make decisions on cases as they have done in the past; that is going to be left up to the hearing officer to make. OEO will do the investigations, but not they will not make the decisions.

The last change Mr. Burford wanted to relay to the Committee is Title IX conduct must now happen on campus. The new regulations stipulate anything that happens off campus is not under the purview under the final regulations that go into effect tomorrow. But the Compliance Office is working with the Dean of Students' Office and others to see how they can work to address incidents where the behavior will effect on-campus conduct. They are not going to say they are not going to get involved, and are working to see how they can get involved legally and legitimately in those issues. One thing Ms. Cordova wanted to add is that she can provide a full update at the next meeting or at the full board if you think that's appropriate. Chairman Brown asked if the Compliance Office would provide a summary at the next Board meeting of all the various changes coming out of D.C. with respect to Title IX. It is important because it really alters the landscape here. Mr. Burford agreed and stated he will let Ms. Cordova know.

Mr. Burford discussed the ADA transition plan. There is an RFP that went out. UNM admittedly has a scattered and outdated plan thus far. Ms. Cordova wanted to make sure the Committee knows she is very passionate about this. Also, Regent Lee has been passionate about it throughout her tenure. Last year they worked on vendor scope-the-scope to determine which issues are most pressing. They selected the buildings and path of travel.

Website accessibility is at the forefront of things in this ADA transition plan. Together with a team of ADA stakeholders on campus and procurement, they drafted the RFP and they are currently out to bid. One thing Ms. Cordova wanted to add about the ADA piece, is that it has become a hot topic with COVID. Again, as a reminder, Ms. Cordova is the ADA Coordinator for campus. Her role is to get accommodations for faculty and staff, and there's been a significant increase in the this because of COVID. The accommodations that are needed may not only be for the individuals, but also risk to their family. She is working through those on a case-by-case basis with the staff and faculty. OEO put FAQs on the OEO and Compliance websites about COVID and ADA, as well as COVID and pregnancy issues that might come up during this time. Regent Lee asked Mr. Burford to thank Ms. Cordova. She stated she thinks it is important to ensure we make special accommodations where we can, and wants to thank her for remembering that she supports that.

Mr. Burford presented some highlights of the plan for the upcoming year for the Compliance Office. First, he discussed the compliance hotline. He asked the Committee when they would ideally like the analytics, and if they want them by academic year or calendar year. Chairman Brown responded that it would be governed by their reporting requirements. Other than that, he does not have a preference. Regent Lee stated she would prefer academic year if it does not

conflict with the requirements. Mr. Burford replied it does not conflict, so he will prepare them for the last academic year to report at the next meeting of this Committee.

There is a new deadline for the Clery report. Usually it is due October 1st, but due to COVID, that has been extended to December 31st. Mr. Burford will still try to make the October date, but there are some policy pieces that may cause them to go beyond October 1st. He provided some brief information on the Clery numbers. Auto thefts have gone down 60-percent from 2017 to 2019, thanks to efforts by President Stokes and UNMPD. Regent Doughty asked if we should be promoting that. Mr. Burford replied that unfortunately, numbers were so high, that even with a 60-percent decline, we are still highest in the country. But it is going in the right direction. Some other modest declines came in drug arrests, weapons law referrals, domestic violence, and liquor law arrests. There have been some modest increases in burglaries, dating violence, stalking, and drug referrals, though. When the report comes out, the Committee will see the final numbers in black and white.

Mr. Burford added information on minors on campus. With the help of University Council, they edited language to add COVID language, as there are some departments that are going to do remote work, or have people on campus that are practicing the Protect the Pack guidelines.

The Regents received the final ethics Task Force recommendations that were sent to the President. President Stokes said to start on the conflict of interest issues and consensual relationship issues, with other issues moving forward from there. The task force did a lot of good work. Some of the people that are here on this meeting are on the task force.

The Compliance Office is working on their heat maps with regard to the risk assessment. They are going to go in more detail, and meet with each of the individual stakeholders that the different areas identified. They want to make sure to address anything that came up as potentially an issue to see what they might be doing to mitigate those concerns.

- Dr. Culpepper addressed the Committee regarding what is going on in terms of HSC compliance. They have hired a new compliance manager and are working with staff to facilitate individuals having to work away. They transitioned staff to laptops to provide an opportunity to work at home. They are also looking at a creative way of doing a virtual compliance week. Dr. Culpepper stated he reached out to industry folks for assistance.

Dr. Culpepper noted his area is trying to comprise a compliance internship for young individuals who may be interested in the area of compliance in an academic medical center. They are looking not only at some of the masters of public health personnel or students, but also opening it up to other opportunities for individuals.

Dr. Culpepper reported they are also doing a lot of policy work right now, and working throughout the Health System to create a policy tracker. There were particular segments of the HSC that had a working knowledge in retention of all their policies, and now they are working to have all the policies in aggregate. This will provide employees access to those policies, and will aid with compliance, so that they don't surpass their expiration dates or revision dates.

Dr. Culpepper provided the Committee with a copy of the annual assessment. This year they worked really hard to move forward with what the Department of Justice has asked specific to compliance. In 1991, the Department of Justice wanted institutions like UNM and the medical center to just have a program in place with the seven elements. What has gradually taken place has

been an evolution of the compliance programs. Now they not only want you to have them in place, but they want them to be operational. In the new verbiage that came out from them in April 2019, there are three components that they want present in terms of compliance programs. They want them to be well designed, implemented, and operationalized. There are metrics and analytics used to help to track compliance issues throughout. As a result, they have now brought the program up and operating in a more professional manner. They collaborate and have a live program in terms of what the Department of Justice alluded to. They really leverage the seven elements, working with all the different aspects of compliance within HSC via collaborations. They are also looking at ways on how to strengthen the enterprise risk management (ERM) process and compliance throughout the HSC.

They do trainings with faculty and staff. They go to staff meetings and look at ways to do more problem solving to change the view of compliance - from one of police, to empowerment of those frontline personnel to be better at what they do. This year they incorporated new things from the National Institutes of Health regarding sexual harassment and sexual misconduct. All the U.S. institutions that received NIH funding are monitoring that now. As a result, their office works closely with OEO. In the event that there are cases that may materialize, they can then report and provide information on that to leadership.

They onboarded a new Executive Director, Angela Vigil, and Dr. Culpeper reports a very good working relationship with Ms. Vigil. They have shared ERM for some of the goals they have. They created a compliance subcommittee made up of representatives throughout the Health System that meets quarterly to review salient matters specific to compliance. As stated by Mr. Burford and Mr. Griego, they reached across to the main campus to create collaboration on what compliance is at UNM. With regard to ERM, they are looking at what may be the issues, dangers, and risks that are going to interfere with reaching goals and objectives. They will be working with the University as a whole. They set this initiative up in 2019, comprised of not only their area, internal audit, and main campus compliance, but really a lot of other folks.

They are in the process of finalizing data to get risk registers ready for those different parts of the institution that will work through individual business units, e.g. College of Nursing, School of Medicine, etc. They will give them individual risk registers and ask them to identify those risks that are important to them and establish a business risk owner. Dr. Culpeper's office can't get involved in operations, but can empower and train individuals. They have developed the training to help those risk owners. The HSC, in addition to all the different groups, will be facing a lot of unprecedented margin pressures with sustained economic uncertainty, government reductions, reimbursement, payers... all these different things are going to impact the HSC. This, in turn, brings risks to the surface. They will be working to identify those risks that are overarching. And as a result, they are going to work with senior leadership to identify an individualized approach based upon each portfolio. They will be sending out a two-hour training for risk owners. They can't create a cookie cutter approach because each business unit is going to be different. Dr. Culpeper stated they are going to be communicating the risk plan to the Committee.

Chairman Brown stated there is commendable work here in risk assessment and preparation. None of us saw this COVID crisis. It's like an anvil dropping from the sky and a sobering reminder of how difficult it is to anticipate all the mega risks that might be out there.

- Chien-Chih Yeh, Internal Audit Manager presented the audit recommendation follow-up report for this quarter. Six (6) new recommendations were added to the previous eight (8) since the last meeting.

The auditors were able to work with management and were able to clear seven (7) of those. Most of those recommendations are from the most recent audit that got approved, which was the Los Alamos Branch Campus audit. They were able to implement four (4) of those. During this pandemic, the Department has used email, pictures, Zoom, etc. to work with auditees and verify implementation. The report also contains some items that are implemented, but need to be monitored, such as deficit reduction plans. The Department continues to watch these items to see when they can be removed.

Chairman Brown noted that Athletics is going to have a very difficult time complying with any kind of a deficit reduction program because they developed a hole in their budget from postponement of sports, cancellation of events and sponsorships, and so on. He is afraid UNM is going to have to revisit that in a more realistic way. Mr. Griego added he will be working with Athletics and with Nicole Dopson, Director of Financial Operations, because prior to the pandemic Athletics was following the deficit reduction plan.

By unanimous consent, the meeting went into Executive Session at 1:43 PM 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 Proposed FY21 Audit Work plan, pursuant to RPM 1.2
- d. Vote to re-open the meeting

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

The Committee unanimously approved the following UNM reports:

- 2020-03 Audit of UNM Lobo Club
- 2020-04 University-Wide Risk Assessment and Proposed Three-Year Internal Audit Plan

The meeting adjourned at 2:23 PM.

Approved:

Audit and Compliance Committee Chairman

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 16, 2020**

INFORMATION ITEMS

Audit Committee Meeting Calendar. This approved schedule will accommodate the entrance conference for the FY21 External Financial Statements Audit. The following is the future proposed dates for the remainder of FY2021 for the Committee’s consideration.

February 11, 2021

May 6, 2021 (Entrance Conference for FY21 Financial Statements Audit)

Internal Audit Operations and Staffing. Due to continued Covid-19 precautionary measures, all Internal Audit professional staff are classified as Tier 2 employees and currently working remotely. Our Student Intern is classified as the department’s only Tier 3 employee, and is providing support as needed. Internal Audit will continue working remotely through the end of the year and plans to transition back to office operations after winter break.

Facilities Management received BR&R funds to construct a new roof for the Internal Audit building. The project is approximately a two-month period and construction is scheduled to begin in October with completion at the end of November.

Audit Plan Status. The project status and hours report for the plan is at Tab 9c. The status of the proposed audit plan for the period of July 1, 2020 through August 31, 2020 is:

Completed	2
Committee Presentation	1
Planning/Fieldwork	2
Subtotal	5
Assigned	6
Unassigned	4
Total	15

Of the 12 audits in planning/fieldwork, and those that are assigned/unassigned, three (3) have been carried forward from the FY2020 audit plan and nine (9) are from the FY2021 audit plan.

Complaint Status. The status of complaints assigned to Internal Audit for FY 2021, as of September 30, 2020, is:

Completed/Closed	11
Planning/Fieldwork	14
Unassigned	-
Total	25

Department Financial Report. At Tab #5 is the Internal Audit Department’s budget status report for your review. The FY21 adjusted budget is \$1,062,979, of which \$964,979 is from the general pooled account, \$4,000 is reimbursements of expenditures from the University of New

**Interim Internal Audit Director's Status Report
Audit and Compliance Committee Meeting
October 16, 2020**

Mexico Hospital for sharing audit software, and \$94,000 from the departmental reserve. The funding of \$964,979 from the general pooled account reflects a I&G budget reduction of \$105,622, due to the impact of Covid-19 and final funding for the State.

As of October 8, 2020, the department's expenditures are \$237,812, and encumbrances are \$492,539. Of the total expenditures, \$230,182 (96.8%) is for labor costs. Encumbrances for labor costs are \$486,057 (98.6%) of total encumbrances.

Financial Statements External Audit. At Tab #5 is the Stakeholder Memorandum from the Office of the State Auditor regarding the timing of the issuance for the guidance in auditing Covid-19 programs. Due to a delay in the audit guidance that is yet to be provided by the federal government for the CARES ACT Covid-19 funding that the University received in FY20, the external auditors are unable to complete the FY20 audit. They need to wait until completion of the audit to present exit conference materials and meet with the Regent Audit Committee for the Exit Conference. Once the CARES Act funding audit guidance is provided by the federal government, the external auditors will finalize the audit, and a special meeting will be scheduled for the FY2020 external audit exit conference.

Quality Assessment Review Follow-Up. Recommendations for Internal Audit's Quality Assessment Review have all been primarily implemented. In November, Internal Audit will complete an Internal Quality Assessment Review (QAR). The Internal Audit Director will communicate the results of the self-assessment in the Director's Report presented to the Audit and Compliance Committee at its scheduled February 2021 committee meeting.

External Audits and Reviews. At Tab #5 is the summary information as of September 30, 2020 regarding the external audits and reviews (third party financial audits) of various grants, contracts, and programs by various grantor agencies. There are currently two (2) reviews underway.

The University received an Audit Engagement letter from the National Science Foundation on October 5, 2020 for an audit of all NSF awards. The objective of the audit is to determine whether and how UNM implemented the temporary administrative flexibilities that were authorized by the Office of Management and Budget (OMB) in memoranda M-20-17, M-20-20, and M-20-26; and, (2) if costs claimed are allowable, allocable, reasonable, and in compliance with NSF award terms and conditions and applicable federal requirements. The audit period spans March 1, 2020, to September 30, 2020.

The University of New Mexico Hospital and Sandoval Regional Medical Center had 298 requested records that were reviewed, of which 278 for UNMH were carried over from FY20. Total charges for the 278 claims were \$3,979,698.96, with original reimbursement of \$1,027,389.34. After reviews were completed, Medicare took back \$79,329 for net reimbursement of \$948,061.

UNMH had 20 new requests for records from 7/1/20 – 9/30/20, with total charges of \$659,057 and reimbursement of \$496,298. No reviews have been completed as of 9/30/20. No new RAC requests were received for SRMC as of 9/30/20.

Organization Level 5: 676A - Internal Audit Department

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
Revenue										
0340 - University Hospital Re!	\$4,000.00	\$0.00	\$4,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$4,000.00	100.00%
0415 - COVID-19 CARES Ins!	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$23.20	.00%	\$0.00	(\$23.20)	.00%
1640 - Allocations Pooled Allo!	\$1,070,601.00	\$0.00	\$1,070,601.00	\$0.00	.00%	\$1,070,601.00	100.00%	\$0.00	\$0.00	.00%
1667 - Instruction and Genera!	\$0.00	(\$105,622.00)	(\$105,622.00)	\$0.00	.00%	(\$105,622.00)	100.00%	\$0.00	\$0.00	.00%
1900 - Reserves	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$204,223.41	.00%	\$0.00	(\$204,223.41)	.00%
1901 - Budgeted Use of Rese!	\$67,991.00	\$26,009.00	\$94,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$94,000.00	100.00%
*TOTAL Revenue	\$1,142,592.00	(\$79,613.00)	\$1,062,979.00	\$0.00	.00%	\$1,169,225.61	110.00%	\$0.00	(\$106,246.61)	(10.00%)
Expense										
2020 - Administrative Profess!	\$738,432.00	(\$75,537.00)	\$662,895.00	\$0.00	.00%	\$155,885.64	23.52%	\$449,046.72	\$57,962.64	8.74%
2060 - Support Staff Salary D!	\$50,053.00	(\$2,002.00)	\$48,051.00	\$1,876.22	3.90%	\$11,762.00	24.48%	\$37,010.36	(\$721.36)	(1.50%)
20J0 - Student Salaries Gen	\$23,000.00	\$0.00	\$23,000.00	\$492.20	2.14%	\$3,021.05	13.13%	\$0.00	\$19,978.95	86.87%
20SA - Salary Adjustments	\$5,211.00	\$0.00	\$5,211.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$5,211.00	100.00%
2110 - Fica Gen	\$49,113.00	\$0.00	\$49,113.00	\$150.74	.31%	\$12,072.38	24.58%	\$0.00	\$37,040.62	75.42%
2140 - Retirement Gen	\$90,844.00	\$0.00	\$90,844.00	\$265.49	.29%	\$23,645.80	26.03%	\$0.00	\$67,198.20	73.97%
2160 - Group Insurance Gen	\$80,444.00	\$0.00	\$80,444.00	\$438.21	.54%	\$15,554.24	19.34%	\$0.00	\$64,889.76	80.66%
2180 - Unemployment Comp!	\$449.00	\$0.00	\$449.00	\$1.69	.38%	\$150.40	33.50%	\$0.00	\$298.60	66.50%
21A0 - Workers Compensatio!	\$385.00	\$0.00	\$385.00	\$1.65	.43%	\$137.42	35.69%	\$0.00	\$247.58	64.31%
21J0 - Other Staff Benefits G!	\$29,468.00	\$0.00	\$29,468.00	\$89.31	.30%	\$7,954.32	26.99%	\$0.00	\$21,513.68	73.01%
21L0 - Accrued Annual Leave!	\$64.00	\$0.00	\$64.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$64.00	100.00%
21L1 - Catastrophic Leave Ex!	\$64.00	\$0.00	\$64.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$64.00	100.00%
3100 - Office Supplies Gener!	\$600.00	\$0.00	\$600.00	\$0.00	.00%	\$0.00	.00%	\$482.14	\$117.86	19.64%
3110 - Books Periodicals Gen	\$50.00	\$0.00	\$50.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$50.00	100.00%
3140 - Computer Software G!	\$150.00	\$0.00	\$150.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$150.00	100.00%
3150 - Computer Supplies <\$!	\$800.00	\$0.00	\$800.00	\$0.00	.00%	\$687.96	86.00%	\$0.00	\$112.04	14.01%
3170 - Custodial Supplies Gen	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$103.80	.00%	\$0.00	(\$103.80)	.00%
3189 - Tagged Non-Capital E!	\$4,000.00	\$0.00	\$4,000.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$4,000.00	100.00%
31A0 - Business Food - Local	\$1,200.00	\$0.00	\$1,200.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$1,200.00	100.00%
31C0 - Dues Memberships G!	\$5,000.00	\$0.00	\$5,000.00	\$0.00	.00%	\$545.00	10.90%	\$0.00	\$4,455.00	89.10%
31J0 - Parking Permits Gen	\$250.00	\$0.00	\$250.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$250.00	100.00%
31K0 - Postage Gen	\$40.00	\$0.00	\$40.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$40.00	100.00%
31P0 - Training Materials Sup!	\$200.00	\$0.00	\$200.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$200.00	100.00%
3800 - In State Travel Gen	\$800.00	\$0.00	\$800.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$800.00	100.00%
3805 - Instate Travel-Per Die!	\$150.00	\$0.00	\$150.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$150.00	100.00%

Organization Level 5: 676A - Internal Audit Department

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
3825 - Out State Travel-Per D!	\$1,500.00	\$0.00	\$1,500.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$1,500.00	100.00%
3830 - Out State Trvl-Per Die!	\$500.00	\$0.00	\$500.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$500.00	100.00%
6000 - Telecom Charges Gen	\$3,500.00	\$0.00	\$3,500.00	\$0.00	.00%	\$877.50	25.07%	\$0.00	\$2,622.50	74.93%
6020 - Long Distance Gen	\$50.00	\$0.00	\$50.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$50.00	100.00%
6060 - Voice Mail Box Gen	\$602.00	\$0.00	\$602.00	\$0.00	.00%	\$150.00	24.92%	\$0.00	\$452.00	75.08%
6300 - Alarm System Gen	\$200.00	\$0.00	\$200.00	\$0.00	.00%	\$33.75	16.88%	\$0.00	\$166.25	83.13%
63A0 - Conference Fees Gen	\$5,000.00	\$0.00	\$5,000.00	\$0.00	.00%	\$790.00	15.80%	\$0.00	\$4,210.00	84.20%
63A2 - Seminars/Training Fe!	\$4,000.00	\$0.00	\$4,000.00	\$0.00	.00%	\$600.00	15.00%	\$0.00	\$3,400.00	85.00%
63C0 - Copying Gen	\$100.00	\$0.00	\$100.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$100.00	100.00%
63V0 - Consultant Fees Gen	\$15,000.00	(\$2,074.00)	\$12,926.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$12,926.00	100.00%
69Z0 - Other Professional Ser!	\$11,500.00	\$0.00	\$11,500.00	\$0.00	.00%	\$2,169.06	18.86%	\$6,000.00	\$3,330.94	28.96%
7000 - Plant Repairs Mainten!	\$200.00	\$0.00	\$200.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$200.00	100.00%
70E0 - Computer Hardware !	\$600.00	\$0.00	\$600.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$600.00	100.00%
70E1 - Computer Software M!	\$11,500.00	\$0.00	\$11,500.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$11,500.00	100.00%
70F0 - Equipment Rent Expe!	\$2,400.00	\$0.00	\$2,400.00	\$0.00	.00%	\$441.21	18.38%	\$0.00	\$1,958.79	81.62%
80E1 - I&G Recoup - Conting!	\$0.00	\$0.00	\$0.00	\$0.00	.00%	\$0.00	.00%	\$0.00	\$0.00	.00%
80K0 - Banner Tax	\$657.00	\$0.00	\$657.00	\$0.00	.00%	\$63.98	9.74%	\$0.00	\$593.02	90.26%
80K2 - Foundation Surcharge	\$4,516.00	\$0.00	\$4,516.00	\$0.00	.00%	\$1,166.33	25.83%	\$0.00	\$3,349.67	74.17%
*TOTAL Expense	\$1,142,592.00	(\$79,613.00)	\$1,062,979.00	\$3,315.51	.31%	\$237,811.84	22.37%	\$492,539.22	\$332,627.94	31.29%

Organization Level 5: 676A - Internal Audit Department

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
Total Revenue:	\$1,142,592.00	(\$79,613.00)	\$1,062,979.00	\$0.00	.00%	\$1,169,225.61	110.00%	\$0.00	(\$106,246.61)	(10.00%)
Total Expense:	\$1,142,592.00	(\$79,613.00)	\$1,062,979.00	\$3,315.51	.31%	\$237,811.84	22.37%	\$492,539.22	\$332,627.94	31.29%
Net:	\$0.00	\$0.00	\$0.00	(\$3,315.51)	.00%	\$931,413.77	.00%	(\$492,539.22)	\$438,874.55	.00%

Parameters:

Organization Level 5: 676A - Internal Audit Department

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.



State of New Mexico Office of the State Auditor

CONSTITUENT SERVICES
(505) 476-3821

MEMORANDUM

Date: October 6, 2020

To: Stakeholders of the Office of the State Auditor

From: Liza Kerr, CPA, CISA, CIA, Director of Compliance and Quality Control

Re: COVID-19 Programs and *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Single Audit)

Dear Stakeholders,

The Office of the State Auditor (OSA) previously sent a memorandum regarding audit report due dates dated June 10, 2020. After that communication, there has been discussion regarding Single Audits for agencies, the timing of the issuance of the Addendum to the Supplement for COVID-19 Programs (“Addendum”), and the report due dates. Questions have arisen regarding the timing of the issuance of the Addendum and how such guidance may impact report submission timelines. The OSA is providing this memorandum concerning guidance to be provided by the governing authority over Single Audits, the Office of Management and Budget (OMB).

As background, the 2020 Compliance Supplement, Part 8 – Appendices VII, page 8-VII-3 states:

OMB is planning to issue an Addendum to the Supplement for some COVID-19 programs in the fall. Thus, in addition to the procedures in Part 7, the auditor must check the OMB website under Office of Federal Financial Management for the expected fall addendum to this Supplement. For new COVID-19 related programs not included in the fall addendum, the auditor must use the framework provided by Part 7 of this Supplement. Part 7 includes procedures to determine which of the compliance requirements to test. Reports issued prior to the publication of the addendum are not required to adhere to the requirements in addendum.

https://www.whitehouse.gov/wp-content/uploads/2020/08/2020-Compliance-Supplement_FINAL_08.06.20.pdf

Office of the State Auditor

Stakeholder Memorandum

October 6, 2020

Page 2

With the Addendum forthcoming, the OSA deems it necessary to adapt with respect to those agencies awaiting specific guidance from the OMB. The Audit Rule (2.2.2 NMAC) serves as a vehicle through which the OSA promulgates reasonable regulations necessary to carry out the duties of the OSA, including regulations required for conducting audits in accordance with generally accepted auditing standards. *See* NMSA 1978, § 12-6-12. Based on that authority, this year, due to the COVID-19 pandemic, there may exist certain circumstances that necessitate waiving the finding contemplated by the Audit Rule at 2.2.2.9(A)(2) NMAC, which provides “[i]f an audit report is not delivered on time to the state auditor, the auditor shall include this instance of non-compliance with Subsection A of 2.2.2.9 NMAC as an audit finding in the audit report. This requirement is not negotiable.”

The OSA acknowledges Independent Public Accountants (IPAs) will be exercising professional judgement to determine the most appropriate approach in each engagement, which may include waiting until the Addendum is issued in some circumstances. While the timing of the issuance of the Addendum may result in the late submission of reports, we want to stress the importance of agencies working together with IPAs to navigate the audit process in support of accuracy, accountability, and transparency. Additionally, for agencies receiving federal funding, particularly as it relates to those subject to the guidance in the forthcoming Addendum, IPAs should use their professional judgment to determine whether waiving the finding for late reports is appropriate, in the event the late report is due to waiting for issuance of guidance. IPAs that determine a waiver is appropriate should document the waiver and related federal funding on the first page of the fiscal year 2020 Report Review Guide for use by IPAs. In addition, OSA must also be notified of any late audit reports as required by 2.2.2.9 (A)(5) NMAC.

To be clear, only those agencies pending further guidance from OMB, in the form of the Addendum, are eligible for IPA discretion with respect to any finding pertaining to a late audit report. IPAs may not waive the requisite audit finding for other late audit reports at this time.

If you have any questions do not hesitate to contact the OSA. We are honored to have the opportunity to work with our stakeholders to address your concerns and better serve the public.

Thank you.

A handwritten signature in cursive script that reads "Liza Kerr". The signature is written in black ink and is positioned at the bottom left of the page.

Granting Agency/Entity	National Science Foundation (NSF)	UNMH (FY 20) CMS (Patient Billings) - RAC Requests as of 6/30/20	UNMH (FY 21) CMS (Patient Billings) - RAC Requests as of 9/30/20	SRMC (FY 20) CMS (Patient Billings) - RAC Requests as of 6/30/20	SRMC (FY 21) CMS (Patient Billings) - RAC Requests as of 9/30/20
Contract/Grant/Program Title	All NSF Awards	Medicare	Medicare	Medicare	Medicare
Contract/Grant Period	Various; Audit covers 3/1/20-9/30/20	Various	Various	Various	Various
Contract/Grant Total Amount	Various	N/A	N/A	N/A	N/A
Contract/Grant Amount - Current FY		N/A	N/A	N/A	N/A
Principal Investigator	Various	N/A	N/A	N/A	N/A
Department	Various	Hospital RAC Audits	Hospital RAC Audits	Hospital RAC Audits	Hospital RAC
Agency Audit/Review Notification Date	10/1/2020	Various	Various	Various	Various
Audit/Review Entrance/Visit Date(s)	Entrance Conference - 10/15/2020	Remote	Remote	Remote	Remote
Audit/Exit/Final Report Issued		Continuous	Continuous	Continuous	Continuous
Questioned Cost, if any		N/A	N/A	N/A	N/A
Audit/Review Major Finding, if any		See Comments	See Comments	See Comments	See Comments
Corrective Action Plan, if any		In Process	In Process	In Process	In Process
Planned Implementation Date		N/A	N/A	N/A	N/A
Campus	Main	Hospital RAC Audits	Hospital RAC Audits	Hospital RAC Audits	Hospital RAC Audits
Auditor if Different than Grantor	Cotton & Company (C&C)	Cotiviti	Cotiviti	Cotiviti	Cotiviti
Comments	NSF, OIG Audit Received Audit Engagement Letter from C&C on 10/5/2020. The objectives of this audit are to determine (1) whether and how UNM implemented the temporary administrative flexibilities that were authorized by the Office of Management and Budget (OMB) in memoranda M-20-17, M-20-20, and M-20-26 and (2) if costs claimed are allowable, allocable, reasonable, and in compliance with NSF award terms and conditions and applicable Federal requirements. Spans March 1, 2020, to September 30, 2020.	FY 2020 carryover activity: 330 requests for records were received from 7/1/19 through 6/30/20. Total charges were \$4,927,351.12. Of the 330 claims, 278 reviews were completed by the RAC as of 9/30/20. Total charges for the 278 claims were \$3,979,698.96, with original reimbursement of \$1,027,389.34. After reviews were completed Medicare took back \$79,328.84 for net reimbursement of \$948,060.50. Of the 278 claim review, 253 (91%) resulted in no findings; 23 (8.27% resulted in findings/overpayments totaling \$86,557.02; and 2 claims (0.72%) resulted in a determination of underpayment, with Medicare making additional payments of \$7,228.18. Reviews are pending on 52 claims with total charges of \$947,652.16 and original reimbursement of \$338,974.55.	FY 2021 - 20 requests for records have been received from 7/1/20 through 9/30/20. Total charges were \$659,057.12 with reimbursement of \$496,297.79. No reviews have been completed as of 9/30/20.	FY 2020 carryover activity: 34 requests for records were received from 7/1/19 through 6/30/20. 31 claims had been adjudicated as of 6/30/20 with the results reported out previously. Three (3) claims are still pending with no charges to report from the last report.	FY 2021 - No new RAC requests have been received as of 9/30/20.

MAIN CAMPUS COMPLIANCE OFFICE

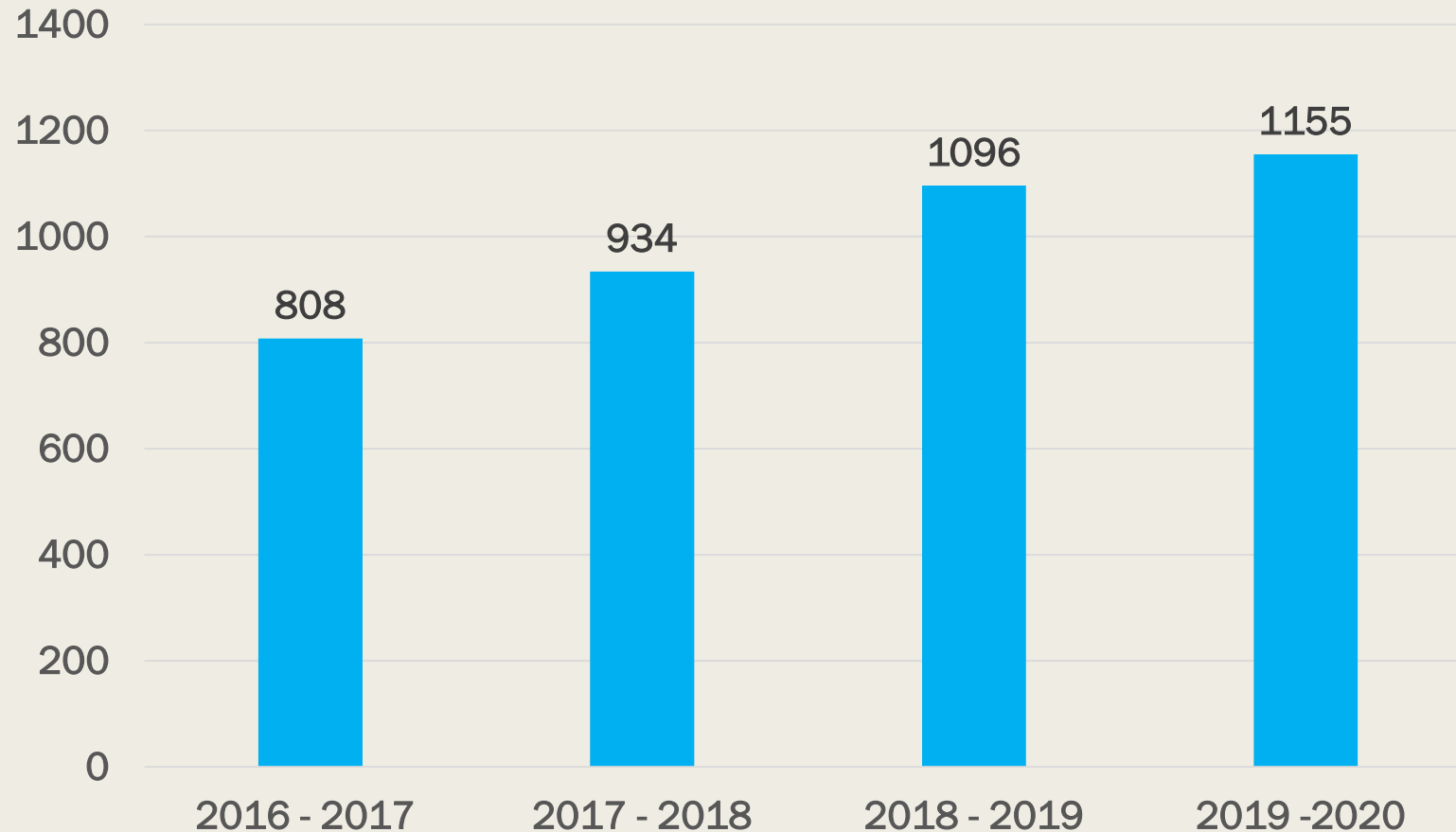
EthicsPoint Hotline Activity Report August 1, 2019 – July 31, 2020

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.



COMPLIANCE
OFFICE

UNM Hotline – Total Cases Reported for UNM (Academic Years 2016 - 2019)

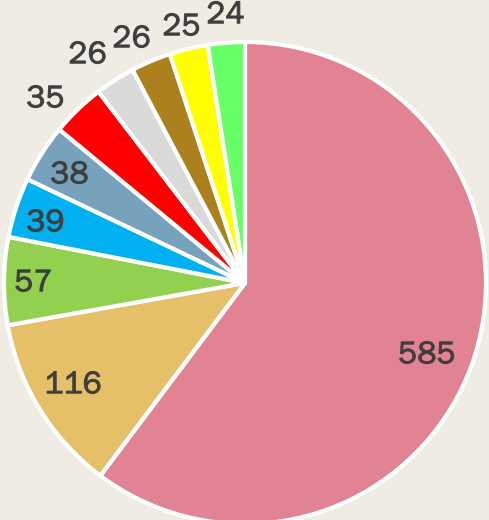


- As you can see there has been an increase from 808 for the (2016 – 2017) Academic Year to 1155 in the (2019 – 2020) Academic Year

Comparison of 3/1/2020 - 10/1/2020 to last Year (COVID Influence?) to 3/1/2019 to 7/31/2019 (Total Case Count)

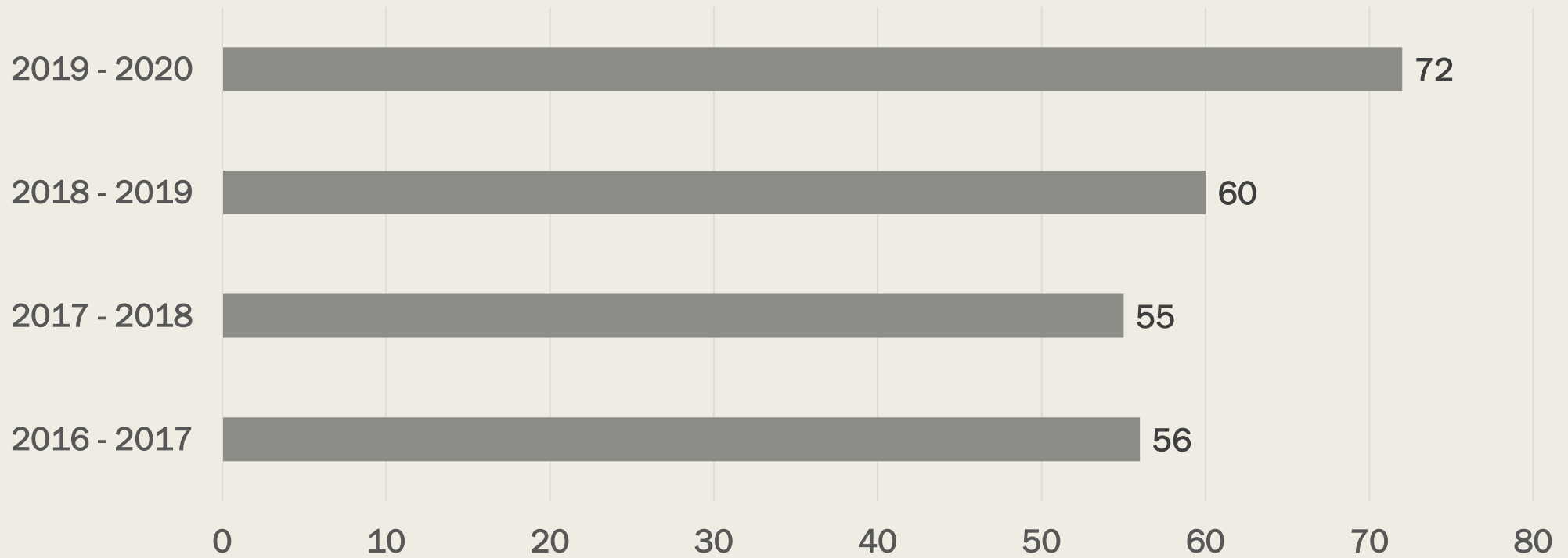


Top Ten Case Outcomes for Prior Academic Year (2019 – 2020)

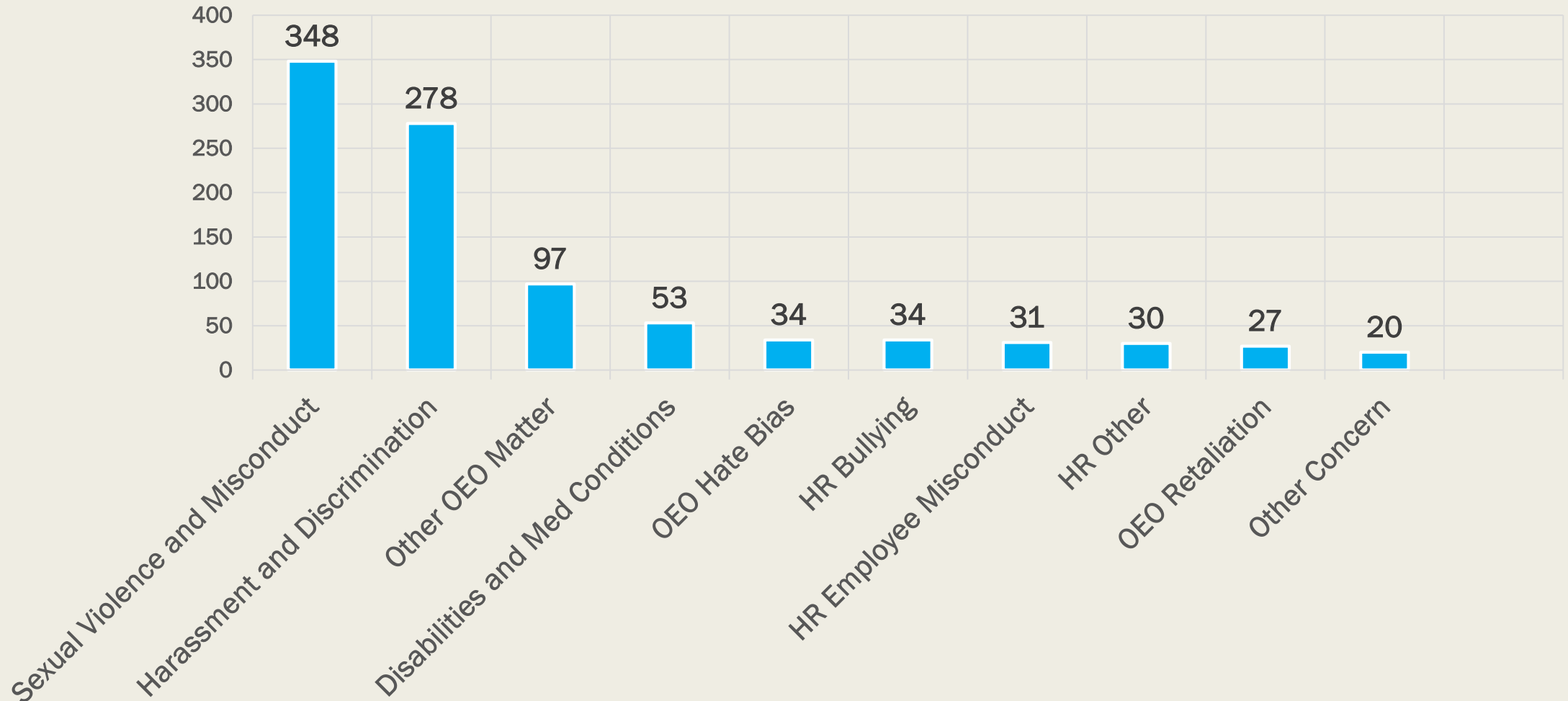


- Unsubstantiated
- See Synopsis Notes
- No Policy Violation
- Inquiry Resolved
- Not in Jurisdiction
- Substantiated
- Partially Substantiated
- Insufficient Information
- Educational Conference
- No Response to Follow-up

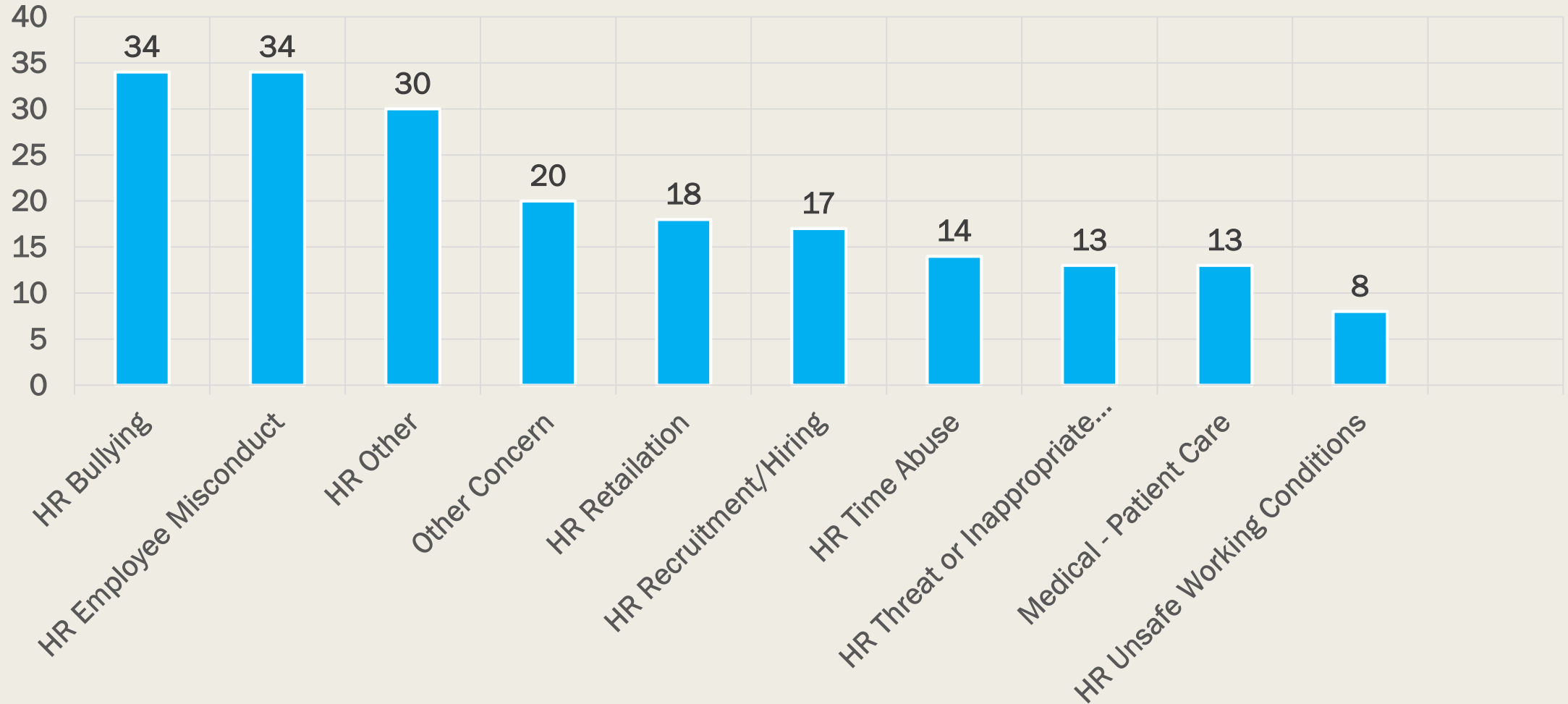
Performance of Cases – Average Days Cases are Open – (Including OEO)



Top Ten Issue Types (Academic Year 2019 - 2020 (Including OEO))



Top Ten Issue Types For Academic Year 2019 – 2020 (Not Including OEO)



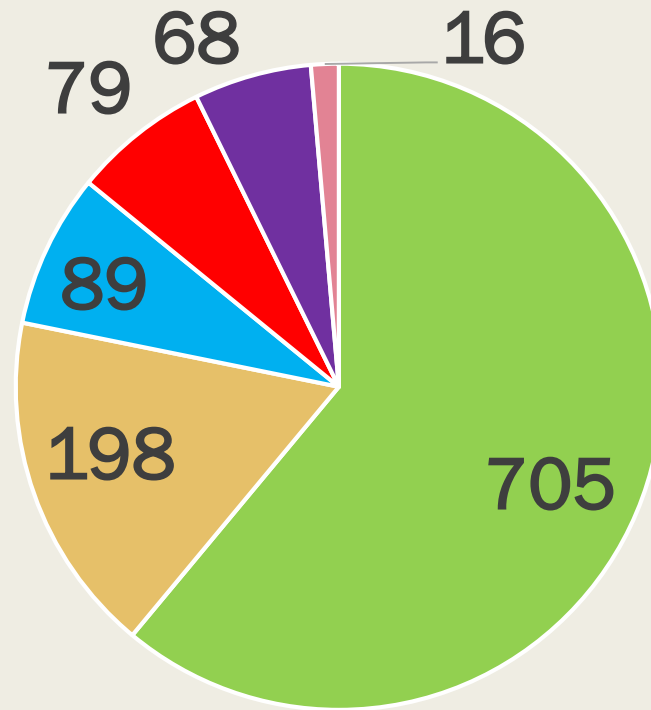
Anonymous Reporting Percentages, Past 4 Years (OEO Included)

Academic Year	Percentage of Anonymous Reporters
2016 - 2017	18.81%
2017 - 2018	17.99%
2018 - 2019	13.41%
2019 - 2020	17.58%

Anonymous Reporting Percentages, Past 4 Years (OEO Not Included)

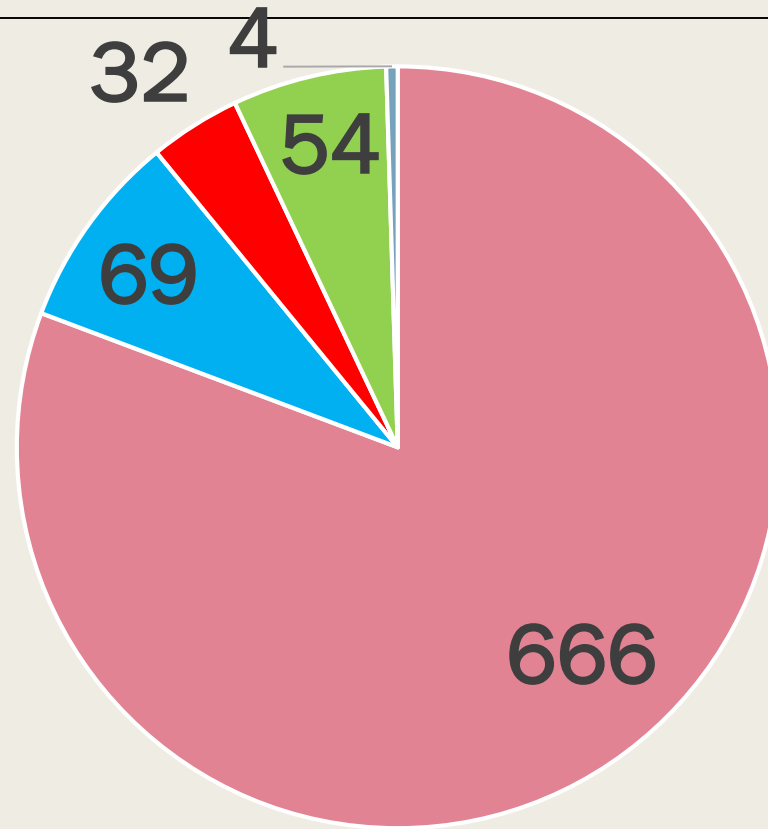
Academic Year	Percentage of Anonymous Reporters
2016 - 2017	57.67%
2017 - 2018	58.01%
2018 - 2019	50.79%
2019 - 2020	53.09%

Case Intake Method – Academic Year 2019 - 2020 (All EthicsPoint Cases)



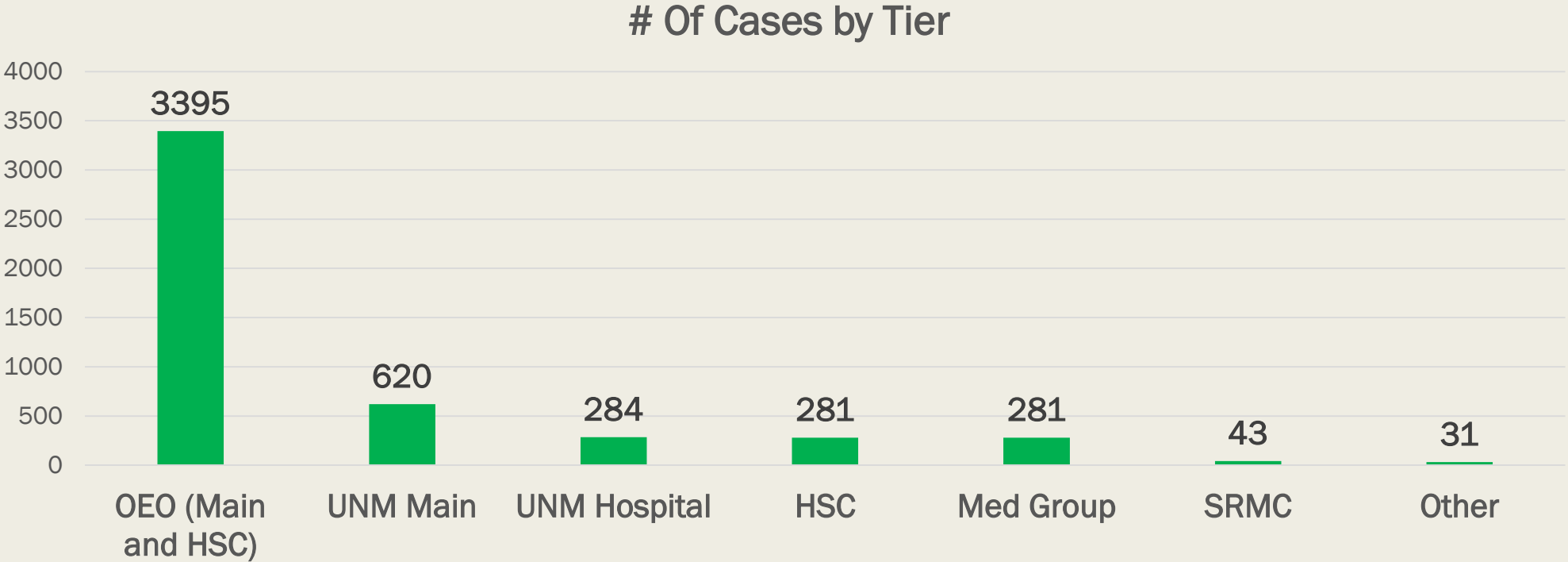
■ Letter/E-Mail ■ Hotline Web ■ Hotline Phone ■ Office Phone ■ Walk-in ■ Other

Case Intake Method - 2019 (OEO Cases Only)



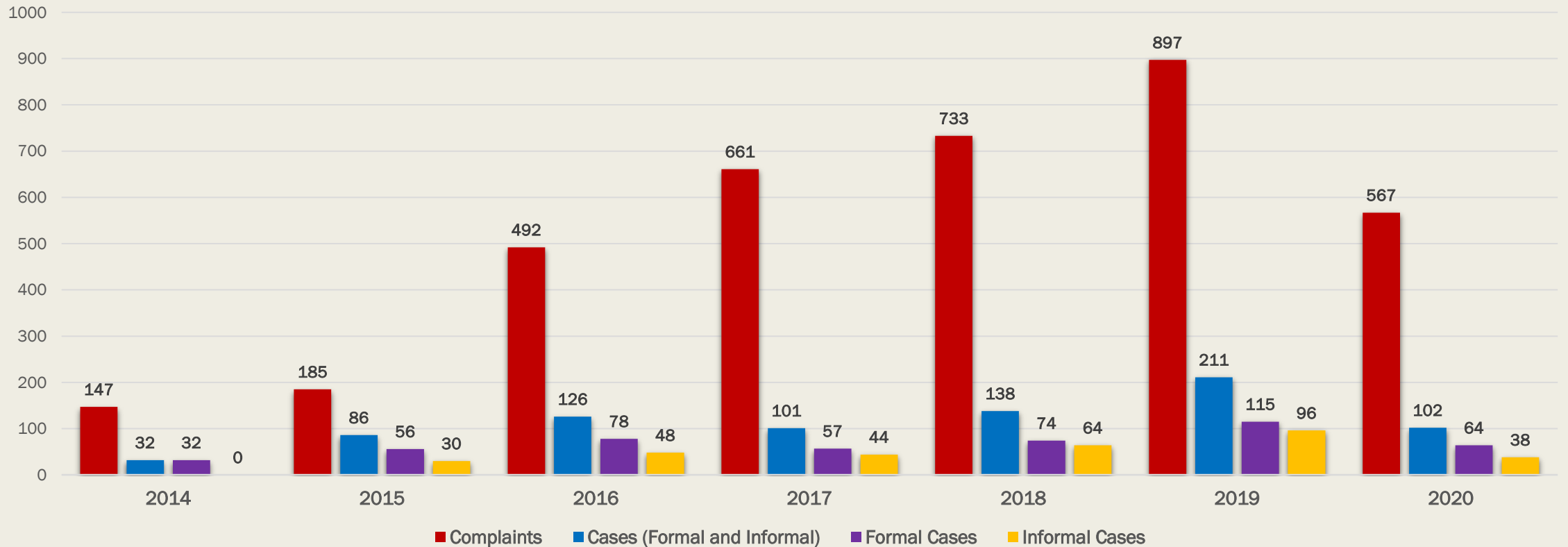
■ Letter/Mail ■ Phone ■ Hotline Web ■ Walk In ■ Hotline Phone

Tier Breakdown All Cases Through Our EthicsPoint Usage

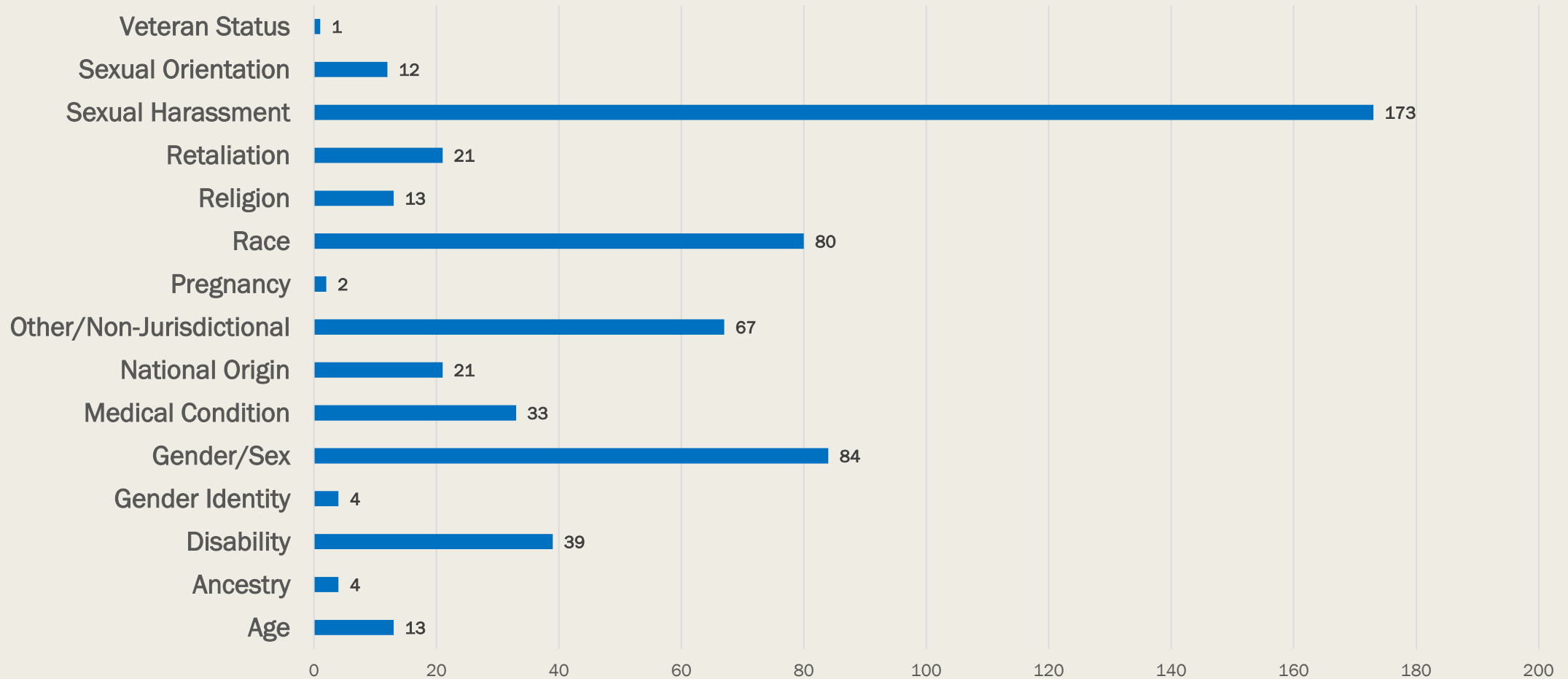


Office of Equal Opportunity Caseload Trend

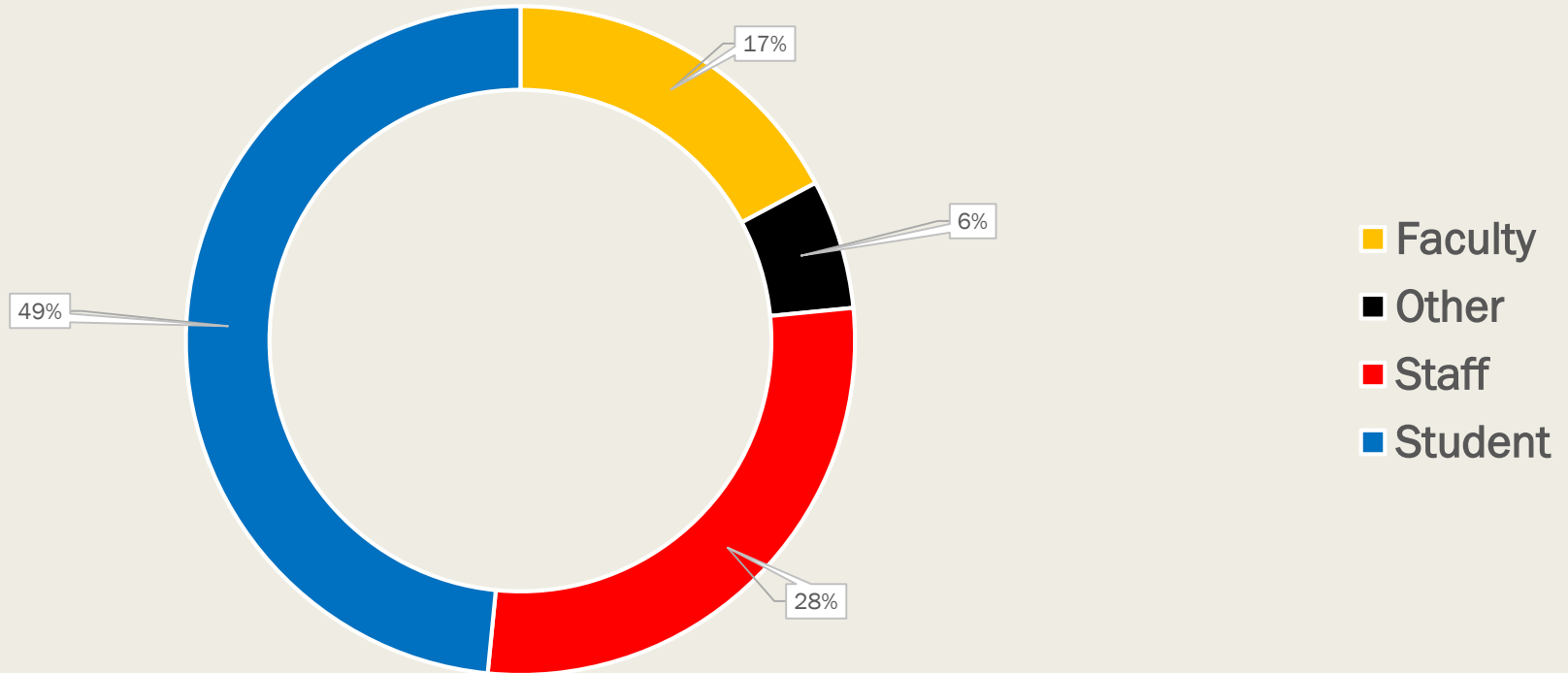
Office of Equal Opportunity
Caseload Trend (2014-2020)



Complaints by Allegation Type 2020



Formal Investigations by Respondent Affiliation 2020



Title IX Complaints by Category

Title IX Complaints by Category Data Table										
	2016		2017		2018		2019		2020	
	#	%	#	%	#	%	#	%	#	%
Dating/Intimate Partner Violence	41	17.2%	39	10.7%	44	10.0%	78	15.6%	39	13.5%
Differential Treatment	5	2.1%	15	4.1%	20	4.5%	26	5.2%	12	4.2%
Failure to Accommodate Pregnancy/Lactation	2	0.8%	4	1.1%	4	0.9%	1	0.2%	0	0.0%
Hostile environment for gender/sex/gender identity/etc. reasons	1	0.4%	24	6.6%	59	13.4%	78	15.6%	56	19.4%
Retaliation	1	0.4%	6	1.6%	7	1.6%	12	2.4%	13	4.5%
Sexual Assault	57	23.9%	71	19.5%	90	20.4%	73	14.6%	26	9.0%
Sexual Exploitation	4	1.7%	6	1.6%	8	1.8%	3	0.6%	1	0.3%
Sexual Harassment	105	44.1%	171	47.0%	180	40.8%	182	36.4%	124	43.1%
Stalking	22	9.2%	28	7.7%	29	6.6%	47	9.4%	17	5.9%



HSC Institutional Compliance Program Program Update

UNM BOARD OF REGENTS AUDIT & COMPLIANCE COMMITTEE MEETING

OCTOBER 17, 2020 | 9:00 AM | VIA ZOOM VIDEO CONFERENCING

HSC ICP Program: General Administration Update

- Staffing Profile Change:
 - Program reducing staff from 5.0 FTEs to 4.0 FTEs;
 - Personnel transferring to UNM Health Systems.
 - Expectation of additional vacancy at year's end due to employee retirement.
- 2020 Compliance Week Virtual Outreach
- Program Technology Transformation:
 - Replaced ALL “stand alone” computers with laptops, mobile cameras, VPN access and Zoom Video meeting capabilities.
 - New technology has increased staff productivity remotely.
- Naming Convention Change - “HSC Code of Ethics” to “HSC Codes of Professionalism & Conduct”: In order to establish policy alignment with current UNM President’s Task Force efforts and HSC Academic Code of Ethics for student learners, the HSC made name change. Per HSC Executive Compliance Committee approval, the name change is now “***HSC Codes of Professionalism & Conduct.***”

HSC ICP Program

2020 Work Plan Activities Overview

- FY2020 Work Plan is divided into two (2) parts: Program Summary Activities and Enterprise Risk Management Initiative Activities.
 - [Program Summary Activities](#) – consistent manage critical compliance areas within the HSC
 - A. Compliance Education & Training Outreach Opportunities
 - B. Ethics Point Hotline Investigations & Audit Response and Readiness
 - C. Exclusion Screening
 - D. Minors on Campus Activity& Program Registration and Monitoring
 - E. Monthly Compliance Reporting
 - F. Fielding Email & Telephonic Compliance Inquiries
 - G. Maintain Compliance Program Infrastructure (e.g., size, resources, and program scope)
 - [Enterprise Risk Management \(ERM\) Initiative Activities](#) - seeks to create a top-down, enterprise view of all the significant risks that might impact the strategic and operations objectives of the business.
 - A. Stage I: Building a Foundation for Business Risk Management
 - B. Stage II: Business Unit Level Risk Management
 - C. Stage III: Enterprise Level Business Risk Management

NC State Poole College of Management

2019 State of Risk Oversight

- **Challenging Uncertainties in Business Environment:** The management of risks is not getting easier.
- **Maturity of Risk Management Processes:** The approach to risk management is not mature or robust for most organizations, despite a perception that the volume and complexity of risks are increasing.
- **Calls for Improved Enterprise-Wide Risk Oversight:** Most executives note there is “somewhat” to “extensive” external pressure to provide more information about risks.
- **Risk Management Leadership:** Pinpointing an executive to lead the risk management process is becoming more common, and organizations are increasingly creating management level risk committee to help oversee enterprise risks.
- **Integration of Risk Management and Strategy:** Despite the realization that entities must take risks to generate returns, most organizations struggle to integrate their risk management activities with the strategic planning and operations activities.

2020 ICP Enterprise Risk Management Initiative

Stage I: Building Business Risk Management Foundation

- **Objective #1** – Build senior executive – level support
- **Objective #2** – ICP team will build initial risk management foundation of structure, resources and ERM operating model
- **Objective #3** – Align expectations through a risk management commitment process

2020 ICP Enterprise Risk Management Initiative

Stage II: Business Unit-Level Business Risk Management

- **Objective #1** – Execution of a consistent risk management approach across all selected business units
- **Objective #2** – Engagement in specific areas of HSC to assist business units remediate significant risk issues and fulfill their business unit management commitment.
- **Objective #3** – Business unit-level personnel at appropriate levels will engage in the risk management process.
- **Objective #4** – Demonstrate the tangible value of a disciplined risk management process within each business unit.

2020 ICP Enterprise Risk Management Initiative

Stage III: Enterprise-Level Business Risk Management

- **Objective #1** – Evolve to an UNM Enterprise Risk Commitment and accountability model by “connecting” the dots between business unit commitments to consider cross unit issues and interdependencies.
- **Objective #2** – Enhance coordination and integration among ALL business units to help the enterprise remediate significant risk issues and fulfill the enterprise risk commitment.
- **Objective #3** – Deepen risk management focus on potential risk issues applicable to ALL UNM and HSC business units.
- **Objective #4** – Enhance coordination with other components of the UNM Enterprise Risk Management Operating Model that focus on specific areas of risk exposure.

Next Steps: 2021 Risk Management Activities

- Current activities include:
 1. Completion of UNM/HSC 2020 Enterprise-Wide Survey
 2. Completed one-hour Zoom Video meetings with College of Nursing, College of Pharmacy, College of Population Health, School of Medicine, UNM Comprehensive Cancer Center & UNM HS Rio Rancho to introduce 2021's risk management activities.
 - » Business owner introduction to each assigned HSC ICP Representative
 - A. Culpepper (School of Medicine, UNM Cancer Center & UNM HS Rio Rancho)
 - B. Delvin (Colleges of Nursing, Pharmacy & Population Health)
 - » Distribute individual survey findings and “risk register straw man.”
 - » Facilitate business unit selection of three (3) to five (5) risks.
 - » Facilitate selection of business unit risk owners for each risk.
 - Encouraged resistance to assigning multiple risk owners to individual risk without strong guidance and instructions

Next Steps: 2021 Risk Management Activities (cont'd.)

- Current activities continued:
 3. Host two (2)-hour Zoom Video Training for Business Risk Owners (possible participation from UNM Main Campus & Health System Compliance Business Risk Owners).
 - » Training will include:
 - Understanding the nature of risk.
 - Expertise in identifying risks
 - Knowledge of building “risk maps.”
 - Tools for reporting and monitoring risks.
 - Software use training (e.g., Smart Sheet usage).
 - Building and understanding of internal controls solutions.
 - Integration of risk identification & assessment into strategy and operations of the business unit.
 - Change management



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
October 2020 Open Session**

Agenda Item #8

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
1	<u>Los Alamos Branch Campus</u>	5/7/2020, 6, M	<u>Recommendation 1 - Business Operations Manual</u>	UNM-LA campus should continue updating their operating manual. Updates should reflect both standard UAPs as well as campus-specific operating procedures (where appropriate) for specific business functions, including, but not limited to: accounts payable, purchasing, cashiering, payroll, time keeping/reporting, financial award processes, processing of any gifts received, compliance with endowment restrictions, etc. Additionally, UNM-LA campus administration should consider developing a policy which calls for regular review and updates of this operating manual to reflect current business practices, policies and procedures.	We agree with the auditor's comments and recommendation, and the following action will be taken to improve our operating manual. Each member of the executive team will be responsible for updates to their respective sections of the manual. Specific updates to the Business Operations sections will include, but not be limited to the items listed in this recommendation. A designated staff member will be responsible for final consolidation of the document and assist with periodic revisions. Updates to the manual will be completed by September 30, 2020. The operating manual will be made available via our internal shared drive. UNM-LA faculty and staff will be advised of all revisions. UNM-LA will update our operating manual on an annual basis by June 30th each year in the future.	9/30/2020	IA verified that UNM Los Alamos has updated their operations manual to include information on Business Processes and appropriate procedures for key business processes. The manual is effective September 30th, 2020. This recommendation is considered implemented.	Cynthia Rooney, Chief Exec Officer CEO/Branch; Bob Harmon, Dir,Business Opns/Sm Branch: Los Alamos Branch
2	<u>Lobo Club</u>	8/13/2020, 5, M	<u>Recommendation 2 - Improve Documentation in Committee Minutes</u>	Lobo Club Executive Director should ensure significant decisions and/or approvals mandated by policy made by the Board, Executive Committee, and Finance Committee are memorialized in sufficient detail in the meeting minutes.	The Executive Director will review all meeting minutes for accuracy and ensure key decisions and approvals are reflected within the draft form before presentation to the Board of Directors as well as Executive and Finance Committees for meeting minutes approval.	8/1/2020	IA verified that Lobo Club has implemented review and approval controls over completeness/accuracy of minutes and has retained documentation of the check lists disseminated to Finance Committee for their review and approval.	Jalen Ivan Dominguez, Exec utive Director, Lobo Club

**Follow Up Report - Pending
October 2020 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
1	<u>Review of College of Arts and Sciences Operations</u>	4/18/2013, 4, H	<u>Recommendation A: Implementation of Process to Track Research Activities</u>	A process should be implemented that enables colleges to effectively track and monitor time that faculty members spend on research activities to help management determine if faculty members are meeting academic load requirements and workload guidelines.	To track faculty research activities, an RFP was created for the purchase of a scholarly productivity subscription service, which will have the ability to track faculty research activities. Actual implementation of the software is expected to be completed by December 15, 2015.	8/31/2019	The former Interim Provost indicated the Provost's office is in the process of shared governance consultation with faculty and believes they are almost ready to go out for RFP for purchasing an external service for tracking faculty research activities.	Provost; Duane Arruti, IT; OVPR
2	<u>Alumni Association Operations</u>	10/15/2018, 6, M	<u>Recommendation 2 - Financial Management</u>	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.	12/31/2019	1. Resolved - Although the Alumni Relations Office is unable to fully restore funding to previous levels, the President's office and the Alumni Association have agreed that the I&G funding level will be increased by \$75,000 and that level will be reflected on annual basis. Internal Audit verified that the amount is reflected in the I&G line item of the Alumni Relations Office budget for FY '21. 2. Unresolved - Alumni Association funding for the Relations office is currently determined by the Association Executive Committee and approved by its Board of Directors. The Alumni Association Executive Director indicated that the Association is reviewing the current MOA to determine if an addendum is necessary. 3. Resolved - The Executive Director, with input from the Association leadership, has performed a cost savings analysis and determined significant savings from such line items as Mirage magazine.	Connie Beimer, Interim VP, Alumni Relations

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3	<u>Alumni Association Operations</u>	10/15/2018, 6, M	<u>Recommendation 4 - License Plate Royalties Agreement</u>	The Vice President for Alumni Relations/Association Executive Director should work with the President's office and UNM Legal Counsel to execute a signed agreement for the Association's rights to license plate royalties.	Although the Association feels that the resolution passed by the Regents in 2015 remains the primary source of codifying the designation of the License Plate royalties to the Association, the Association is in agreement that a more strongly defined agreement is needed to ensure the continued allocation of royalties from current and future license plate revenue to the Association. Leadership of the organization will work with University Counsel to produce a more formalized agreement.	12/31/2019	Alumni Association President Chad Cooper has created an ad hoc legal group made up of the attorneys currently serving on the Alumni Association Board to provide analysis and direction on legal matters. The group will be looking at the license plate royalty agreement and make any recommendations that may be necessary. The Alumni Association Interim Executive Director indicated she will pursue action regarding a license plate royalty agreement based on legal counsel advise. As of October 8, 2020, Internal Audit did not receive a status update regarding the Association's legal counsel advise or the Alumni Association's decision to pursue the development of a license plate royalty agreement.	Connie Beimer, Interim VP, Alumni Relations
4	<u>Reserves</u>	5/23/2019, 7, M	<u>Recommendation 3 - Deficit Reduction Plans (Provost's Office Director of Financial Operations)</u>	The Provost's Office Director of Financial Operations should ensure FY 2018 deficits for Enrollment Management are eliminated prior to the close of FY 2019 and monitor and enforce current deficit reduction plans to ensure existing departments' deficits are reduced and eliminated according to plans.	If it is determined that a deficit reduction plan is needed, units will work with the Provost Office to establish a reasonable reduction plan within UAP 7000 policy limitations. At this time, all deficit reduction plans are monitored and documented by the Provost Office. Enrollment management did not have a documented deficit reduction plan because the FY18 deficit was to be eliminated by the end of FY19. Enrollment Management has verified that the accumulated deficit will be eliminated by the end of FY19. The Provost Office fiscal team will verify that the deficit has been eliminated at the end of the fiscal year and will send the corresponding report to Internal Audit to document that no further action is needed.	6/30/2020	Partially Resolved - Internal Audit verified Accessibility Resource Center's deficit decreased from (\$197,113) as of June 30, 2019 to (\$147,515) at June 30, 2020. However, Student Publication's deficit increased during FY 2020 even though a deficit reduction plan was in place. IA will continue to review this department's deficit to determine if the deficit is decreasing with the established deficit reduction plan.	Nicole Christine Dopson, Financial Officer Optg Grp
5	<u>Reserves</u>	5/23/2019, 7, M	<u>Recommendation 3 - Deficit Reduction Plans (HSC Senior Executive for Finance and Operations)</u>	The HSC Senior Executive Officer for Finance and Administration should ensure FY 2018 deficits for OBGYN, Radiopharmacy, and Dermatology are eliminated prior to the close of FY 2019 and monitor and enforce current deficit reduction plans to ensure existing departments deficits are reduced and eliminated according to plans.	HSC Management agrees with recommendation #3. The OBGYN and Radiopharmacy deficits have already been resolved while Dermatology will not be able to clear their deficit by the end of FY2019 and will have a deficit reduction plan in place at year-end. Deficit reduction plans will be documented through the FY 2019 CAR process.	6/30/2020	Funds were transferred to Radiopharmacy to cover its deficit of \$267,459 at 6/30/2020. Dermatology's deficit decreased from (\$820,365) to (\$635,334) at 6/30/2020. Internal Audit will continue to monitor these deficits to determine if a deficit reduction plan needs to be established for Dermatology	Ava Lovell, Exec Ofcr Fin & Admin/HSC, Sr; Joseph Wrobel, Chf Budgt & Facil Officer

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6	<u>Los Alamos Branch Campus</u>	5/7/2020, 6, M	<u>Recommendation 6 - General Information Technology Security</u>	NM-LA IT department should strengthen its IT security by executing the following: Developing a written information security program and communicating the program's policies and procedures with employees and monitoring its implementation periodically.	We agree with the auditor's comments and recommendation. The following action will be taken to improve our processes with IT security. UNM-LA IT, with assistance from UNM IT, will review UNM policies with regard to: (1) computer accounts and user identification, (2) access control, (3) acceptable computer use, (4) computer security awareness, and (5) tracking software maintenance and licenses and other recommendations listed. A written program of these policies, and the procedures related to them, will be compiled and communicated to employees during new hire orientation, annually as part of our annual policy awareness process, and through the Operating Procedures manual.	12/31/2020	UNM-LA is currently on schedule and expects to implement the recommendation by the targeted date.	Cynthia Rooney, Chief Exec Officer CEO/Branch; Bob Harmon, Dir, Business Opns/Sm Branch: Los Alamos Branch
7	<u>Lobo Club</u>	8/13/2020, 5, M	<u>Recommendation 1 - Improve Processes around Pit Suites</u>	Lobo Club Executive Director should enforce established controls around Pit suite sales and collections to ensure that all suite holders have current contracts in place prior to the start of the basketball season.	The Director of Premium Seating will provide copies of all fully executed contracts to the Finance Manager, which will be reviewed by the Finance Manager and Executive Director before distribution of tickets and parking to suite holders. Originals will be kept by the Finance Manager and copies will be kept by Director of Premium Seating.	11/1/2020		Jalen Ivan Dominguez, Executive Director, Lobo Club
8	<u>Lobo Club</u>	8/13/2020, 5, M	<u>Recommendation 3 - Record GIK timely</u>	The Lobo Club Executive Director should ensure meetings are held consistent with Lobo Club Operations Manual, with sufficient frequency to allow for timely recording of GIK pledges and contributions.	The Assistant Athletic Director, Annual Giving will meet with all necessary constituents in UNM Athletics quarterly to ensure tracking and recording of GIK consistent with policy.	10/1/2020		Jalen Ivan Dominguez, Executive Director, Lobo Club
9	<u>Lobo Club</u>	8/13/2020, 5, M	<u>Recommendation 4 - Formalize Deposit Schedule with UNM</u>	The Lobo Club Executive Director should formalize a deposit schedule to ensure that monies are deposited appropriately and timely transferred from Lobo Club to UNM.	The Financial Manager and the Executive Director, in partnership with UNM main campus, will formalize a schedule of transfer dates for Pit Suites and Club Seats monies, as well as student-athlete scholarship monies.	10/1/2020		Jalen Ivan Dominguez, Executive Director, Lobo Club
10	<u>Lobo Club</u>	8/13/2020, 5, M	<u>Recommendation 5 - Develop IT Policies and Procedures</u>	Develop written IT policies and procedures governing the donor management system that address the specific matters identified.	Lobo Club will develop written IT policies and procedures that: creates an Administrator permission to be held by a non-core user, Lobo Club staff member who will be responsible for performing Administrator functions within the donor management system; removes administrator functionality from the permission; and defines change management practices that include but are not limited to activating/inactivating of drive years.	1/1/2021		Jalen Ivan Dominguez, Executive Director, Lobo Club

**Follow Up Report - Implemented,
but kept as Pending for additional monitoring by Internal Audit
October 2020 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Recommendation Action	Responsible Party
1	<u>Chrome River Data Analysis</u>	5/17/2018, 10, H	<u>Recommendation 3 - Training Resources</u>	The leadership of UNM's CR committee should require all CR approvers complete CR Approver Training before they approve transactions in CR, and identify a central tracking mechanism to ensure all CR approvers complete the training.	Management acknowledges the recommendation. Management will review existing CR approver training and work with subject matter experts from respective core offices to develop relevant CR approver training content that supports effective approver training and will explore opportunities that support central tracking mechanisms to ensure required training is completed. Delivery of the training and tracking of who completes the training is contingent upon a functioning central training software system (currently Learning Central).	3/31/2019	The Chrome River Approver Training has been developed and is available in the University's Learning Central training system. New approvers will be required to complete the training going forward. For all existing approvers, it was added to their learning plan (currently as optional) in Learning Central and an email was sent by UNM Chrome River Team on May 10, 2019 to notify current approvers of such optional training. Internal Audit will monitor to determine if management's controls are effective in ensuring approvers complete the training.	Elizabeth Metzger, University Controller, Ava Lovell, Exec Ofcr Fin & Admin/HSC
2	<u>Athletics Administration</u>	5/17/2018, 20, H	<u>Recommendation 1 - Business Processes</u>	The Athletics Fiscal Operations Director should: A) consider adding resources to the business office, such as an additional full-time employee, to strengthen internal controls within the accounting function; B) closely monitor budgeted expenses on a regular basis and adjust to reflect actual revenues generated, thus decreasing the risk of inaccurate revenue accruals, over-expended budgets, and year-end deficits; C) amortize the \$500,000 additional investment received from Levy Restaurants over the term of the contract; and, D) record funds intended for specific purposes and their corresponding expenses in their own index.	A comprehensive business operations manual detailing policies and procedures for specific business functions, including, but not limited to: journal vouchers, accounts payable, purchasing, cashiering, payroll, financial award processes, compliance with endowment restrictions, etc., will be developed and implemented. In addition, a comprehensive assessment of the business operations within Athletics will be completed in order for a determination to be made as to the most efficient use of the current resources within the office. Account reconciliations will be performed on a regular basis throughout the year. In addition, revenue accruals will be adjusted on a quarterly basis to recognize actual revenues earned for the period. Further, budgeted expenses will also be closely monitored on a regular basis and adjusted to reflect actual revenues generated.	9/30/2019	The Athletics department has completed a working draft of its business operations manual. The business operations manual is being continuously updated as Athletics updates procedures and streamlines processes through its ARMS system. The manual has been disseminated to senior management at Athletics. While the document may continue to update, Athletics management provided a copy of the current business operations manual to Internal Audit for review. Internal Audit reviewed the drafted business operations manual and noted it includes all key operations processes. Internal Audit considers this recommendation implemented, but will continue to monitor the manual as it is being updated until management finalizes the manual.	Nicole Dopson, Dir, Financial Operations
3	<u>Athletics Administration</u>	5/17/2018, 20, H	<u>Recommendation 3 - Deficit Reduction Plan</u>	The Director for Intercollegiate Athletics should ensure the approved deficit reduction plan is implemented.	The Athletics Department will work in conjunction with the Office of Planning, Budget and Analysis in implementing the approved deficit reduction plan.	5/18/2018	Athletics has an approved ten-year Deficit Reduction Plan. Internal Audit will perform continued follow-up procedures to determine compliance with its deficit reduction plan.	Eduardo Nunez, Dir, Intercollegiate Athletics

EXECUTIVE SESSION