AUDIT OF RESEARCH AND PUBLIC SERVICE PROJECTS (RPSP)

THE UNIVERSITY OF NEW MEXICO

Report 2022-02
May 5, 2022

Audit and Compliance Committee Members

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ABBREVIATIONS

ACC …………………………………………………….. Audit and Compliance Committee
BOR ……………………………………………………..…..…..…..…..... Board of Regents
FY21 …………………………………………………….. Fiscal Year 2021 (7/1/20 – 6/30/21)
FY22 …………………………………………………….. Fiscal Year 2022 (7/1/21 – 6/30/22)
HSC…………………………………………………………UNM Health Sciences Center
IA ……...………………………………………………….. UNM Internal Audit Department
NMHED……..…………………………………….New Mexico Higher Education Department
OGCR………………………………………...….Office of Government and Community Relations
OMI………………………………………………….....….Office of the Medical Investigator
Robotics………..…………………………………Robotics Management Learning Systems, LLC
RPSP …...……………………………………….. Research and Public Service Projects
UAP …………………………………………………….. University Administrative Policies
UNM/University ……………………………………………….. University of New Mexico

EXECUTIVE SUMMARY

An audit of Research and Public Service Projects (RPSP) was added to the audit workplan in Fiscal Year 2022 (FY22) at the request of the President's Office upon the University becoming aware of a past issue involving a contractor paid with RPSP funding.

The purpose of this audit was to review the historical business processes related to procurement of services from the contractor, Robotics Management Systems, LLC ("Robotics", see EXHIBIT A) and to assess current RPSP administrative practices at UNM Main Campus and HSC Campus.

Specific areas reviewed during the course of the audit include:

- Historical procurement processes related to the Robotics contract (FY05 through FY19)

Current RPSP process:

- Submission of required RPSP forms
- Accuracy of RPSP budgeting/expenditures with RPSP forms
- Consistency of fund usage with purpose stated in RPSP forms
- Third-party service contracts within selected RPSPs
- Accuracy of categorization of reserves for unexpended funds (FY21 only)

Conclusion

Department and Units generally complied with University policies and procedures and have sufficient internal controls in the administration of RPSPs at the University's Main and HSC campuses. However, Internal Audit did identify exceptions relating to utilization of RPSP monies for general department expenses for one of 13 RPSPs tested, and categorization of reserves for five of 13 RPSPs tested.

The following is a summary of key recommendations made in the report.

Key Recommendations

1. The Office of Government and Community Relations ("OGCR") should create a process in partnership with Academic Affairs or the HSC Budget Office to identify RPSP-like appropriations received in junior bill appropriations. Recipients of RPSP-like appropriations should complete RPSP forms to document the purpose and budget for the funding, develop metrics for determining RPSP efficacy, and submit completed RPSP forms to OGCR for tracking.

2. Academic Affairs should direct Colleges, Schools, Student Services, and Branch Campuses to better administer RPSP activities to improve awareness of legislative intent for RPSPs.

INTRODUCTION

BACKGROUND

In summer 2021, UNM became aware of the investigation of a now-former New Mexico State Representative who was alleged, in part, to have been involved in a kickback scheme involving a third-party vendor, Robotics Management Learning Systems, LLC ("Robotics"). Although allegations primarily surrounded contracted services by Albuquerque Public Schools, UNM also received Research and Public Service Projects (RPSP) appropriations from the Legislature that were used to engage Robotics for professional services.

Internal Audit (IA) initiated a management-requested audit over UNM's Research and Public Service Projects (RPSP). As part of the audit, IA conducted a historical review of UNM's procurement, monitoring, and accounts payable activities relating to contracted services with Robotics, which occurred between December 2005 through October 2018. A report on the historical review was presented to the Audit and Compliance Committee in February 2022, and the final version is attached to this report (Exhibit A). The body of this report covers the audit of current operations over RPSPs.

PURPOSE, SCOPE AND OBJECTIVES

The main purpose of the audit was to assess the current RPSP administrative practices at UNM Main Campus and HSC Campus. The audit focused on the administrative and operating activities of selected RPSPs for FY21 and the first four months of FY22. The audit sought to accomplish the following objectives:

- Obtain an understanding of administrative processes for setting up and monitoring RPSPs.
- Assess whether selected RPSPs complied with University Administrative Policies (UAPs).
- Obtain an understanding of Departments'/Units' individual processes for administering RPSPs.
- Assess whether Departments/Units had adequate processes to ensure funds were expended in a manner consistent with the RPSP objectives.
- Assess whether Departments/Units had adequate processes in place to determine efficacy of the program towards meeting stated RPSP objectives.

PROCEDURES

Internal Audit performed the following audit procedures:

- Inquiries with faculty and staff responsible for individual RPSPs selected for testing.
- Inquiries with senior management responsible for administering RPSPs at UNM.
- For the RPSPs selected on a sample basis:

  o Determined whether the Office of Government and Community Relations had an FY22 RPSP form on file.
  o Compared the proposed budget on the RPSP form to actual budget in Banner to determine whether monies were budgeted consistent with their proposed intent.
  o Reviewed classification of unspent funds to determine whether they were appropriately categorized consistent the *UAP 7000, Budget and Reserves*.
  o Performed an analysis of salary expenses charged to RPSP indices to assess reasonableness.
  o Performed detailed testing of non-salary expense transactions to determine compliance with UAPs and established processes in place for administering RPSPs.

The audit of Research and Public Service Projects was performed in conformance with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

RESEARCH AND PUBLIC SERVICE PROJECTS OVERVIEW

Research and Public Service Projects (RPSPs) are a type of appropriation made by the State Legislature to post-secondary educational institutions in New Mexico. The purpose of RPSPs is to provide a specific funding stream to dedicated initiatives undertaken at universities that have a research or public service element. The New Mexico Higher Education Department (NMHED) is responsible for administering RPSPs, and has formalized a process by which all universities should request funding and report on the impact of those appropriations.

Over the past five fiscal years, UNM has seen an increase of approximately 33% in RPSP funding, from approximately $36M in FY18 to just over $48M in FY22. The following chart presents the five-year trend of number and amount of RPSP Appropriations made to the University by Campus.
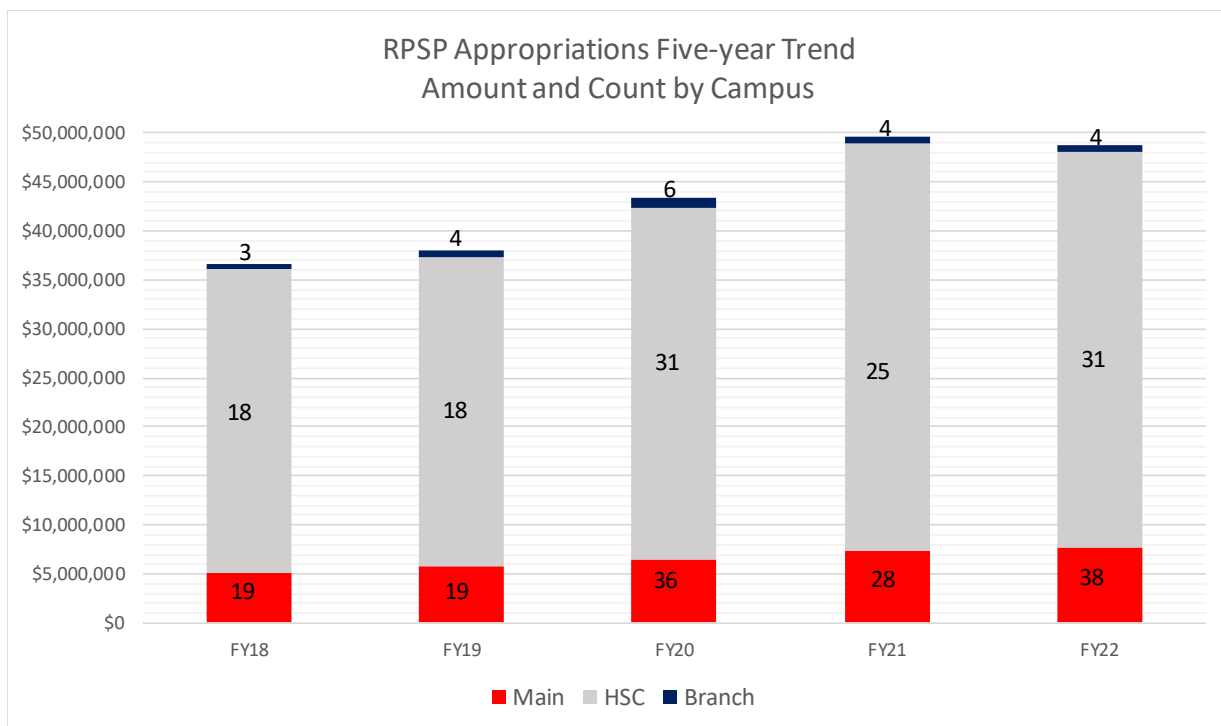
Source: New Mexico Legislature Appropriations Bills

Of the $48M of RPSP funds appropriated in FY22, approximately $40M supported HSC's vital public services and clinical operations for the State, including the New Mexico Poison and Drug Information Center, Office of the Medical Investigator (OMI), the Children's Psychiatric Hospital, Carrie Tingley Hospital, and the UNM Comprehensive Cancer Center.

Approximately $7.65M of FY22 RPSP funding supported a variety of student support, academic operations and research. This funding was appropriated to the following areas: Student Services (25%), School of Law (23%), Arts & Sciences (16%), Libraries and Learning Sciences (14%), College of Education and Human Sciences (7%), School of Engineering (6%), Office of the Vice President for Research (6%), Athletics (3%) and Continuing Education (1%).

Approximately $700k of FY22 RPSP funding was appropriated to Branch Campuses to support workforce development initiatives.

RESEARCH AND PUBLIC SERVICE PROJECT ADMINISTRATION

State Appropriations

Each RPSP requires completion of an RPSP form detailing the proposed objectives, budget, and metrics to assess the efficacy of the RPSP. The UNM Office of Government and Community Relations ("OGCR") coordinates the submission of RPSP forms between the University and NMHED. For continuing RPSPs, Departments/Units report on the actual results of the prior fiscal year's RPSP using metrics originally proposed for determining efficacy.

New or expanded RPSPs must be approved by the UNM Board of Regents. The University prioritizes the proposed RPSPs for submission to NMHED, and results are due to NMHED each September. After the RPSPs go through the legislative process the following spring, the final appropriations bill details which RPSPs received funding in the upcoming fiscal year.

Budgeting

Once appropriations have been determined, they are included as part of the University's overall budgeting process. The Office of Budget, Planning and Analysis and the HSC Budget Office communicate to Departments/Units the final appropriation amount, which is adjusted for the addition of compensation components. Departments/Units are responsible for budgeting the RPSP funds consistently with what was proposed to NMHED. RPSPs are accounted for in stand-alone indices to allow for proper tracking of RPSP expenses.

The University may also receive appropriations from the Legislature for specific programs or initiatives that did not go through the ordinary RPSP process. In SB377, a junior appropriations bill for FY22, UNM received 16 supplemental appropriations for RPSP-like initiatives totaling approximately $1.49M. Because these appropriations were made outside of the normal RPSP process, there is no formalized mechanism in place at the University to ensure accountability for how the funds are to be used (objective, budget, metrics for efficacy).

Recommendation 1:

The Office of Government and Community Relations ("OGCR") should create a process in partnership with Academic Affairs and the HSC Budget Office to identify RPSP-like appropriations received in junior bill appropriations. Recipients of RPSP-like appropriations should complete RPSP forms to document the purpose and budget for the funding, develop metrics for determining RPSP efficacy, and submit completed RPSP forms to OGCR for tracking.

Response from Director, Office of Government and Community Relations

Action Items
Targeted Completion Date: May 31, 2022
Assigned to: Associate Director, Government Relations
Management's Response: The Office of Government and Community Relations is in the process of identifying RPSP-like appropriations in the Junior Bill with Academic Affairs and the HSC Budget Office. Directors of the RPSP-like projects will go through the internal RPSP process to document the purpose and budget for the funding, develop metrics for determining RPSP efficacy, and submit completed RPSP forms. We anticipate that these forms will be submitted for review by the end of May 2022. In addition, RPSP-like projects will submit an RPSP form to HED and present their project at the HED hearing in the fall.

RPSP Transaction Testing

RPSPs are categorized as unrestricted appropriations to the University. Expenditure of unrestricted funding is generally covered by *UAP 4000, Allowable and Unallowable Expenditures*, plus any additional relevant UAPs, and is ultimately reviewed and approved by unrestricted accounting. However, the nature of RPSP funding may go beyond general operational funding, targeting a particular initiative. In such cases, additional consideration must be made for assessing expenditures from RPSP indices to determine whether disbursements aligned with the RPSP purpose.

IA randomly selected and tested 316 transactions from the audit period for the selected RPSPs to determine whether the purpose of each transaction aligned with the stated RPSP objectives. Six (6) transactions totaling $2,274.27 within the Morrissey Hall RPSP in the Africana Studies Department were used to cover general administrative expenses of the Department. These expenses did not align with the stated objectives of the Morrissey Hall RPSP.

The requirement that State appropriations be expended consistent with legislative intent creates an additional need to ensure expenditures are incurred consistent with the particular legislative intent. During its assessment of RPSPs tested, IA determined that there is not currently a centralized oversight process in place for monitoring RPSP activities at Main Campus. Although the number of exceptions is relatively low for the number of transactions tested, creating an oversight process would mitigate the risk of future noncompliance.

Recommendation 2:

The Provost should direct Colleges, Schools, Student Services, and Branch Campuses to implement programmatic reporting detailing the use of RPSP funds to ensure RPSP funding is utilized for its intended purpose. Africana Studies should reimburse the RPSP index the total amount of non-RPSP expenses incurred ($2,274.27) from its general department funds.

Response from Provost & Executive Vice President for Academic Affairs

Action Items
Targeted Completion Date: September 30, 2022
Assigned to: Associate Provost for Faculty Affairs
Management's Response: Academic Affairs accepts the recommendation and will establish an annual review process that will sample approximately one third of continuing RPSPs each year to raise awareness of programmatic expectations on the part of RPSP Project Directors. RPSP-like projects identified by Government Relations in collaboration with Academic Affairs in accordance with Recommendation 1 will be included in the set of projects sampled for Academic Affairs review.

Response from Dean, College of Arts & Sciences

Action Items
Targeted Completion Date: April 30, 2022
Assigned to: Financial Officer for the College of Arts and Sciences, Director of Financial Operations for Academic Affairs
Management's Response: The College of Arts & Sciences agrees with the recommendation. JV# J0730401 was submitted on 4/19/22 to reimburse the RPSP index for non-RPSP expenses incurred ($2,274.27) from Africana Studies' general department funds. Academic Affairs will validate that the JV to reimburse the RPSP index was fully processed no later than 4/30/22.

Categorization of Reserves

UAP 7000, Categorization of Reserves, requires that "direct state appropriations for special projects" be classified as "committed" to ensure unspent RPSP funds are not reallocated by the University to address other strategic priorities.

In assessing whether FY21 reserves for the 13 selected RPSP indices were categorized as committed, IA identified five indices whose reserves were not fully categorized as committed:

Table 1. Categorization of Reserves Exceptions

	FY21 Carry-Forward	**Committed**	**Dedicated**	**Discretionary (Uncategorized Remainder)**
RPSP 1	8,313	-	8,000	313
RPSP 2	82,072	245	81,827	-
RPSP 3	99,867	7,108	92,759	-
RPSP 4	36,642	-	-	36,642
RPSP 5	1,586	-	358	1,228
	228,480	**7,353**	**182,944**	**38,184**

Source: MyReports (FNRRCAT) for FY22

IA reviewed the FY22 operating ledgers of each of the five indices as of February 28, 2022, to determine whether they remained in their respective index. For four indices, the reserves remained available to the respective RPSPs; in one index, reserve funds were utilized consistent with the original RPSP purpose. Despite the reserves remaining available within their respective indices, the existence of miscategorized reserves increases the risk that future reserves could be inadvertently repurposed due to improper classification.

Recommendation 3

The Office of Planning, Budget and Analysis and the HSC Budget Office should work with Departments/Units who receive RPSP funding to ensure RPSP's reserves are properly categorized as "committed."

Response from Director, Office of Planning, Budget and Analysis

Action Items
Targeted Completion Date: September 30, 2022
Assigned to: Director of Office of Planning, Budget and Analysis
Management's Response: The Office of Planning, Budget and Analysis (OPBA) will identify all current active RPSP funding indices to ensure that reserves are appropriately categorized as "committed." In the short term, we will manually review our list of active RPSP indices to ensure proper categorization of reserves. In the long term, for all new RPSP indices setup going forward, we will explore a change to the naming convention for each RPSP index that more clearly identifies the RPSP activity as well as incorporate a unique identifier within the Fund, Org, Program, or Activity (FOPA). OPBA will work with IT to see if there's a way to automatically categorize reserves as "committed" using the unique identifier in the Categorization of Reserves (CAR) system. With a unique naming convention for the RPSP index, along with a unique FOPA identifier for each new RPSP index setup, we hope to ensure a more systematic review that will ensure RPSP funding indices appropriately categorize reserves as "committed." Lastly, we will emphasize in our annual training to departments prior to opening the CAR system that RPSP activity must be categorized as committed.

Response from Chief Budget & Facilities Officer, HSC

Action Items
Targeted Completion Date: September 30, 2022
Assigned to: Chief Budget and Facilities Officer, Health Sciences Center
Management's Response: The Health Sciences Budget Office will identify all current active RPSP funding indices to ensure that reserves are appropriately categorized as "committed.". In the short term, we will manually review our list of active RPSP indices to ensure proper categorization of reserves. In the long term, for all new RPSP indices setup going forward, we will explore an addition to the naming convention for each RPSP index to clearly identify the RPSP activity to incorporate a unique identifier within our FOPA. OPBA and HSC Budget Office will work with IT to see if there is a way to automatically categorize reserves as "committed" using the unique identifier in the Categorization of Reserves (CAR) system. Lastly, we will emphasize in our annual training to departments prior to opening the CAR system that RPSP activity must be categorized as committed.

Outsourcing RPSP Project Scope

In consideration of the events surrounding the Robotics procurement, IA assessed whether any of the RPSPs selected for audit utilized external service providers to perform a significant portion of the RPSP project scope. For each selected RPSP, IA identified all purchase orders established during the audit period. IA assessed each purchase order to determine whether it utilized a third-party service provider, and if so, whether the third-party service provider performed a substantial portion (defined as over 67% of the total project funding for audit purposes) of the RPSP project scope.

IA identified a single vendor, 21st Century Solutions, LLC, that met those criteria. IA inquired with the RPSP administrator about the origin of the project. The administrator stated that the funding had been received without being requested through a formal RPSP process. The appropriation's purpose was to train Albuquerque Public Schools' students in obtaining soft skills to better prepare them for the workforce or post-secondary education. Also, the vendor which had a proprietary software product that could be used for performing the work had been identified for her.

The administrator worked with the Purchasing Department to go through a public sole-source process, negotiated contract terms to incentivize student completion of modules, developed a dashboard to track student participation, and employed an invoice reconciliation process to ensure invoices are accurate.
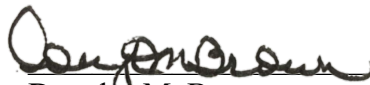
Internal Audit determined that the procurement of this contract complied with procurement policies and procedures without exception, and invoiced services assessed by IA were provided to UNM.

APPROVALS

Victor Griego, CPA
Director, Internal Audit Department

Approved for Publication

Douglas M. Brown
Chair, Audit and Compliance Committee

EXHIBIT A

![The University of New Mexico logo]

To: Douglas M. Brown, Chair, Audit and Compliance Committee
Garnett S. Stokes, University President

From: Victor Griego, Internal Audit Director *VG*

Date: April 25, 2022

Subject: Review of UNM's Business Processes with Robotics Management
Learning Systems

An earlier version of this memorandum, was presented to Audit and Compliance Committee in February 2022. This final version is incorporated by attachment into the report of the Audit of Research and Public Service Projects (RPSP) (Audit #2022-02).

This memorandum documents Internal Audit's (IA) assessment of UNM's historical procurement, administrative management, and accounts payable processes related to contractual services provided by Robotics Management Learning Systems, LLC ("Robotics") between FY06 through FY19.

BACKGROUND

In summer 2021, UNM became aware of the investigation of a now-former New Mexico State Representative who was alleged, in part, to have been involved in a kickback scheme involving a third-party vendor, Robotics Management Learning Systems, LLC ("Robotics"). Although allegations primarily surrounded contracted services by Albuquerque Public Schools, UNM also received appropriations from the Legislature that were used to engage Robotics for professional services.

CONCLUSION

This historical review of Purchasing, Accounts Payable, and African American Studies (AAS) Program monitoring processes relating to contracted services with Robotics does not reflect the

current procurement and accounts payable environment at UNM. Internal Audit has performed audit procedures of the Purchasing Department and Accounts Payable functions in recent years, the results of which indicate contributions to continuously improving processes and controls are generally shown to be operating effectively. System improvements and strengthened internal controls include the implementation of LoboMart, Chrome River, PaymentWorks, etc., which have increased transparency and accountability in UNM's procurement processes. Thus, IA does not consider it necessary to report findings and/or recommendations specifically related to its review of the Robotics contract.

In assessing this matter, Internal Audit believes the pass-through nature of the project best situated AAS staff and faculty to be aware of the work being performed. Although they may have possessed personal awareness of work being performed, the only objective measure of that work would be documented in the progress reports, which AAS failed to retain. Procurement and accounts payable processes relied on information provided by AAS, and those groups performed their functions accordingly. However, the procurement record documents challenges in reaching Robotics, obtaining updated procurement documentation from Robotics, and receipt of inaccurate and/or incomplete invoices from Robotics. Internal Audit believes these issues should have given Purchasing and Accounts Payable staff pause.

AFFILIATE SEARCH

In researching the underlying allegations that brought this matter to its attention, IA noted a news article that cited additional entities as being affiliated with the former New Mexico State Representative. IA conducted audit procedures to determine if UNM may have done business with any of the affiliated entities, but did not identify any record(s) within the accounting system indicating that UNM had done business with any of those affiliated entities.

PROCUREMENT PROCESS

The UNM Purchasing Department provided all procurement documentation relating to Robotics for the review period. From review of the procurement documentation and accounting system, IA developed the following table to illustrate payments made to Robotics over the life of contractual services with UNM:

Table 1. UNM Expenses Paid to Robotics

Index Title	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	Total Expenses
Morrisey Hall Distance Learning	76,000	74,048	68,563	53,467	43,942	40,046	22,871	22,843	22,754	17,065	24,650	18,961	20,857	13,216	**519,283**
Morrisey Hall Performing Arts		18,513	17,138	17,277	11,023	9,979									**73,930**
Grand Total	76,000	92,561	85,701	70,745	54,965	50,025	22,871	22,843	22,754	17,065	24,650	18,961	20,857	13,216	**593,213**

Source: FOROLDS Reports (036A for FY06; 800A for FY07 thru FY19)

UNM's contracted services with Robotics originated in 2005, when $80,000 was appropriated to UNM for the "Charlie Morrisey research hall for science, mathematics and robotics distance learning curriculum," ("distance learning"). At the time, web-based learning was an emerging

technology and UNM sought a vendor whose product was believed to fit the need of the program.

The Purchasing Department established Robotics as a vendor, and entered into an agreement with them for procurement of the Cyberquest license and professional development training, plus supplies. Sole source documentation for the original agreement did not include a completed sole source form, but instead included the appropriations language itself as justification for the sole source procurement.

The agreement with Robotics for the distance learning work component was extended through FY09 with the same scope of work, and purchase orders were created against that agreement. From FY10 through FY17, services from Robotics were procured solely through purchase orders, but no formal agreement was entered. A formal agreement was reentered with Robotics in FY18, until its dissolution at the end of FY19. Due to the extended nature of the procurement, Purchasing likely should have formalized the contractual services being procured within a written agreement.

In FY07, an additional "integration" work component was introduced (identified as "Morrisey Hall Performing Arts" in Table 1), with basic scope of work information mirroring work performed under the original "distance learning" agreement. Documentation retained in the procurement record does not adequately distinguish what "integration" entailed, nor its pricing beyond a general flat fee. A separate scope of work should have been obtained for these additional contracted services.

From analysis of the procurement record, IA noted that the scope of work was limited to purchasing the Cyberquest license, supplies, and professional services. However, the purchase orders utilized a variety of accounting codes in categorizing expenses related to that work (see Table 2).

Table 2. PO Account Codes/Descriptions for Robotics' Activities

Account # - Description	Actual Expenses
31P0 - Training Materials Supplies Gen	$ 248,585
6315 - Electronic Databases	137,456
70E1 - Computer Software Maintenance	81,058
63X0 - Technical Services Gen	35,651
69Z0 - Other Professional Services Gen	34,847
6314 - Electronic Books	22,871
31E0 - Graphic Supplies Gen	19,529
3140 - Computer Software Gen	13,216
Grand Total Paid to Robotics	**$ 593,213**

Source: FOROLDS Reports (036A for FY06; 800A for FY07 thru FY19)

IA is unable to identify the reason for the inconsistency between the static nature of the scope of work and the accounting codes utilized to pay for that work. IA also identified as part of the procurement record an alternate Statement of Work describing the operation of an afterschool tutoring program. Taken together, this suggests that Purchasing staff may not have had a clear understanding of the nature of the work being procured.

Although the documentation generally satisfied the requirements of the Procurement Code, as well as internal processes, there seemed to be a lack of skepticism by Purchasing staff in performing these functions. IA attributes this to Purchasing staff's awareness that funding was provided by the Legislature for this specific purpose, and set out to affect that legislative intent. For contracted services with Robotics from FY05 through FY17, purchasing staff did not address red flags including:

1) The recurring difficulty in reaching the vendor to get required information to set up purchase orders and/or agreements;
2) Varied accounting codes used to categorize the work to be performed, despite the unchanging scope of work; and
3) Inadequate documentation to distinguish the integration work component from the distance learning work component.

Beginning in FY18, Purchasing staff required Robotics to reenter into a professional services agreement for the final two years of their contractual relationship with UNM.

ACCOUNTS PAYABLE PROCESSES

IA obtained copies of the 196 invoices paid to Robotics throughout the review period and reviewed them to determine whether documentation of invoice approval was maintained as part of the record, whether the invoice itself appeared reasonable, and whether the services being invoiced were within the scope of work.

In performing the review, IA identified an overpayment for the Cyberquest Software License, which was originally purchased for $50,000 in FY06, only to be repurchased for $40,000 in FY07. IA also identified $17,500 in questioned costs for work invoiced outside the contracted work scope, plus $6,233 for the payment of a duplicate invoice, all of which were incurred between 2005 and 2007. IA acknowledges that Accounts Payable staff are generally unaware of the contractual terms underlying the work being invoiced, and rely on certification made by departmental staff on the invoices to determine whether payment should be made.

IA noted that the invoices submitted by the vendor lacked any indication of dates of service. IA believes that invoices should include basic service period information to allow for the Department and/or Accounts Payable staff to correlate the payment made with work performed.

MONITORING ROBOTICS' PERFORMANCE BY AAS

IA requested any progress report documentation retained by AAS in their files. AAS was unable to produce any progress report documentation, and a separate search performed by College of Arts & Sciences staff in Fall 2021 failed to turn up evidence of progress reports having been provided to AAS.

As IA identified in the Accounts Payable section, AAS staff and faculty performed inadequate oversight over Robotics' invoices, as evidenced by their approval to pay invoices covering work

scope outside of what was stipulated in the agreement ($17,500) and their approval to pay for duplicate services or licenses ($46,233).

Because the project was treated as a pass-through of State to Robotics to perform this work, progress reports would have been the most objective evidence of that work having been performed. Although progress reports should have been obtained by AAS; or, if they were obtained, retained in AAS' files, IA is unable to determine the basis for AAS staff and faculty's certification that work had been performed by Robotics due to turnover within the department.

The risks identified as a result of this review were incorporated were taken into consideration during IA's development of the audit procedures performed over the current RPSP environment.

cc: Teresa Costantinidis, Senior Vice President for Finance & Administration
    Norma Allen, Controller
    Bruce Cherrin, Chief Procurement Officer