

# BOARD of REGENTS



THE UNIVERSITY OF  
NEW MEXICO.

## AUDIT AND COMPLIANCE COMMITTEE MEETING

*Tuesday, May 20, 2025*

The University of New Mexico  
Board of Regents' Audit and Compliance Committee  
*May 20, 2025*  
**Student Union Building**  
**Agenda**

**EXECUTIVE SESSION**

1. Vote to close the meeting and to proceed in Executive Session as follows:
  - a. Discussion of draft Internal Audit reports and information subject to attorney-client privilege; audit work plans; and information security and privacy report, pursuant to RPM 1.2 and NMSA 1978, § 10-15-1(H)(7);
  - b. Discussion of limited personnel matters as defined in and permitted by NMSA 1978, § 10-15-1(H)(2);
  - c. Vote to open the meeting.

**OPEN SESSION**

**ACTION ITEMS**

2. Certification that only those matters described in agenda item #1 were discussed in Executive Session and if necessary, ratification of action, if any, taken in Executive Session.
3. Confirmation of a Quorum and Adoption of Agenda
4. Approval of Meeting Minutes from February 5, 2025

**INFORMATION ITEMS**

5. Advisors' Comments
6. Discuss Quarterly Meeting Date Schedule
7. Approval of the 2025 External Financial Statement Audit Contract (*Susan Rhymer, Deputy Controller*)
8. Fiscal Year 2025 Financial Statements External Audit, Entrance Conference (*KPMG, Moss Adams, Carr, Riggs & Ingram, and Norma Allen, University Controller*)
9. Director of Internal Audit Status Report (*Victor Griego, Internal Audit Director*)
10. Main Campus Chief Compliance Officer Status Report (*Francie Cordova, Chief Compliance Officer, and Beck Rivera, Compliance Coordinator*)
11. Status of Audit Recommendations (*Chien-Chih Yeh, Internal Audit Manager*)
12. Adjournment

# EXECUTIVE SESSION

# Certification of Executive Session Matters

# QUORUM/ADOPT AGENDA

THE UNIVERSITY OF NEW MEXICO  
 Board of Regents' Audit and Compliance Committee Quarterly Meeting  
 February 5, 2025 – Draft Meeting Minutes

Members Present: Jack Fortner, Victor Reyes, Kim Rael

Other Attendees: Garnett Stokes, Norma Allen, Terry Babbitt, Teresa Costantinidis, James Holloway, Duane Arruti, Francie Cordova, Ariadna Vazquez, Scot Sauder, Beck Rivera, Adrienne Helms, Heather Jaramillo, Sumanth Guduguntla, Ajay Gupta and Dave Strzyzewski (CLA virtual), Jared Udall (virtual) Stephanie McIver, Dan Garcia, Liz Amador, Malisa Kasparian, Colin Mitchell, Stephanie McIver, Joseph Malouff, Emily Morelli, Victor Griego, Chien-chih Yeh, Antonio Baca, Walter Peters, Connor Anderson, Jeremiah Sanchez, Amy O'Donnell.

Chair Fortner called the meeting to order at 2:40. He confirmed there was a quorum.

By unanimous consent, the meeting went into Executive Session at 2:41 PM per the agenda. *Note:* item b. was passed due to continuing legal research.

- a. Discussion of draft Internal Audit reports and information subject to attorney-client privilege; audit work plans; and information security and privacy report, pursuant to RPM 1.2 and NMSA 1978, § 10-15-1(H)(7);
- b. Discussion of limited personnel matters as defined in and permitted by NMSA 1978, § 10-15-1(H)(2);
- c. Vote to open the meeting.

#### ACTION ITEMS:

- Certification that only those matters described in the agenda item one were discussed in executive session.
- The Committee unanimously approved the following audit reports:  
     UNMHS IT Applications Management  
     UNMH Procurement  
     2025-02 Audit of President's Travel, Entertainment, and Other Expenses
- The Committee approved the agenda.
- The Committee approved the minutes from the meeting of October 28, 2024.
- The Committee reviewed and unanimously approved the proposed upcoming calendar year 2025 dates of this committee. The May and October dates are scheduled to meet the needs of the external financial audit entrance and exit conference.

#### INFORMATION ITEMS:

- Advisors' comments: None.
- Victor Griego, Internal Audit Director provided his quarterly report. Mr. Griego gave a brief update on the internal audit operation and staffing. The Department recently hired a new Internal Auditor, Connor Anderson. He started two weeks ago from the Bursar's office, so the Department is excited to have an internal hire. Right now, he is completing onboarding training. The Department is working with the student intern, Jeremiah Sanchez on a new UNM professional internship program that provides a student intern with experience necessary to transition into a full-time position, in this case Internal Auditor. He's been a great intern and it's a beneficial new program at UNM.

Mr. Griego reported on the audit plan status for 13 audits from the FY24 and FY25 audit plan. Eight (8) are in planning fieldwork or presentation or completed. There are five (5) assigned. Four (4) audits that carried over from the FY24 audit plan.

The Department completed the audit of the President's Travel and Entertainment, just presented in closed session. The audit of the Anderson School of Management dissolution of the ASM Foundation and compliance with donor intent is completed. The Department is still working on wrapping up a couple of loose ends on some of the observations and management responses. That will be presented at the next Committee meeting. Chair Fortner asked Senior Associate University Counsel Scot Sauder if there is still discussion about whether the Foundation is subject to public records inspection. Mr. Sauder replied that is correct.

The Department is in the report writing phase for an audit of the Community Health Work Initiatives. That audit is of a couple of grants and initiated through the Ethics Point hotline. The Department is planning on presenting that audit at the May meeting as well. The Department is completing fieldwork procedures for the audit of Education Abroad programs through the GEO office. Athletics last had a full audit in 2017, so the Department is initiating a risk-based audit for Athletics due to the size and significance of that area. There was an audit of the Lobo Club more recently. Mr. Griego concluded the audit plan status discussion by stating that Internal Audit has initiated planning procedures for IT disaster recovery.

Chair Fortner asked about Athletics and what happened with the spending and the criminal charges that were filed. Mr. Griego replied that two went to trial. There was one for Paul Krebs. Chair Fortner stated he was not speaking about that one but referring to the other one. Mr. Griego replied the one for Cody Hopkins was a hung jury, and they are assessing whether to retry.

Mr. Griego addressed the Committee about the status of Ethics Point complaints as of last month. For FY25, there have been 70 complaints that Internal Audit is addressing. Of these, 24 have been closed or completed, 34 are in planning and field work, and 12 are unassigned. For the 34 that are in planning and field work, some have multiple complaints that could be duplicates or multiple issues going on with them, so although it seems like a lot, some may be duplicate. The complaints that Internal Audit deals with are anything financial related. They could be time abuse, PCard use, anything that could be related to use of funds.

Mr. Griego presented the Department's financial report. Internal Audit standards require the Department to give the Committee an update on the financials. The Department just completed the mid-year budget process for FY25. The overall adopted budget was \$1,437,916 of which \$1,326,855 is from the general pool, and approximately \$111,000 from reserves. Expenses are almost entirely labor-related salaries and benefits. The reserves are basically budgeted for non-labor operating expenses that primarily consist of IT services, software maintenance, and employee trainings and professional development, and total approximately \$56,000 for FY25. As of December 31, 2024, at the mid-year point, expenditures are \$579,819 and encumbrances are \$407,456. Non-labor expenses area about \$23,000 right now. Most of the professional development expenses will be in the second half of FY25.

Mr. Griego stated his final item is a report on external audits and reviews that are conducted by agencies or third parties outside of UNM that are not financial statement related. There are two audits/reviews that are in process right now. Sandia National Labs has one audit in process covering various awards on Main Campus and HSC purchase orders. The audit period covers FY22 and FY23, and they are in the middle of the audit right now, so they have not completed the audit for this reporting cycle. The National Sciences Foundation completed an audit of a grant of about \$15 million awarded to UNM Main Campus. This audit covered all expenditures since the grant's inception on 9/15/2021. This one has been completed and there weren't any major findings reported. There were a couple of findings on reporting requirements and suspension/debarment requirements. But management is currently working on developing corrective action to those recommendations.

- Francie Cordova, Chief Compliance Officer provided her status report to the Committee beginning with the Federal Stop Campus Hazing Act signed by President Biden. They are 99.99% sure state legislation will augment this. Adrienne Helms, Clery Coordinator provided the update on the federal law. Just before Christmas, President Biden signed the Act. It officially defines hazing in the federal statute very clearly with

plenty of examples along with what a student organization comprises. It adds hazing as a reportable offense in the annual security reports starting in 2027.

Chair Fortner asked if Clery requires crime, but now it's taking a step further on reporting hazing also? Ms. Helms replied that is correct. Its own bucket category of report. It outlines several policy statements that UNM is required to have. In the new policy that the policy office is spearheading, there will be language to explain to folks how to report hazing, and to explain the investigation and adjudication process. It will list all the applicable state, local and tribal hazing laws and programs that are meant to raise awareness around and prevent hazing in the campus community. There is already something in the student code of conduct, but it will be augmented in various ways with a new independent policy. This statute also requires a new type of report. It's a biannual report as needed, and it's meant to increase transparency around incidents where we find a violation of hazing committed by an officially recognized student organization.

The reports disclose the who, what, when, or how. Chair Fortner asked if it is primarily directed toward Greek organizations. Ms. Helms replied it is or any student organization, defined as any group of two or more enrolled students - regardless of whether that group is officially recognized by UNM. In the case of this report, this pertains only to the officially recognized student groups. Things are moving quickly. In addition to the State legislation, CEEO is working on the policies and collecting statistics. Luckily there are no statistics yet. CEEO will start officially collecting information on hazing incidents beginning in July.

Chair Fortner asked how CEEO expects the state to augment it? Ms. Helms replied that both the Senate bills mirror the federal statute very well. Regent Reyes asked what can be reported without violating FERPA? Ms. Helms stated the reports will never include any identifying information, nor will any of the statistics. Regent Reyes said, "then it would be like the woodcrafters' organization had an incident of a member who reported hazing against 'x'." Ms. Helms stated it would describe the type of incident(s) that occurred, that a violation was found, what sanctions they received, and when they were notified of those sanctions, etc. Regent Reyes asked if it is the same for staff as students. Ms. Helms replied if a staff member is involved it would not include any identifying information. Regent Fortner asked what bill it is. Ms. Cordova replied Pope is carrying one and Maestas is carrying the other. Senate Bill 10 and 148. And that 148 from Maestas is really the AG bill. It's more comprehensive than Senator Pope's, but they're not inconsistent.

Regent Reyes asked if they get the information from the Dean of Students' Office Ms. Helms replied lot of this responsibility will fall on the Dean of Students' office. CEEO might see some as well if there are any bias-related incidents or hazing incidents involving sexual assault that are implicated under Title IX or other policies. All the stakeholders need to come together and not just create buy in but feed the information through the tunnels that they are supposed to go. If it doesn't relate to sexual assault or sexual harassment, then it would go to the Dean. If an employee is implicated in a report that would be HR or the Provost. When building a new policy, it may not be limited to just student involvement. Regent Rael asked if Ethics Point would be a tool to use for reporting. Ms. Helms replied absolutely. There is an existing form on the Dean of Students' site. UNM is a little ahead of the game. There's always bullying going on. It could be a fine line right there.

Ms. Cordova stated that the Title IX coordinator, Angela Catena left UNM to go to Virginia Tech as their Title IX coordinator. It is a difficult role to fill. There is a very small pool of people qualified for the role. There have only been two at UNM. The national average people stay in universities as a Title IX coordinator is two to four years, and Angela was here seven years. CEEO is doing an "inverted search" using WittKieffer. UNM also used them for the general counsel search. Instead of having a closing date and bringing in candidates, WittKieffer is bringing them to CEEO because they are also being head hunted by other universities. In the meantime, the President's Office authorized a part-time, 20-hour virtual Title IX coordinator, Marquita Booker. She has been great. Her information is on the websites. CEEO is using her for the severe things like emergency removals for imminent threat or hardcore jurisdictional issues on sexual assault. Ms. Cordova and Heather Jaramillo are shouldering the rest until they can get a Coordinator. They invite all leadership to be on campus



for interviews for those candidates. It is a unique position because it is required by federal law, which is rare for any position.

Regent Reyes asked who the Title IX coordinator reports to. Ms. Cordova replied they report to her, and she reports to the President and this committee. That is best practice. In the past, they were not standardized in terms of where they reported. In the NMSU report, they were all over the place, and somehow, they ended up reporting to Internal Audit. There must be a direct line to the highest level of the institution to make sure that you can address these things that can be very touchy and political. UNM has been following this reporting structure since Ms. Cordova got here ten years ago.

There is a decision by the US District Court that vacated the Biden regulations. UNM just implemented those in August of 2024 and tried to educate the campus community and train the investigators. UNM now must revert back to 2020. UNM is ahead of the game, as 2020 regulations were still live because the Biden regulations required use of the Trump regulations from 2020 for incidents that happened before 2024. Chair Fortner asked about the differences. Ms. Cordova replied the definition of sexual harassment is different, and that is a major one. It is severe or pervasive under the Biden regulations and most civil rights laws, including the New Mexico Human Rights Act. Under Trump it is severe and pervasive. There's stuff about geography, there's stuff about the hearing... UNM never got rid of the hearing. This is not going to be as heavy of a lift as it could have been because UNM didn't do a lot of the backpedaling. However, there is new guidance focused on biological sex that came out from the Trump administration that limits what UNM can do in terms of the LGBTQ population. However, there are state laws that still apply. There is a lot of anxiety and people are calling the CEEO office - faculty staff, students, parents - and the focus is going to be to continue with the State laws in that regard. How it is addressed might differ depending on where and who it is, but it will still be addressed. That has been consistent no matter who is president.

The focus is to remain true to the mission and vision until someday down the line when that cannot happen anymore. For now, nothing has changed in terms of how conduct is addressed. It just will be called one thing or another under the different policies. It is disgustingly chaotic and it's not good for people understanding their rights, no matter who the parties are.

Regent Reyes asked where UNM is with the funded position for investigators. Is UNM fully staffed on investigators, and what training do they get? Ms. Cordova replied that UNM has four full-time investigators. Last year, CEEO received 1,000 cases. It is still a difficult balance, and investigators are hard to keep. Lawyers are preferred. University salaries are not super competitive, and UNM is paying them about \$65,000 right now. It is a lot of entry-level lawyers, and they do great. There's a federal repertoire of training that's required under all the Title IX regulations, but they must have everything from analyzing civil rights to how to handle evidence for sexual assault issues for trauma-informed practices. UNM gives them all that training, and then they go other places. Right now, UNM has a good crew and an Associate Title IX coordinator position in place. UNM had a person in that role for a couple of years. She had a baby and is staying home now. CEEO hired one of the investigators into that role. There's the Title IX Coordinator, the Associate Title IX Coordinator, the four investigators, and Heather Jaramillo as Compliance Manager.

Chair Fortner asked about accommodations if somebody has a baby; what are they, and for how long? Ms. Cordova replied in this case she chose to stay home completely. During the time she was pregnant, she was doing virtual work; she could still write reports. She is still willing to help do some document review, because in addition to the investigations, there's a lot of document review to get it to be compliant. It is a lot of work for a very small team. It is a staff of 13 right now, and a couple of temp positions in that staffing. When Ms. Cordova started, it was an office of four. It is still a lot of work, particularly around Title IX things, which are so impactful to people - even to the investigator themselves. It causes trauma for them to be hearing that constantly. There was a time recently where there was only one investigator. That delays cases, and the biggest concern is the length of time cases take because there's a lot of shifting of cases when investigators leave.

Regent Reyes asked about the average length of time for one of these types of cases. Ms. Cordova replied they can vary from 30 or 60 days for some of these easier ones, to a year for sexual assault cases, made longer by the investigators' caseload. In the middle of last year, each investigator had about 40 cases each that they were hearing, which is high. By the time we entered the new year, they were all at about 17. They were working about 20 hours a day before Christmas to not have some cases go into the new year. Ms. Cordova told the Committee this is the status of Title IX regulations, and unfortunately, she will tell them something different every time she sees them.

Ms. Cordova stated the next item is responsive to what Regent Reyes asked about. The AG report came out, and the intersection with hazing and Title IX is an unfortunate, sad, new reality. Hazing is not just making people drink too much. It is fully in the sexual assault range. UNM took the best practices that the AG's report had and compared them to what UNM is doing. The word out there is their Title IX office has a very good reputation. They have been doing this a long time. Some of this came from the DOJ. It is not fun to be under federal oversight, but a lot of this came from having uniform policies.

CEEEO has a ton of training going on around campus. They are limited because their same staff does the training; there are a lot of campus partners that are helping. They do 100% of Athletics, all the athletes and coaching staff, totally live. They are about to start with football again. It is done in conjunction with the Women's Resource Center. They have built an incredible relationship with Athletics. Eddie <Nunez> would call the second something happened, and now Fern <Lovo> and Amy <Beggin> are doing the same thing. They also have a great relationship with Greek Life and ROTC, where these things naturally tend to happen. Most areas do not receive live training. State hazing laws are going to allow for both live and/or virtual. It is going to be required for 100% of students to get that training. UNM is probably going to deliver that through modules. CEEEO is already demoing the modules through Vector, who provides the sexual harassment training.

During DOJ, UNM tried to train 100% of students live, and that's tough because there's online and part time. But it's a better training. UNM's training for students is focused on bystander intervention as the best practice out there. It is not just preaching policies because they don't hear policy. It is how to interrupt something like a hazing event before it happens. The AG's report says it is best practice to have a training center, a prevention and education center where people are doing the training as a full-time job.

There is limited live training staff through new faculty and staff orientation. Regent Reyes stated one of the things in the AG's report that they noted was that individuals receiving online training were failing the course, and there was no follow up on those failures. In the NMSU case, that included both athletes and staff. Is there a similar training quiz at the end at UNM, and is their oversight to make sure that no one is getting by without having passed those quizzes? Ms. Cordova stated the module trainings have some mini quizzes built in. They don't quiz the athletes and the coaching staff as it is fully live. But it's very engaged; they are not allowed to sit silently. That is why live training is preferable. UNM has not seen a lot of activity in Athletics in a long time. Hopefully that remains the same. Students have not been the named respondents in many years. It is faculty and staff as named respondents for the last five or six years. It seems like it's not student on student.

Chair Fortner asked if there are any actions taken against someone who doesn't intervene. Ms. Cordova replied pure students are never required to report. Student employees and all employees are required to report. That is the action they are required by policy to take. They are not required to intervene because sometimes it can be unsafe. Student groups tend to be the most effective, and students will listen to their peers more than they will listen to even their coaching staff.

The General Services Division of the State has contacted UNM regarding training for our coaches and athletes. They ultimately said, if you don't have good training, we may not cover you in terms of the lawsuits, etc. They were quite impressed with what UNM is already doing. UNM is probably doing more in that area in that most aren't live training their people. UNM has amazing advocacy groups. There is a bit of a lack in respondent support and advocacy for faculty and staff. Advocates say when they go to advocate conferences, people are

shocked about the advocacy that UNM has, particularly for student survivors. Ms. Cordova said people know about the Ethics Point reporting system because the system reporting is off the charts. She has never seen reporting like this, and that is a great thing. She does not see it as more happening, but that people know how to report. Ethics Point has live people who, if somebody mentions weapons or imminent harm, will call the Chief of Police, then Emergency Manager Byron <Piatt>, and then Ms. Helms. Regent Reyes asked if Ethics Point is required material on the syllabuses. Ms. Cordova replied yes, along with the Title IX report. Ms. Cordova stated they feel confident about the best practices in AG's report - not to say things cannot happen because they absolutely can, backsliding can happen. Ms. Cordova stated some of the AG's report was so shocking when she read the report itself versus what was on the news. There is confidence the Athletic Director will continue the good work and the Greek organizations as well. UNM does not have a big Greek presence anyway.

Heather Jaramillo, Director of Equal Opportunity and ADA Coordinator addressed the Committee regarding new DOJ regulations from April 2024 that apply to the University governing digital accessibility. Title II of the Americans with Disabilities Act covers UNM. Regulations came out last spring giving entities implementation deadlines dependent on the population they serve. The deadline is April 2026 for Main Campus (2027 for Branches) and applies to almost anything digital that someone would access publicly from the University, such as: applying for a job or admission; participating in a program; or buying tickets to an event. UNM has been broadly working on digital accessibility efforts since prior to COVID in 2020. Had UNM known COVID was going to happen, there would have been more focus on digital accessibility. CEEO, UCAM's web team, IT, and the Center for Teaching and Learning are working together on proposals. UCAM already has templates.

In December, there was a kickoff meeting with stakeholders. Subcommittees are being worked out right now. In March, those teams will break out into their different project roles to start working on accessible learning content for Canvas, UNM's learning management system. They will work on website accessibility and creating on-demand training and resources for folks across the enterprise. They will work with procurement and purchasing to build requirements at the front end for accessibility. Regent Rael asked how much it will cost for implementation. Ms. Jaramillo replied UNM is fortunate to have folks on the ground who can do this work. One of those working groups is working on policy and kind of long-range planning for developing a funding proposal over three to five years. As a best practice, there needs to be digital accessibility experts in different areas to act as both consultants and to help build these things. In terms of software or systems, there should not be anything structural or systemic that the University would need to do on that end to be compliant.

- Chien-chih Yeh, Audit Manager provided the status of Audit recommendation follow up report for this reporting cycle. There are a total of 14 recommendations that are pending. For one of the recommendations for OMI and three from the Non-Standard Payment Audit, management indicated they implemented the recommendations, and they provided IA the information. The auditors are working with the auditees to verify their implementation. Once IA management confirms that they are implemented, that will be reported to the Committee in the next meeting and their status will move from pending to implemented. The rest of the recommendations are not yet past due. There have been no particular actions, so there's no new status.

Mr. Griego stated he had just one comment. On the non-standard payment follow up from that audit, he looked at the corrective action plan that Teresa's team put together. It's a big project, with a lot of work that they are putting in to implement the recommendations. He thanked Teresa for her leadership on addressing those recommendations and putting in the work to put that implementation in place.

- The meeting adjourned at 4:22 PM.

Approved:

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Audit and Compliance Committee Chair

# ADVISORS' COMMENTS

# QUARTERLY MEETING DATES FOR REMAINDER OF 2025

If coinciding with  
BOR dates currently:  
8/19 and 10/21 or 11/18



MSC 01 1300  
 Albuquerque, NM 87131-0001  
 Phone: (505) 277-5111  
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**Date:** April 16, 2025

**TO:** Regent Jack Fortner, Chair, Audit and Compliance Committee  
 Victor Griego, Director, Internal Audit

**FROM:** Norma Allen, University Controller *na*

**RE:** Fiscal Years 2023-2025 Annual Financial Statements Audit Contract

I am requesting the Audit and Compliance Committee's approval of the **third year** of the contract with KPMG LLP, with Moss Adams LLC and Carr, Riggs & Ingram LLC (CRI) as subcontractors, for the external audit of the University of New Mexico Fiscal Year 2025 annual financial statements. The Audit and Compliance Committee approved a multi-year contract in Spring 2023. The State Audit rule encourages agencies to pursue multi-year contracts. However, each year the contract must be approved by the Audit and Compliance committee, the Higher Education Department (HED) and the Office of the State Auditor (OSA). The contract is for two years, Fiscal Years 2023 and 2024, with a University option for year three, Fiscal Year 2025. We have received approval confirmations from both OSA and HED (Attachment A). The cost of the audit for the third year is \$1,235,000 plus NM GRT Tax.

### **Background Information**

On December 9, 2022, UNM issued a Request for Proposal (RFP) for Fiscal Years 2023, 2024, and 2025 external financial statements audit. Proposals and evaluation criteria were distributed to a 12-member evaluation committee. The committee consisted of lead financial officers from Financial Services, Academic Affairs, Health Sciences, the UNM Foundation, the University Hospital, UNM Medical Group and Rainforest Innovations. In accordance with appropriate selection criteria established for the procurements, the written proposals were evaluated for responsiveness to mandatory requirements.

Based on the evaluation from the committee members and presentations from the responders, the selection committee recommended awarding the contract to KPMG LLP with subcontracts to Moss Adams LLC for the audit of the clinical areas and Carr, Riggs & Ingram LLC (CRI) for the component units and other special audits.

The cost of the audit for Fiscal Years 2023, 2024, and 2025 are \$1,118,000, \$1,176,000, and \$1,235,000 plus NM GRT respectively for a total of \$3,529,000 plus NM GRT. The cost from Fiscal Year 2023 to Fiscal Year 2025 reflect approximately a 5% increase year over year.

Attachment B of this packet includes a memo from Bruce Cherrin, Chief Procurement Officer, the RFP evaluation criteria table and a breakdown of the cost per year.

For comparison purposes, the cost of the audit with amendments for Fiscal Years 2020, 2021, and 2022 were \$955,500, \$974,000, and \$1,141,400 plus NM GRT respectively for a total of \$3,070,900 plus NM GRT. Attachment C of this packet includes Fiscal Years 2020, 2021 and 2022 OSA connect contracts with Moss Adams.

JOSEPH M. MAESTAS, P.E., CFE  
STATE AUDITOR

RICKY A. BEJARANO, CPA, CGMA  
DEPUTY STATE AUDITOR



State of New Mexico  
**Office of the State Auditor**  
CONSTITUENT SERVICES  
(505) 476-3821

2025-04-09T15:24:37.702Z

Garnett Stokes  
University President  
University of New Mexico  
presidentstokes@unm.edu

Dear Garnett Stokes,

Pursuant to NMSA 1978, Sections 12-6-3 and -14, and any applicable provisions of the Audit Rule, the Office of the State Auditor (OSA) hereby approves the request and contract for KPMG, LLP (the "IPA") to conduct the Fiscal Year 2025 annual audit or agreed-upon procedures engagement for University of New Mexico (the "Agency"). This approval is contingent upon the following:

- The IPA and the Agency must use the form of contract from the OSA-Connect online portal, with no changes. If any changes are required, a contract amendment will need to be completed and submitted in OSA-Connect for approval.
- The contract price and all other terms of the contract must be identical to the information submitted through the OSA-Connect portal.
- If applicable, the Agency will submit the contract for any additional required approvals from an oversight authority, including any approvals by the Public Education Department or Higher Education Department required by NMSA 1978, Section 12-6-14.
- If applicable, the Agency will submit to the General Services Division Contracts Review Bureau the required number of signed contracts, a copy of this letter and any other required documentation.
- Once you have received all signatures, please login to OSA-Connect and upload your fully executed contract. If you do not upload your fully executed contract, your report release will be delayed.

If any of these conditions is not satisfied, this approval will be void, and the Agency will be required to commence the contracting process again with the submission of new information through the OSA-Connect portal.

If you have any questions, please contact the OSA at (505) 476-3800.

Sincerely,  
*Office of The State Auditor*

2540 Camino Edward Ortiz, Suite A, Santa Fe, New Mexico 87507  
Phone (505) 476-3800 \* Fax (505) 827-3512  
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*Michelle Lujan Grisham, Governor*

*Stephanie M. Rodriguez, Cabinet Secretary*

*Patricia Trujillo, Ph.D., Deputy Secretary*

**Date:** April 2, 2025

**Subject:** FY2025 Independent Public Auditor Approval

**To:** Alex Velasquez, Accounting Manager  
University of New Mexico

**From:** Scott Eccles, Institutional Auditor  
New Mexico Higher Education Department

In accordance with New Mexico State Statute 12-6-14, the New Mexico Higher Education Department's (NMHED) Institutional Finance Division is tasked with review and approval of FY2025 Independent Public Auditor (IPA) selections for public Institutions of Higher Education in New Mexico.

This approval is to ensure that IPA's selected by each Institution to perform their upcoming fiscal year audits have been made in accordance with procedures prescribed by rules of the State Auditor.


As such and based upon our review of the draft audit contracts submitted by University of New Mexico with KPMG, LLP (Primary), Moss Adams, LLP (Subcontract), and Carr, Riggs and Ingram, LLC (Subcontract), NMHED hereby approves the IPA selections.



MSC01 1240  
1 University of New Mexico  
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Telephone (505) 277-2036  
<http://purchase.unm.edu>

## MEMORANDUM

To: Norma Allen, University Controller

From: Bruce Cherrin, Chief Procurement Officer 

Subject: Contract Approval

Date: March 24, 2023

This is a request to submit the following to the Board of Regents Audit Committee for approval. This will need to proceed to the full Board of Regents and to the State Auditor for final approval.

### **RFP-2390-23: Audit Firm for Financial Statements and Compliance Audits**

The University of New Mexico (UNM) solicited proposals from qualified audit firms to perform an audit of its financial statements and conduct compliance audits in accordance with Federal OMB Uniform Guidance and New Mexico State Auditor Requirements as outlined by 2.2.2 NMAC Requirements for Contracting and Conducting Audits of Agencies dated 2022, and superseded by the requirements of 2023.

After tabulation of scores and application of the in- state preference we ask for approval to award to KPMG using Moss-Adams and CRI as sub-contractors for two years with a University option for year three.

Year 1 cost: \$1,118,000.00

Source of funds: Multiple

RFP-2390-23, "Audit Firm for Financial Statements and Compliance Audits"			
Evaluation, Opened January 16, 2023 11:30 PM			
<b>Evaluation Criteria Initial Ranking- 100 Total Points Possible</b>		<b>KPMG, LLP</b>	<b>Weaver and Tidwell, LLP</b>
<b>Criteria - 100 Possible Points</b>		73.01	78.66
Vet Pref (10% of Max Possible Points)		N/A	N/A
State Pref (8% Max Possible Points)		8.00	N/A
<b>Initial Ranking Total</b>		<b>81.01</b>	<b>78.66</b>

KPMG: Proposal for Financial Statements and Compliance				
Service	Hours	2023	2024	2025
Academic Units - KPMG				
University	1,300	197,000	207,000	217,000
University Single Audit	1,200	177,000	186,000	195,000
UNM Foundation	480	66,000	70,000	74,000
Academic Units - CRI				
Alumni Association	200	28,000	29,500	31,000
Lobo Club	210	30,000	31,500	33,000
Lobo Development	200	26,000	27,500	29,000
Lobo Energy	220	30,000	31,500	33,000
Rainforest Innovations	200	29,000	30,500	32,000
KNME	280	38,000	40,000	42,000
KUNM	200	28,000	29,500	31,000
NCAA AUP	110	15,000	16,000	17,000
Clinical Operations-Moss Adams				
UNM Hospital	1,050	156,000	164,000	172,000
UNM Behavioral Health	650	98,000	103,000	108,000
UNMMG	600	92,000	97,000	102,000
SRMC	700	108,000	113,000	119,000
<b>Totals</b>	<b>7,600</b>	<b>1,118,000</b>	<b>1,176,000</b>	<b>1,235,000</b>

## Attachment C

Contract No.

**STATE OF NEW MEXICO**  
**University of New Mexico**  
**AUDIT CONTRACT AMENDMENT**

University of New Mexico, hereinafter referred to as the "Agency," and

Moss Adams LLP, hereinafter referred to as the "Contractor," agree:

**1. RECITALS.**

Agency and Contractor are parties to that certain Audit Contract dated 04/30/2020 (the "Contract"), which they wish to amend pursuant to this Audit Contract Amendment (the "Amendment")

**2. AMENDMENTS.**

The parties wish to amend the Contract, as follows:

A. Section None is deleted in its entirety and the following is substituted in its place:

**1. Three of the UNM clinical operations received significant funding from the federal government through the CARES Act. This incremental effort relates to the research on the ever-evolving accounting guidance, multiple client meetings, and related audit effort. The additional fees are \$15,000 and the additional hours are 100. We have communicated with management and they have indicated their understanding and agreement with this incremental effort and billing. 2. UNM received significant funding from the federal government through the CARES Act, which required to be audited as a major program under Uniform Guidance and the Single Audit Act for the Covid-19 Educational Stabilization Fund. The additional fees are \$21,500 and the additional hours are 143 related to this audit requirement. We have communicated with management and they have indicated their understanding and agreement with this incremental effort and billing.**

B. Sections 3A and 3C are deleted in their entirety and the following is substituted in their place:

A. The total amount payable by the Agency to the Contractor under this Contract shall not exceed **\$1,030,746.00**, including applicable gross receipts tax.

C. Total Compensation will consist of the following:

SERVICES	AMOUNTS
(1) Financial statement audit	<b><u>\$338,300.00</u></b>
(2) Federal single audit	<b><u>\$130,500.00</u></b>
(3) Financial statement preparation	<b><u>\$0.00</u></b>
(4) Other nonaudit services, such as depreciation schedule updates	<b><u>\$12,000.00</u></b>
(5) Other (i.e., foundations or other component units, specifically identified) 2 Component Units	<b><u>\$474,700.00</u></b>

Gross Receipts Tax = \$75,246.00

Total Compensation = \$1,030,746.00 including applicable gross receipts tax

**3. MISCELLANEOUS.**

All provisions of the Contract not expressly amended in this Amendment remain unchanged.

Entities that are part of a firm's global or national network are not considered subcontractors for the purpose of this Contract. The Agency and the State Auditor acknowledge that in connection with the performance of services under the Contract, Contractor may use the services of Contractor controlled entities and/or Contractor member firms to complete the services required by this Contract. The Agency and the State Auditor also acknowledge that in connection with the performance of services under the Contract, Contractor uses vendors to provide at Contractor's direction administrative and clerical services to Contractor. These vendors may in the performance of such services have limited access to information, including but not limited to confidential information, received by Contractor from or at the request or direction of the Agency. Contractor represents to the Agency that each such vendor has agreed to conditions of confidentiality with respect to the Agency's information to the same or similar extent as Contractor has agreed to pursuant to this Contract. Contractor will have full responsibility to cause these vendors to comply with such conditions of confidentiality and Contractor shall be responsible for any consequences of their failure to comply. Accordingly, the Agency and the State Auditor consent to Contractor disclosure to a vendor and the use by such vendor of data and information, including but not limited to confidential information, received from or at the request or direction of the Agency and the State Auditor for the purposes set forth herein.

SIGNATURE PAGE

This Amendment is effective as of the date of the signature of the Office of the State Auditor.

<u>AGENCY</u>		<u>CONTRACTOR</u>	
	<u>University of New Mexico</u>		<u>Moss Adams LLP</u>
	<u><i>Elizabeth Metzger</i></u>		<u><i>Lisa P Todd</i></u>
SIGNATURE:		SIGNATURE:	
PRINTED	<u>Elizabeth Metzger</u>	PRINTED	<u>Lisa P Todd</u>
NAME:		NAME:	
TITLE:	<u>University Controller</u>	TITLE:	<u>Partner</u>
DATE:	<u>3/4/2021</u>	DATE:	<u>3/4/2021</u>

State Auditor Contract No. 20 - 969

Contract No.

**STATE OF NEW MEXICO**  
**University of New Mexico**  
**AUDIT CONTRACT AMENDMENT**

University of New Mexico, hereinafter referred to as the "Agency," and

Moss Adams LLP, hereinafter referred to as the "Contractor," agree:

**1. RECITALS.**

Agency and Contractor are parties to that certain Audit Contract dated **04/14/2021** (the "Contract"), which they wish to amend pursuant to this Audit Contract Amendment (the "Amendment")

**2. AMENDMENTS.**

The parties wish to amend the Contract, as follows:

A. Section **Section 1 is amended to add** is deleted in its entirety and the following is substituted in its place:

**1) Additional hours and effort for testwork related to the 2021 UNM Health System Data Breach - \$13,000 and 55 hours. (Financial Statement Audit line). All effort performed by KPMG.**

B. Sections 3A and 3C are deleted in their entirety and the following is substituted in their place:

A. The total amount payable by the Agency to the Contractor under this Contract shall not exceed **\$1,050,703.00**, including applicable gross receipts tax.

C. Total Compensation will consist of the following:

SERVICES	AMOUNTS
(1) Financial statement audit	<b><u>\$353,000.00</u></b>
(2) Federal single audit	<b><u>\$131,000.00</u></b>
(3) Financial statement preparation	<b><u>\$0.00</u></b>
(4) Other nonaudit services, such as depreciation schedule updates	<b><u>\$12,000.00</u></b>
(5) Other (i.e., foundations or other component units, specifically identified) 2 Component Units	<b><u>\$478,000.00</u></b>

Gross Receipts Tax = \$76,703.00

Total Compensation = \$1,050,703.00 including applicable gross receipts tax

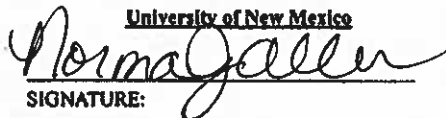
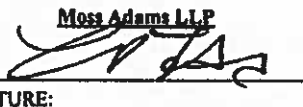
**3. MISCELLANEOUS.**

All provisions of the Contract not expressly amended in this Amendment remain unchanged.

Entities that are part of a firm's global or national network are not considered subcontractors for the purpose of this Contract. The Agency and the State Auditor acknowledge that in connection with the performance of services under the Contract, Contractor may use the services of Contractor controlled entities and/or Contractor member firms to complete the services required by this Contract. The Agency and the State Auditor also acknowledge that in connection with the performance of services under the Contract, Contractor uses vendors to provide at Contractor's direction administrative and clerical services to Contractor. These vendors may in the performance of such services have limited access to information, including but not limited to confidential information, received by Contractor from or at the request or direction of the Agency. Contractor represents to the Agency that each such vendor has agreed to conditions of confidentiality with respect to the Agency's information to the same or similar extent as Contractor has agreed to pursuant to this Contract. Contractor will have full responsibility to cause these vendors to comply with such conditions of confidentiality and Contractor shall be responsible for any consequences of their failure to comply. Accordingly, the Agency and the State Auditor consent to Contractor disclosure to a vendor and the use by such vendor of data and information, including but not limited to confidential information, received from or at the request or direction of the Agency and the State Auditor for the purposes set forth herein. "Other allowed nonaudit services" includes NCAA agreed upon procedures totaling \$12,000. "Other" includes KNME Television and KUNM Radio audits as required by the Corporation for Public Broadcasting totaling \$62,000.

## SIGNATURE PAGE

This Amendment is effective as of the date of the signature of the Office of the State Auditor.

AGENCYUniversity of New Mexico  
SIGNATURE:PRINTED NAME: Norma AllenTITLE: University ControllerDATE: 3-8-22CONTRACTORMoss Adams LLP  
SIGNATURE:PRINTED NAME: Lisa P ToddTITLE: PartnerDATE: 3-8-22State Auditor Contract No. 21-969

Contract No.

**STATE OF NEW MEXICO**  
**University of New Mexico**  
**AUDIT CONTRACT AMENDMENT**

University of New Mexico, hereinafter referred to as the "Agency," and

Moss Adams LLP, hereinafter referred to as the "Contractor," agree:

**1. RECITALS.**

Agency and Contractor are parties to that certain Audit Contract dated 05/06/2022 (the "Contract"), which they wish to amend pursuant to this Audit Contract Amendment (the "Amendment")

**2. AMENDMENTS.**

The parties wish to amend the Contract, as follows:

- A. Section Section 1 is amended to add is deleted in its entirety and the following is substituted in its place:

Additional hours and effort for 3 new single audits. The new single audits were: Shutter Venues Operator Grant \$14,400 and 80 hours, Child Care Development \$8,100 and 45 hours, and Disaster Grant - FEMA \$9,900 and 55 hours. Total additional hours of 180 and additional compensation of \$32,400.

- B. Sections 3A and 3C are deleted in their entirety and the following is substituted in their place:

A. The total amount payable by the Agency to the Contractor under this Contract shall not exceed **\$1,229,859.00**, including applicable gross receipts tax.

- C. Total Compensation will consist of the following:

SERVICES	AMOUNTS
(1) Financial statement audit	<b>\$377,222.00</b>
(2) Federal single audit	<b>\$262,178.00</b>
(3) Financial statement preparation	<b>\$0.00</b>
(4) Other nonaudit services, such as depreciation schedule updates	<b>\$14,000.00</b>
(5) Other (i.e., foundations or other component units, specifically identified) 2 Component Units	<b>\$488,000.00</b>

Gross Receipts Tax = \$88,459.00

Total Compensation = \$1,229,859.00 including applicable gross receipts tax

**3. MISCELLANEOUS.**

All provisions of the Contract not expressly amended in this Amendment remain unchanged.

Other allowed nonaudit services: NCAA agreed upon procedures, Other: KUNM and KNME audits as required by Corporation for Public Broadcasting as part of their grant agreement. OSA portion: 200 hours financial statement audit \$33,000.00, 250 hours Federal Single Audit \$17,000.00. OSA fees are 4.7% of the total audit cost before 7.875% gross receipts tax.

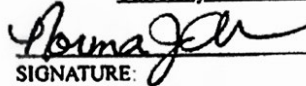


**SIGNATURE PAGE**

This Amendment is effective as of the date of the signature of the Office of the State Auditor.

**AGENCY**

**University of New Mexico**

  
SIGNATURE:

PRINTED NAME: Norma J. Allen  
TITLE: University Controller  
DATE: 3/16/23

**CONTRACTOR**

**Moss Adams LLP**

  
SIGNATURE

PRINTED NAME: Lisa P. Todd  
TITLE: Partner  
DATE: 3/16/23

State Auditor Contract No. 22-969



# University of New Mexico 2025 Audit Entrance Conference

**Discussion with those charged with Governance**

**Audit plan and strategy for the year ending June 30, 2025**

May 20, 2025

# Who's with you today

## KPMG



**John Bunnell**

### Lead Audit Managing Director

John will serve as the lead engagement managing director for the overall UNM engagement, as well as the lead for the individual audits of UNM (excluding the Hospitals, Medical Group and Component Units) and UNM Foundation.

## Moss Adams



**Josh Lewis**

### Audit Partner

Josh will serve as the lead engagement partner for the UNM Clinical Operations which includes University of New Mexico Hospital (UNMH), UNM Medical Group (UNMMG), and Sandoval Regional Medical Center (SRMC).

## Carr Riggs Ingram



**Paul Garcia**

### Audit Partner

Paul will serve as the lead engagement partner for the following component units: UNM Alumni Association, Lobo Club, Lobo Development, Lobo Energy, Rainforest Innovations, KNME, KUNM and the UNM NCAA agreed upon procedures.



# Engagement management to fit your team



KPMG/Moss/CRI and UNM management have a joint interest in driving quality and eliminating peaks in workload, particularly in the post year end period. That's why we're continuing to



**Communicate and coordinate** with all levels of management and the Audit Committee, including updates on key milestones



**Accelerate work** to drive quality and an exceptional client experience



**Improve the walkthrough and controls experience** by accelerating and streamlining walkthrough efforts and standardizing requested evidence on controls



# Required communications to those charged with governance

Prepared on: April 28, 2025

Presented on: May 20, 2025

# Audit plan required communications & other matters

Our audit of the basic financial statements of UNM as of and for the year ended June 30, 2025, will be performed in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and New Mexico State Auditor Rule 2.2.2 NMAC.

Performing an audit of financial statements includes consideration of internal control over financial reporting (ICFR) as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UNM's ICFR.

We will also perform an audit of the Schedule of Expenditures of Federal Awards (SEFA) in accordance with OMB Uniform Guidance (single audit).

Matters to communicate		Response
Significant findings or issues discussed with management	X	
Audit participants and strategy	✓	Pages 6 to 9
Materiality in the context of an audit	✓	Page 10
Our timeline	✓	Page 11
Risk assessment: Significant risks	✓	Page 12
Risk assessment: Additional risks identified	✓	Page 13
Involvement of others	✓	Page 14
Newly effective accounting standards	✓	Page 15
Independence	✓	Page 16
Responsibilities	✓	Page 17
Inquiries	✓	Page 18

✓ = Matters to report X = No matters to report



# Audit Participants



# KPMG Audit Strategy – UNM (excluding the Hospitals, Medical Group and Component Units) and UNM Foundation

Internal controls and substantive audit procedures

## Key areas of focus

- Cash and cash equivalents
- **Investments, including valuation of alternative investments**
- Accounts receivable and other receivables
- Capital assets and depreciation expense
- Accounts payable and other liabilities
- **Long-term debt**
- OPEB liability
- **Net pension liability**
- Student tuition and fees
- **State appropriations**
- Sales and services of auxiliary enterprises
- Salaries and benefits
- Non-payroll expenditures (procurement expenditures)
- **Accounting for transactions with affiliates (UNM Hospitals, UNMMG, and other UNM component units)**
- Non-operating revenues and expenses
- VEBA plan
- Journal entry approval
- **Financial statement presentation**
- **State audit rule testing**
- **Federal grant compliance and internal controls (single audit)**



# Moss Adams Audit Strategy – Clinical Operations

## Internal controls and substantive audit procedures

### Key areas of focus

- **Patient revenue cycle**
- **Valuation allowance for contractual discounts and uncollectible patient receivables and determination of uncompensated care**
- Estimated third-party payor settlements
- FEMA grant funding
- Recognition of purchased services (physician clinical effort)
- General expenditures and payroll
- Non-operating revenues/grants and expenses
- Cash and investments
- **Mortgage loan and bonds payable**
- Restricted assets, designated assets, and capital initiatives
- Evaluate both information technology and manual controls –incorporate use of IT specialists in the audits
- **Related party transactions between UNM, UNM Hospitals, and UNMMG**
- Contingencies (malpractice, payor disputes, etc.)
- **Financial reporting and presentation**

# CRI Audit Strategy – Other Component Units

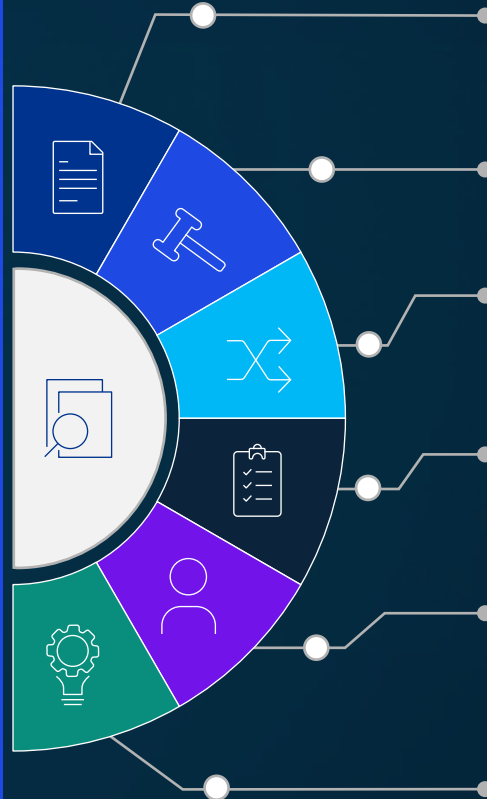
Internal controls and substantive audit procedures

## Key areas of focus

- **Revenue recognition (investment income, contributions and other revenue sources)**
- Expenditures
- **Transactions with UNM**
- **Financial reporting and presentation**
- NCAA Intercollegiate Athletics Agreed-upon procedures report
- KNME-TV and KUNM-FM Attestation reports

# Materiality in the context of an audit

We will apply materiality in the context of the preparation and fair presentation of the UNM basic financial statements, as well as each of the stand alone component audits, considering the following factors



Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Judgments about materiality are made in light of surrounding circumstances and are affected by the size or nature of a misstatement, or a combination of both.

Judgments about materiality involve both qualitative and quantitative considerations.

Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered.

Determining materiality is a matter of professional judgment and is affected by the auditor's perception of the financial information needs of users of the financial statements.

Judgments about the size of misstatements that will be considered material provide a basis for

- a. Determining the nature and extent of risk assessment procedures;
- b. Identifying and assessing the risks of material misstatement; and
- c. Determining the nature, timing, and extent of further audit procedures.



# Our Timeline

Entity	Planning	Interim Fieldwork	Final Fieldwork	Review Draft Financial Statements	Deliver Drafts to UNM
KPMG					
University of New Mexico	June 2: 1 week	June 9: 2 weeks	August 4: 6 weeks	September 29: 2 weeks	N/A
UNM Foundation	June 9: 1 week	June 16: 2 weeks	August 11: 4 weeks	September 1: 1 week	September 15
Carr, Riggs & Ingram					
Alumni Association	July 21: 1 week	N/A	August 11: 2 week	September 1: 1 week	September 15
Lobo Club	June 16: 1 week	N/A	August 11: 2 weeks	September 1: 1 week	September 15
Lobo Development	June 16: 1 week	N/A	August 4: 1 week	August 25: 1 week	September 15
Lobo Energy	June 23: 1 week	N/A	August 4: 1 week	August 25: 1 week	September 15
Rainforest Innovations	June 23: 1 week	N/A	August 4: 2 weeks	September 1: 1 week	September 15
KNME	July 14: 1 week	N/A	November 3: 2 weeks	December 1: 1 week	December 12 (issued)
KUNM	July 21: 1 week	N/A	November 10: 2 weeks	December 3: 1 week	December 12 (issued)
NCAA AUP Report	August 18	N/A	October 13: 1 week	November 15: 1 week	December 12 (issued)
Moss Adams					
UNM Hospital	May 5: 1 week	May 12: 1 week	July 28: 6 weeks	September 1: 2 weeks	September 15
Behavioral Health	May 5: 1 week	May 12: 1 week	July 28: 6 weeks	September 1: 2 weeks	September 15
UNM Medical Group	May 5: 1 week	May 12: 1 week	July 28: 6 weeks	September 1: 2 weeks	September 15
Filing date: Issue audit reports on October 30, 2025					

# Risk assessment: Significant risks

Significant risk	Susceptibility to	
	Error	Fraud
<b>Management override of controls</b> Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.		Yes



# Risk assessment: Additional risks identified

Other significant audit matters	Relevant factors affecting our risk assessment
<b>Change in accounting policy related to measurement date of the OPEB liability</b>	<p>UNM management has communicated they are changing the measurement date of the OPEB liability from a year in arrears to be as of the end of the current reporting period (both are allowable measurement dates in accordance with GASB 74).</p> <p>Management will provide, and KPMG will evaluate, the preferability of this change in accounting estimate for FY 2025.</p>



# Involvement of others

Audit of financial statements	Extent of planned involvement
Actuary	Will utilize firm actuaries to review assumptions and approach related to the OPEB and/or Net Pension Liability computations
IT Professionals	Will review certain elements of the IT environment
Pricing Desk	Valuation of marketable securities
Cost Report Specialists	Review clinical operations cost reports and estimates of related receivables and payables
KPMG Global Delivery Center Private Limited (India) [GDC] and KPMG Global Services Private Limited (India).	GDC operates under the direct supervision of the engagement team to provide the team with administrative support and perform certain non-judgmental procedures.

# Newly effective accounting standards

Effective for fiscal year June 30, 2025	Expected impact	Early adoption permitted
GASB 101 – Compensated Absences	●	✓
GASB 102 – Certain Risk Disclosures	●	✓
Effective for calendar year-end companies in 2026		
GASB 103 – Financial Reporting Model Improvements	●	✓
GASB 104 – Disclosure of Certain Capital Assets	●	✓

Expected impact: high ● moderate ● low ● none ●



# Shared responsibilities: Independence

Auditor independence is a shared responsibility and most effective when management, those charged with governance and audit firms work together in considering compliance with the independence rules. In order KPMG, Moss Adams, and CRI to fulfill their professional responsibility to maintain and monitor independence, management, those charged with governance, and the audit firms each play an important role.

## System of Independence Quality Control

The firms maintain a system of quality control over compliance with independence rules and firm policies. Timely information regarding upcoming transactions or other business changes is necessary to effectively maintain the firms' independence in relation to:

- New affiliates (which may include subsidiaries, equity method investees/investments, sister companies, and other entities that meet the definition of an affiliate under AICPA independence rules)
- New officers or directors with the ability to affect decision-making, individuals who are beneficial owners with significant influence over the UNM and UNM entities, and persons in key positions with respect to the preparation or oversight of the financial statements

## Certain relationships with the Auditor

Independence rules prohibit:

- Certain employment relationships involving directors, officers, or others in an accounting or financial reporting oversight role and audit firms and audit firm covered persons.
- UNM, UNM entities or their directors or officers, from having certain types of business relationships with audit firms or audit firm professionals.

# Responsibilities



## Management responsibilities

- Communicating matters of governance interest to those charged with governance.
- The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.



## Auditors' responsibilities – objectives

- Communicating clearly with those charged with governance the responsibilities of the auditor regarding the financial statement audit and an overview of the planned scope and timing of the audit.
- Obtaining from those charged with governance information relevant to the audit.
- Providing those charged with governance with timely observations arising from the audit that are significant and relevant to their responsibility to oversee the financial reporting process.
- Promoting effective two-way communication between the auditor and those charged with governance.
- Communicating effectively with management and third parties.



## Auditors' responsibilities – other

- If we conclude that no reasonable justification for a change of the terms of the audit engagement exists and we are not permitted by management to continue the original audit engagement, we should:
  - Withdraw from the audit engagement when possible under applicable law or regulation;
  - Communicate the circumstances to those charged with governance, and
  - Determine whether any obligation, either legal contractual, or otherwise, exists to report the circumstances to other parties, such as owners, or regulators.
- Forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared, in all material respects, in accordance with the applicable financial reporting framework.
- Establishing the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.
- Communicating any procedures performed relating to other information, and the results of those procedures.



# Required inquiries

- What are your views about fraud risks, including management override of controls, at UNM and the UNM entities and whether you have taken any actions to respond to these risks?
- Are you aware of, or have you identified, any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets?  
If so, have the instances been appropriately addressed and how have they been addressed?
- Are you aware of or have you received tips or complaints regarding UNM or the UNM entities financial reporting (including those received through the internal whistleblower program, if such program exists) and, if so, what was your response to such tips and complaints?
- How do you exercise oversight over management's assessment of fraud risk and the establishment of controls to address/mitigate fraud risks?
- Has UNM or the UNM entities entered into any significant unusual transactions?
- Are you aware of any matters relevant to the audits, including, but not limited to, any instances of actual or possible violations of laws and regulations, including illegal acts (irrespective of materiality threshold)?
- Has UNM and the UNM entities complied with all covenants during the financial statement period and before the date of the auditors' report?  
Have there been any events of default during the financial statement period and before the dates of the auditors' report?
- What is the audit committee's understanding of the UNM and UNM entities relationships and transactions with related parties that are significant to the respective entity?
- Does any member of the audit committee have concerns regarding relationships or transactions with related parties and, if so, what are the substance of those concerns?



# Questions?

This presentation to those charged with governance is intended solely for the information and use of those charged with governance and management and is not intended to be and should not be used by anyone other than these specified parties. This presentation is not intended for general use, circulation or publication and should not be published, circulated, reproduced or used for any purpose without our prior written permission in each specific instance.

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**Internal Audit Director's Status Report  
Audit and Compliance Committee Meeting  
May 20, 2025**

**Audit Committee Meeting Calendar.** Discussion of new format/new dates for remainder of 2025. Schedule needs to accommodate the FY25 External Financial Statements Audit exit conference.

**Internal Audit Operations and Staffing.** Internal Audit (IA) hired a previous student intern into a professional intern position. The department is planning to transition the professional intern to a full-time internal auditor through the Professional Internship Program.

**Audit Plan Status.** The FY25 audit project status with hours for the current audit plan is below. The status of the proposed audit plans is for the period of July 1, 2024 through April 30, 2025:

Completed/Report Writing	6
Planning/Fieldwork	3
<b>Subtotal</b>	<b>9</b>
Assigned	1
Unassigned	3
<b>Total</b>	<b>13</b>

The audit status report includes four (4) audits that were carried over from FY24. Eight (8) of twelve (12) audits from the FY24 and FY25 audit plan have been completed or are in process. Internal Audit has currently completed the Audit of Anderson School of Management Foundation Dissolution, which was presented in executive session. The Audit of Community Health Work Initiatives (CHWI) has been completed and is pending management responses to audit recommendations.

The audits of Education Abroad Programs and International Travel are in report writing and will be presented at the August meeting. Internal Audit is in the process of completing fieldwork procedures for Athletics Administration. Planning procedures have been initiated for an audit of IT Disaster Recovery. An audit of Contracts and Grants has been assigned from the FY26 audit plan. All audits in process resulted from the Risk Assessment, Three-Year Audit Plan, IT Risk Assessment, and EthicsPoint reported concerns.

**Internal Audit Director's Status Report  
Audit and Compliance Committee Meeting  
May 20, 2025**

The following is the status of the FY25 and FY26 audit plans:

Description	Status	FY 25 Budgeted Hours	FY 25 Actual Hours	Variance
<b>Audit Plan</b>				
<b>Prior Years</b>				
Non-Standard Payments (NSP)	Completed - Follow up	100	102	(2)
Anderson School of Management	Completed	750	990	(240)
Education Abroad Programs	Completed	345	458	(113)
IT - Disaster Recovery	Planning	0	0	0
<b>FY 2025 Audit Work Plan</b>				
Office of Community Health	Completed	500	1,194	(694)
President's Travel and Entertainment FY24	Completed	350	360	(10)
Risk Assessment	Completed	50	24	26
Athletics Administration	Fieldwork	500	678	(178)
Travel (International)	Fieldwork	500	103	397
UNM Gallup	Unassigned	500	0	500
College of Nursing	Unassigned	500	0	500
School of Engineering Administration	Unassigned	350	0	350
<b>FY 2026 Audit Work Plan</b>				
Contracts and Grants	Assigned	250	0	250
<b>Audit Plan Subtotal</b>		4,695	3,909	786

**Complaint Status.** The current status of complaints assigned to Internal Audit for FY25, as of May 9, 2025, is:

Completed/Closed	32
Planning/Fieldwork	34
Unassigned	11
<b>Total</b>	<b>77</b>

Complaints assigned to Internal Audit for review are those of financial related matters (i.e., fraud, theft, misuse of funds, time abuse, etc.). A confidential formal memo of Internal Audit complaint reviews is distributed to applicable UNM management and/or leadership to report outcomes of reviews and IA recommendations, if substantiated.

**External Audits and Reviews.** Internal Audit obtains status update information from UNM Contracts and Grants regarding external audits/reviews of various grants and contracts by various grantor agencies. At Tab #9 is the summary information as of March 31, 2025 regarding the external audits/reviews (third party financial audits) of various grants, contracts, and programs by various grantor agencies. There are currently eleven (11) audits/reviews to report for this reporting period.

**Internal Audit Director's Status Report  
Audit and Compliance Committee Meeting  
May 20, 2025**

Health Resources and Services Administration (HRSA) completed two (2) audits totaling \$1.2 million in grants awarded to the HSC Internal Medicine department. The audit period covered all expenditures since the grants' inception to 2/28/2025. HRSA did not report any findings as a result of the audits.

The Department of Justice (DOJ) completed one (1) audit for a \$300,000 grant awarded to El Centro De La Raza program. The audit period covers all activity from 10/01/22 through the end of the grant period. The DOJ did not report any major findings as a result of the audit.

UNM has been notified that audits of awards from the City of Albuquerque, Public Affairs, Patient Centered Outcomes Research Institute (PCORI), and the Kellogg Foundation have been initiated.



Organization Level 5: 676A - Internal Audit Department  
Includes Contra-Accounts.

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
Revenue										
1640 - Allocations Pooled Allocation Gen	\$1,326,858.00	\$ .00	\$1,326,858.00	\$ .00	.00%	\$1,326,858.00	100.00%	\$ .00	\$ .00	.00%
1900 - Reserves	\$ .00	\$ .00	\$ .00	\$ .00	.00%	\$446,784.21	.00%	\$ .00	(\$446,784.21)	.00%
1901 - Budgeted Use of Reserves	\$111,058.00	\$ .00	\$111,058.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$111,058.00	100.00%
*Total Revenue	\$1,437,916.00	\$ .00	\$1,437,916.00	\$ .00	.00%	\$1,773,642.21	123.35%	\$ .00	(\$335,726.21)	(23.35%)
Expense										
2020 - Administrative Professional Gen	\$817,075.00	\$ .00	\$817,075.00	\$58,532.87	7.16%	\$608,620.93	74.49%	\$117,065.74	\$91,388.33	11.18%
2060 - Support Staff Salary Detail Gen	\$57,691.00	\$ .00	\$57,691.00	\$7,637.81	13.24%	\$49,837.57	86.39%	\$19,476.39	(\$11,622.96)	(20.15%)
20J0 - Student Salaries Gen	\$33,275.00	\$ .00	\$33,275.00	\$ .00	.00%	\$13,343.30	40.10%	\$ .00	\$19,931.70	59.90%
2110 - Fica Gen	\$69,556.00	\$ .00	\$69,556.00	\$4,770.90	6.86%	\$47,253.75	67.94%	\$ .00	\$22,302.25	32.06%
2140 - Retirement Gen	\$181,123.00	\$ .00	\$181,123.00	\$12,009.98	6.63%	\$119,510.25	65.98%	\$ .00	\$61,612.75	34.02%
2160 - Group Insurance Gen	\$140,982.00	\$ .00	\$140,982.00	\$6,012.19	4.26%	\$63,498.71	45.04%	\$ .00	\$77,483.29	54.96%
2180 - Unemployment Compensation Gen	\$591.00	\$ .00	\$591.00	\$33.08	5.60%	\$329.14	55.69%	\$ .00	\$261.86	44.31%
21A0 - Workers Compensation Gen	\$963.00	\$ .00	\$963.00	\$72.78	7.56%	\$794.12	82.46%	\$ .00	\$168.88	17.54%
21J0 - Other Staff Benefits Gen	\$32,349.00	\$ .00	\$32,349.00	\$2,382.15	7.36%	\$23,704.55	73.28%	\$ .00	\$8,644.45	26.72%
21L0 - Accrued Annual Leave Gen	\$84.00	\$ .00	\$84.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$84.00	100.00%
21L1 - Catastrophic Leave Expense	\$84.00	\$ .00	\$84.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$84.00	100.00%
3100 - Office Supplies General	\$700.00	\$ .00	\$700.00	\$ .00	.00%	\$123.62	17.66%	\$236.94	\$339.44	48.49%
3110 - Books Periodicals Gen	\$150.00	\$ .00	\$150.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$150.00	100.00%
3140 - Computer Software Gen	\$223.00	\$ .00	\$223.00	\$ .00	.00%	\$867.00	388.79%	\$ .00	(\$644.00)	(288.79%)
3150 - Computer Supplies <\$5,001	\$750.00	\$ .00	\$750.00	\$ .00	.00%	\$341.82	45.58%	\$209.68	\$198.50	26.47%
3170 - Custodial Supplies Gen	\$500.00	\$ .00	\$500.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$500.00	100.00%

Organization Level 5: 676A - Internal Audit Department  
Includes Contra-Accounts.

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
3180 - Non Capital Equipment <\$5,001	\$1,000.00	\$ .00	\$1,000.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$1,000.00	100.00%
3189 - Tagged Non-Capital Equipmnt <\$5,001	\$5,000.00	\$ .00	\$5,000.00	\$ .00	.00%	\$2,140.00	42.80%	\$ .00	\$2,860.00	57.20%
31A0 - Business Food - Local	\$600.00	\$ .00	\$600.00	\$ .00	.00%	\$317.41	52.90%	\$ .00	\$282.59	47.10%
31C0 - Dues Memberships Gen	\$6,000.00	\$ .00	\$6,000.00	\$470.00	7.83%	\$4,420.00	73.67%	\$ .00	\$1,580.00	26.33%
31J0 - Parking Permits Gen	\$150.00	\$ .00	\$150.00	\$ .00	.00%	\$435.00	290.00%	\$ .00	(\$285.00)	(190.00%)
31K0 - Postage Gen	\$30.00	\$ .00	\$30.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$30.00	100.00%
31P0 - Training Materials Supplies Gen	\$250.00	\$ .00	\$250.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$250.00	100.00%
3800 - In State Travel Gen	\$300.00	\$ .00	\$300.00	\$ .00	.00%	\$10.76	3.59%	\$ .00	\$289.24	96.41%
3805 - Instate Travel-Per Diem State \$	\$125.00	\$ .00	\$125.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$125.00	100.00%
3820 - Out Of State Travel Gen	\$5,000.00	\$ .00	\$5,000.00	\$ .00	.00%	\$365.98	7.32%	\$ .00	\$4,634.02	92.68%
3825 - Out State Travel-Per Diem State \$	\$1,500.00	\$ .00	\$1,500.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$1,500.00	100.00%
3830 - Out State Trvl-Per Diem Non-State \$	\$500.00	\$ .00	\$500.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$500.00	100.00%
6000 - Telecom Charges Gen	\$4,000.00	\$ .00	\$4,000.00	\$292.50	7.31%	\$3,155.00	78.88%	\$ .00	\$845.00	21.13%
6020 - Long Distance Gen	\$40.00	\$ .00	\$40.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$40.00	100.00%
6060 - Voice Mail Box Gen	\$800.00	\$ .00	\$800.00	\$50.00	6.25%	\$500.00	62.50%	\$ .00	\$300.00	37.50%
6300 - Alarm System Gen	\$600.00	\$ .00	\$600.00	\$11.25	1.88%	\$663.90	110.65%	\$ .00	(\$63.90)	(10.65%)
6340 - Auditing Services Gen	\$15,000.00	\$ .00	\$15,000.00	\$ .00	.00%	\$ .00	.00%	\$1,186.03	\$13,813.97	92.09%
6370 - Printing/Copying/Binding Gen	\$ .00	\$ .00	\$ .00	\$ .00	.00%	\$26.91	.00%	\$ .00	(\$26.91)	.00%
63A0 - Conference Fees Gen	\$8,400.00	\$ .00	\$8,400.00	\$3,201.00	38.11%	\$5,046.00	60.07%	\$ .00	\$3,354.00	39.93%
63A2 - Seminars/Training Fees	\$4,000.00	\$ .00	\$4,000.00	\$4,487.00	112.18%	\$6,198.00	154.95%	\$ .00	(\$2,198.00)	(54.95%)
63C0 - Copying Gen	\$75.00	\$ .00	\$75.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$75.00	100.00%
63L1 - Graphic Design Gen	\$ .00	\$ .00	\$ .00	\$ .00	.00%	\$480.00	.00%	\$ .00	(\$480.00)	.00%

Organization Level 5: 676A - Internal Audit Department  
Includes Contra-Accounts.

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
69Z0 - Other Professional Services Gen	\$12,000.00	\$ .00	\$12,000.00	\$ .00	.00%	\$9,301.20	77.51%	\$6,000.00	(\$3,301.20)	(27.51%)
7000 - Plant Repairs Maintenance Gen	\$1,000.00	\$ .00	\$1,000.00	\$ .00	.00%	\$34.00	3.40%	\$ .00	\$966.00	96.60%
70E0 - Computer Hardware Maintenance	\$850.00	\$ .00	\$850.00	\$ .00	.00%	\$ .00	.00%	\$ .00	\$850.00	100.00%
70E1 - Computer Software Maintenance	\$25,000.00	\$ .00	\$25,000.00	\$ .00	.00%	\$12,509.83	50.04%	\$ .00	\$12,490.17	49.96%
70F0 - Equipment Rent Expense Gen	\$2,000.00	\$ .00	\$2,000.00	\$136.43	6.82%	\$1,204.03	60.20%	\$ .00	\$795.97	39.80%
75Z0 - Other Repairs Maintenance Gen	\$ .00	\$ .00	\$ .00	\$ .00	.00%	\$12.50	.00%	\$ .00	(\$12.50)	.00%
80K0 - Banner Tax	\$800.00	\$ .00	\$800.00	\$ .00	.00%	\$395.07	49.38%	\$ .00	\$404.93	50.62%
80K2 - Foundation Surcharge	\$6,800.00	\$ .00	\$6,800.00	\$ .00	.00%	\$4,374.75	64.33%	\$ .00	\$2,425.25	35.67%
*Total Expense	\$1,437,916.00	\$ .00	\$1,437,916.00	\$100,099.94	6.96%	\$979,815.10	68.14%	\$144,174.78	\$313,926.12	21.83%
Report Total Revenue:	\$1,437,916.00	\$ .00	\$1,437,916.00	\$ .00	.00%	\$1,773,642.21	123.35%	\$ .00	(\$335,726.21)	(23.35%)
Report Total Expense:	\$1,437,916.00	\$ .00	\$1,437,916.00	\$100,099.94	6.96%	\$979,815.10	68.14%	\$144,174.78	\$313,926.12	21.83%
Report Net:	\$ .00	\$ .00	\$ .00	(\$100,099.94)	.00%	\$793,827.11	.00%	(\$144,174.78)	\$649,652.33	.00%

Parameters:  
Organization Level 5: 676A - Internal Audit Department  
Includes Contra-Accounts.

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

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

Third Party Audits as of March 31 2025

	Completed	Completed	Completed
Granting Agency/Entity	HRSA	HRSA	Department of Justice
Contract/Grant/Program Title	Ryan White Part C	Ryan White Part D	2RVL6
Contract/Grant Period	04/01/2024-02/28/2025	08/01/2024-02/28/2025	10/01/2022-Current
Contract/Grant Total Amount	\$718,560.00	\$521,417.00	\$299,999.00
Department	Internal Medicine	Internal Medicine	El Centro De La Raza
Agency Audit/Review Notification Date	2/28/2025	2/28/2025	3/11/2025
Audit/Review Entrance/Visit Date(s)	4/9/2025	4/9/2025	4/15/2025
Audit/Exit/Final Report Issued	4/14/2025	4/14/2025	4/17/2025
Questioned Cost, if any			None
Audit/Review Major Finding, if any			No major financial recommendations, minor recommendations related to activity reporting.
Corrective Action Plan, if any			Will be forthcoming within the next 30 days
Campus	HSC	HSC	Main

Note: Third-Party Audit information provided by UNM Contracts Grants

Third Party Audits as of March 31 2025

	Completed	In Process
Granting Agency/Entity	Director of National Intelligence	City of Albuquerque
Contract/Grant/Program Title	2RYX4	First Responder Receiving Area- 3RSZ8 HSC Campus
Contract/Grant Period	09/24/2024-09/23/2033	11/1/2023-03/31/2025
Contract/Grant Total Amount	\$2,500,000.00	\$1,425,000.00
Department	GNSPI (Political Science)	Office of Community Health
Agency Audit/Review Notification Date	Unknown - PI notified C&G on 3/22/25	2/12/2025
Audit/Review Entrance/Visit Date(s)	3/26/2025	3/5/2025
Audit/Exit/Final Report Issued	3/26/2025	
Questioned Cost, if any	None	
Audit/Review Major Finding, if any	None	
Corrective Action Plan, if any	None	
Campus	Main	HSC

Note: Third-Party Audit information provided by UNM Contracts Grants

Third Party Audits as of March 31 2025

	In Process	In Process
Granting Agency/Entity	City of Albuquerque	Public Allies
Contract/Grant/Program Title	ICM - Intensive Case MGMT 3RSJ4	2RXB0
Contract/Grant Period	07/01/2024-06/30/2025	09/01/2023--09/30/2024
Contract/Grant Total Amount	\$750,000.00	\$354,605.00
Department	Community Health	Community Engagement Center
Agency Audit/Review Notification Date	3/21/2025	4/11/2025
Audit/Review Entrance/Visit Date(s)	4/21/2025	
Audit/Exit/Final Report Issued		
Questioned Cost, if any		
Audit/Review Major Finding, if any		
Corrective Action Plan, if any		
Campus	HSC	Main

Note: Third-Party Audit information provided by UNM Contracts Grants

Third Party Audits as of March 31 2025

	In Process	In Process	In Process
Granting Agency/Entity	PCORI	W.K. Kellogg Foundation	W.K. Kellogg Foundation
Contract/Grant/Program Title	3RSF7	3RPE2	2RSZ8
Contract/Grant Period	04/01/2024-10/31/2029	11/01/2023-11/30/2024	06/01/2021-11/30/2024
Contract/Grant Total Amount	\$10,738,360	\$120,315.00	\$1,008,130.00
Department	Project ECHO	College of Nursing	Sociology
Agency Audit/Review Notification Date	4/16/2025	4/15/2025	4/8/2025
Audit/Review Entrance/Visit Date(s)			
Audit/Exit/Final Report Issued			
Questioned Cost, if any			
Audit/Review Major Finding, if any			
Corrective Action Plan, if any			
Campus	HSC	HSC	Main

Note: Third-Party Audit information provided by UNM Contracts Grants



Third Party Audits as of March 31 2025

**In Process**

Granting Agency/Entity	W.K. Kellogg Foundation
Contract/Grant/Program Title	2RUY1
Contract/Grant Period	08/01/2022 - 07/31/2024
Contract/Grant Total Amount	\$500,000.00
Department	ASM Administration
Agency Audit/Review Notification Date	4/8/2025
Audit/Review Entrance/Visit Date(s)	
Audit/Exit/Final Report Issued	
Questioned Cost, if any	
Audit/Review Major Finding, if any	
Corrective Action Plan, if any	
Campus	Main

Note: Third-Party Audit information provided by UNM Contracts Grants



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REGENT'S AUDIT AND COMPLIANCE COMMITTEE  
MAY 2025 CEEO REPORT

# Presentation Overview



Title IX Coordinator Search  
Update



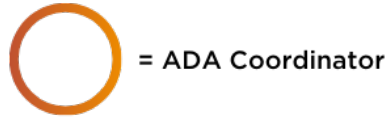
CEEO FY25 Workplan Updates



Minors on Campus Platform

A photograph of a university campus. In the background, a large, light-colored building with a central entrance featuring columns is visible. The foreground is filled with green grass, several trees of varying sizes, and some outdoor furniture like a blue chair. The sky is clear and blue. The text 'Title IX Coordinator Search' is overlaid in white, centered, with thin white horizontal lines above and below it.

# Title IX Coordinator Search



Francie Cordova, JD  
Chief Compliance Officer



Marquita Booker, JD, PhD  
Title IX Coordinator (.5)



Rachel Foster  
Associate Title IX Coordinator



Heather Jaramillo, JD  
Director of Equal Opportunity



Jordan Apodaca  
Compliance Manager



Beck Rivera, JD  
Deputy Chief Compliance Officer



Sylvia MacGregor  
Administrative Assistant



Sumanth Guduguntla  
Data Manager



Adrienne Helms  
Clery Coordinator



Andrew Marschall  
Clery Data Analyst



Mish Martinez  
Accommodations Specialist



Crystal Velarde  
Compliance Assistant



Jim Williams  
Compliance Assistant



Diana Delgado-Reyes  
Compliance Specialist



Sarah Hunter, JD  
Compliance Specialist



Aanika Mike, JD  
Compliance Specialist



Val Day-Sanchez, JD  
Compliance Specialist



OFFICE OF  
COMPLIANCE, ETHICS  
& EQUAL OPPORTUNITY





OFFICE OF  
COMPLIANCE, ETHICS  
& EQUAL OPPORTUNITY

# FY25 Work Plan Updates

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Dedicated to  
The 158 Students and Alumni of  
The University of New Mexico  
Who made the supreme sacrifice  
for our country in World War II  
  
This structure was erected by the  
Fraternities and Sororities of UNM

John Tatschl, Sculptor

# Foreign Contracts and Gifts



Section 117 of the Higher Education Act of 1965 requires universities to report contracts and gifts from a foreign source that exceed \$250,000 in a year.



Deterrent Act was passed in the House and currently in the Senate. The Deterrent Act would reduce the foreign gifts and contract reporting threshold to \$50,000.



Executive Order 14282 signed on 4/23/2025. Requires increased oversight activity of Department of Education and certification of compliance by universities. Harvard and Berkeley under investigation after EO 14282.




Completed University Administrative Policy (UAP) – Foreign Contracts and Gifts policy and attendant electronic reporting tool.



Enhanced training to follow.



# Equal Opportunity Policies



Title IX updates adopted in 2024 – vacated in January 2025 by federal court. CEEO is in the process of rewriting UAP 2740 (Sexual Harassment including sexual assault, UAP 2720 (Equal Opportunity), 2760 (Pregnancy) and 2765 (Clery). Expected completion is fall 2025.

These policies will include clearer grievance process for all discrimination and related misconduct, enhanced reporting for Title VI and other discrimination types.

# Conflict of Interest and Commitment



UAP policy almost complete. Will require annual disclosures for all UNM employees with segmented roll-out.



Electronic disclosure tool – Huron.



Expected completion:

- Policy - public comment Fall 2025, approval end of CY25;
- Tool – end of CY25/early CY26

# Minors on Campus

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Public comment on UAP closes on May 18, 2025.

- New policy provides enhanced oversight on programs and camps involving minors at UNM. Code of conduct, medication management, transportation plans, higher insurance policy amounts.

Online platform is here! [Loboyouth.com](https://Loboyouth.com)

Follow Up Report - Implemented  
May 20, 2025 Open Session

Agenda Item #11

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>Office of the Medical Investigator (OMI)</u>	5/2/2024, 9, M	<u>Recommendation 8 - Conflict of Interest Disclosures</u>	The Chief Medical Examiner should implement a process for addressing conflict of interest disclosure and conflicts of commitment. Processes should require employees with financial conflicts of interest - disclosures should be made to the Purchasing office via the conflict of interest disclosure form. In addition, FDMI employees should undertake a policy review of conflict of interest and conflict of commitment policies.	The Chief Medical Examiner will work with OMI Operations Director, OMI HR Administrator, and the FDMI Supervisor, to request conflict of interest disclosures and policy review.	11/1/2024	IA requested and was provided with a copy of the Conflict of Interest policy for OMI and its employees. The policy has been reviewed by HSC Counsel and covers both Conflicts of Interest as well as Conflicts of Commitment. OMI reports all staff were informed of an annual disclosure process that was implemented for OMI, as well as the need for annual disclosure of any potential conflicts. Forms were distributed and collected for all staff the week of November 15th, 2024. IA requested and was provided a completed form for the employee that was previously identified as having a prior undisclosed Conflict of Interest. Recommendation appears to have been implemented.	Heather Jarrell, CME, OMI

**Follow Up Report - Pending  
May 20, 2025 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>Project ECHO</u>	8/3/2023, 8, M	<u>Recommendation 2 - Timely Perform Effort Certification</u>	Internal controls should be strengthened to ensure effort certification is completed by the due date. The Project ECHO Director should assign the pre-reviewer role to individuals more directly tied to the project, possibly the employee, and/or perform interim effort reviews, to allow for faster turnaround of the full six-month period effort certification.	Contracts and Grants are rolling out a new system and Project ECHO will be Beta Testing for them. The system will use the close of each fund to certify effort. The PI will have access to all employee efforts for the fund at the time of the closeout. The completion time for Effort Certification will be in compliance with the deadline set by HSC.	6/30/2025	Corrective action not yet due.	Sanjeev Arora, Vice Chairman: Clinical Affrs, Internal Medicine; Lynn Waln, Chief Adm Ofcr/Project ECHO
2	<u>Office of the Medical Investigator (OMI)</u>	5/2/2024, 9, M	<u>Recommendation 1 - Accounting and Other Policies and Procedures</u>	The OMI Chief Medical Investigator should: Develop a comprehensive business operations manual that outlines policies and procedures for key business processes, including, but not limited to: journal vouchers; accounts payable; accounts receivable; payroll processing and time entry; and ensuring compliance with restricted funding agreements, etc. These policies should be incorporated into a comprehensive Business Operations Manual. Conduct comprehensive training over key business processes based on a completed Business Operations Manual.	The Deputy Chief Medical Examiner (Deputy Chief Medical Examiner) will oversee and develop a Business Operations Manual, alongside the OMI Operations Directors, OMI Operations Director and accounting (OMI Accounting). The SOPs are currently in the process of being updated and compiled into a central location that currently consists of over 600 pages of material.	12/31/2025	Corrective action not yet due.	Heather Jarrell, CME, OMI
3	<u>Office of the Medical Investigator (OMI)</u>	5/2/2024, 9, M	<u>Recommendation 3 - Non-Exempt Time Keeping and Reporting</u>	The Health Sciences Senior Executive Officer for Finance and Administration should work with UNM Senior Vice President for Finance and Administration to identify and implement an electronic time reporting system for OMI. Electronic time keeping would allow employees and supervisors to capture non-exempt time via a virtual time clock as well as employee and supervisor approvals before being uploaded directly into Banner for processing.	UNM, including Health Sciences, is in the process of executing a contract for a cloud-based time management system that will significantly address the challenges associated with the diverse geographical locations for the various OMI team members. The system will also provide robust reporting that will support administrative oversight to ensure accurate time entry. The expected implementation timeline is 12-18 months for the system to be fully operational. In the meantime, UNM HSC HR, will work with the director to provide intermediary steps until the time that implementation occurs.	7/1/2025	Corrective action not yet due.	Rebecca Napier, HS VP for Fin and Adm

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4	<u>Office of the Medical Investigator (OMI)</u>	5/2/2024, 9, M	<u>Recommendation 4 - Adequate Employee Supervision AND Field Deputy Medical Investigators (FDMI) Job Description</u>	The OMI Chief Medical Examiner should: Work with the EVP for Health Sciences office to secure adequate financial resources to add supervisor positions that address current Supervisor-to-FDMI ratios and lack of oversight. Restructure FDMI County FDMI reporting and communication to Albuquerque headquarters for adequate oversight for day to day operations. Conduct a review of its employee activity and determine if these employees should be reclassified into more appropriate job titles/position codes. Ensure that OMI employees with an FDMI job assignment physically reside within the State of New Mexico.	The Chief Medical Examiner will work with HSC leadership to secure funding for the FDMI supervisor positions. Reorganization structure has been designed for these positions and is pending funding. The Chief Medical Examiner will work with OMI Operations Director and OMI HR Administrator to review employee duties to determine if job reclassification should be recommended. Additionally, the OMI Operations Director and the HR administrator will work with the FDMI Supervisor to verify that FDMIs reside within New Mexico and work primarily in their county of residence.	7/1/2026	OMI Management is in the process of hiring 4 FDMI Shift Supervisors with each Supervisor being assigned one quadrant of the state for Supervisory Oversight. Currently, two FDMI Shift Supervisors have been hired as of this update: Responsibility over the state has been divided between these two roles, with one Supervisor assigned the northern half of the state, and the other the southern half. OMI is awaiting funding in order to hire the two remaining positions. Use of the "County Rep" system has been discontinued by OMI, with supervisory oversight being delegated by the Field Investigations Supervisor down to the Shift Supervisors. Scheduling and Task Assignment/Tracking systems are currently being developed by OMI Management. An update on these items will be presented at the next regularly-scheduled Committee meeting.	Heather Jarrell, CME, OMI
5	<u>Office of the Medical Investigator (OMI)</u>	5/2/2024, 9, M	<u>Recommendation 5 - FDMI Scheduling and Dispatching</u>	The OMI Operations Director should strengthen scheduling procedures to ensure scheduling is a centralized process and work is performed by an appropriate designated OMI position. In addition, internal controls should be strengthened to ensure only FDMI personnel are responding to the scene. Written communication should be distributed to FDMI staff stating that non-affiliated UNM personnel should never be dispatched to the scene as an FDMI representative.	The Chief Medical Examiner will work with the Operations Director and the Field Investigations Supervisor to strengthen scheduling procedures, which are limited by lack of adequate quantity of field investigators to cover all counties; more specifically, the northeastern quadrant of the state lacks adequate coverage. The Chief Medical Examiner will work with the Operations Director and the FDMI Supervisor to provide written communication and a SOP to address that only FDMIs employed by the OMI will be dispatched to scenes.	5/1/2025	OMI has indicated they have implemented new procedures on a trial basis to address the recommendation, and are in the process of evaluating their effectiveness before rolling out the new procedures organization-wide.	Heather Jarrell, CME, OMI



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6	<u>Office of the Medical Investigator (OMI)</u>	5/2/2024, 9, M	<u>Recommendation 6 - Indigent Burial Program and Personal Effects</u>	The OMI Chief Medical Examiner should work with the Board of Medical Investigators, which does have mortuary representation on the Board, to develop appropriate procedures addressing the delivery of personal effects of decedents buried under the indigent burial program.	The Chief Medical Examiner will work with UNM Legal Counsel to ensure that the plan for personal effects of unclaimed decedents released to the county operates within the confines of state law. The Chief Medical Examiner will work with the NM Association of Counties to communicate the plan for all counties, including the timeline for carrying out the plan.	6/1/2025	OMI has indicated they have implemented new procedures on a trial basis to address the recommendation, and are in the process of evaluating their effectiveness before rolling out the new procedures organization-wide.	Heather Jarrell, CME, OMI
7	<u>Office of the Medical Investigator (OMI)</u>	5/2/2024, 9, M	<u>Recommendation 7 - Monitoring Contractor Performance</u>	The Chief Medical Examiner should develop and implement a periodic Performance Audit Program for its decedent transportation vendors and contractors. Elements of a vendor monitoring and performance audit program should include, but not be limited to: Review of the contractor's employee policies and procedures as they relate to those employees that will be providing services to/for OMI. Review of vendor's performance obligations. Annual review of billed mileage.	The Chief Medical Examiner will work with OMI Accounting and the Operations Director to develop a plan to internally audit decedent transportation vendors on a periodic, scheduled basis.	5/30/2025	Corrective Action not yet due.	Heather Jarrell, CME, OMI
8	<u>Non-Standard Payments (NSP)</u>	8/8/2024, 7, M	<u>Recommendation 1 - Non-Standard Payment Business Process Manual</u>	The Executive Vice President for Finance and Administration Office should develop and implement a comprehensive NSP business manual that outlines policies, specifically UAP policies 2000 and Faculty Handbook Policy 140. The manual should also provide guidance and requirements to departments, employment areas, and payroll personnel involved in processing each NSP type.	Human Resources and Health Sciences administration will partner with the employment areas (EA) to create a centralized repository for NSP processing standards utilizing the Employee Knowledge Base. The Employee Knowledge Base is an existing centralized repository for personnel action processing guides, including ePAF-based transactions. Each EA will be responsible for creating their processing guide, consistent with the applicable policies, to include documentation, approval standards, and systematic changes and process improvements identified through the process review referenced in Recommendation 2.	6/30/2025	Corrective action not due yet.	Teresa Constantinidis, EVP Finance & Administration

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9	<u>Non-Standard Payments (NSP)</u>	8/8/2024, 7, M	<u>Recommendation 2 - System for Non-Standard Payment Process</u>	The Executive Vice President for Finance and Administration office should develop and implement a system for the processing and approval of NSP disbursements. The system should provide a centralized location with the ability to upload and house supporting documents. In addition, the system will strengthen internal controls by improving the review and approval process for NSPs disbursed throughout the University. An implemented system may also perform edit checks and other automated functions.	Human Resources and Health Sciences administration will partner with the employment areas (EA) to engage the Project Management and Improvement Office (PMIO) to conduct Lean methodology-based process reviews to document NSP processing standards across employment areas and identify areas for process improvements, including utilizing available technology solutions. While the responsible parties agree that technology solutions are needed to improve NSP processing, they are committed to implementing process improvements using currently available systems (ex. Banner, ePAF, document management systems, financial reconciliation processes). Upon completion of the PMIO facilitated process review, the responsible parties will have identified and implemented the appropriate technology solutions and data entry standards for NSPs across all applicable employment areas.	6/30/2025	Corrective action not due yet.	Teresa Costantinidis, EVP Finance & Administration
10	<u>Non-Standard Payments (NSP)</u>	8/8/2024, 7, M	<u>Recommendation 3 - NSP Documentation</u>	Internal Controls surrounding documentation supporting NSPs should be strengthened. The Executive Vice President for Finance and Administration office should require completeness of supporting documents for all payments. In addition, documentation submitted with approved NSPs should be sufficient for the employment area reviewer and payroll to recalculate an NSP disbursement for accuracy.	Human Resources and Health Sciences administration will coordinate an effort with all applicable employment areas (EAs) to inform the EAs of the recommendations from the audit, actions needed to support the PMIO Lean process review, and to reinforce NSP documentation and approval requirements. The EAs will be responsible for reviewing and updating NSP processing documentation, including the standards for sufficient supporting documents. The EAs will be responsible for communicating these standards to their applicable departmental clients and leadership. Health Sciences administration will be responsible for identifying, documenting, and communicating documentation standards for clinical faculty payments. The EAs and payroll will review and update internal standard operating procedures to include a review and retention of NSP documentation within personnel file maintenance systems.	Phase 1: 10/15/2024 Phase 2: 6/30/2025	Management has indicated that as of 10/15/2024, they reviewed, updated, and communicated NSP operating procedures to ensure clear standards for required supporting documentation based on current NSP processing standards. Management engaged in a LEAN process review to identify and implement process improvements. These efforts satisfied the documentation requirements for current processes as defined in this recommendation, and Phase 1 is complete.  Upon completion of the process improvements included in Recommendation 2, documentation will be updated to reflect new process requirements by 6/30/2025.	Teresa Costantinidis, EVP Finance & Administration

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11	<u>Non-Standard Payments (NSP)</u>	8/8/2024, 7, M	<u>Recommendation 4 - Formally Documented Approvals</u>	Internal Controls surrounding NSP approvals should be strengthened. NSPs should not be processed unless documented approval is provided for the approved NSP amount. The Executive Vice President for Finance and Administration should submit formal communication to employment areas and Payroll indicating NSPs should not be processed without first verifying required approvals have been obtained.	Human Resources and Health Sciences administration will coordinate an effort with all applicable employment areas (EAs) to inform the EA of the recommendations from the audit, actions needed to support the PMIO lean process review, and to reinforce NSP documentation and approval requirements. The EAs will be responsible for reviewing and updating NSP processing documentation, including the requirement for documented approvals. The EAs will be responsible for communicating these standards to their applicable departmental clients and leadership. Health Sciences administration will be responsible for identifying, documenting, and communicating approval requirements for clinical faculty payments.	Phase 1: 10/15/2024 Phase 2: 6/30/2025	Management has indicated that as of 10/15/2024, they reviewed, updated, and communicated NSP operating procedures to ensure clear standards for required approvals based on current NSP processing standards. Management engaged in a LEAN process review to identify and implement process improvements. These efforts satisfied the approval strengthening requirements for current processes as defined in this recommendation, and Phase 1 is complete.  Upon completion of the process improvements included in Recommendation 2, approval standards will be updated to reflect new process requirements by 6/30/2025.	Teresa Costantinidis, EVP Finance & Administration
12	<u>Non-Standard Payments (NSP)</u>	8/8/2024, 7, M	<u>Recommendation 5 - Accuracy of Documentation and Account Coding</u>	Internal controls should be strengthened to ensure documentation is accurate and NSPs are recorded to the appropriate account coding. Departments should verify accurate information related to the disbursement is documented in the EPAF system prior to submitting an NSP to the area of employment for review. Area of employment reviewers should have access to all NSP supporting documentation to confirm accuracy of details of the NSP, such as: accurate end date, Job Code, and Organization Code.	Payroll will provide guidance to EAs as to the appropriate use of account and earn codes based on the type of payment and work performed. Human Resources and Health Sciences administration will coordinate an effort with all applicable EAs to inform the EA of the recommendations from the audit, actions needed to support the PMIO Lean process review, and to reinforce NSP documentation and data entry standards. The EAs will be responsible for reviewing and updating NSP processing documentation and standard operating procedures to reflect data entry standards and appropriate account code and earn code usage. The data entry standards will be identified through the PMIO Lean process review. The data entry standards will be documented in the centralized process repository identified in recommendation 1. The EAs will be responsible for documenting and communicating data entry standards to their applicable departmental clients and leadership.	Phase 1: 12/31/2024 Phase 2: 6/30/2025	Management has indicated that as of 12/31/2024, they reviewed, updated, and communicated NSP operating procedures to ensure clear standards for transactional processing, including earn and account code standards, based on current NSP processing standards. Management engaged in a LEAN process review to identify and implement process improvements. These efforts satisfied the approval strengthening requirements for current processes as defined in this recommendation, and Phase 1 is complete.  Upon completion of the process improvements included in Recommendation 2, account coding standards will be updated to reflect new process requirements by 6/30/2025.	Teresa Costantinidis, EVP Finance & Administration

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13	<u>Non-Standard Payments (NSP)</u>	8/8/2024, 7, M	<u>Recommendation 6 - Training for NSP Processing and Review Procedures</u>	The Executive Vice President for Finance and Administration should develop and implement a training curriculum for the NSP process. The training should focus on key elements for initiating, reviewing, and approving NSPs before being disbursed. Training curriculum should provide guidance to area of employment reviewers on the use of available Banner reports for reviewing details of NSP activity, including Index, Organization Code, Suffix, etc. In addition, training should also provide information on types of NSPs, completing required documentation to initiate an NSP, and review and approval requirements.	The Executive Vice President for Finance and Administration agrees with the recommendation to improve NSP training for department users and approvers. The Human Resources' Employee and Organizational Development (EOD) department will review and update current training required of end users prior to submission of the ePAF originator and approver BAR roles. The updated training will include reinforcement of the processing standards applicable across employment areas, including documentation and approval standards, and reference to the centralized repository for EA processing guidelines.	6/30/2025	Corrective action not due yet.	Teresa Costantinidis, EVP Finance & Administration

# MEETING ADJOURNMENT