

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Special Meeting
April 11, 2019 – Meeting Minutes

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

Other Attendees: Garnett Stokes, Liz Metzger, Ava Lovell, Terry Babbitt, Francie Cordova, Dorothy Anderson, Loretta Martinez, Craig White, Paul Roth, Purvi Mody, Arthur Culpepper, Jamie Silva-Steele, Victor Griego, Manu Patel, Chien-chih Yeh, Lisa Wauneka, William Cottrell, Avedona Lucero, Gonzalo Olivias, Mallory Reviere, Amy O'Donnell.

Chairman Brown called the meeting to order at 9:05 AM in the Roberts Room, Scholes Hall, UNM.

ACTION ITEMS:

- The Committee approved the meeting agenda.
- The Committee approved the prior meeting minutes from December 6, 2018.
- The Committee approved the next meeting date of May 23, 2019 (Entrance Conference for FY19 Financial Statements Audit).
- Liz Metzger, University Controller provided the committee with an overview of the external audit contract. This year covers the fiscal year 2019 external financial audit of UNM, and is the final year of a three-year award. Although it is a three-year award, the University is required to get the approval of this Committee each year.

The total fees will not exceed the amount included in the information provided to the Committee; the university always tries to get the best price if anything can be negotiated. The contract will not be created and executed until the University receives Committee approval. Last year's fully executed contract was provided to the Committee members as part of the meeting materials. Once this year is approved, UNM will start entering the numbers in to the State Auditor's online portal.

Chairman Brown asked members of UNM's financial areas if they were satisfied with the service and timeliness provided by these contracted firms. Ava Lovell, HSC Senior Executive Officer for Finance and Administration stated she would prefer for the external auditors to provide an in-state partner, because it is difficult to schedule with out of state people. Regent Lee asked why we did not go with someone local. Ms. Lovell replied that the Audit Committee Chair last year felt that the local partner had been on the audit for multiple years, and that it should be someone else. They didn't have anyone else local, so they provided a partner from California.

Ms. Lovell stated if that cannot be accomplished, they will deal with it but, it would be the preference. Ms. Metzger stated she has reached out to Lisa Todd, Moss Adams' Audit Manager. Moss Adams subcontracts with KPMG, so Ms. Metzger has indicated the desire for a local partner. Otherwise, there are no issues with continuing the work with the external auditors currently under contract.

Regent Lee noted it is an issue for the Regents each time this comes up, about whether we need fresh eyes. We end up rotating the two firms between Main Campus and HSC's work. The problem is the huge size of HSC and being able to get someone who can handle that work.

Chairman Brown stated there are two dimensions of fresh eyes, one is rotating the manager, and the other is rotating the firm. He asked Ms. Metzger and Ms. Lovell how long it has been that we have had this team of firms in place. They replied it has been many years. Ms. Metzger stated that this being the third year of the award, it will go out for RFP for the FY20 audit. Chairman Brown asked if there are any objections for this year to continue the third year of the contract. There were no objections. The Committee moved approval of the FY19 audit contract.

INFORMATION ITEMS:

- Victor Griego, UNM Interim Internal Audit Director introduced the Committee to the audit and compliance staff. Purvi Mody, UNM Health System Chief Compliance and Internal Audit Officer supplied the Committee with an information packet regarding her area and staff. Dr. Arthur Culpepper, HSC Chief Compliance Officer provided his background to the Committee as well.
- Advisors' Comments: None

By unanimous consent, the meeting went into Executive Session at 9:18 AM per the agenda.

- a. Discussion of limited personnel matters (Director of Internal Audit Department) pursuant to exception at Section 10-15-1.H(2) NMSA (1978);
- b. Schedule of Audits in Process and FY19 Audit Work plan, pursuant to RPM 1.2;
- c. Vote to re-open the meeting.

The meeting returned to open session at 9:28 AM, with certification that only those matters described above were discussed in Executive Session.

The meeting adjourned at 9:29 AM.

Approved:



Audit and Compliance Committee Chairman