

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Quarterly Meeting
August 19, 2025 – Meeting Minutes

Regent Committee Members Present: Jack Fortner, Christina Campos, Paul Blanchard (Quorum)

Other Regents Present: William Payne, Victor Reyes, Patricia Williams

Other Attendees: Garnett Stokes, Terry Babbitt, Teresa Costantinidis, Francie Cordova, Daniel Jones, Ariadna Vazquez, Scot Sauder, Susan Rhymer, Beck Rivera, Ajay Gupta, Dave Strzyzewski (CLA), Rebecca Napier, Jason Galloway, Duane Arruti, Jeff Gassaway, Chris Arndt, Amy Jackson, Emily Morelli, Victor Griego, Chien-chih Yeh, Antonio Baca, Walter Peters, Connor Anderson, Jeremiah Sanchez, Amy O'Donnell. Note: This was a meeting with multiple committees at the same location going and out. It is not possible to know who else from the UNM community attended this particular meeting.

Chair Fortner called the meeting to order at 9:39. He confirmed there was a quorum.

By unanimous consent, the meeting went into Executive Session at 9:42 AM per the agenda.

By unanimous consent, the meeting returned to Open Session at 10:31 AM.

ACTION ITEMS:

- Certification that only those matters described in the agenda item #1 were discussed in Executive Session.
- The Committee approved the agenda.
- The Committee approved the minutes of the meeting of May 20, 2025.
- The Committee unanimously approved the following UNM audit reports:

University-Wide International Travel, Report 2025-04
Community Health Worker Initiatives, Report 2024-05

INFORMATION ITEMS:

- There were no Advisors' comments.
- Victor Griego, Internal Audit Director, provided his quarterly report. For operational staffing, the department is currently in the process of evaluating financial resources and reserves to determine expansion of Internal Audit (IA) staffing. The department is also in the current process of transitioning the professional intern into a full-time auditor through the professional internship program and looking at resources and reserves to determine if Internal Audit can hire an additional internal auditor or a senior auditor.

Mr. Griego communicated the audit plan status for FY 25. Of the 13 audits that are on the audit plan, nine have been completed or in process. The department just completed the audits of Community Health Work Initiatives and International Travel, presented in executive session for approval. The department is completing field work procedures or in the reporting phase of an Athletics Administration audit, and the Education Abroad programs. Those two audits will be presented in the next Audit and Compliance Committee meeting. IA is in the planning procedures to initiate an IT disaster recovery audit, and we have a contracts and grants administration audit, which is also on the FY 26 audit plan. All audits that are in process or implementation are the result of the FY 23 University-wide risk assessment, an IT risk assessment that was performed for us and EthicsPoint reports.

Mr. Griego moved on to status of complaints. For FY 25 and the beginning of FY 26 through August 8th, there were 89 concerns reported through EthicsPoint which Internal Audit has reviewed. Of the 89, 44 have been

completed or closed, 12 were substantiated or partially substantiated, and 32 were unsubstantiated or there was not sufficient information to proceed with a full review. All complaints that are reviewed by IA are typically concerns of financial management, financial issues, or compliance with laws or regulations.

Regents' Policy 7.2 requires a reporting of the department's budget and financial position on an annual basis. This is reported in the August meeting, providing a highlight on the prior fiscal year's financial results and also the current year's budget. So, for fiscal year 2025, the final budget was \$1,437,916 which primarily consisted of I&G funding from the general pooled funding account and \$111,058 from the department's reserves. Total expenses were actually \$1,174,654, resulting in I&G funding actually exceeding expenses for the year. The savings were primarily due to the retirement of a senior auditor in January of this year and a vacant internal auditor position also for half of the year, which was filled in February of this year.

The FY 26 adopted budget is \$1,542,509, of which \$1,423,834 is from the general pooled account, and \$118,675 from the department reserve. Budget expenses are primarily labor as usual, about 90%, and that actually reflects a fully staffed internal audit budget. Non labor expenses primarily consist of IT services, any kind of professional services, computer equipment, and training and professional development for the department.

The status of the external financial statement audit is that the FY 25 external financial statement audit is currently underway in the field work process. This is the third and final year of the external financial statement contract. At the October meeting there will be a status update on the plan for the RFP on the next contract.

Internal Audit will soon go through an external quality assessment review. Internal auditing standards require that the internal audit department or shop goes through an external quality assurance review. Basically, somebody outside of the University department does an audit on internal audit. And the idea is to ensure that a department follows internal auditing standards and documentation and complies with everything based on auditing standards. It is required every five years. This year, there is actually a transition to have to comply with *international* internal auditing standards. There are going to be new processes to comply with. It is a good thing to have this review to see if there are any additional procedures or anything the department needs to be doing to comply with international auditing standards. The department hopes to have that review done at the end of this year and then report on the results of that review.

Chair Fortner asked how the external quality assessor is chosen. Mr. Griego replied it is done using volunteers. If you go through the IIA, they charge fees. For volunteers, it is a service that is provided within other internal shops. There is no fee, so we do not come to the committee for approval on the vendor. It would be other university's employees that volunteer to do the service. The Department would only pay their travel costs.

Mr. Griego informed the committee about additional communication required by the internal auditing standards. He is required to report to the Committee three things. First being that there is monitoring of the performance of the department, as a part of routine activities. Secondly, ensuring that all staff members are independent and objective in completing their internal audit responsibilities. There is an attestation on every project that the audit is independent and there is no conflict of interest in conducting that audit. No audit staff has a family member or somebody that they are related to that would cause a conflict. The Department reports that responsibility to the Committee. Finally, confirmation of the fact that the department does not have any resource limitations to complete the audits and investigations.

Regent's Policy 7.2 requires that Mr. Griego report any kind of external audits or reviews conducted by other agencies or anything outside of internal audit. There are seven (7) audits or reviews to report for this reporting cycle. One of them is the Kellogg Foundation. They are completing two audits totaling \$1.6 million in grants awarded to the HSC College of Nursing, Sociology Department, and Anderson School of Management. These audits cover all expenditures for grants ranging from November 1, 2023 to July 31, 2024. The Kellogg Foundation reported minor findings for grants awarded to Sociology and Anderson School of Management. Both have initiated corrective action in response to the findings and both audits have been closed. The City of Albuquerque completed one audit totaling \$750,000 in a grant awarded to the HSC Office of Community

Health, which is similar to the same program that we just presented, and the audit period covered all expenditures during FY 25. In this particular audit, the City reported two concerns and one finding surrounding documentation. UNM has resolved both reported concerns and findings since the audit was completed.

Chair Fortner asked what the difference is between a finding and a concern. Mr. Griego replied that it might be a question for Jason Galloway, Senior Executive Officer for Finance and Administration. Mr. Galloway stated that the difference is usually between a financial review and programmatic review. Concerns are usually in programmatic activities; findings are usually financially substantiated with some type of dollar amount or internal control violation.

Mr. Griego continued the list of external audits. The Health Resources Service Administration (HRSA) completed two (2) audits totaling \$1.2 million in grants awarded to HSC Internal Medicine. The audit period covered all expenditures since the grant's inception. They did not find any reported results as a result of the audit - so a clean audit on that one. The DOJ completed one audit for a \$300,000 grant awarded to the Centro de la Raza program covering all activity from October 1, 2022 through the end of the grant period. There were no reported any findings as a result of the audit. And there are three audits that are actually currently in process with HRSA: Public Allies for \$354,000, Patient Centered Outcome and Research Institute (PCORI) for \$10.7 million totals funds awarded. As of today, there are no preliminary results of these audits that are in process.

- Francie Cordova, Chief Compliance Officer, provided her status report to the Committee. She addressed the Committee about finally finding a Title IX coordinator. They have not had a Title IX coordinator since December of 2024. They had a national search that was not proving fruitful, and she wanted to thank the Regents for assisting with that effort. They decided to look internally and try to just reuse their talent and bolster what they were doing internally. The lens turned to Beck Rivera, who is the Deputy Chief Compliance Officer, as the person who had both compliance experience and Title IX experience. They are happy that Beck accepted the dual role. He is now the Deputy Chief Compliance Officer, Title IX coordinator. Beck has a lot of experience. He's an attorney who was in private practice prior. He's been at UNM since 2020. He started as an investigator doing Title IX work, got promoted to the Title IX Program Coordinator role, assisting the Title IX coordinator, and was then promoted into the Deputy Chief Compliance Officer role. Ms. Cordova stated they are filling a position of Compliance Coordinator and have two finalists interviewing this week in person.

They also did some restructuring in their office. President Stokes was able to provide some funds for 7% retention raises to the four investigators. They are looking to add a fifth, filled the Associate Title IX Coordinator position with Rachel Foster, and things to bolster the Clery Coordinator and other functions.

Mr. Rivera addressed the Committee to provide information on upcoming Title IX initiatives. He said there are four pillars that he and Ms. Foster envisioned for the next few fiscal years in terms of building out their Title IX work. He is grateful to have worked with his predecessor to help support some of the framework and is excited to build upon that. They are particularly excited about building out relationships with the branch campuses to improve upon their footprint. They do our best as an office to reach out at least two or three times a year and have an on-campus presence to provide training, office hours, et cetera, for the staff, faculty and students on those branch campuses. But there's a great opportunity to build those connection points and give a strengthened channel for people to bring grievances and workshop ideas that might work particularly well on their campuses.

They have a vision to create Deputy Title IX Coordinator roles on each campus. They often find that the CEEEO office or the Title IX staff might sound big and scary because they only see those folks on their campuses a couple of times a year. They might have better rapport with certain roles on their branch campuses. They may feel more comfortable talking <to branch campus staff> about those concerns and learning more about the options available to them for a particular grievance. It also serves as a good channel for our Title IX staff to get a better idea as to what's going on and improve upon understanding of supportive measure opportunities. They also intend on building on the Deputy Title IX Coordinator network beyond branch

campuses. There are some areas in the student serving areas of Main Campus, as well as the Health Sciences Center. They are working very closely with the Brie Delvin, Associate Director of HSC compliance.

And as for those other two pillars, they have a YouTube channel, and resources available on the CEEO website. There is never enough information that they can provide to help educate the parties involved, the complainants, and individuals interested in what Title IX opportunities are available to them. They are expanding the types of media to share those resources with. Some people are video or visual people, some people like pamphlets, etc. They are excited about that. And then lastly, most individuals hear about CEEO grievances in the form of an investigation. But as we know, investigations don't always resolve the concern underlying that grievance or complaint. They are working to expand pathways for informal or alternative resolution.

Ms. Cordova provided information regarding the Stop Campus Hazing Summit that they hosted on July 30th here at UNM. The State Hazing Act still has not passed, although it has gotten very close in the last two sessions, and we're one of two states that do not have an anti-hazing law. However, the federal anti-hazing law did pass, and President Biden signed that into law in 2024. UNM was required to be compliant in July of 2025. They hosted a summit as part of the efforts to make sure UNM is compliant and also to bring together campus partners. There was a great turnout of people from across campus, including UNM Police, the Policy Office, Student Affairs, Greek Life, etc.

As the flagship university, they wanted to offer resources and expertise to other sister universities as well. Participants from Western New Mexico University, CNM, Highlands, Mesa Lands Community College, and even Colorado College came together on being compliant. UNM was already way ahead of the game as is typical. CEEO will be reporting hazing incidents on campus in the security report, as an amendment to the Clery Act. It will have all the crime statistics plus any hazing incidents. There has to be a transparency portal, which will be hosted on the Dean of Students' website for any violations of the Federal Hazing Act. They were happy to have EVP Costantinidis and Fern Lovo speak. The lunch speaker was New Mexico Higher Ed Deputy Secretary, Dr. Patricia Trujillo who provided really moving words. Maybe there will be a state act soon.

Ms. Cordova provided an update on UNM EthicsPoint Hotline trends. UNM started using the EthicsPoint reporting tool slowly in 2013. People certainly know about EthicsPoint now. They are just getting more and more reports. Last fiscal year, they had 1,546 reports. The vast majority are reports that come to CEEO. About 980 of those reports were discrimination, sexual harassment, sexual assault types of cases. The remainder of the cases were things that fell in financial services, etc. Average days open are going down significantly - how fast they are resolving these complaints, and that is a good thing. Some cases take longer. CEEO and Internal Audit cases take a long time because of following all the federal and audit requirements. But they are getting closed and resolved faster. Complainants are allowed to report anonymously on the system. They can communicate with the anonymous reporter, but it is not the best way to bring in complaints. It is hard to pursue them. They hope that people do not report anonymously and feel secure enough to report with their names. The number of anonymous reports has gone down over time and have at universities as a whole.

The top ten issues, of course, always involve CEEO matters including accommodations, and then human resources. Academic Affairs is the next group, then accounting, and so forth. Most CEEO complaints are always the sex-based discrimination complaints - sexual harassment, sexual assault, dating violence, etc. That is not unusual. Race, disability, and national origin are the types that follow after. The Title IX reports are going up, something they consider a good thing. They want people to report. Sexual harassment is still the biggest complaint there and always has been. That is followed by various other gender-based categories such as sexual assault, domestic violence, et cetera. That is an area that they are always addressing, which is why Title IX is so important. They will be launching their Title IX survey. They are starting kickoff right now to see where people are and where they are experiencing these things. Not all of these things happen, and most do not happen on our campuses. They are primarily in people's private residences or off campus places. But they want to see what is happening and how to support people who are experiencing these things. What is always most interesting to Ms. Cordova is who is named in the types of complaints. Students used to be the most named respondents, the

most accused. Now, faculty or staff have alternated each and every year back and forth. And this year, it was staff by far that were the most named respondents in our cases. There is some work to be done in that regard.

Chair Fortner asked Ms. Cordova, in her context, how do they define restorative justice? Ms. Cordova replied restorative justice is usually a variety of things. It can be some sort of a sit-down discussion between the parties if they're willing to do that. It can be negotiations. It can be something that's culturally restorative, looking at things that are not in the investigative realm, but what can be done to restore the climate, the culture. People like to get apologies. That is one of the things they like to see in restorative justice - somebody to acknowledge the harm, which typically does not happen if the issue is also criminal, but can happen when it is not.

Regent Reyes asked if section three of the Stop Campus Hazing Act has an implementation requirement. Ms. Cordova responded that is the transparency portal that will be on the Dean of Students' website. They only have to report things that student organizations have found to have violated on that portal. Allegations of hazing will be on the annual Clery report. Sexual assault is a form of hazing. If it is in the context of being able to stay in an organization, join an organization, or be part of an organization, then absolutely that would be included both in the Title IX statistics and in the hazing statistics. The Clery report includes all of the individuals. If a rank-and-file student has an issue, then that gets brought into the report. There could be complaints against an individual or against an organization. The individual reports would be in the Clery report, and then the organization and potentially the individuals would be in the transparency report. Those would be the two mechanisms that they get reported out. Regent Reyes asked about FERPA and at what point a respondent's name becomes public, if at all. Ms. Cordova responded if there is a finding against a student where FERPA applies, then their name can be released publicly. Until there's a finding, then their name would never be released publicly. That would have to be in response to some sort of an IPRA request or something like that. Even the transparency portal will still have limited details in terms of numbers and disclosures.

- Brie Delvin, Associate Director, Health Sciences Center Compliance Office provided the HSC Compliance Office Update. She stated the update contains the results of the compliance risk assessment interviews for 2025. Every April, the Compliance Office does a risk assessment for areas they audit and use this to identify the current controls in place for current risks and to mitigate risks, and to create the fiscal year 26 audit work plans for UNM Health System entities and the UNM Health Sciences Center. For the Health Sciences Center, they interviewed 25 individuals over all areas. There is a culture of transparency and communication at all staff levels. Leadership and OUC are highly sensitized to retaliation. Leadership understands the importance of compliance and is good at following requirements and setting a standard for compliance, which helps everyone else follow. When staff have concerns, they feel comfortable speaking to supervisory staff and have resolutions provided. Compliance hotline posters are posted throughout the campus. Risks identified for the Health Sciences Center include non-completion of Learning Central annual mandatory training, and the Minors on Campus program that is currently being renewed. There is a new program and a new platform for that.

Artificial intelligence is always a risk. Competing or conflicting policies or language within them make it hard for staff to understand what is necessary. Overall safety concerns, violence against staff, general security, employee retention, etc. are risks. Leadership change causes lack of institutional knowledge resulting in staff perception of instability and employee anxiety. Other risks are keeping up with the new federal regulations as they change, changes in federal grant money for Medicare/Medicaid, and doing business with identified areas of concern such as China, Hong Kong, Iran, North Korea, and Russia. Faculty are being hired that have never taught before. Banner is an antiquated system that is causing problems and there has been a lack of response to questions specific to compliance or other research questions from the Institutional Review Board (IRB).

Fire drills, active shooter and emergency response trainings are needed. The Minors on Campus policy, as mentioned before, was recently updated. There will be training on that for resolution of any confusion or lack of knowledge regarding the requirements or the process. There is a need to understand compliance standards regarding AI for the University. They are encouraging all HSC employees and faculty to complete the Learning Central modules and to gain understanding of all policies related to harassment. Next steps include: providing

training on minors on campus specific to departments that are actively involved in the Minors on Campus program; performing audits of documentation collected for current and past programs; collaborating with human resources to provide training on harassment; exploring participation in a privacy IT committee led by Jeff Gassaway; exploring the need for compliance audits of the FERPA process and clinical trials and research; remaining current on federal changes and their impact on federal funding; remaining current on compliance initiatives surrounding AI; and, participation, as necessary, regarding policy development.

Areas where the Health System is doing well include: improvements with ensuring professional service agreements; memorandums of agreement and memorandums of understanding are in place; patient safety; leadership and security managing situations; risks identified in 2024 being managed well; and contract management software close to being purchased; opening the critical care tower; a new payroll system, UKG is being implemented with the medical group to ensure accuracy of employee data; launch of a 340B oversight committee; identification of key stakeholders to support the processes and monitoring of compliance and reporting; LoboSTEPPS program success; good catches recognition program; and daily management huddles ensuring alignment with goals.

A top risk identified during for the Health System includes that physical safety is more of an issue this year than last. The environment towards staff and providers is becoming more hostile. Oversight of bills, invoices and change orders are issues. A lack of access for patients to ambulatory and outpatient space creates delay in care and access to care. Inconsistent use of interpreter services is a process issue that could be fairly easily remediated. Responsibilities and scope of Advanced Practice Provider and Medicare requirements need to be clear. From a practical standpoint, there is variability in the involvement of attendings in patient care. There have been HIPAA breaches due to mislabeling of documentation. Cybersecurity and AI are always an issue.

For billing accuracy, there are concerns that TigerConnect is not HIPAA secure and there's question as to whether it is compliant with records retention as the information on it is only available for ten days. Split-shared billing, grants and flows of money within those grants and who is maintaining them are concerns. Truman Center has expensive medications, and they have requested a better fridge with computer technology. Another issue is global federal changes including federal funding.

Opportunities include charge capture (are they billing everything they can and finding better ways to capture all charges?), improved communication between the Lomas and the Sandoval campuses, and validating billings from vendors, ensuring there are no related party transactions. Then from the Center of Excellence in Rio Rancho to SRMC there is a missing sidewalk that creates access issues for patients. The Agency for Healthcare Research and Quality Candor program does not exist at UNMH, but there's an opportunity there that would make an excellent program to look into. It's a good way to address adverse events and risk management. How do they organize to ensure that executive orders at the federal and state levels are kept current?

Risks that were referred to Clifton Larsen and Allen include auditing of I-9 records and other HR records for vacation accrual rates, contract repository, critical care tower equipment and money that has transpired, UKG management system accuracy, and implant tracking - operating room should be audited using the Implant Management System as some staff are still tracking that on paper. Next steps include continued billing audits, which are done every year, hence the audit plan. They will continue quarterly compliance updates in the Compliance Corner published in the various newsletters. They continue to: explore opportunities to improve provider documentation; remain current on all federal changes and their impact on funding; and remain current on compliance initiatives surrounding AI, participating as necessary in development of policies and procedures to ensure it is being used properly.

Summary of the Regents' Audit and Compliance Committee Meeting
August 19, 2025

- The meeting adjourned at 11:13 AM.

Approved:


Audit and Compliance Committee Chair