

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Meeting
November 5, 2015 – Meeting Minutes

Members Present: Chairman Lt. Gen. Bradley Hosmer, Vice Chair Suzanne Quillen; Member Regent Fortner (Quorum) attended Executive Session via FaceTime.

Other Attendees: Chaouki Abdallah, Helen Gonzales, Amy Wohlert, Liz Metzger, Kim Bell, Mike Schwantes, Gil Gonzales, John Reindorp, Robert Burford, Purvi Mody, Erin Doles, Carla Dominici, Mike Tuttle, Texana Martin, Crystal Davis, Manu Patel, Chien-chih Yeh, Lisa Wauneka, William Cottrell, Avedona Lucero, Eileen Sanchez, Mallory Reviere, Amy O'Donnell.

Chairman Hosmer called the meeting to order at 8:57 AM in ROBERTS ROOM, Scholes Hall, UNM.

ACTION ITEMS:

- The Committee unanimously approved the meeting agenda and the minutes from the meeting of August 18, 2015.
- The Committee will check their calendars and advise the Internal Audit Director regarding the next proposed meeting dates of March 3, 2016 and May 5, 2016. The meeting will start at 9:00 AM, to precede ASAR.

By unanimous consent, the meeting went into Executive Session for the reasons stated in the agenda.

- a) Presentation of FY15 External Financial Audit pursuant to exceptions at Section 10-15-1H NMSA (1978) and Section 12-6-5 NMSA (1978) (*KPMG, Moss Adams, and Liz Metzger, University Controller*)
- b) Discussion of draft Internal Audit Reports, and discussions of information subject to attorney-client privilege pursuant to RPM 1.2
- c) Discussion of limited personnel matters pursuant to exception at Section 10-15-1.H(2) NMSA (1978);
- d) Schedule of Audits in Process and Proposed FY16 Audit Work plan, pursuant to RPM 1.2
- e) Vote to re-open the meeting.

The meeting returned to open session at 12:05 PM, with certification that only those matters described above were discussed in Executive Session.

The Committee unanimously approved the following UNMH audits:

- UNM Hospitals Controlled Substances Audit Report #2014-03
- UNM Cancer Center Controlled Substances Audit Report #2014-03A
- Sandoval Regional Medical Controlled Substances Audit Report #2014-04

The Committee unanimously approved the following UNM audits:

- Safety and Risk Services Audit Report #2015-05
- Audit of Public Events – Popejoy Hall Audit Report #2015-11

INFORMATION ITEMS:

- The Chairman asked for Advisors' Comments. Texanna Martin addressed the Committee regarding GPSA activity. She is currently working on items for the Student Fee Review Board. They are having an emergency meeting and will have comments for the Regents soon. GPSA will be going to Santa Fe on November 13th to talk to HED. UNM Day is January 25th in Santa Fe. November 19th is the official Great American Smokeout Day. ASUNM and GPSA will have tables around campus to promote smoking cessation. Physics and Astronomy recently had a big open house with 75-100 high school students.
- Follow-Up Items from June 29, 2015 and August 18, 2015 Meetings – Director Patel stated there are three items, but two of those will need to wait until the Health Sciences Center Compliance Office is in attendance to report on them. The third one is regarding the location of the hotline number. Helen Gonzales, Main Campus Chief Compliance Officer informed the Committee that she is working on a solution to this with Cinnamon Blair at University Communication and Marketing. Ms. Blair noted that they do not want the home page to be more cluttered and for the number to just be lost on the page. Ms. Blair will also assist in looking at metrics of how people get to the hotline. The page can be found by typing "hotline" in to the search function on UNM's home page. Ms. Gonzales stated her office is looking at other sites, such as the Safety page, where it might be added.
- Ms. Gonzales provided the Committee with her quarterly report. One thing she wants to focus on in the report for this meeting is the risk area of lack of policies and procedures for minors on campus. The University now has a draft policy that is out for campus comment. There is a committee that has worked on this for the past year. They have also developed waiver forms and are in the process of developing training. The policy has attracted a fair amount of comment. Ms. Gonzales stated her office is collecting that comment and will meet with the committee to incorporate the information. UNM is now a part of a collaborative group of about 50 universities across the country. Eileen Sanchez, Compliance Specialist, has been doing a lot of legwork in this area. Minors on campus has become an enormous issue for universities. Many universities are actually hiring a full time Protection of Minors Coordinator. Chairman Hosmer asked how minors are defined. Ms. Gonzales replied that minors are individuals under 18 years of age who are not University of New Mexico students. If an enrolled student is under 18, the policy does not apply to them. Included in the policy are guidelines around employees bringing their minor children to the workplace, and students bringing their minor children to the classroom. Hopefully the policy will be implemented by the next meeting of this Committee.

Ms. Gonzales informed the Committee that there are also some significant changes being proposed to the Whistleblower policy. That policy is also out for campus comment, but there are no comments on that one yet. The new policy includes more options for how to address issues.

Ms. Sanchez is spending a large amount of time on the continuing enhancement and management of the Ethics Point case management/hotline system. The Compliance Office has introduced tips of the week for the investigators entered in the system. They are also spending time with the Office of Equal Opportunity to see if this system will meet their needs as well.

During the last quarter, they had 34 new hotline complaints. That is down a little, but it was summer. The 34 cases included a total of 42 issues. Of those cases, 19 were for main campus and branch campuses, and 15 were for the health system. One interesting thing to note is that 22 were filed by employees, six were anonymous, five were student cases, and one was a patient complaint. This quarter there are already a couple of other patient issues, so patients are also finding the hotline and submitting concerns. Follow up is especially critical in this area. The Compliance Office is trying to figure out how to manage this since they do the triage and send them out to the proper investigative bodies. The Compliance Office is requesting feedback on what was done and asks them to communicate back to the reporter.

Chairman Hosmer asked about the Department of Justice. Ms. Gonzales reported that in September, the Department of Justice issued a memo to all their attorneys, including all US attorneys across the country, announcing a new policy to increasingly target individuals involved in corporate crimes. The new directive is intended to send a message that says while they generally focus on and fine an organization, they do not intend to give credit to the compliance programs unless the individuals involved are identified as well. It remains to be seen if this would affect a state university but it is a best practice anyway for accountability, responsibility, and cooperation. The Assistant Attorney General says if you choose to cooperate with them, they expect that you will provide facts, whether good or bad, including individuals responsible for the misconduct no matter their rank. Also significant is that the Department of Justice just hired a compliance expert. They did not have that position previously.

Crystal Davis, Staff Council President, inquired about background checks in the new Minors on Campus policy. If there will be additional requirements for the background checks, is there a way for the cost to be reduced? Secondly, she indicated there is also campus concern about credit checks being included in this process. Ms. Gonzales stated the cost issue was addressed through campus comment. Pamina Deutsch, Policy Office Director had stated she would forward that question on to Human Resources. Human Resources has the contract with the background check provider. Ms. Gonzales added that she is not aware of these specific background checks including financial background inquiries. If Ms. Davis has any specific information about that, Ms. Gonzales would like her to direct that person to her office. If that happened, they would certainly like to know about it. Ms. Davis stated the concern was that staff were not aware that this would be part of the background check. If a credit check is part of the background check, people should be notified of that when they apply. It is Ms. Gonzales's understanding that the Fair Credit Reporting Act requires notification.

- Chien-chih Yeh, Internal Audit Manager, updated the Committee on the status of audit recommendations. The first two pages are implemented items. A few more items are reported as completed by the auditees but Internal Audit has not verified the paperwork prior to the report cycle for this meeting. Other items are progressing as expected. Chairman Hosmer and Regent Quillen thanked Internal Audit for providing more status updates.
- Mr. Patel reviewed his Director's Report. He noted that we need to finalize the next meeting dates (as noted above in these minutes under Action Items). The department financial report is attached to the Director's Report. The Department's FY16 budget is \$812,000. \$802,000 comes from the general pool and \$10,000 is from Department reserves. Administration withheld 5% from the general pool, approximately \$40,000. Mr. Patel reported he expects to end the fiscal year with approximately \$25,000 in reserves.

Mr. Patel provided the Committee with a summary list of current external audits being performed on the University. Regarding the Center for Medicaid and Medicare Services, they started the contract with Connolly on a contingency fee basis to perform billing reviews. They requested 300 patient billing records totaling \$9.8 million. Chairman Hosmer asked if Connolly was the original contractor. Mr. Patel replied they were the contractor, but there was about a six month period that they didn't have a contract. Regent Quillen added that CMS suspended them all because they couldn't catch up because everyone was going to court over it.

The Department has one auditor vacancy and two student interns will start next week. The budget picture will determine how long the audit position remains vacant. Director Patel provided a copy of the Department's Annual Report for the Committee's information. He requested that Committee members respond with any feedback.

The meeting adjourned at 12:36 PM (Motion: Regent Quillen; Second: Chairman Hosmer).

Approved:


Audit and Compliance Committee Chairman