

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Meeting
October 15, 2018 – Meeting Minutes

Members Present: Thomas Clifford, Chair, Garrett Adcock, Vice Chair, Lt. Gen. Bradley Hosmer (quorum).

Other Attendees: Garnett Stokes, Liz Metzger, Jeff Gassaway, Ava Lovell, Cinnamon Blair, Terry Babbitt, Peggy Davis, Dana Allen, Marjorie Goldstein, Jamie Silva-Steele, Daniel Trujillo, Vera Clyne, Rich Wood, Melissa Vargas, Francie Cordova, Rob Burford, Dorothy Anderson, Alfred Mathewson, Eddie Nunez, Rob Robinson, Che Shu-Nyamboli, Mike Wilson, Elaine Rising, Ari Vazquez, Loretta Martinez, Paul Roth, Purvi Mody, Arthur Culpepper, Bonnie White, Michael Richards, Chamiza Pacheco de Alas, John Freisinger, Lisa Todd (Moss Adams), Mark McComb (KPMG), Jamie Cavin (KPMG), Ruth Senior (KPMG), Wayne Johnson (State Auditor), C. Jack Emmons (Deputy State Auditor), Manu Patel, Chien-chih Yeh, Lisa Wauneka, William Cottrell, Jane Tinker, Victor Griego, Gonzalo Olivas, Amy O'Donnell.

Chairman Clifford called the meeting to order at 9:02 AM in the Roberts Room, Scholes Hall, UNM.

ACTION ITEMS:

- The Committee approved the meeting agenda.
- The Committee approved the prior meeting minutes from August 23, 2018. Chairman Clifford inquired about an Athletics follow-up item. The media posed some questions about the methodology used to calculate savings that would be realized from terminating sports with regard to scholarship programs. He asked Internal Audit Director Patel to review that going forward and get back to them on that methodology. Director Patel replied he has had discussions with Nicole Dopson, Director of Fiscal Operations, Office of the Provost and he will provide information at the next meeting. Chairman Clifford stated there was some discussion at the Finance and Facilities Committee as well, but he would like Director Patel's opinion on the methodology that was used. Wayne Johnson, New Mexico State Auditor noted they would like to review that as well.

Regent Hosmer stated there are forward-looking items called out in the minutes and it would be useful to summarize those so there are a list of follow-ups. Chairman Clifford agreed and added status would be helpful.

- The Committee tentatively approved the next meeting dates of February 21, 2019 and May 23, 2019 (Entrance Conference for FY19 Financial Statements Audit). Regent Hosmer stated he has a conflict with the date in May but there is a lot of time to work with that.

By unanimous consent, the meeting went into Executive Session at 9:04 AM per the agenda.

- a. Presentation of FY18 External Financial Audit pursuant to exceptions at Section 10-15-1H NMSA (1978) and Section 12-6-5 NMSA (1978) (*Moss Adams, KPMG and Liz Metzger, University Controller*);
- b. Discussion of draft Internal Audit Reports, and discussions of information subject to attorney-client privilege pursuant RPM 1.2;
- c. Discussion of limited personnel matters (Director of Internal Audit Department) pursuant to exception at Section 10-15-1.H(2) NMSA (1978);

- d. Schedule of Audits in Process and Proposed FY19 Audit Work plan, pursuant to RPM 1.2;
- e. Vote to re-open the meeting.

The meeting returned to open session at 12:54 PM, with certification that only those matters described above were discussed in Executive Session.

The Committee unanimously approved the submission of the external financial audit report from Moss Adams and KPMG to the State Auditor. Director Patel reminded the Committee it is still a draft report and will not become public until approved by the State Auditor's Office.

The Committee unanimously approved the following audit reports:

- UNMH Patient Copayment/Down Payment Report #2018-07
- SRMC Patient Copayment/Down Payment Report #2018-06
- UNMMG Patient Copayment/Down Payment Report #2018-06
- UNMMG Human Resources & Payroll Report #2018-08
- UNMH Purchasing Card and Fuel Card Report #2018-08
- UNM Alumni Association and Relations Audit of Financial and Operational Efficiency Report #2019-01
- University President's Travel, Entertainment, and Other Expenses Report 2018-05
- Audit of HSC Advanced Degree Tuition Payments for Employees Report 2018-02
- UNM Internal Audit Annual Report FY 2017-2018

Director Patel informed the Committee that he will bring the audit plan back to them at the next meeting, to include the changes that were discussed in this meeting.

INFORMATION ITEMS:

- Chairman Clifford stated that in the interest of time, the Committee will accept the informational report items listed on the agenda in their written form.

The meeting adjourned at 12:58 PM.

Approved:


Audit and Compliance Committee Chairman