

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Meeting
October 17, 2019 – Meeting Minutes

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

Other Attendees: Lisa Todd (Moss Adams), Jaime Cavin (KPMG), Mark McComb (KPMG), Garnett Stokes, Liz Metzger, Ava Lovell, Terry Babbitt, Francie Cordova, Dorothy Anderson, Duane Arruti, Loretta Martinez, Scot Sauder, Purvi Mody, Marjorie Goldstein, Arthur Culpepper, Ari Vazquez, Mallory Reviere, Victor Griego, Chien-chih Yeh, Manu Patel, Lisa Wauneka, Kevin Enright, Gonzalo Olivas, Jacob Smith, Amy O'Donnell.

Chairman Brown called the meeting to order at 8:59 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 15, 2019.
- The Committee approved the next meeting dates of February 6, 2020 and May 7, 2020 (Entrance Conference for the FY20 Financial Statements Audit).

By unanimous consent, the meeting went into Executive Session at 9:01 AM per the agenda.

- a. Presentation of FY19 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 (Interim 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 FY20 Audit Work plan, pursuant to RPM 1.2
- e. Vote to re-open the meeting

The meeting returned to open session with certification that only those matters described above were discussed in Executive Session.

The Committee approved submittal of the FY19 external financial audit to the New Mexico State Auditor's Office.

The Committee unanimously approved the following UNM reports:

- 2019-08 University President's Travel, Entertainment, and Other Expenses
- 2019-12 Review of Purchasing Department Operations
- 2019-15 Audit of Travel Activity in the Department of Family and Community Medicine

The Committee accepted the annual audit report for the Main Campus Internal Audit Department.

INFORMATION ITEMS:

- Advisors' comments: None.

reimbursements, of which, six (6) claims were from July 1, 2019 through September 30, 2019. No repayment was made.

- Dr. Culpepper, HSC Chief Compliance Officer, presented the Committee with an update on his area and the analytics of the hotline. If there is something they feel has been escalated inappropriately, they will call that supervisor directly. They may send it back down, monitor it, and ask that supervisor to follow up so they can close it out in the system. The hotline web system is the most popular avenue for complainants, and most of the information received is allegations on things like contract management, asset use, etc. Telephone intake is up a bit and they are getting more walk-ins. They are seeing a rise in the emails and letters because they have been getting the word out. They are in the process of working on more detailed metrics.

They have a workgroup working with policies and procedures. The hope is that they start to see allegations go down. A significant amount of complaints are still anonymous, despite the effort to communicate the efforts in place to address retaliation. Most are still HR-related but there has been an uptick in things that are patient care-related, such as payment processing.

Ethics and Compliance Week is coming up. It is a good opportunity to share information about reporting. They are also almost done with their risk assessment preparation.

Dr. Culpepper updated the Committee regarding the exclusion list process. The file transfer process has been automated. Files are sent to their vendor on the 25th of every month. The vendor's Compliance Resource Center utilizes HHS, OIG, LEI, etc. There are also additional databases they can access if they want to do a deeper dive. Dr. Culpepper met with individuals at Purchasing to assist them in streamlining their vendor exclusion process utilizing this same service.

HSC Compliance is coordinating closely with Main Campus to work with minors on campus. Mr. Burford informed the Committee that he has been working with IT to centralize data for minors on campus.

- The Main Campus Compliance Office provided a presentation to the Committee. The Ethics Task Force has had two extremely productive meetings. There were overarching themes that members felt are important. For example, they felt it should be student-focused and transparent. Also, there should be accountability across the board for ethical behavior and consistency no matter who the person is. There should be improvements in communication to the campus community. During the second meeting, they broke into several subcommittees. The most popular is the Campus Culture, Civility, Respect and Professional Boundaries. They are not fully formed because some members were not present. Also, they agreed they will allow individuals to bring on subject matter experts.

Every committee is going to do literature review, policy review, best practice review, identify issues, identify solutions, and look at training. Then they will roll up the information from all committees into a report to President Stokes.

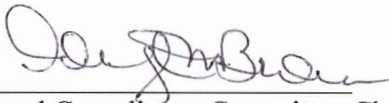
The second committee is on research and academic ethics. The third committee is conflict of interest. The fourth committee is finance and resource misuse. And the fifth committee is

complicated and lengthy investigations. Regent Doughty commented on the good job the compliance area is doing, and with limited staff.

- Chien-chih Yeh, Internal Audit Manager updated the Committee with the status of audit recommendations. He began by reviewing the recommendations that were implemented since the last Committee meeting. Several recommendations are implemented but Internal Audit is leaving them open pending further review and verification. There are 10 pages of recommendations that are still open. Many are not due yet; others have a very recent due date and were not processed in time for this reporting cycle.

The meeting adjourned at 10:57 AM.

Approved:



Audit and Compliance Committee Chairman