

THE UNIVERSITY OF NEW MEXICO  
Board of Regents' Audit and Compliance Committee Virtual Meeting  
October 21, 2022 – Meeting Minutes

Members Present: Douglas Brown, Chair, Bill Payne, Vice Chair, Robert Schwartz (quorum).

Other Attendees: Garnett Stokes, Norma Allen, Terry Babbitt, Teresa Costantinidis, Bonnie White, James Holloway, Loretta Martinez, Ari Vazquez, Christine Landavazo, Jeff Gassaway, Brian Pietrewicz, Lawrence Alderete, Angela Vigil, Francie Cordova, Adrienne Helms, Susan Rhymer, Mike Schwantes, Jared Udall, Kate Becker, Darlene Fernandez, Lisa Todd (Moss Adams), Sujan Bhandari (Moss Adams), John Kennedy (KPMG), Ajay Gupta (CLA), Dave Strzyzewski (CLA), Javier Young (CLA), Randy Romes (CLA), Mallory Reviere, Victor Griego, Chien-chih Yeh, Lisa Wauneka, Kevin Enright, Amy O'Donnell. (Note: other attendees, including members of the public, were able to view through a link; therefore, it is impossible to know who viewed, and those attendees are not included in this list.)

Chair Brown called the meeting to order at 9:02 AM. He confirmed attendance of all three members of the Committee; therefore, there is a quorum.

**ACTION ITEMS:**

- The Committee approved the agenda.
- The Committee approved the minutes from August 11, 2022.
- The Committee approved the upcoming 2023 dates: February 9, May 4, August 10, and October 19.

**INFORMATION ITEMS:**

- Advisors' comments: None.
- Mr. Griego, Internal Audit Director presented his Director's Report. Mr. Griego stated that it looks like the four 2023 dates that are proposed work for everybody. They accommodate both the entrance conference, and the exit conference for the FY2023 financial statement audit. He provided a high-level overview on the internal audit operation right now. Not much has really changed from the last meeting. The department is still operating with one vacant position. Chien-chih Yeh, Audit Manager will be presenting the department's annual report in closed session.

Thus far in FY23, the department has completed one audit. There is one for closed session presentation today; the audit for the annual President's travel and entertainment, which is a contracted audit. There are two audits in fieldwork, Project Echo and the UNM Valencia branch campus. The department hopes to present those in the February meeting. Also initiated on the plan is the FY23 university-wide risk assessment. Mr. Griego stated he will go into little more detail on that later in the report. He will also be proposing the three-year audit plan. The department is in planning procedures for an information security audit.

Department staff are currently going through training for a full migration of the audit software from Teammate AM to TeamMate Plus. It's a complete, revamped layout and functionality of the software system. It has been a lot of training, and it is a significant upgrade - more than what the department expected. The plan is for a full migration in November. The hope is the new migration and the new upgraded version will increase efficiency.

Mr. Griego reviewed the status of complaints for FY23. There are 15 that are in fieldwork that internal audit has received. Four are completed, and 11 are in fieldwork. He will give a status update in closed session on two of those that were presented at the last audit committee meeting. Currently, he is still serving as an administrator for the EthicsPoint system with Francie Cordova, Chief Compliance Officer. She will give more detail on the EthicsPoint cases in her presentation.

Mr. Griego provided a status update on the FY23 University-wide risk assessment. The team is in the process of completing planning procedures. The risk assessment team consists of Mr. Griego, the main campus Chief Compliance Office, and HSC compliance office. They are currently working on finalizing and

launching the risk assessment survey, which pretty much addresses all operational compliance, financial, and IT risks that face the University. This is a key component to the University-wide risk assessment. It looks like they are on track, and the plan is to distribute the survey after getting back from winter. IT support is assisting with the administration and distribution of the survey using Opinio and extracting the data for the team. Once they receive that data, Internal Audit and the compliance offices will conduct their own methodology for developing the work plan. Upon completion, the plan will be presented to this Committee for approval.

The FY22 external financial audit has been completed and the exit conference will be presented in this meeting's closed session for the Committee's approval. This is the last year of the second three-year contract. UNM will have to go out for RFP at the completion of this audit in early November.

CliftonLarsonAllen has completed one Health System audit during this cycle, which will also be presented in closed session.

The Office of the State Auditor has completed their special audit of Research for Public Service Projects (RPSP). They had the exit conference on October 14<sup>th</sup> and are finalizing management responses. It is pending one potential finding and recommendation which will either be resolved or revised. And shortly after that, once the management responses are finalized, they should finalize the report for distribution.

Mr. Griego provided an update on the external audits and reviews. For the current cycle, there are three audits to report. One is ongoing, and two have been completed. Sandia National Labs has completed an audit of main campus and HSC purchase orders. This covered awards for FY20 and FY21. The final report was received on September 28<sup>th</sup> of this year. They have submitted five findings and recommendations. UNM is currently in the process of implementing the corrective action. The City of Albuquerque is conducting an audit of various grants within the Family Community Medicine department. For this audit, the City of Albuquerque issued one finding and recommendation. UNM is awaiting final exit for this audit to be closed. The final external review was conducted by the Health Resources and Services Administration, which is the Ryan White 340B drug pricing program awarded to the Internal Medicine department. The audit scope covers FY22, and UNM is just waiting for the exit information to close out this this audit as well. Chair Brown asked if the Ryan White pharmacy one is associated with the Truman Clinic. Mr. Griego replied yes.

- Francie Cordova, Chief Compliance Officer, presented the Main Campus Chief Compliance Office status report. First is the activity report for EthicsPoint hotline cases. EthicsPoint is the system by which faculty, staff, students, and actually anybody in the public can submit complaints about virtually any issue in the entire enterprise, including: main campus, Health Sciences Center, all the hospitals, the Medical Group, and the branch campuses. This current system has been in place since 2015. There was case number one in 2015, and at the end of the fiscal year, there were close to 7,000 complaints in the system as of June 30, 2022.

Last fiscal year they received 1,124 cases in EthicsPoint. The COVID year had a little bit of a drop. Ms. Cordova and Mr. Griego oversee the system to make sure they triage all the complaints that come into the various areas to be resolved, researched, and investigated if need be. Of course, it's a best practice to compare the data to other universities and private companies that also use EthicsPoint hotlines to show how the University fares in the world out there. Ms. Cordova presented the status of cases in the hotline, and this includes civil rights complaints filed with her office in CEEO. They always try to improve in terms of how fast they are addressing cases, and they are getting better. There are always outliers, specifically in those areas where there are federal laws that dictate how long they have to do certain things, and there are due process concerns, but they are still doing better. The data is showing 43 days was the average time to address complaints.

For UNM, the top ten issues for the last fiscal year that include civil rights (gender, sexual harassment, race, age, religion, all the things that come in in that area, and also sexual misconduct and stalking and domestic

violence), are nationally trending the same as other universities and even private companies. Sexual harassment is the main complaint filed. And that's consistent across the nation. In UNM's types of cases, civil rights make up the top five. HR-type concerns are the remainder of the top ten. Things like uncivil behavior, essentially bullying, and that sort of thing. For the top ten not including civil rights, HR-type concerns remain the type of cases at the top. And then things like academic affairs and medical patient care round out the top ten.

Anonymous reporting can say that people are afraid to give their names or they might fear whistleblower type concerns. Or it might be that they are filing things and they just don't want to participate; just sort of lodging a complaint and then not doing anything about it. These numbers are pretty low, and they actually are lower than our national competitors. Primarily because in the civil rights world, you must follow that complaint through. There is now a live hearing process that people must go through. So obviously, you are not anonymous. In the last fiscal year, about 15.7% of the cases were filed anonymously, including civil rights cases. If you take civil rights cases out, about half the cases that are filed in UNM's system, that are not civil rights-related, are filed anonymously. That is something that we might want to look at. It might mean that people don't want to follow the case through, or they are afraid to give their name. Regent Schwartz asked if they treat the anonymous cases the way they treat other reporting in the civil rights world. Ms. Cordova responded no, because people have to participate. Anonymous reporting it makes it difficult just across the board, even for an HR complaint or a research complaint or a financial complaint. Sometimes you're able to use other documentation to substantiate a complaint. But typically, if somebody's filing anonymously, it makes it harder to investigate something, especially if it's vague. The EthicsPoint system allows for communication with anonymous reporters. Sometimes they will ask follow-up questions because it's vague. And many times, they never respond again, so they will file the complaint and then not go back into the system and look. Therefore, they're typically not treated the same way. Not because her office does not care about the complaint, but because there's not enough detail or someone does not follow up.

Ms. Cordova detailed the caseload within CEEO with for civil rights complaints over the last few fiscal years. This last fiscal year, there were 835 complaints that came into her area. During the COVID shutdown and the partial COVID shutdown, that dropped a bit. If you look at 2018-2019, it was consistent with this last year at about 800 plus cases. About 247 people chose to do something more formal with their case. They chose either to go all the way through to the live hearing, or to have CEEO do some sort of informal resolution with the person that they thought was discriminating against them. And they did a lot of referrals to resources such as SHAC or CARS. That was the vast majority, and they liked that outcome. Hopefully people are getting the resources that they need.

By topic type, sexual harassment is the big number, and that is consistent nationally. One of the new topics is medical condition and disability. Ms. Cordova thinks it has to do with COVID and people feeling there was discrimination about their medical condition, or failure to accommodate. That is a new top allegation type within CEEO, and they will be watching that as hopefully COVID is subsiding.

Students are the highest named respondents in civil rights cases at 25-percent. That has typically been the case over the years, although faculty and staff were the most named groups in prior years as well. But it's typically students that are alleged to be violating other people's civil rights. These are the Title IX trends. Title IX is, of course, any sort of gender discrimination and includes sexual harassment, sexual misconduct, stalking, and domestic violence. The total Title IX cases last fiscal year were 495. That is more than half of the 800 plus cases that came into their office. During COVID that dropped significantly. The Title IX cases that were filed primarily were: sexual harassment including sexual misconduct as the highest; gender and sex discrimination; Title IX retaliation; and then, gender identity, pregnancy, and sexual orientation. These areas are where CEEO makes sure they are getting whatever resources they need - whether that's someone who they can talk to confidentially, or counseling, or some sort of class adjustment, that kind of thing.

Regent Schwartz stated it was interesting to see the information graphically presented. Ms. Cordova noted UNM has a good deal of reporting for a few reasons. One is that everybody on campus is a mandatory reporter. They have done a whole lot of advertising and outreach, especially since the DOJ days. People know how to report, which is great because primarily the hope is that they are going to get resources. And then of course, if they want to file a complaint and go through the process, that is also very important as well. Regent Schwartz stated he was surprised to see there were 69 religion complaints. Ms. Cordova stated it did go up, and she thinks that was also partially related to COVID. They did get some complaints during the vaccine time about religious discrimination, so it's good to trend across years. If it is COVID that is driving those up, next year they should drop. Assuming COVID stays static.

Chair Brown noted there have been some celebrated cases of just tremendous damage done to some wonderful universities such as SC, Michigan, and Michigan State, aggravated by cover-up behaviors. UNM does not seem to have incidents of people trying to submerge problems that could then blow up on us later. Ms. Cordova responded that is one of the things they wanted to make sure UNM is addressing. When people do not report, they send reminder letters about their responsibility to report. People do not have to participate in the process, but they want to make sure they are getting resources. If a staff member or a manager, etc., does not report something that it is determined they knew about, that is going to be its own individual investigation. They will open a failure to report case on that. They have not seen a lot of those. And most of the time it is because people think somebody else reported it. Just because somebody else reported, this doesn't mean you don't have to, because you may have a different piece of the puzzle.

Regent Payne asked Ms. Cordova if, looking at the aggregate statistics, do they drill down? Are there some programs, departments or areas of the university at much higher rates? Or is this sort of evenly distributed across the whole campus and it's just an average of everyone? Are there some things we should be looking at a little closer on the reporting? Ms. Cordova replied that this data allows them to see trends in a variety of different ways. They can run the data by the affiliation, by faculty, by department. There are times when they see hot-spots and will meet with the leadership in those areas. Their office does climate reviews of these areas and submits that information up to the appropriate EVP or the Provost's office. If something is not addressed after a while, a complainant could feel it's because they are a female or because they are a minority. They really want people to know so they can nip it in the bud before it gets to be perceived status of someone's civil rights.

Adrienne Helms, Clery Coordinator presented a report on the Clery Act. She provided an update on this year's statistics from the Annual Security and Fire Safety Report. The Jeanne Clery Act is a Consumer Protection Act law that came about and evolved following the tragic death of Jeanne Clery in 1986. It helps current and prospective students, faculty, and staff make informed decisions about whether they want to study, live, or work at UNM. It spurs the development and implementation of safety and security programs and holds UNM accountable to them. And it aids in the prevention of crimes and maintaining safety overall. How does it do that? This federal law requires all public and private colleges that receive federal funding to count, classify, and publish crime statistics every year in the Annual Security and Fire Safety report. The report came out on September 30<sup>th</sup> of this year. UNM is required to: support victims of violence following certain protocols; publicly outline UNM's policies and procedures with regard to security and campus safety; and issue timely warnings and emergency notifications to our campus community when something serious occurs or there is an imminent threat to students or employees. Because UNM has its own law enforcement agency, as well as student housing, UNM is required to maintain a daily crime log and a fire log. UNM must facilitate primary prevention programs, especially regarding sexual assault and those types of crimes. Schools that do not comply are susceptible to certain sanctions with the Department of Education (DOE). One of them being fines of up to \$62,000 for misclassification of statistics themselves. When you see schools being fined, oftentimes it is because they have misclassified many of their numbers, whether they conceal them or not. It could come down to just administrative incompetence. Following an audit by the DOE, they issue their final determination report and that is held in public record that anyone can see. This might lead to damage to a school's reputation, on-site monitoring by

the DOE, loss of funding, and potential litigation. These audits can be initiated at any time following a complaint or even something in the media that catches their attention. Schools like Berkeley, Michigan State, and Penn State have seen significant findings over the last several years for miscounting and misclassifying reports, as well as failing to report serious crimes that occurred on their campuses.

The branches compile and publish their own statistics. Schools are required to publish crime report statistics for the previous three calendar years. Ms. Helms presented the Committee with some of them side-by-side with comparative schools. The categories presented are sex offenses, violent crimes, and motor vehicle thefts. Given the 2020 COVID shutdown and subsequent return to campus, it helps to discuss Clery numbers in terms of crime rates as opposed to the numbers at face value. The rate of sex offenses in 2021 was slightly higher than it was in 2019 prior to the shutdown. It is aligned closely with ASU's and Houston's numbers, and lower comparatively than Berkeley's and Boulder's numbers.

Clery crimes are based on whether a crime meets a Clery Act crime offense definition, and whether it occurs within UNM's Clery geography. It not only includes what happens on campus, but at other UNM-controlled facilities off campus, and on public property adjacent to campus. They are looking at crimes that occur regardless of who is involved. Those involved could be students, faculty, staff, visitors... you name it.

The Violence Against Women Act crimes are domestic violence, dating violence, and stalking. UNM is one of two schools that did not see an increase during the three-year period. Motor vehicle thefts, which continue to be a problem statewide, were slightly higher in 2021 than they were in 2019. And this can be attributed to any number of factors. There could be more people on campus, including visitors at the hospital on North Campus. There could be more students with vehicles living on campus this past year. Or there may be certain environmental factors that contributed over time, like changes in lighting. That is something that their office plans to explore.

Regent Payne asked if they could get a different, regional comparison group to include New Mexico State, UTEP and Texas Tech. Berkeley means nothing to him as far as their numbers. Ms. Helms replied they did look at statistics from other state schools and quite frankly, there was little to compare UNM's numbers to. Their numbers were extremely low, if they published any at all. Ms. Cordova stated they will be looking at that and exploring that more. Also, this year they are preparing an executive report so that people don't have to read through that entire long report. This year the report looks a lot better, as well. Overall, they were happy there were not dramatic increases in the numbers.

Regent Brown stated they are hopeful that there was a law passed last session that hasn't shown up in UNM's data yet regarding felonies for chop shop operations. They have really strengthened the penalties against participating in re-rendering of vehicles. Hopefully, that will cut down on that industry, so to speak. Regent Schwartz stated all the crimes are higher than you would expect, and if they were rates per students instead of raw data, it would look worse. Ms. Helms reported they just did wrap up very successful campus safety week. There was an unprecedented participation rate on north campus for the safety walk, and they had a very, very successful safety walk on main campus as well. They will be updating the participants on the progress on campus based on their recommendations. UNM has seen an increase in UNMPD staffing levels and enhanced training not only on Clery, but Title IX and other programs. They continue to enhance the community policing events with other stakeholders and are looking at the President's new safe campus living taskforce. It is an exciting initiative to collaborate with not only housing on campus, but off-campus locations as well, to make sure our students are safe throughout the entire community. Additionally, they continue to collaborate with the Nob Hill Neighborhood Association on a weekly basis during the public safety meetings.

- Chien-Chih Yeh, Internal Audit Manager presented the audit recommendation follow-up report for this quarter. When an audit is completed, if there are any recommendations, they go on this report for follow up tracking. For this quarter, there are a total of six carrying over from last quarter, plus three new

recommendations approved from the UNM Children's Campus audit. There is a relatively older one on the Reserves as well as from Los Alamos. Internal Audit will continue to leave them there to be monitored until they are resolved.

Chair Brown stated he questions whether UNM has adequately set the budget for Enrollment Management. It might be insufficient with all the emphasis put on that, and the extra expense and programs. Maybe we underbudgeted them, as opposed to them overspending. Mr. Yeh responded the deficit is the reason the recommendation is still there, and Internal Audit is hoping to see a significant trend going forward.

The third item is in the process of being verified to see if it can be cleared. Items 4, 5, and 6 pertain to the RPSP audit. As the estimated implementation date just occurred on September 30<sup>th</sup>, Internal Audit reached out to them and have preliminarily determined that they are implemented. The change just has not yet been reflected on the formal report. It will reflect that in the next quarter's report for the Committee to review. There are three recommendations from the Children's Campus. They are not due until December 31<sup>st</sup>. One of them has been implemented for the required training. The remaining are on track to be implemented by December 31<sup>st</sup>.

By unanimous consent, the meeting went into Executive Session at 9:45 AM per the agenda.

- a. Presentation of FY22 External Financial Audit pursuant to exceptions at Section 10-15-1H NMSA (1978) and Section 12-6-5 NMSA (1978) (*Moss Adams, KPMG, and Norma Allen, University Controller*).
- b. Discussion of draft Internal Audit Reports, and discussions of information subject to attorney-client privilege pursuant RPM 1.2.
- c. Schedule of Audits in Process and Proposed FY23 Audit Work plan, pursuant to RPM 1.2.
- d. Vote to re-open the meeting.

The Committee unanimously approved the following Board-approved CLA audit report presented in this meeting:

- UNM Health System Ransomware Preparedness Assessment

The Committee unanimously approved the following UNM audit report:

- 2023-01 Audit of University President's Travel, Entertainment, and Other Expenses

The Committee unanimously approved the FY22 External Financial Audit report for submission to the NM State Auditor's Office.

The Committee unanimously approved the Internal Audit Annual Report.

The Committee unanimously approved the Internal Audit FY23 proposed work plan.

The meeting returned to open session at 11:28 AM with certification that only those matters described above were discussed in Executive Session. The meeting adjourned at 11:29 AM.

Approved:

  
Audit and Compliance Committee Chair