

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Quarterly Meeting
October 26, 2023 – Meeting Minutes

Members Present: Jack Fortner, Chair, Paula Tackett, Vice Chair, Kim Rael (quorum).

Other Attendees: Garnett Stokes, Norma Allen, Terry Babbitt, Teresa Costantinidis, Loretta Martinez, Ari Vazquez, Darlene Fernandez, James Holloway, Jamie Silva-Steele, Duane Arruti, Francie Cordova, Jared Udall, Christine Landavazo, Jason Galloway, Bonnie White, Ajay Gupta (CLA), Dave Strzyzewski (CLA), John Kennedy (KPMG), John Burnell (KPMG), Josh Lewis (Moss Adams), Susan Bhandari (Moss Adams), Lauren Kistin (Moss Adams), Alan Bowers (CRI), Paul Garcia (CRI), Mallory Reviere, Lorenzo Perea, Victor Griego, Chien-chih Yeh, Gonzalo Olivas, Antonio Baca, Amy O'Donnell.

Chair Fortner called the meeting to order at 8:33 AM. He confirmed there was a quorum.

ACTION ITEMS:

- The Committee approved the agenda with one minor change. The change was to the October 2024 date - from October 17th to October 24th - per request from the external auditors.
- The Committee approved the dates, with the October change, for calendar year 2024.
- The Committee approved the minutes from the meeting of August 3, 2023.

INFORMATION ITEMS:

- Advisors' comments: None.
- Victor Griego, Internal Audit Director presented his Director's Report. Mr. Griego reiterated the meeting date change for October. He provided the Committee with an update on staffing. The Department just recently hired a new Senior Auditor, Antonio Baca, CPA. Antonio worked at the State Auditor's Office and also UNM Health. There is still a vacant auditor position, as well as a student intern position. The Department is reviewing budget for availability to meet the staffing needs and also for the non-labor operating expenses.

For fiscal year (FY) '24, the Department has completed three (3) audits which include Project ECHO, the University-Wide Risk Assessment, and the annual audit of the President's Travel, Entertainment, and Other Expenses. The President's audit is complete and is in the report writing stage. An audit of the Office of the Medical Investigator is currently in fieldwork. The Department has initiated planning procedures for an IT audit and a non-standard payment compensation audit. An audit for Andersson School of Management is assigned. There are two audits on the audit plan that are not yet assigned.

Mr. Griego continued with a status update on complaints. For FY 24, as of September 30th, the Department completed and closed 13 complaints which have been full reviews. There are 22 that are in planning and field work right now, and ten are not yet assigned, for a total of 45. For every complaint that has actually been completed and substantiated, Internal Audit will issue a formal investigation memo to applicable leadership or management. If it rises to the level of severity to be presented to this Committee, the Department will do that. There are a couple that will be presented in closed session. Of the 13 that have been completed, six have actually been substantiated, and seven have not been substantiated.

The Department completed the University Risk Assessment and the three-year audit plan was approved at the last meeting. Mr. Griego stated he is currently exploring options to compliment that with a full IT risk assessment. The Department is looking at options and procedures which will likely be presented at the next meeting. The external financial statement audit for FY '23 has been completed and will be presented in closed session. That will be presented by KPMG, Moss Adams, and CRI.

Moving on to the Health System, their internal audit function is outsourced to CliftonLarsonAllen (CLA). CLA will provide their audit plan status in closed session as well. They are in the process of completing two management requested audits. There is also a current policy development effort underway that stems from these management requested reviews.

The last item is external audits and reviews. There is not really any update on status of these. Three (3) are substantially completed, and potential findings have been submitted. The external review from the City of Albuquerque is of grants received by HSC. Management is working on responses for the potential findings. Sandia National Labs also completed an audit of all Main Campus and HSC purchase orders. They are still in the process of addressing potential findings. The National Sciences Foundation has issued potential questioned costs, but that might be resolved, depending on management's documentation. Mr. Griego stated he will keep the committee updated on the status of those three external reviews.

- Francie Cordova, Chief Compliance Officer stated to the Committee that she would yield her usual time on the CEEO report to the Clery Coordinator to provide the update for UNM Clery statistics, and to the Title IX Coordinator for an update on Title IX regulations. Adrienne Helms, Clery Coordinator provided the Clery update to the Committee. Ms. Helms informed the Committee the Clery Act requires the institutions of higher education receiving federal funding to annually provide statistics that meet certain definitions occurring within the Clery geography for the previous three calendar years.

Chair Fortner asked Ms. Helms to define the Clery geography. Ms. Helms stated that the formula for what constitutes a Clery statistic is an offense, meaning a federally defined Clery act crime. There are certain crimes that must be included, and certain ones that are not. The geography comprises not only on-campus properties that are contiguous - what you imagine when you think of North Campus, Main and South Campus - but also those that UNM touches in other areas of the city, even the country, where we have control under a written agreement. So that could be through a class being held at bowling alley, even. Chair Fortner asked if there's a robbery at the Frontier which is right across [the street], if it does not involve a student, is that part of the Clery reporting? Ms. Helms replied that it depends. It doesn't matter who's involved. Actually, a lot of the crimes are committed by illegitimate visitors on campus.

Chair Fortner stated if it is near campus, and does not involve a student, does that still have to be reported because of the proximity? Ms. Helms replied yes. As long as in that particular instance, the crime we're talking about, occurs within the public space. In that particular example, in front of Frontier. If something occurred inside the restaurant, since it's privately owned, then it would not. The public property category of UNM's Clery geography is made up of the publicly owned properties surrounding campus. It would extend from, for instance, the bookstore, across to the sidewalk in front of the Frontier, but not inside. And those statistics are fairly difficult to get from the City, because of that very fact. Ms. Helms told the Committee she would love to have them come to their office to share more about how these statistics are compiled. It is a very complicated process, and these questions are extremely valid.

Ms. Helms informed the Committee that the new format of the Annual Security and Fire Safety Report (ASFSR) for Main Campus is now HTML. The purpose of doing that is to make it fully accessible. For the overall crime statistics, they did not only include numbers for the past three calendar years, but also included those for calendar year 2019. And the reason for doing that, is because it provides a better baseline to compare last year's numbers, and it reflects how campus was prior to the pandemic. At a total of 609 crimes, we were just over what we were at in 2019. They included this to reflect the breakdown of crimes against persons, property, and society, which the Clery Act does not require. It is a little more intuitive to illustrate the numbers in this way.

Crimes against persons include those things like murder, manslaughter, stalking, domestic violence, dating violence, robbery, etc. Those against property are burglary, arson, and things like that. Crimes against society are the weapons law, drug abuse, and liquor law violations. In addition to arrest citations and summons for

those for the latter, these statistics include referrals for disciplinary action. All the parties that are with underage students drinking alcohol get referred to the Dean of Students' office. That ends up in the Clery reporting as well. When it comes to those crimes against society, these are violations of law not policy.

Because motor vehicle thefts are up, unfortunately - this is reflective of a national trend, really - but because it's such a big issue in Albuquerque, they broke it down. There were 73 completed motor vehicle thefts last year within our geography. Most were on campus, in parking structures and parking areas. There were also 34 additional attempts. People don't realize that things like e-bikes are included in the statistics. Because they're increasing in popularity and becoming more affordable, we're seeing more of those on campus. Catalytic converter thefts and bicycle thefts are not included in the Clery statistics. However, the available data can assist the UNM Police Department with their proactive prevention efforts.

President Stokes asked how many of them were caught with cameras on campus. Ms. Helms replied that UNM had some success with the camera system last year and this year in identifying suspects. She has crime prevention experience in her background. It is primarily her expertise. They are not just looking at the statistics and saying these terrible things happened. Especially when it comes to the crimes against people. They are taking the data and putting it to work.

Every year during the National Campus Security Awareness Month in September they host the campus safety week. This year, CEEO partnered with the Office of Environmental Health and Safety to really ramp up safety week with multiple workshops and trainings throughout the week. They hosted the annual campus safety walk. North Campus took ownership of their walk as well, and they had a great turnout and great results. The campus safety walks have become very sophisticated. This is an event attended very heavily by students. They break out into groups and go to assigned zones to survey that zone for vulnerabilities in terms of safety and security. They look for hazards, lights that are out, overgrown landscaping, etc. For the second year now, they used the Rambler app to really nail down the exact location of all these findings. They have taken their data and transformed it into heat maps for Facilities Management.

This year was the first inaugural Campus Safety Summit. This was hosted by the President's Safe Campus Living Task Force. It was a tremendous success. There was turnout from all kinds of people across campus and the city of Albuquerque, including the Deputy Commander from the new University Area Command, who officially signed on to the task force. The roster is filling out very well. The next meeting is actually training on crime prevention through environmental design. They are taking a field trip to South Campus to look at new properties there.

Regent Rael asked if the Summit integrated with the campus plan. Ms. Helms replied that it is not part of the campus safety plan process, but Rosie Dudley, University Planner actually did come and present. Crime prevention through environmental design is Ms. Helms' bread and butter. She stated she could talk about that all day. The campus safety plan is part of the integrated campus plan and is run by the folks over in Planning, Design and Construction.

They hosted an auto theft prevention event on South Campus with APD at the Student Support and Services Center. They had a great turnout with dozens of vehicles and are looking forward to hosting more of those throughout the year. Efforts are very focused on South Campus. They participated in the South Campus Safety Summit just after safety week and are actively out there walking with Athletics personnel and other folks to look at issues for improvement. ACC has taken significant steps to put a lot of improvements into place. They spent a lot of money improving security in Lobo Village. There is a new campus security authority reporting form to report the crimes that is going to go live very soon.

Angela Catena, Title IX Coordinator updated the Committee regarding new regulations. The update is that unfortunately everyone is still waiting on the changes. She provided a quick snapshot of the changes over the last five years. 2018 was the first time in over 20 years that Title IX law actually changed. Those significant

changes came down in May of 2020, and UNM was able to put those in place during the pandemic while everyone was working remotely. Last year the Department of Education (DOE) published their proposed changes focused on the grievance process. That's what the 2020 regulations were focused on. They included the addition of the new hearing process, which is here to stay with the proposed regulations that are coming.

In April of this year, the DOE put out a separate set of rulemaking, the first of its kind, regarding athletic eligibility based on gender. There is a lot of anticipation around what that looks like. The regulations received a substantial amount of comments. Originally, the DOE said that they were going to publish the 22 regulations in May of this year. But in May and they said they will wait until October and publish both sets. About two weeks ago, Ms. Catena was at a conference discussing timelines and what they think is going to happen. She will keep everyone updated as they know more. The 2020 rules are still in effect. The law hasn't changed, just the regulations. They are allowing institutions to decide which burden of proof to choose. The only requirement for that is whatever burden of proof is used is applied across the board. UNM uses the preponderance of evidence just over 50%, and that's going to stay. The law itself is only 37 words, so there's been a lot of regulation changes.

Regent Rael asked what the practical impact of the 2020 rules has been, particularly on victims and reporting. Ms. Catena replied that the first year showed a significant dip in willingness to participate in investigations. It takes a lot more rapport building for individuals, particularly students, to be willing to participate. Those who are willing to participate have a campus advocate who is trained to help them through the process. It is a really cumbersome process and it takes a long time. The live hearing - the structure of it in and of itself, and it being more of a quasi-judicial set up - scares people. It is not something that we're used to in an administrative process or within a university setting. What we can do to help with that is educate a little bit more about what that looks like on the front end. UNM has confidential advocates through the Dean of Students' Office at the Lobo Respect Advocacy Center. There are advocates at the Women's Resource Center, and some on North Campus, all through student affairs. There are a lot of advocates for our students, and UNM is working really hard to expand that for faculty and staff. Students are made aware that if they need an advocate, one is available to them.

- Angela Vigil, Compliance Officer for UNM Health and Health Sciences provided her update on compliance activities. Ms. Vigil stated they have grown over the past three years. She has been here a little over three years and started off with about five employees; now they are up to 15, soon to be 16. Chair Fortner asked what area they primarily grew in - coding or audit. Ms. Vigil replied audit and coding, yes. She detailed the governance structure and all the board committees that her area reports up to, including this committee, and then the department unit committees. There are compliance committees for the UNM Health System and for the UNM Health Sciences, and also, the Executive Compliance Committee for the combined UNM Health and Health Sciences.

Ms. Vigil provided an overview of the Enterprise Risk Assessment Survey that was conducted. The Compliance department also conducted its own interviews with various members of management. This tells them a little bit of what they are doing well, such as: compliance with internal policies and federal and state rules and regulations; management's response to issues that arise; adequate training; reporting of unethical practices; and, protection of assets. She also detailed risks that were identified through the survey, such as: recruitment; lack of funding to be competitive; staffing and high turnover; employee burnout; training and onboarding of new staff; and aging infrastructure and resources, and 100% completion of required annual compliance training by all staff. Through interviews they conducted, these were the top risks that were identified: pay/promotions; retention; recruitment; and employee well-being. There is a lot of burnout expressed by the individuals that were interviewed. They noted compliance training, staffing, patient safety and staffing levels - very similar to the enterprise risk assessment.

For next steps, they are going out to various departments to provide an overview of their function, what they do, and how they can be a resource to those departments. They provide education and training on conflict of

commitment, conflict of interest, etc. to coincide with the current policy development. They encourage department leadership to lead by example and complete the mandatory Learning Central module. Then the Health System results of the Enterprise Risk Assessment noted staffing and high turnover, and internal and external factors in tackling department operations. Again, they pointed to patient safety, employee well-being, and variability of knowledge among the management staff, so training is an issue there. There was documentation of charge tickets, and that's part of the coding and billing compliance, reputational risk to the organization and the staffing level. So again, there are some themes that they are seeing. Concern was expressed about how social media is being used, and the risk of potentially posting something that would be inappropriate. If they receive notification about that, they will conduct an investigation. Chair Fortner asked if there was some kind of policy already in effect that they're violating. Ms. Vigil responded that is something that we're drilling more into in terms of what we can provide as support and as a resource. There is a policy on that, but they need to have one policy for all because they vary across the campus. Ms. Cordova added there is a policy for students as well as staff, but that would apply to Main Campus and HSC, not the Health System. For the Health System it would apply to staff.

Ms. Vigil detailed the completion rates for all the area for the mandatory compliance training as of September 13, 2023. The Sandoval Regional Medical Center has the highest completion rates. The Health Sciences Center has low completion rates thus far, so Ms. Vigil has talked to Dr. Ziedonis about that. They have until the end of the year to complete the training modules. They are also having a completion challenge, due to the fact that the percentage is so low in some areas.

Ms. Vigil provided a compliance hotline report by entity. There were 66 total cases for UNM Health Sciences at the end of September. 41 have been closed, average days to close is 56 days. Three were substantiated and 38 were not. There are 25 in process. UNM Hospitals had 46 cases, 37 have been closed with 46 days to close. Seven were substantiated and 30 were not. There are nine in process. For UNM Medical Group, they had 9, all nine are closed with one substantiated, eight unsubstantiated, and about 68 average days to close. And under the Sandoval Regional Medical Center, there were none at the time of this report. There has been one since that will be discussed later.

Currently they are working on conflict of interest/conflict of commitment and outside activities. Current focus is on short-term solutions. They are working on an instruction guide for department administrators as well as for faculty and that is targeted for February 5th of next year. There is not compliance without 100% compliance. They will develop a committee designed to review any complex disclosures.

Other Projects include the integration of the UNM Hospital and SRMC, making sure policies align. Health Sciences department level compliance education was introduced during the summer and is ongoing. They are soon going to be showcasing an integrated public-facing website. Departments are reaching out because they are now more fully understanding how they can serve as a resource to them. That's been working very well. We're going out to 56 clinics visiting them and just reminding them that they are here for them to serve as a resource. And just remind them, you know, they are not forgotten.

Compliance week is coming up November 6-10. There are some ACE (Advancing Compliance and Ethics) awards that we will be given out to four recipients. The award is given to someone who advances compliance within the organization. Ms. Cordova announced that one of the recipients will be Victor Griego.

- Chien-Chih Yeh, Internal Audit Manager presented the audit recommendation follow-up report for this quarter. This report is a total of seven pages. At the last audit committee meeting, there were four outstanding recommendations. The Project ECHO audit was approved at that last meeting and those recommendations were added to the report.

IA is able to propose a recommendation on page one as implemented because the auditee provided information, including SOPs; IA reviewed the documentation and it appears to be implemented. The ones that

are still outstanding include one for Los Alamos. Los Alamos is working with Main Campus IT on the large network projects. They need additional time, and they requested an extension next August to finish. IA approved this extension based on the size of the project.

And the other three are related to the Valencia audit. IA received some information for the IT section. They revised their policy for the IT Disaster Recovery Plan, and IA reviewed a couple of supporting documents for the hardware and software. They only have one last piece to complete and anticipate finishing by end of this month. IA hopes to be able to implement this one pretty soon and report back to the committee at the next meeting.

For the Project ECHO recommendation related to HSC central offices, they provided information related to item five as well as the items nine and ten. IA is in the process of reviewing the documentation and then will determine if the recommendations are been implemented or not. In addition to that, for Project ECHO item eight, they also indicated they completed refresher training. IA is in the process of getting that documentation as well. It was not updated by the time IA printed this report. The remaining recommendations are current and not due yet, so IA is not providing additional status updates on those at this time.

By unanimous consent, the meeting went into Executive Session at 9:29 AM per the agenda.

- a. Presentation of FY23 External Financial Audit pursuant to exceptions RPM 1.2. (*KPMG, Moss Adams, and Norma Allen, University Controller*).
- b. Discussion of draft Internal Audit reports, audit work plans and information subject to attorney-client privilege pursuant to RPM 1.2 and NMSA 1978, § 10-15-1(H)(7) (2013);
- c. Discussion of limited personnel matters as defined in and permitted by NMSA 1978, § 10-15-1(H)(2) (2013), and NMSA 1978, § 10-15-1(H)(7) (2013).
- d. Discussion of internal IT audit findings regarding information security and privacy, pursuant to RPM 1.2;
- e. Vote to re-open the meeting.

The meeting returned to open session at 10:50 AM with certification that only those matters described above were discussed in Executive Session, and if necessary, ratification of the action taken in Executive Session.

The Committee unanimously approved the submittal of the FY23 External Financial Audit to the NM State Auditor.

The Committee unanimously approved the following UNM Internal Audit reports:

Internal Audit FY23 Departmental Annual Report

The meeting adjourned at 10:51 AM.

Approved:



Audit and Compliance Committee Chair