

BOARD of REGENTS



THE UNIVERSITY OF
NEW MEXICO.

AUDIT AND COMPLIANCE COMMITTEE MEETING

Tuesday, May 19, 2026

**CALL TO ORDER/
QUORUM**



The University of New Mexico
Board of Regents' Audit and Compliance Committee
May 19, 2026
Student Union Building (SUB) Ballroom B
9:00 AM

Livestream: <https://live.unm.edu/board-of-regents> (Open Session Only)

Agenda

- I. Call to Order and Confirmation of a Quorum
- II. Adoption of Agenda
- III. Approval of Meeting Minutes from February 17, 2026
- IV. Roll Call Vote to close the meeting and to proceed in Executive Session as follows:
 - A. Discussion of draft Internal Audit reports and information subject to attorney-client privilege; audit work plans; and information security and privacy report, pursuant to RPM 1.2 and NMSA 1978, § 10-15-1(H)(7);
 - B. Discussion of limited personnel matters as defined in and permitted by NMSA 1978, § 10-15-1(H)(2);
 - C. Vote to open the meeting.
- V. Certification that only those matters described in agenda item #IV were discussed in Executive Session and if necessary, vote on final actions as required by NMSA 1978, § 10-15-1(H)(2).
- VI. Information Items
 - A. Fiscal Year 2026 Financial Statements External Audit, Entrance Conference (*Plante & Moran, PLLC., and Andrew Jacobson, University Controller*)
 - B. Director of Internal Audit Status Report
Victor Griego, Internal Audit Director
 - C. Status of Audit Recommendations
Chien-Chih Yeh, Internal Audit Manager
- VII. Adjournment

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Audit and Compliance Committee Quarterly Meeting
February 17, 2026 – Meeting Minutes

Regent Committee Members Present: Jack Fortner, Christina Campos, Paul Blanchard (Quorum)

Other Attendees: Garnett Stokes, Terry Babbitt, Teresa Costantinidis, Francie Cordova, Adrienne Helms, Angela Vigil, Daniel Jones, Scot Sauder, Susan Rhymmer, Beck Rivera, Jason Galloway, Chris Arndt, Jared Udall, Roberta Lavin, Damion Terrell, John Bunnell (KPMG), Josh Lewis (Baker Tilly), Paul Garcia (CRI), Emily Morelli, Victor Griego, Chien-chieh Yeh, Gonzalo Olivas, Jeremiah Sanchez. Note: This was a meeting with multiple committees at the same location going and out. It is not possible to know who else from the UNM community attended this particular meeting.

Christina Campos called the meeting to order at 9:00 AM. Regent Fortner confirmed there was a quorum.

By unanimous consent, the meeting went into Executive Session at 9:02 AM per the agenda.

By unanimous consent, the meeting returned to Open Session at 9:39 AM.

ACTION ITEMS:

- Certification that only those matters described in the agenda were discussed in Executive Session.
- The Committee approved the agenda.
- The Committee approved the minutes of the meeting of October 21, 2025.
- The Committee approved the Audit Report for FY2025 President Travel, Entertainment, and Other Expenses.
- The Committee approved the UNMH CLA Audit Reports, including:
 - Data Governance Assessment Report
 - Drug Pricing Program Assessment Report
 - Physical Security Assessment Report
 - Medicare Cost Report Assessment

INFORMATION ITEMS:

- ❖ Victor Griego, Internal Audit Director, provided his quarterly Director's Report.
 - Mr. Griego communicated operational staffing. The Administrative Coordinator retired effective February 1, 2026. Mr. Griego recognized Jeremiah Sanchez for stepping up to fill those responsibilities during the transition period. The department is in the final stages of filling the Administrative Coordinator position, with an offer expected to be extended following the meeting. The department is also currently recruiting for two auditor positions to reach full departmental staffing. Mr. Griego noted he is exploring the addition of a student intern to support the audit function, noting that Jeremiah Sanchez began as a professional intern and is now a full-time auditor.
 - Mr. Griego communicated the audit plan status for FY 26. 11 audits from the audit plan for FY 24 and 25 have been completed or in process. The annual audit of President's Travel and Entertainment has been completed; presented and approved by the Executive Session. The audit of Athletics Administration is in the report writing phase, due to turnover in the athletic director role, this audit has

been moved to the May meeting and will be presented at the next meeting. The audit of Contracts and Grants and UNM Gallup is underway for fieldwork procedures following completion of planning procedures. The audit of Biology Department is currently in the planning phase. A risk assessment has been initiated to support development of the next three-year audit plan.

- Mr. Griego moved on to Ethics Point Complaint Status. For FY 26, as of February 6, 2026, the following status was reported for Ethics Point complaints triaged to Internal Audits: Total complaints triaged to Internal Audit is 70, completed and closed is 41, in the planning/fieldwork phase is 19, pending assignment to auditors is 10, and of the 41 closed cases, 11 are substantiated, and 30 unsubstantiated. Substantiated cases result in formal reports issued to department heads and management, or to the President depending on severity. Cases involving fraud or amounts over \$10,000 are presented to the Audit Committee per Board policy. No cases from this reporting cycle required presentation to the Committee.
- Mr. Griego communicated the FY 26 adopted budget is \$1,542,509, of which \$1,423,834 is from the general pooled account, and \$118,675 from the department reserve. Budget expenses are primarily labor as usual, about 90%, and that reflects two currently vacant positions, with a third vacancy anticipated in April due to an upcoming retirement. Recruiting is actively underway for that position. Expenditures as of December 31, 2025, are \$603,058 and encumbrances are \$389,742, primarily labor. Non labor expenses, \$41,000, primarily consist of IT services, any kind of professional services, computer equipment, and training and professional development that are expected in the second half of FY 26 for the department.
- Mr. Griego communicated that the status of the external quality assessment fieldwork has been rescheduled from January 26-28 to February 23-25 due to the weather. The EQA team has begun to schedule interviews with leadership and key executives regarding the Internal Audit department. Mr. Griego thanked Committee members who have already participated in those interviews. Results of the quality assessment review will be presented to the Committee at the upcoming May meeting.
- Regent's Policy 7.2 requires that Mr. Griego reports any kind of external audits or reviews conducted by other agencies or anything outside of internal audit. For this reporting cycle, there are three (3) Contracts and Grants audits to report. The Family Health Center, awarded to Project ECHO, totaling \$106,000, has been completed with no findings. Two additional audits are currently underway for the UNM Los Alamos Branch in the amount of \$481,000 and the UNM Taos Branch in the amount of \$613,000. Both audits have just commenced and there are no findings to report currently.
- Mr. Griego reported that the risk assessment is currently underway. The risk assessment is a collaborative effort between Internal Audit, the Compliance Office, Main Campus, UNM Health, the Privacy Office, and Risk Services. A new methodology has been developed to identify significant risks related to rules, laws, and regulations, affecting the University of New Mexico on an ongoing basis. Internal Audit will also use this process to develop a three-year Internal Audit Plan, with the full risk assessment continuing a triennial basis in collaboration with the Compliance Office. The proposed plan will be presented to the Committee for approval at the August meeting.

Ms. Cordova added the new risk assessment is based on the Higher Education Compliance Matrix, maintained by the National Association of College and University Attorneys, and will involve regular meetings with compliance partners to assess and mitigate institutional risks. Data from the process is expected to be available by the August meeting.

❖ Francie Cordova, Chief Compliance Officer

- Ms. Cordova introduced Kaycie Ellen Logan, the new Compliance Coordinator. Kaycie comes to UNM from a military background and brings expertise in electronic data. She will lead the risk assessment meetings and has already begun conducting surveys with programmatic areas overseen by the Compliance Office, covering ADA, Clery Act, Title IX, and related topics, allowing the office to

work out any issues before expanding to other university areas. Kaycie has also developed an internal website for compliance partners to access calendars and related resources.

❖ Chien-Chih Yeh, Internal Audit Manager

- Mr. Yeh provided the status of audit recommendation follow up reports for this reporting cycle. There are two parts to report: implemented and pending.
 - For implementation recommendations two were completed since the last October Committee meeting. The first is the audit of the dissolution of the ASFM Foundation, confirmed as implemented through auditor follow-up procedures with the auditee. The second involves three recommendations from the audit of Education Abroad Program, approved at the October Committee meeting. Those recommendations addressed roles and responsibilities, registration requirements and timeline in coordination with the GEO office, and the Health and Safety Advisory Committee composition. All three have been implemented through policy revisions submitted to the Policy Office.
 - For pending recommendations, there are a total of 14. Two extensions were requested and approved by Internal Audit Management, one for Project ECHO and one for OMI, as both indicated additional time was needed to complete implementation. The remaining recommendations are not yet due and will be reported back to the Committee as they are completed.

The meeting adjourned at 9:53 AM.

Approved:

Audit and Compliance Committee Chair

**ROLL CALL VOTE AND
PROCEED IN
EXECUTIVE
SESSION**

CERTIFICATION

The University of New Mexico

Board of Regents

Audit & Compliance Committee

2026 Audit Planning and Scope Meeting

May 19, 2026



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Audit Team Introductions



Katie Thornton

**Relationship Partner & Audit Partner-
University**

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Brian Greko

Audit Partner-Other Audits

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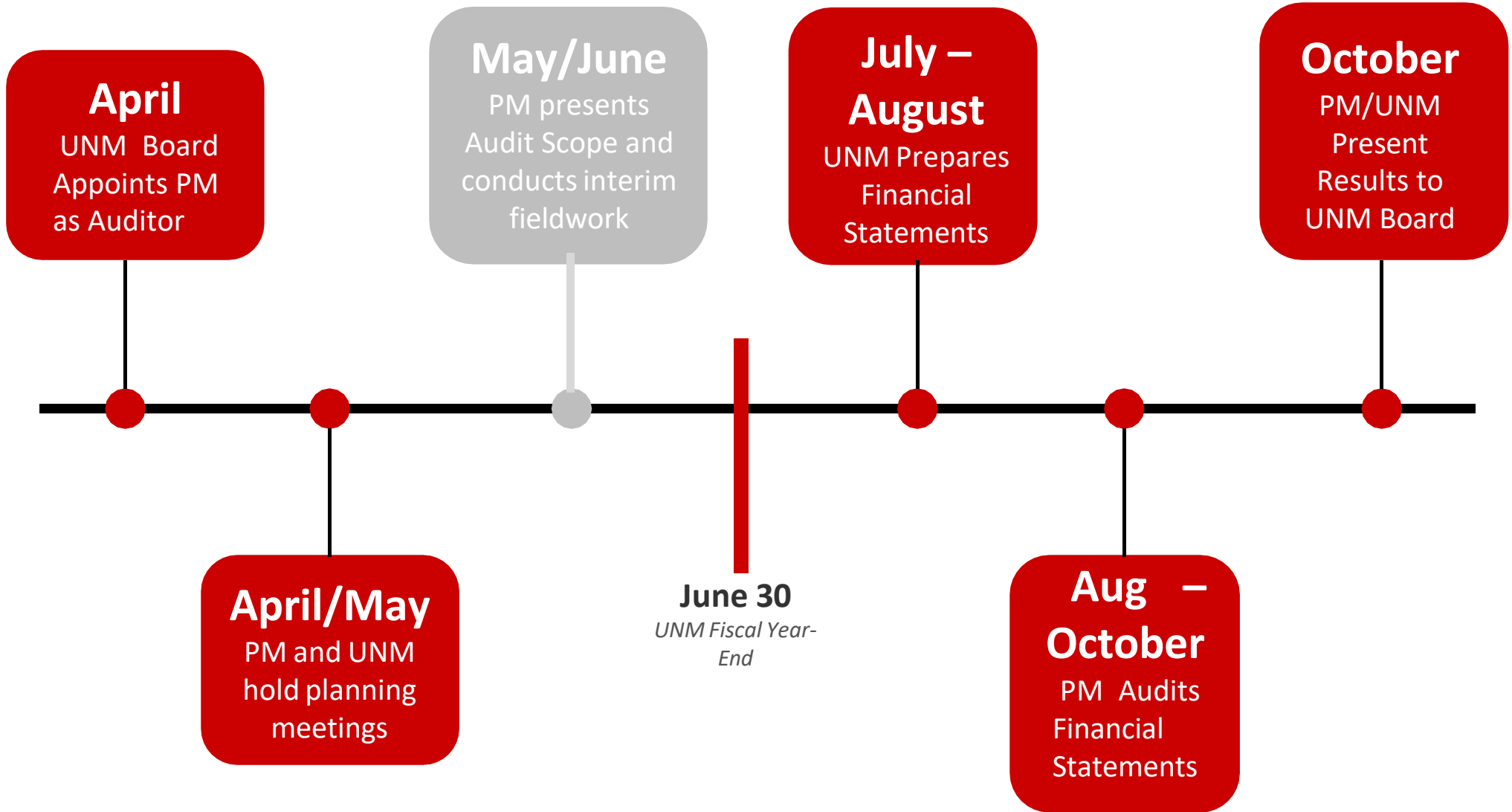


Mike Baker

Audit Principal

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(269) 567-4653

Audit Process



Auditor Responsibilities

Plante Moran Responsibilities

- To express an opinion on University Financial Statements
- To express an opinion on compliance on major federal programs
- To provide reasonable assurance
- To gain an understanding of internal controls over financial reporting and compliance

Plante Moran Reports/Letters

- Opinion on University, Health, and compliance related to federal programs
- Report on Internal Control over Financial Reporting (GAS)
- Letter on the conduct of the audit
- Opinion on Other Audits/AUP/Examinations



Audit Approach

Internal Controls

- Accounting Policies
- Key Processes and Controls
- IT General Controls
- Fraud Considerations

Risk based approach

- Management Override
- Revenue Recognition
- Significant estimates
- New accounting standards

Group Audit Standards

- University
- UNM Hospital
- UNM Sandoval Regional Center
- UNM Behavioral Health
- UNM Medical Group
- UNM Foundation
- UNM Lobo Club
- UNM Alumni Association
- UNM Rainforest innovations
- Lobo Development Corp
- Lobo Energy, Inc.

Other Engagements

- Single Audit
- KUNM Radio Audit
- KNME TV Audit
- NCAA Agreed Upon Procedures

Required Communications under AU 260 – Two Way Communication

What are your views regarding the following:

- Allocation of responsibilities between governance and management;
- Are there any significant objectives and strategies that may result in material misstatements or challenges to appropriate disclosure considerations;
- Do you have any matters that warrant attention, items that require additional audit procedures or clarification on audit or accounting items;
- Any significant communications with regulators.

The attitudes, awareness, and actions of governance related to:

- Overseeing the effectiveness of internal controls
- Detection, possibility, or risk of fraud



Thank you

*We look forward to serving
The University of New Mexico.*



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**Internal Audit Director’s Status Report
Audit and Compliance Committee Meeting
May 19, 2026**

Internal Audit Operations and Staffing. The Internal Audit Department recently filled its Administrative Coordinator position. In addition, IA is currently recruiting two (2) Auditor positions and one (1) Student Intern.

Audit Plan Status. The FY26 audit project status with hours for the current audit plan is shown below. The status of the proposed audit plans is for the period of July 1, 2025, through March 31, 2026:

Completed/Report Writing	5
Planning/Fieldwork	6
Total	11

All eleven (11) audits from the FY25 and FY26 audit plan have been completed or are in process. Internal Audit has currently completed the Audit of Athletics Administration, which was presented in executive session.

Fieldwork procedures are about to be initiated for the Audit of Contracts and Grants, UNM Gallup Branch, and Department of Biology. Planning procedures are also in process for an audit of IT Disaster Recovery. All audits in process resulted from the Risk Assessment, Three-Year Audit Plan and IT Risk Assessment.

The following is the status of the FY25 and FY26 audit:

Description	Status	FY 26 Budgeted Hours	FY 26 Actual Hours	Variance
Audit Plan				
FY 2025 Audit Work Plan				
Travel (International)	Completed - Follow up	140	116	24
Office of Community Health	Completed - Follow up	0	147	(147)
Education Abroad Programs	Completed - Follow up	110	50	60
Athletics Administration	Completed	710	731	(21)
IT - Disaster Recovery	Planning	400	21	379
UNM Gallup	Fieldwork	500	232	268
College of Nursing	Planning	500	52	448
FY 2026 Audit Work Plan				
President's Travel and Entertainment FY25	Completed	415	411	4
Contracts and Grants	Fieldwork	400	398	2
FY26 Risk Assessment	Fieldwork	100	20	80
Biology	Fieldwork	500	195	305
Audit Plan Subtotal		3,775	2,373	1,402

**Internal Audit Director’s Status Report
Audit and Compliance Committee Meeting
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Complaint Status. The current status of complaints assigned to Internal Audit for FY2026, as of May 15, 2026, is:

Completed/Closed	58
Planning/Fieldwork	22
Unassigned	1
Total	81

Of the fifty-eight (58) completed/closed cases, thirteen (13) complaints were substantiated or partially substantiated.

Complaints assigned to Internal Audit for review are those of financial related matters (i.e., fraud, theft, misuse of funds, time abuse, etc.). A confidential formal memo of Internal Audit complaint reviews is distributed to applicable UNM management and/or leadership to report outcomes of reviews and IA recommendations, if substantiated.

Internal Audit External Quality Assessment (EQA)

Internal Audit had its External Quality Assessment (EQA) completed. The EQA team is in the process of finalizing the report and IA will be preparing corrective action plans for recommendations. Corrective action plans will be presented at the next A&C Committee meeting.

Risk Assessment

The University-Wide Risk Assessment is in process. The risk assessment team is comprised of Internal Audit, Main Campus Compliance, and UNMH/Compliance offices. The team has developed a new approach in completing an ongoing risk assessment process. The risk assessment is designed to identify risk of compliance with key laws and regulations surrounding the University. Risk owners have been identified and will be designated to provide mitigation and processes to address risks identified within their area.

Internal Audit will also develop other risk assessment procedures to develop its Three-Year Internal Audit Plan and annual risk assessment updates. Internal Auditing Standards require Internal Audit plans to be approved by the Audit and Compliance Committee. Internal Audit is planning on presenting its risk assessment report and proposed three-year audit plan at the next A&C Committee meeting.

Budget to Actual Report
July 1, 2025 through March 31, 2026

Description	Status	FY 26 Budgeted Hours	FY 26 Actual Hours	Variance
Audit Plan				
FY 2025 Audit Work Plan				
Travel (International)	Completed - Follow up	140	116	24
Office of Community Health	Completed - Follow up	0	147	(147)
Education Abroad Programs	Completed - Follow up	110	50	60
Athletics Administration	Completed	710	731	(21)
IT - Disaster Recovery	Planning	400	21	379
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FY 2026 Audit Work Plan				
President's Travel and Entertainment FY25	Completed	415	411	4
Contracts and Grants	Fieldwork	400	398	2
FY26 Risk Assessment	Fieldwork	100	20	80
Biology	Fieldwork	500	195	305
Audit Plan Subtotal		3,775	2,373	1,402
Misconduct and Fraud		1,610	1,899	(289)
Audit Recommendations Follow-up Management Requests and Quality		600	365	235
Assessments		600	131	469
Non Audit Plan Subtotal		2,810	2,395	415
Total Project Hours		6,585	4,768	1,817
Leave and Administrative				
Holiday		930	824	106
Annual		1,302	775	527
Sick		744	478	266
CPE/Training		1,350	1,222	128
Administrative Time/Management		3,659	2,430	1229
Administrative Staff Time		500	254	246
Audit and Compliance Committee, Meetings		650	502	148
IT Support/TeamMate		400	279	121
Total Leave and Administrative Hours		9,535	6,764	2,771
FY26 Total Hours		16,120	11,532	4,588

Follow Up Report - Pending
May 19, 2026 Open Session

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
1	<u>Project ECHO</u>	8/3/2023, 8, M	<u>Recommendation 2 - Timely Perform Effort Certification</u>	Internal controls should be strengthened to ensure effort certification is completed by the due date. The Project ECHO Director should assign the pre-reviewer role to individuals more directly tied to the project, possibly the employee, and/or perform interim effort reviews, to allow for faster turnaround of the full six-month period effort certification.	Contracts and Grants are rolling out a new system and Project ECHO will be Beta Testing for them. The system will use the close of each fund to certify effort. The PI will have access to all employee efforts for the fund at the time of the closeout. The completion time for Effort Certification will be in compliance with the deadline set by HSC.	12/31/2026	Management indicated an extension is needed. The extension of the estimated implementation date to December 31, 2026 was approved.	Karla Thornton, Clinician Ed - Professor: IM Infectious Disease; Lynn Wain, Chief Adm Ofcr/Project ECHO
2	<u>Office of the Medical Investigator (OMI)</u>	5/2/2024, 9, M	<u>Recommendation 3 - Non-Exempt Time Keeping and Reporting</u>	The Health Sciences Senior Executive Officer for Finance and Administration should work with UNM Senior Vice President for Finance and Administration to identify and implement an electronic time reporting system for OMI. Electronic time keeping would allow employees and supervisors to capture non-exempt time via a virtual time clock as well as employee and supervisor approvals before being uploaded directly into Banner for processing.	UNM, including Health Sciences, is in the process of executing a contract for a cloud-based time management system that will significantly address the challenges associated with the diverse geographical locations for the various OMI team members. The system will also provide robust reporting that will support administrative oversight to ensure accurate time entry. The expected implementation timeline is 12-18 months for the system to be fully operational. In the meantime, UNM HSC HR, will work with the director to provide intermediary steps until the time that implementation occurs.	7/1/2026	An extension on implementation to July 1, 2026 was requested by OMI Management and approved by Internal Audit Management	Rebecca Napier, HS VP for Fin and Adm
3	<u>Office of the Medical Investigator (OMI)</u>	5/2/2024, 9, M	<u>Recommendation 4 - Adequate Employee Supervision AND Field Deputy Medical Investigators (FDMI) Job Description</u>	The OMI Chief Medical Examiner should: Work with the EVP for Health Sciences office to secure adequate financial resources to add supervisor positions that address current Supervisor-to-FDMI ratios and lack of oversight. Restructure FDMI County FDMI reporting and communication to Albuquerque headquarters for adequate oversight for day to day operations. Conduct a review of its employee activity and determine if these employees should be reclassified into more appropriate job titles/position codes. Ensure that OMI employees with an FDMI job assignment physically reside within the State of New Mexico.	The Chief Medical Examiner will work with HSC leadership to secure funding for the FDMI supervisor positions. Reorganization structure has been designed for these positions and is pending funding. The Chief Medical Examiner will work with OMI Operations Director and OMI HR Administrator to review employee duties to determine if job reclassification should be recommended. Additionally, the OMI Operations Director and the HR administrator will work with the FDMI Supervisor to verify that FDMIs reside within New Mexico and work primarily in their county of residence.	7/1/2026	OMI has hired two FDMI shift supervisors whom have been assigned responsibility over half the state. OMI continues to work to secure funding to hire additional FDMI shift supervisors with the goal of each supervisor having oversight over one quadrant of the state.	Heather Jarrell, CME, OMI

**Follow Up Report - Pending
May 19, 2026 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
4	<u>Office of the Medical Investigator (OMI)</u>	5/2/2024, 9, M	<u>Recommendation 7 - Monitoring Contractor Performance</u>	The Chief Medical Examiner should develop and implement a periodic Performance Audit Program for its decedent transportation vendors and contractors. Elements of a vendor monitoring and performance audit program should include, but not be limited to: Review of the contractor's employee policies and procedures as they relate to those employees that will be providing services to/for OMI. Review of vendor's performance obligations. Annual review of billed mileage.	The Chief Medical Examiner will work with OMI Accounting and the Operations Director to develop a plan to internally audit decedent transportation vendors on a periodic, scheduled basis.	7/1/2026	OMI Management has requested, and was granted, an extension from Internal Audit on the implementation deadline to July 1, 2026.	Heather Jarrell, CME, OMI
5	<u>Non-Standard Payments (NSP)</u>	8/8/2024, 7, M	<u>Recommendation 2 - System for Non-Standard Payment Process</u>	The Executive Vice President for Finance and Administration office should develop and implement a system for the processing and approval of NSP disbursements. The system should provide a centralized location with the ability to upload and house supporting documents. In addition, the system will strengthen internal controls by improving the review and approval process for NSPs disbursed throughout the University. An implemented system may also perform edit checks and other automated functions.	Human Resources and Health Sciences administration will partner with the employment areas (EA) to engage the Project Management and Improvement Office (PMIO) to conduct Lean methodology-based process reviews to document NSP processing standards across employment areas and identify areas for process improvements, including utilizing available technology solutions. While the responsible parties agree that technology solutions are needed to improve NSP processing, they are committed to implementing process improvements using currently available systems (ex. Banner, ePAF, document management systems, financial reconciliation processes). Upon completion of the PMIO facilitated process review, the responsible parties will have identified and implemented the appropriate technology solutions and data entry standards for NSPs across all applicable employment areas.	6/30/2025	Standard Operating Procedures have been completed; however, Internal Audit is awaiting management approval of the draft SOPs. The recommendation will remain open pending Internal Audits verification.	Teresa Costantinidis, EVP Finance & Administration

**Follow Up Report - Pending
May 19, 2026 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
6	<u>University-Wide International Travel</u>	8/19/2025, 2, M	<u>Recommendation 1 - Strengthening Internal Controls on International Travel</u>	The University Controller could strengthen internal controls over international travel by working with the appropriate offices to review, revise, and develop additional training materials and/or communications to educate relevant faculty and staff on the need to obtain the appropriate pre-approval of all University-related travel. Additionally, ensuring warnings regarding the need to have domestic or international travel pre-approved by a person with authority over the traveler are configured in current and future University-used ERP systems or interfaces, referencing appropriate UAPs as statutory guidance as well as ensuring all required pre-approvals have been appropriately uploaded and are available for review.	Pre-approval of travel is a process that occurs at the department level in advance of a trip, and not an officially required process for core accounting office review under UNM Travel Policy. Travel Policy is clear with respect to pre-approvals of foreign travel in that written pre-approval is only required on certain Contract & Grant/restricted awards, not on foreign travel paid with unrestricted funds. Of the 67 sample items tested, Internal Audit found 2 instances of foreign travel where written pre-approval was not attached to the reimbursement report. In both cases, however, written pre-approval was not required under policy since the travel was not charged to Contract & Grant/restricted awards. In both cases, pre-approval was handled at the department level, just not attached to the reimbursement report – in full compliance with UNM Travel Policy. In addition, Internal Audit found no instances where international travel had actually occurred without the department’s pre-approval, just two instances where written approval was not attached to a reimbursement report because there was no requirement to do so. We will evaluate existing UAP 4030 Travel policy, training materials and resources for any unclear or conflicting language available and possible improvements to the policy or process to provide evidence that pre-approval occurred.	10/1/2026	Corrective Action not yet due.	Andrew Jacobson, University Controller
7	<u>University-Wide International Travel</u>	8/19/2025, 2, M	<u>Recommendation 2 - Development of International Travel Registry</u>	The University Controller should work with the UNM Travel Group and other relevant campus stakeholders (such as the UNM Provost and/or Executive Vice President, Health Sciences) on the development of an international travel registry which provides executive leadership with actionable data pertaining to the travelers in keeping with policy 4030 and duty of care considerations.	We propose to revise travel policy 4030 to proscribe [ed: create] a method by which travelers will be required to register their pre-approved international travel. We will form a working group to evaluate viable methods to gather and warehouse this data for rapid access to executive leadership as needed.	10/1/2026	Corrective Action not yet due.	Andrew Jacobson, University Controller

**Follow Up Report - Pending
May 19, 2026 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
8	<u>Community Health Worker Initiatives</u>	8/19/2025, 7, M	<u>Recommendation 1 - Department Oversight, Financial Management, and Policy Enforcement</u>	Review the organizational structure for the CHWI program and determine if current management and oversight provide adequate financial management, accountability, and operational effectiveness for the department. Work with Human Resources to determine appropriate disciplinary action for the CHWI Program Operations Director's misuse of grant funds, overriding of internal controls, and lack of enforcing and adhering to UNM policies and procedures.	The Office of the Vice President of Finance and Administration for Health and Health Sciences agrees to initiate a review of the CHWI program's organizational structure to assess whether current oversight ensures adequate financial management, accountability, and operational effectiveness. In coordination with Human Resources, the Office of the Vice President of Finance and Administration for Health and Health Sciences will evaluate the Program Operations Director's actions regarding misuse of grant funds and internal control violations, and determine appropriate disciplinary measures per UNM policy. A policy review will be conducted with CHWI employees for the following: UAP 2000: Responsibility and Accountability for University Information and Transactions, UAP 4000: Allowable and Unallowable Expenditures, UAP 2410: Accounting for Federal Defined Allowable and Unallowable Costs	6/30/2026	Corrective Action not yet due.	Jason Galloway, Chief Financial Services Ofcr
9	<u>Community Health Worker Initiatives</u>	8/19/2025, 7, M	<u>Recommendation 2 - Unallowable Costs/Misappropriation of Grant Funds</u>	Work with the HSC Contract and Grant Accounting Office to review potential unallowable costs charged to Health Literacy and EITC grant funds and initiate appropriate action based on its review. Strengthen internal controls for CHWI grant management by improving the approval process and ensuring segregation of duties among the grant's authorities, including the Director, Principal Investigators, Program Managers, and accounting personnel. This segregation should create a clear line of authority and responsibilities. Develop formal departmental operating procedures to standardize the grant administration process, from initiating the grant agreement to its finalization. Ensure all CHWI personnel involved in grant administration have taken the grant management training provided by Learning Central.	The Vice President of Finance and Administration for Health and Health Sciences agrees with IA findings and will take the following actions: Work with the HSC Contract and Grant Accounting Office to determine appropriate action for unallowable costs charged to Health Literacy and EITC grant funds. Review internal controls for CHWI grant management and consider training and revision to CHWI's approval process to ensure segregation of duties among the Program Operations Director, Principal Investigators, Program Managers, and accounting personnel. Develop formal departmental operating procedures to standardize the grant process from initiation through finalization, ensuring consistency and compliance. Ensure that all CHWI personnel involved in grant administration complete the grant management training provided through Learning Central to reinforce policy adherence and best practices.	6/30/2026	Corrective action not yet due.	Jason Galloway, Chief Financial Services Ofcr

**Follow Up Report - Pending
May 19, 2026 Open Session**

No	Project Name	Report Approval Date, # of Recommendations, Risk (H/M/L)	Recommendation Title	Executive Recommendation	Management Response	Estimated Implementation Date	Last Status Update	Responsible Party
10	<u>Community Health Worker Initiatives</u>	8/19/2025, 7, M	<u>Recommendation 3 - Unspent Fund</u>	Implement and enforce processes to ensure unspent grant funds at the end of grant periods are de-obligated and returned to the funding agency. Processes should also ensure adequate procedures are in place to apply for unused funds, either in a new grant award or as an amendment to an existing open grant.	The Vice President of Finance and Administration for Health and Health Sciences will implement the following actions: Establish and enforce grant closeout processes for CHWI to ensure unspent grant funds are properly de-obligated during closeout. Procedures will be developed to support applications for unused funds through new awards or amendments to existing grants. Provide specific training to CHWI employees and management on the new processes and regulatory requirements related to grant closeout. Review CHWI segregation of duties in the grant accounting roles and provide recommendations to strengthen internal controls where possible. Implement clear procedures for reporting unspent grant funds to the appropriate offices.	6/30/2026	Corrective action not yet due.	Jason Galloway, Chief Financial Services Ofcr
11	<u>Community Health Worker Initiatives</u>	8/19/2025, 7, M	<u>Recommendation 4 - Pathway Partners Business Purpose</u>	Develop Standard Operating Procedures (SOPs) for billing and reconciliation processes surrounding Pathways to ensure that the billing information aligns with both the general ledger and the actual invoices issued by the vendor. Provide training to ensure that CHWI employees understand and fulfill their responsibilities effectively in Pathways billing procedures. Training should include a demonstration of the purpose and administration of the Bernalillo County system for Pathways business activity. Ensure adequate documentation supporting business activity and billing for Pathways is maintained by CHWI and readily available for review.	The Vice President of Finance and Administration for Health and Health Sciences agrees with IA's findings and acknowledges the need to strengthen billing and reconciliation processes for the Pathways program and will take the following steps to address the recommendations: To improve alignment between vendor invoices, the general ledger, and billing records, CHWI will develop comprehensive Standard Operating Procedures (SOPs) that clearly define roles, timelines, and reconciliation checkpoints. These SOPs will be designed to ensure consistency, accuracy, and transparency across all billing activities. In support of these procedures, CHWI staff will receive targeted training that not only covers billing responsibilities but also includes hands-on instruction in the Bernalillo County system used for Pathways business activity. This will help ensure staff understand both the technical and operational context of their work. To reinforce accountability, CHWI will implement a documentation protocol that ensures all billing and business activity records are systematically maintained and readily accessible for internal and external review. This will support audit readiness and promote confidence in the program's financial practices.	6/30/2026	Corrective action not yet due.	Jason Galloway, Chief Financial Services Ofcr

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12	<u>Community Health Worker Initiatives</u>	8/19/2025, 7, M	<u>Recommendation 5 - Reconciliation of Actual Expenditures to Approved Sponsor Budgets</u>	Implement a process for reconciling approved budgets per grant agreements with the amount entered into Banner at the beginning of the award period and for each fiscal year. Implement formal approval procedures for grant budgets and establish standardized budgeting policies and procedures.	The Vice President of Finance and Administration for Health and Health Sciences agrees with IA's findings and recognizes the importance of strengthening budget oversight and consistency within the CHWI program. To address the recommendations, a multi-phase approach will be implemented to improve budget integrity and operational accountability. A reconciliation framework will be developed to ensure that approved grant budgets are accurately reflected in Banner at the start of each award period and updated annually. This process will include validation checkpoints and coordination with the HSC Contract and Grant Accounting Office to ensure alignment with grant agreements. To formalize budget governance, standardized policies and procedures will be established for budget development, approval, and monitoring. These will be supported by clearly defined roles and responsibilities across CHWI personnel, ensuring transparency and accountability throughout the budget lifecycle—from planning to execution. In addition, a targeted training initiative will be launched to build budgeting competencies among CHWI staff. This program will emphasize the importance of comparing actual expenditures to budgeted amounts in Banner and will promote proactive financial management practices.	6/30/2026	Corrective action not yet due.	Jason Galloway, Chief Financial Services Ofcr

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13	<u>Community Health Worker Initiatives</u>	8/19/2025, 7, M	<u>Recommendation 6 - Management of Participant Incentives</u>	Designate a gift card custodian (someone who is not involved in purchasing or approving gift card purchases) to maintain a gift card log that keeps track of gift card distributions. The gift card log should include, at a minimum, the recipient's name or study subject, ID number, date of payment, purpose of payment, gift card serial number, payment amount, and the recipient's signature/initials (or email address for electronic cards).	The Vice President of Finance and Administration for Health and Health Sciences acknowledges the need to strengthen controls surrounding gift card distribution and address the identified unallowable costs charged to the Health Literacy and EITC grants. The Office of the Vice President of Finance and Administration for Health and Health Sciences will work with CHWI to create, document and implement a revised SOP for gift card management protocol that includes the designation of a custodian independent of purchasing and approval functions. This role will be responsible for maintaining a detailed distribution log that captures all required recipient and transaction information, ensuring traceability and audit readiness. For electronic gift cards, appropriate digital documentation will be collected to verify receipt. The Office of the Vice President of Finance and Administration for Health and Health Sciences will collaborate with the HSC Contract and Grant Accounting Office to review the unallowable charges and determine appropriate corrective actions. This may include reclassification of expenses, reimbursement, or other measures consistent with UNM policy and federal grant requirements.	6/30/2026	Corrective Action not yet due.	Jason Galloway, Chief Financial Services Ofcr

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14	<u>Community Health Worker Initiatives</u>	8/19/2025, 7, M	<u>Recommendation 7 - Lack of Parking Permit Logs</u>	Develop a Standard Operating Procedure for the maintenance of guest parking permits, including parking permit logs that include the permit number, name, and signature of the user, purpose of the visit, date, and signed/out time.	The Vice President of Finance and Administration for Health and Health Sciences recognizes the importance of improving oversight and documentation related to guest parking permits within CHWI operations. To enhance accountability and ensure proper tracking, the Office of the Vice President of Finance and Administration for Health and Health Sciences will work with CHWI to implement a formal procedure for managing guest parking permits. This will include a structured logging system that captures essential details of each permit's use and establishes clear responsibilities for issuing, recording, and reconciling permits. The process will be designed to minimize risk of misuse and ensure that all permits are accounted for in a timely and verifiable manner. The Office of the Vice President of Finance and Administration for Health and Health Sciences will also work with CHWI to develop reconciliation practices to ensure that permit logs are regularly reviewed against the inventory of active permits. This will support operational transparency and readiness for internal or external review.	6/30/2026	Corrective Action not yet due.	Jason Galloway, Chief Financial Services Ofcr
15	<u>Audit of President's Travel, Entertainment & Other Expenses</u>	2/17/2026, 2, M	<u>Recommendation 1 - Unreported Benefit for Elected Officials</u>	The Office of Government Relations should work with the Office of University Counsel and Policy Office to review and revise UAP 2050: Governmental Relations and Legislative Activity.	Government Relations will consult with University Counsel to determine the appropriate approach to ensuring congruence of relevant policies and state law. If policy changes are required, then both offices will collaborate with the Policy Office to facilitate policy change procedures. This process can involve lengthy engagement periods and foreshadows a scenario with extended time allocation for completion.	12/31/2026	Corrective Action not yet due.	Michael Puelle, Chief Government Relations Officer
16	<u>Audit of President's Travel, Entertainment & Other Expenses</u>	2/17/2026, 2, M	<u>Recommendation 2 - Unreported Taxable Fringe Benefits</u>	The Controller's Office should work with the Payroll and Unrestricted Accounting offices to strengthen internal controls to ensure taxable spousal benefits are properly accounted for and included in the President's gross income.	Financial Services has reviewed and agrees with the recommendation to work with the Payroll and Unrestricted Accounting offices to strengthen internal controls governing taxation of the President's spousal benefits. We agree to review the current process and ensure that taxable events are identified and taxed in a timely and appropriate manner in accordance with Regent's Policy Manual §3.9 Benefits of the University President, Spousal Benefits.	6/30/2026	Corrective Action not yet due.	Andrew Jacobson, University Controller

MEETING ADJOURNMENT