

THE UNIVERSITY OF NEW MEXICO
Board of Regents Special Audit Committee Meeting
August 16, 2012 –Meeting Minutes

Members Present: Chairman J.E. “Gene” Gallegos, Vice Chair Lt. Gen. Bradley Hosmer, Regent James Koch (Quorum).

Other Attendees: President Robert Frank, David Harris, Helen Gonzales, Ellen Wenzel, Craig White, Lee Peifer, Chris Vallejos, Cynthia Reinhart (KPMG), Henry Nemeik, Kimberly Pena, Shirley Mitchell, Steve McLaughlin, Amy Jameson, Rodney Harder, Amy Neel, Mark Peceny, Phil Ganderton, Manu Patel, Avedona Lucero, Lisa Wauneka, Lola Neudecker, William Cottrell, Victor Griego, Victoria Gorman, Amy O’Donnell.

Chairman Gallegos called the meeting to order at 8:31 a.m. in ROBERTS ROOM, Scholes Hall, UNM.

ACTION ITEMS:

- The Committee approved the minutes from April 24, 2012 by unanimous consent.

INFORMATION ITEMS:

- Chairman Gallegos inquired about the status of the Internal Audit Department’s Peer Review. Internal Audit Director Patel stated the Department is preparing all necessary documentation and tools for the review. The Department is contracting through the Association of College and University Auditors (ACUA). The team who will perform the review consists of the audit director and audit manager at New Mexico State University, and a retired audit manager from University of Texas Pan American. Director Patel needs to sign the agreement. It will cost approximately \$3000. Based on ACUA’s requirement, the Department only needs to pay travel costs and a small stipend. Chairman Gallegos asked when the review will take place. Director Patel stated it will happen this fall. Chairman Gallegos observed that we need to keep moving on this, as it is already two years late.
- Chairman Gallegos asked for an update on another follow-up item regarding audit plans for the risk committee at UNM Hospital. Director Patel stated REDW and the Hospital staff will make a presentation at the regularly scheduled September Audit Committee meeting. This presentation will include their risk assessment and audit topic(s), as well as some completed audits.
- Director Patel reviewed the remaining items on his Director’s Report (information above was also on this report). The departmental financial report as of the end of June 30, 2012 showed a reserve balance of \$228,000. The Department will use some of the reserve funds to fund another position. The Department filled the audit manager position. Director Patel introduced Mr. Chien-chih Yeh, a former senior audit manager at REDW. There is one more vacant auditor 3 position. The Department implemented electronic work paper software, and all the auditors received hands-on training. The Department will begin using the software on the next audit project.
- The Chairman asked for any advisors’ comments. There were none.

Summary of the Regent's Special Audit Committee
August 16, 2012

The meeting went into Executive Session for the reasons stated in the agenda. (Motion: Regent Koch, Second: Regent Hosmer).

- a. Schedule of Audits in Process, pursuant to exceptions at Sections 10-15-1H(2 and 7), NMSA (1978).
- b. Discussion of Final Internal Audit Reports, pursuant to limited personnel matters exception at Section 10-15-1.H(2) NMSA (1978) and exception for matters subject to attorney-client privilege pertaining to threatened or pending litigation at Section 10-15-1.H(7), NMSA (1978).

The meeting returned to open session (Motion: Regent Koch, Second: Regent Hosmer). Certification that only those matters described above were discussed in Executive Session.

The Committee approved the following Internal Audit Department audits for publication:

- 2011-07 School of Medicine Emergency Medicine Department Contract and Grant Business Processes (Motion: Regent Hosmer, Second: Regent Koch).
- 2012-06 Review of UNM Foundation Operations. (Motion: Regent Koch, Second: Regent Hosmer). The Chairman noted the Committee approves the report, subject to the addition of more information items on attached schedules - as discussed in closed session - that will be furnished by Director Patel before it is made public.

There being no further business, the meeting was adjourned at 11:32 a.m. (Motion: Regent Hosmer, Second: Regent Koch).

Approved:



Audit Committee Chairman