BOARD of REGENTS

THE UNIVERSITY of NEW MEXICO

AUDIT COMMITTEE MEETING

Thursday, August 21, 2014 at 9:00 am
Scholes Hall, Roberts Room

The University of New Mexico
Board of Regents' Audit Committee
August 21, 2014 – 9:00 AM
Roberts Room
Agenda

ACTION ITEMS

1. Confirmation of a Quorum and Adoption of Agenda

2. Approval of Meeting Minutes from June 11, 2014

3. Confirmed Audit Committee meeting date listed below is for the remainder of calendar year 2014. The Committee meets at 9:00 AM in the Roberts Room. This schedule will accommodate the exit conference for the financial audit.

    October 16, 2014

4. Amendments to Regents' Policy Manual (RPM) Policies *(Pamina Deutsch, Director, Policy Office)*:

    a. RPM 1.2 ("Structure of the Board of Regents")
    b. RPM 7.2 ("Internal Auditing")
    c. RPM 7.3 ("Audit Committee")

INFORMATION ITEMS

5. Advisors' Comments

6. Follow-Up Items from May 23, 2014 Meeting

7. Code of Ethics Update *(Amy Wohlert, Chief of Staff, President's Office, Pamina Deutsch, Director, Policy Office)*

8. Health Science Center Chief Compliance Officer Status Report *(Stuart Freedman, HSC Chief Compliance Officer)*

9. Main Campus Chief Compliance Officer Status Report *(Helen Gonzales, UNM Main Campus Chief Compliance Officer)*

10. Status of Audit Recommendations (*Chien-chih Yeh, Internal Audit Manager)*
    Implemented
    Open
    Pending

11. Director of Internal Audit Status Report (*Manu Patel, Internal Audit Director)* and Working Lunch

The University of New Mexico
Board of Regents' Audit Committee
August 21, 2014 – 9:00 AM
Roberts Room
Agenda

EXECUTIVE SESSION

12. Vote to close the meeting and to proceed in Executive Session as follows:

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

    b. Discussion of limited personnel matters pursuant to exception at Section 10-15-1.H(2) NMSA (1978);

    c. Schedule of Audits in Process, pursuant to exceptions at Sections 10-15-1H(2 and 7), NMSA (1978); and

    d. Vote to re-open the meeting.

13. Certification that only those matters described in Agenda item # 12 were discussed in Executive Session and if necessary ratification of action, if any, taken in Executive Session

14. Adjournment

THE UNIVERSITY OF NEW MEXICO
Board of Regents Audit Committee Meeting
June 11, 2014 – Draft Meeting Minutes

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

Other Attendees: Robert Frank, Chaouki Abdallah, Viola Florez, Helen Gonzales, Amy Wolhert Richard Holder, Elsa Cole, Susan Rhymer, Jep Choate, Mallory Reviere, Pamina Deutsch, Renee Delgado-Riley, Manu Patel, William Cottrell, Brandon Trujillo, Victor Griego, Chien-chih Yeh, Amy O'Donnell.

Chairman Gallegos called the meeting to order at 4:06 PM in ROBERTS ROOM, Scholes Hall, UNM. He noted that this meeting is brought about because the agenda of May 23rd was lengthy and not all items were completed. It is a short open meeting. Primarily this meeting deals with audits in closed session.

- Regent Hosmer stated he has one comment on the minutes from the last meeting. There was a question from President Frank about the assessment of how students are repaying their loans. He said the question was not answered or resolved. Chairman Gallegos replied that it can be a follow-up item at the next meeting, as there is no follow-up on this agenda.

INFORMATION ITEMS:

- The Committee confirmed the remaining dates for calendar year 2014: August 21, 2014 and October 16, 2014.

- Chairman Gallegos asked for advisor comments. Richard Holder, Deputy Provost for Academic Affairs, addressed the Committee. He thanked the Committee for its courtesy this year in listening to its advisors. He has enjoyed working with them. He noted that the Committee does important work and does it well.

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

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

    b. Discussion of limited personnel matters pursuant to exception at Section 10-15-1.H(2) NMSA (1978);

    c. Schedule of Audits in Process, pursuant to exceptions at Sections 10-15-1H(2 and 7), NMSA (1978); and

    d. Vote to re-open the meeting.

The meeting returned to open session at 6:22 p.m., with certification that only those matters described above were discussed in Executive Session.

ACTION ITEMS:

- The Committee unanimously approved the minutes from the meeting of May 23, 2014 (Motion: Regent Hosmer, Second: Regent Koch).

- The Committee approved the following UNM audit:

  Review of UNM College of Education Teacher Preparation, #2013-29 (Motion: Regent Hosmer, Second: Regent Koch).

Regent Hosmer added that he thinks data on actual teacher effectiveness in the classroom information should become available from the State by the end of the year. It should be the basis for very useful follow-up work by the college in analyzing the effectiveness of its product and its programs. He encourages the Committee and the College to pursue that as soon as the data is available.

- The Committee approved, as amended, Regents' Policy Section 3.9 Benefits of the University President (Motion: Regent Koch, Second: Regent Hosmer).

Motion to adjourn 6:25 p.m. (Motion: Regent Hosmer, Second: Regent Koch).

Approved:

_____
Audit Committee Chairman

There is no handout required for this item

UNM

Policy Office

MEMORANDUM

TO: Board of Regents' Audit Committee

FROM: Pamina M. Deutsch, University Policy and Administrative Planning Director

DATE: August 15, 2014

RE: Proposed Revisions to Regents' Policies

In order to incorporate the Main Campus Compliance Program in the Regents' Policy Manual (RPM) and to make other relatively minor revisions to existing policies, several policy drafts are being submitted for your consideration, as follows:

a. RPM 1.2 ("Structure of the Board of Regents")
b. RPM 7.2 ("Internal Auditing")
c. RPM 7.3 ("Audit Committee")

As a final matter, RPM 3.7 ("Institutional Compliance Program"), the standalone policy on the Health Sciences Center Compliance Program, should be retitled "Health Sciences Center Institutional Compliance Program" to more accurately describe its subject matter, which concerns the Health Sciences Center rather than the University as a whole. This new title for RPM 3.7 is reflected in the attached policy drafts.

REGENTS' POLICY MANUAL - SECTION 1.2: STRUCTURE OF THE BOARD OF REGENTS

Draft of 8-5-2014

Adopted Date: 09-12-1996
Amended: 09-09-2003
Amended: 08-10-2004
Amended: 12-14-2004
Amended: 03-14-2005
Amended: 12-14-2010

Appointment of Members

The Board of Regents is composed of seven members who are appointed by the Governor of New Mexico, with the consent of the Senate, for staggered terms of six years except for the student regent who is appointed for a two-year term. The Governor and the Secretary of Education are designated as ex-officio, non-voting members, and the Presidents of the Faculty Senate, Staff Council, Associated Students of UNM, Graduate and Professional Student Association, Alumni Association, UNM Retiree Association, UNM Parent Association, and the Chair of the UNM Foundation are non-voting advisors.

Removal of Members

Members of the Board of Regents shall not be removed except for incompetence, neglect of duty, or malfeasance in office. A member may not be removed without notice of hearing and an opportunity to be heard. The New Mexico Supreme Court has original jurisdiction over proceedings to remove a member of the Board of Regents in accordance with such rules as the Court may promulgate, and its decision in such matters is final.

Officers

The Board of Regents is required by statute to meet in Albuquerque on the second Monday in March of each year to elect a president, vice-president, and secretary-treasurer, at which time, though not required by statute, the Board also elects a vice president. The President presides at all meetings of the Board and signs all instruments required to be executed by the Board. When the President of the Board of Regents is absent, the Board of Regents hereby appoints the Vice-President to serve as President pro tem.

Compensation

Members of the Board are not remunerated for their services. They are, however, eligible for travel reimbursement, pursuant to the University's travel reimbursement policies. (See, RPM 7.7 and ~~UBPPM Policy 4030~~UAP 4030.)

Conflict of Interest

Members of the Board are subject to the "Regent Code of Conduct and Conflicts of Interest Policy." (See, RPM 1.8.)

Orientation of New Members

When a new member is appointed to the Board, the member ~~will~~ may choose to receive hard copies of the Faculty Handbook and~~,~~ the Regents' Policy Manual, or elect to access the manuals online at http://handbook.unm.edu and at http://policy.unm.edu/regents-policies/index.html, respectively. New members also~~, and~~ will receive a compilation of current New Mexico statutes pertaining to the Regents. The President will arrange briefing sessions for newly appointed Regents.

Standing Committees and Appointment to Board of Directors

In order to facilitate the work of the Board of Regents, the President of the Board of Regents appoints members to standing committees each year and appoints chairs and vice-chairs of each committee. As provided for in RPM 3.5, the President of the Board of Regents appoints members to the HSC Board of Directors. The President of the Board of Regents shall consult with the Board of Regents concerning such appointments to committees and boards. Consistent with the requirements of the University Research Park and Economic Development Act ("URPEDA"), the President of the Board of Regents nominates members to serve on the various Boards of Directors of URPEDA corporations in which the University is a member following the approved bylaws of each ~~such~~ URPEDA corporation and ~~such~~ nominees will be appointed to each such Board upon the vote of a majority of the Regents.

The standing committees of the Board of Regents are Audit and Compliance; Finance and Facilities; and Academic, Student Affairs and Research~~, and Advancement~~. The President of the Board of Regents may name other standing committees with the consent of the Board of Regents.

Each standing committee shall consist of three Regent members, and such community and University members as the President of the Board of Regents deems appropriate. A quorum of a Regents' committee consists of a majority of the appointed members of that committee, regardless of whether those in attendance are Regent members or community members. The President of the Board of Regents shall serve as a non-voting alternate, and may serve as a voting member whenever any of the Regent members are not present.

Each committee shall have a designated vice president responsible for assisting the chair of the committee. The chair of each committee shall be responsible for preparing the agenda for the committee meetings, in consultation with the vice president, the ~~President of the~~

~~University~~University President and the President of the Board of Regents. The ~~President of the University~~University President may submit agenda items for the committee to the President of the Board of Regents and the chair of the committee. All action items for the Board of Regents must be first reviewed by a standing committee or by the UNM Health Sciences Center Board of Directors, as the case may be, unless this requirement is waived by the President of the Board of Regents.

The duties and responsibilities of the UNM Health Sciences Center Board of Directors are set forth in RPM 3.5. The duties and responsibilities of the ~~Audit Committee~~Audit and Compliance Committee are set forth in RPM 7.3. The other standing committees, duties and functions are determined by the Board of Regents, and shall include at least gathering information, conferring with members of the administration, faculty, staff, student body, and public on the topics within the committee's duties, and making recommendations for action by the Board of Regents. The chairs of the standing committees (or vice-chairs in the absence of the chairs) shall report the committee recommendations to the Board of Regents at its meetings. Standing committees do not constitute a quorum of the Board of Regents and have no authority to act for the Board of Regents.

The UNM Health Sciences Center Board of Directors and all standing committees will abide by the New Mexico Open Meetings Act.

Consent Agenda Matters

Certain matters, or categories of matters, may be referred by the Board of Regents for discussion and recommendation by a standing committee (and, as appropriate, the UNM Health Sciences Board of Directors) and thereafter placed on the Board of Regents' consent agenda for approval by the Board of Regents without further discussion. All matters, or categories of matters, within the subject matters regularly assigned to a standing committee (or, the UNM Health Sciences Center Board of Directors, as the case may be) shall be deemed to have been referred by the Board to that standing committee. Any member of the Board of Regents shall have the right, upon request, to remove any item from the Board's consent agenda and place the item on the Board's regular agenda for discussion.

Operations Committee

In addition to the standing committees, there shall be an Operations Committee which shall consist of the President of the Board of Regents as chair, together with two other Regent members appointed by the President of the Board. The Operations Committee will meet informally, including by telephone conference, to discuss the agenda for upcoming Board of Regents meetings and other items of business likely to come before the Board of Regents. The meetings of the Operations Committee will not be subject to requirements of the Open Meetings Act.

Ad Hoc Committees

From time to time the President of Board may appoint ad hoc committees consisting of two or three Regent members to gather information and make recommendations to the Board of Regents about specified matters. Public notice of such meetings will be given and public attendance and participation permitted as deemed appropriate by the committee chair.

Quorum for Meetings of the Board

Four of the seven members of the Board shall constitute a quorum for the transaction of business.

Agenda for Meetings

Items typically are considered by the appropriate Board of Regents' committee before going to the full Board of Regents. The President of the UniversityUniversity President is responsible for preparation of the written agenda for Board of Regents meetings; the President consults with the President of the Board of Regents about each agenda. Copies of the agenda are distributed to the Regents, the President of the UniversityUniversity President, other administrators, representatives of the news media, and other interested parties, and posted on the University's website. To the extent practical, agenda items will contain references to the applicable Board of Regents' policies.

Additions to the agenda may not be made less than 24 72 hours prior to the meeting, except in the case of an emergency as defined in the Open Meetings Act. The Board of Regents will consider such emergency changes to the agenda at the beginning of each meeting, but once the Board of Regents formally approves the agenda, it will be followed.

Persons or groups wishing to place an item on the agenda of the Board of Regents, whether for possible Board of Regents action or for purposes of addressing the Board of Regents about an item, must submit a letter to that effect to the President of the Board of Regents via the President of the UniversityUniversity President not less than two four working days prior to the scheduled meeting. Final decisions to place items on the agenda or to refer items to committee will be rendered by the President of the Board of Regents after consultation with the President of the UniversityUniversity President.

Conduct of Meetings

Parliamentary procedure shall be governed by the most current revision of Robert's' Rules of Order, except that New Mexico law or other applicable Regents' policies will govern if there is a conflict with Robert's' Rules of Order.

References

Structure: New Mexico Constitution

N.M. Const, art. XII, § 13 ("Board of regents");

N.M. STAT. ANN. §§ 21-1-9 ("Expenses of members of boards of regents"), 21-1-13 ("Ex officio board memberships of governor and superintendent of public instruction"), 21-7-5 ("Annual organization meeting of board; election of officers; bond of secretary-treasurer; conditions"), 21-7-6 ("President; secretary and treasurer; duties and powers") (1978), NMSA 1978.

REGENTS' POLICY MANUAL - SECTION 7.2: INTERNAL AUDITING AND COMPLIANCE

Draft of 8-15-14

Adopted Date: 09-12-1996
Amended: 08-10-2004
Amended: 07-01-2007
Amended: 05-28-2008

Applicability

This policy applies to the controls, risk management, and organizational governance of the University, and to public access to University records.

Policy

The ~~Board of Regents shall establish an~~ Internal Audit Department was established to perform a comprehensive internal audit function for the University. The Compliance ~~Office~~Program was established to ensure that University activities are conducted in compliance with applicable federal and state laws and regulations and with the highest ethical standards. The Compliance Program consists of the Main Campus Compliance ~~Office~~Program, which is addressed in this policy, and the ~~HS~~Cealth Sciences Center Institutional Compliance ~~program~~Program, which is addressed separately in RPM 3.7 ("Health Sciences Center Institutional Compliance Program").

~~The internal audit~~ These units ~~function is an assurance and consulting activity designed to~~ add value and improve the University's operations. ~~Internal Audit will~~They conduct independent, objective assurance services ~~(audits)~~ and consultations to determine whether the University's systems of controls, risk management, and organizational governance, as designed and represented by management, are adequate and functioning properly. To ensure independence of the internal audit and compliance functions, the Director of Internal Audit and the Main Campus Chief Compliance Officer report ~~Internal Audit Department shall reports~~ functionally to the Board of Regents, and ~~both the Director of Internal Audit and the Chief Compliance Officer report and~~ administratively to the University President ~~of the University~~. Internal Audit and the Main Campus Compliance Office shall be free from interference in determining the scope of internal auditing and ~~,~~compliance reviews, and shall be empowered to obtain the information they need, perform~~ing~~ their work, and~~/or~~ communicate the ~~ing~~ results.

Authority

The Internal Audit Department is authorized to:

1. Have unrestricted access to all functions, records, property, and personnel.
2. Obtain the necessary assistance of personnel in organizations where they perform audits.
3. Communicate with University management, faculty, staff, external auditors, governmental entities, and law enforcement agencies as needed.
4. Cooperate with any legitimate inquiry or investigation from an outside audit, law enforcement or investigative agency, if advised to do so by University Counsel.

The Internal Audit Department is not authorized to:

1. Perform any operational duties for the University or its affiliates.
2. Initiate or approve accounting transactions external to Internal Audit.
3. Direct the activities of any University employee not employed by Internal Audit.
4. Render legal opinions.
5. Have direct responsibility for or authority over any of the activities that it examines.

The Compliance Office is authorized to:

1. Obtain the necessary assistance of personnel involved in compliance activities. To this end, the Chief Compliance Officer shall identify a network of compliance partners who have expertise in specific compliance areas.
2. Require that compliance partners provide regular (e.g., quarterly) reports that are sufficient to determine compliance status.
3. Communicate with University management, faculty, staff, and governmental entities, as needed.
4. Cooperate with any legitimate inquiry or investigation from an outside law enforcement or investigative agency, if advised to do so by University Counsel.

The Compliance Office is not authorized to:

1. Direct the activities of any University employee not employed by the Compliance Office, except as authorized above.
2. Render legal opinions.
3. Have direct responsibility for or authority over any of the activities that it examines.

Responsibility and Accountability

The Director of Internal Audit shall:

1. Submit an annual budget and audit plan to the Board of Regents' ~~Audit Committee~~Audit and Compliance Committee ~~(Audit Committee~~Audit and Compliance Committee) for review and approval.
2. Provide quarterly reports to the ~~Audit Committee~~Audit and Compliance Committee on the status and results of the audit plan, significant audit findings and recommendations, and sufficiency of department resources.
3. Provide timely information to the University President ~~of the University~~ and the ~~Audit Committee~~Audit and Compliance Committee concerning suspected fraudulent activities.

4. Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of the policy.

The Chief Compliance Officer shall:

1. Submit an annual budget and compliance plan to the University President for review and approval and to the Audit and Compliance Committee for review.
2. Provide quarterly reports to the University President and the Audit and Compliance Committee on the status and results of the compliance plan, significant compliance findings and recommendations, and sufficiency of department resources.

3. Provide timely information to the University President and the Audit and Compliance Committee concerning significant compliance concerns.
4. Obtain and maintain sufficient knowledge, skills, experience, and professional certifications to fulfill the requirements of the position.

Scope of Work

The scope of work of Internal Audit is to determine whether the University's systems of control, risk management, and organizational governance, as designed and represented by management, are adequate and functioning properly to ensure:

1. Risks are identified and managed.
2. Significant financial, managerial, and operating information is accurate, reliable, and timely.
3. Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
4. Resources are acquired economically, used efficiently, and adequately protected.
5. Programs, plans, and objectives are achieved.
6. Quality and continuous improvements are fostered in the University's control process.
7. Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.
8. Procedures used by the governing body provide oversight of risk and control processes administered by management.

The scope of work of the Compliance Office is to identify compliance requirements, enhance compliance awareness, and support the achievement of compliance obligations. As part of this work, the Compliance Office will:

1. Identify compliance partners for every unit of the University (excluding the Health Sciences Center) that has a compliance role. The compliance partners manage day-today compliance for a wide range of University activities, ~~se include~~ including without limitation, human subjects research, export control, animal research, conflicts of interest in research, research integrity, research administration, the Clery Act, Federal Educational Rights and Privacy Act, tax-exempt bonds, unrelated business activities,

Americans with Disabilities Act, affirmative action, equal opportunity employment, donor gift restrictions, financial aid, global operations, human resources, immigration, land use, National Collegiate Athletic Association, procurement, property management, scientific misconduct, sexual harassment, intellectual property, technology licensing, and workers compensation.Provide the tools, guidance, and oversight needed to adhere to all necessary regulatory requirements

2. Provide the tools, guidance, and oversight that the compliance partners need to ensure that their units' internal compliance controls are adequate and functioning.
    .
3. Coordinate the University's compliance activities, including chairing a Compliance Committee.
4. Identify key risk areas and perform risk assessments on compliance readiness.
5. Provide compliance advisory services to Internal Audit and to other faculty and staff.

6. Assist in the development of compliance related policies or practices.
7. Assist in the development and delivery of compliance related training.
8. Evaluate emerging compliance trends in higher education and government and implementrecommend best practices.
9. Report results of compliance program activities to senior management and the Audit and Compliance Committee.
10. Collaborate with the Health Sciences Center's Chief Compliance Officer on various compliance matters.

Audit Reports

Internal Audit will prepare a written reports of the results of audit work performed. Management is required to respond to the report within ten days of receiving it. The response will include three elements: a statement as to whether management agrees with the audit finding, corrective action to be taken to meet the objectives of the audit finding, and the dates by which the actions will be implemented. If no action will be taken, the response will indicate the reasons. Internal Audit will forward its report and the management's response to the University President who shall review them and either accept the response or request further development of the response. After the University President has accepted the response, Internal Audit will forward the report and response to the Audit CommitteeAudit and Compliance Committee for approval. Upon approval of an audit report by the Audit CommitteeAudit and Compliance Committee, the full text of the report, as well as any drafts of the audit report and related audit materials will be made public in accordance with RPM 2.17,Regents' Policy 2.17, except for information that is specifically exempted from public inspection by the New Mexico Inspection of Public Records Act (IPRA). Any such information that is specifically exempted by IPRA will be redacted (blacked-out) when the reports are made public. Information redacted from reports will be made public if and when these considerations are no longer relevant. Public reports will be posted on Internal Audit's public Internet web site. The full text of reports may be released to non-public sources, such as external auditors, governmental entities, funding entities, and law enforcement agencies as needed. Internal Audit will perform follow-up reviews to ensure corrective actions indicated in the responses have been completed.

Investigation of Fraudulent Activity

The Internal Audit Department will coordinate investigations of suspected fraudulent activities within the University. If ~~the~~ an investigation reveals possible fraudulent activity has occurred, Internal Audit will ask University Counsel to render an opinion as to whether the audit findings indicate that illegal activity ~~may~~ appears to have occurred. If, in University Counsel's opinion, illegal activity appears to~~ies may~~ have occurred, Internal Audit will notify the University President ~~of the University~~, the cognizant vice president, ~~UNM Risk~~ Safety and Risk Services ~~Management~~, the Compliance Office, and the appropriate law enforcement agency. If the illegal activity involves an area of high public interest or an amount greater than $20,000, Internal Audit will notify the ~~Audit Committee~~Audit and Compliance Committee within forty-eight hours.

Internal Audit will notify the State Auditor's Office of illegal activity in accordance with the State Audit Act, §12-6-6 NMSA 1978, and the State Auditor's regulations, NMAC 2.2.2.10 ~~L~~. Internal Audit will assist the Office of the Vice President for Research Services or the Health Sciences Center Controller's Office in notifying funding agencies when contract and grant funds are involved in the loss.

Standards and Ethics

Both Internal Audit and the Compliance Office are required to maintain the highest standards of ethical practice. In the conduct of its audits, Internal Audit shall abide by applicable pronouncements made by professional bodies including the Institute of Internal Auditors (IIA) and the American Institute of Certified Public Accountants (AICPA). The generally accepted auditing standards published by these groups shall serve as guides in the performance of internal audits. In addition to maintaining the highest standards of practice in the performance of its duties, Internal Audit shall adhere strictly to the Code of Ethics as established by the IIA and adopted by the Association of College and University Auditors. Due regard should also be given to pronouncements concerning ethical behavior by the AICPA.

References

Audit Act, §12-6-~~36~~, NMSA 1978; NMAC 2.2.2.10 ~~L~~; ~~"Public Access to University Records"~~ RPM 2.17 ("Public Access to University Records"); ~~"Audit Committee"~~ RPM 7.3 ("Audit and Compliance Committee") ; ~~"Whistleblower Protection and Reporting Suspected Misconduct and Retaliation" UBPPM Policy 2200~~UAP 2200 ("Whistleblower Protection and Reporting Suspected Misconduct and Retaliation"); ~~"Dishonest or Fraudulent Activities" UBPPM Policy 7205~~UAP 7205 ("Dishonest or Fraudulent Activities"); ~~University Business Policies and Procedures Manual~~; and publications from ~~The~~ the Institute of Internal Auditors.

REGENTS' POLICY MANUAL - SECTION 7.3: ~~AUDIT COMMITTEE~~AUDIT AND COMPLIANCE COMMITTEE

DRAFT OF 8-15-2013

Adopted Date: 09-12-1996
Amended: 08-10-2004

Applicability

This policy applies to the controls, risk management, and organizational governance of the University.

Policy

The ~~Audit Committee~~Audit and Compliance Committee will assist and advise the Board of Regents ~~(Board)~~ in fulfilling its oversight responsibilities for the University's financial reporting, internal controls, risk management, performance of external and internal auditors, ~~and~~ compliance with laws and regulations, and ~~Main Campus and Health Sciences Center~~ compliance programs. The ~~Audit Committee~~Audit and Compliance Committee will review all contracts for audit and non-audit services provided by independent public accountants and recommend action to the Board. ~~These contracts must be approved by the State Auditor.~~ Both the internal auditors, ~~and~~ external auditors, and Chief Compliance Officer shall have direct access to the ~~Audit Committee~~Audit and Compliance Committee and the Board.

Composition

The ~~Audit Committee~~Audit and Compliance Committee of the Board of Regents shall consist of one member from each of the Regents' standing committees. The Board President shall appoint members to the ~~Audit Committee~~Audit and Compliance Committee, and appoint the chair and the vice chair. The Board President shall be an alternate member, serving in the absence of a regular committee member. One member shall be designated as the "financial expert." This Regent shall possess financial expertise, including but not limited to an understanding of generally accepted accounting principles, financial statements, internal controls, and audit functions.

Meetings

The ~~Audit Committee~~Audit and Compliance Committee shall meet ~~at least~~ four or more times a year~~. concerning Audit Committee issues.~~ At least annually, the ~~Audit Committee~~Audit and Compliance Committee shall meet separately in executive session with the external auditors and ~~shall~~ ask for comments on management support of the audit function, quality of audit effort,

quality of internal controls, and other areas of concern. As needed, the ~~Audit Committee~~Audit and Compliance Committee and~~/or~~ Board will meet in executive session with the Director of Internal Audit and the Chief Compliance Officer.

Financial Statements

The University shall maintain proper financial accounts and records and prepare annual financial statements in accordance with generally accepted accounting principles. The University President and the Executive Vice President for Administration must attest that the annual financial statements accurately reflect the financial position of the University.

External ~~Auditors~~Audits and Reviews

The University's financial accounts and records shall be audited annually by independent public accountants approved by the ~~Commission on Higher Education (CHE)~~Higher Education Department and the State Auditor. The ~~Audit Committee~~Audit and Compliance Committee will recommend to the Board the independent public accountants to conduct the annual audit. The independent public accountants who perform the annual audit are prohibited from providing consulting services to the University. The audit shall be conducted in accordance with generally accepted auditing standards.

The ~~Audit Committee~~Audit and Compliance Committee will review the audit scope and approach and oversee the audit. To the extent deemed necessary and desirable, the ~~Audit Committee~~Audit and Compliance Committee will maintain direct and separate avenues of communications with the external auditors. As soon as feasible after the end of the fiscal year, the Board of Regents will review the annual audit report, including the management letter and response, with the external auditors and will take action to approve the report. The report must also be approved by the State Auditor.

In addition to the annual audits conducted by external auditors, other parties, such as federal and state agencies, may conduct financial audits and compliance or regulatory reviews of the University's projects and programs. In the event that a University department becomes aware of such an audit or review, the department must notify the Director of Internal Audit, and provide the Director with a copy of the final report issued to the University for the audit. The Director of Internal Audit will notify the Audit and Compliance Committee of any significant risks or deficiencies noted in th~~os~~e report~~s~~.

Internal Audit Department and Compliance Office

Both the Director of ~~The~~ the Internal Audit Department and the Chief Compliance Officer~~shall~~ report functionally to the Board, and administratively to the ~~President of the~~ University President. The Internal Audit Department and the Compliance Office shall be free from interference in determining the scope of internal auditing, compliance reviews, performance of work, or communication of results. The ~~Audit Committee~~Audit and Compliance Committee will review and approve the annual audit plan and budget submitted by the Director of Internal Audit and the compliance plans submitted by the Chief Compliance Officer. ~~Discussions regarding~~

hiring, performance evaluation, compensation, and termination of the Director of Internal Audit require endorsement of the Audit CommitteeAudit and Compliance Committee. The Committee will receive quarterly reports from the Director of Internal Audit and the Chief Compliance Officer on the status and results of the audit and compliance plans and significant audit and compliance findings. The Audit CommitteeAudit and Compliance Committee will meet with the Director of Internal Audit and the Chief Compliance Officer to review the University's system of internal controls and the adequacy of accounting, financial, and operational policies and practices on financial and compliance reporting.

Discussions regarding the hiring, performance evaluation, compensation, and termination of the Director of Internal Audit require endorsement of the Audit and Compliance Committee.

References

Audit Act, § 12-6-3, NMSA 1978; NMAC 2.2.2.8, 2.2.2.10; RPM 3.7 ("Health Sciences Center Institutional Compliance Program"); RPM 3.8 ("Main Campus Compliance Program"); and RPM 7.2 ("Internal Auditing")

There is no handout required for this item

INFORMATION

TO

BE

SUPPLIED

AT

MEETING

INFORMATION

TO

BE

SUPPLIED

AT

MEETING

There is no handout required for this item

Chief Compliance Officer Quarterly Report

Submitted by Helen Gonzales, Main Campus Chief Compliance Officer (CCO)
August 21, 2014

This quarterly report to the Regent's Audit and Compliance Committee includes activity since the May, 2014 Regent's Audit Committee meeting.

Compliance Office Goals, Activity, & Accomplishments

The following goals have been assigned to the Chief Compliance Officer for FY15:

Goal 1: Document internal controls and monitoring mechanisms, identify any gaps or risks, and communicate directly with compliance partners to recommend appropriate action.

During the last quarter, I continued to develop core compliance processes to support ongoing mitigation efforts, including:

• Developed and maintained an inventory of all material laws and regulations applying to the university;
• Worked in collaboration with Internal Audit to develop a Risk Assessment instrument that will help determine the effectiveness of internal controls;
• Worked with key university stakeholders to ensure the establishment of sufficient operational controls to comply with key legal and regulatory requirements;
• Met with thirteen of the eighteen compliance partners to review their compliance obligations;
• Met with the HSC Compliance Officer to discuss exclusion check process;
• Spent a significant amount of time this last quarter working on issues related to Clery Act and Title IX compliance;
• Joined the Athletics strategic plan governance work group.

Goal 2: Provide quarterly reports to the President and the Regents about compliance status, with an emphasis on issues requiring immediate attention.

• Developing a compliance scorecard to be used to identify areas that require attention.

Goal 3: Work with Compliance partners to develop education programs that are sufficient as well as efficient in terms of the time and resources required for implementation.

• Identified all of the university training programs that address compliance issues. Began work with HR to ensure the delivery of efficient, effective, and appropriate training to all members of the university community;
• Convened the Institutional Compliance Committee and reviewed UNM Export Controls, Title IX, and University Policies;

Goal 4: Participate in the development of a campus-wide code of ethics and behavioral guidelines.

• Scheduled to attend first meeting in August, 2014.

Goal 5: Work closely with University Policy process and Internal Audit to align compliance needs with policies and monitoring activities.

• Met with the Policy Office Director to identify policies under review and request a presentation at the Institutional Compliance Committee;
• Continued on-going collaboration with Internal Audit to identify risks and mitigation efforts.

During the last quarter, the Chief Compliance Officer participated in the Higher Education Compliance Officer conference.

Project Code	Project Name	Issue Title	Executive Recommendation	Response	Estimated Implementation Date	Recommendation Action	Actual Implementation Date	Responsible Party
Recommendation State: Implemented								
2013-01	Review of College of Arts and Sciences Operations	Recommendation 4 - Tracking Retention and Graduation Rates at Department Level	A process should be implemented, which provides the ability to track and monitor retention and graduation rates by the College and its departments.	The Office of Institutional Analytics has begun development of metrics to estimate retention and graduation rates at both the college and departmental levels. Furthermore, metrics will include tracking of students' ACT, SAT, School District, and High School information.	5/31/2014	Internal Audit reviewed metrics approved by the Provost to track retention and graduation rates. Institutional Analytics now has the ability to pull data to prepare retention and graduation rates by College and School, as well as by major. The retention and graduation rate data is prepared by Institutional Analytics and submitted to the Associate Provost who then prepares and submits an evaluation report that includes graduation rates to the Dean of each College and School. Internal Audit reviewed a sample of the report and noted retention and graduation rate data was first made available in May 2014. Internal Audit has determined that the recommendation to develop a process to track and monitor retention and graduation rates has been implemented.	8/15/2014	Terry Turner, Acting Director, Institutional Analytics
2013-08	Foundation Distribution Donor's Intent	Recommendation 2 - UNM Gallup Endowments	Foundation spending distributions made to UNM-Gallup for scholarships should be budgeted and disbursed on an annual basis, and in compliance with donor requirements specified within donor agreements.	The scholarship committee was reorganized 8/13 to include the Int. Director of Public Affairs, Int. Director of Student Services, two faculty members, Financial Aid Mgr., Operations Mgr. for Extended University, and a community member. The committee met twice during the fall semester and awarded 25 scholarships = $6,730. Scholarship applications for the spring semester will be sent to the students on 1/1/14. This communication will include available scholarships, eligibility requirements, and deadlines for submitting applications. In the spring of 2014, UNM-Gallup will hold a Scholarship Donor Event where the donors will be invited to meet the recipients/students that have been the beneficiaries of their generous donation. During the FY15 budget process, the revenue and reserves from these endowments will be made available to the Interim Director of Student Services, so that they can track the spending of the current year's distribution and the accumulated reserves.	5/31/2014	Internal Audit reviewed a listing of the scholarship committee, which was implemented during FY 2014 consisting of 10 members including Executive Director Christopher Dyer. Gallup also hired a Director of Student Affairs (Jeannie Baca) and a Director of Public Affairs (Marilee Petranovich) to ensure scholarships are awarded in a timely manner. Gallup hosted a scholarship donor event on March 6, 2014, open to the public, to give notice of available scholarships. Internal Audit reviewed Gallup's operating ledger for endowments and noted FY 2014 scholarship awards were $22,934 compared to $7,250 in FY 2013. Internal Audit also noted scholarships were awarded from 8 of their endowments in FY 2014 compared to only 2 in FY 2013. Internal Audit determined this recommendation has been implemented.	8/14/2014	Timothy Martin,Dir,Business Opns/Lg Branch: Gallup
2013-27	Parking and Transportation Services Contract Renewal	Recommendation 5 - IT issues	PATS should implement a Flex access policy requiring written and filed documentation of requests and approvals of privilege activations. PATS should ensure that they only grant appropriate persons such privilege to perform void and markdown duties. The PATS Director or Manager should independently review the privilege report.	PATS will institute a Flex Access Policy that requires documentation of level of access within T2-Flex; documentation will require the approval and signature by a Manager and the Director of PATS for implementation. The PATS Director will receive weekly privilege reports that will allow him/her to track any and all changes that have been made within the T2-Flex system.	6/30/2014	PATS adopted a policy governing the granting, documentation, and evaluation of Flex user roles and privileges. The PATS Flex system was programmed to alert the Director and other personnel on a weekly/monthly basis by sending various reports such as current roles with void/warning privileges and changes, and records of marked down or void, etc. IA reviewed the new process and verified it with reports and other documentation provided by PATS. Recommendation has been implemented.	6/9/2014	Barbara Morck, PATS Director

Recommendation State: Pending

Project Code	Project Name	Issue Title	Executive Recommendation	Response	Estimated Implementation Date	Last Status Update	Actual Implementation Date	Responsible Party
2013-10	P-Card	Recommendation 2 - Recording and Tracking the purchase of hazardous chemicals and radioactive materials	The Purchasing department and SRS should implement a a system which effectively records the purchase of hazardous materials and radioactive materials, and provides all relevant information to SRS for tracking.	SRS purchased the Enterprise Re-Agent Manager (ERM) software and is implementing this software in five UNM Departments effective August 2013. This ERM software will replace ICID. It is a SciQuest Product that communicates with Banner. Purchasing and SRS are working as a team to populate the ERM software with data from Chemical and Research Laboratory Supplies (CRLS). SRS established a main campus Chemical and Laboratory Safety Committee and is working with the committee to attempt to implement ERM campus-wide. SRS needs the support of UNM management to promulgate policies to require the use of ERM software and the inventory of chemical and radioactive materials.	7/1/2015			Carla Domenici, Int Dir, Safety & Risk Services
2013-11	UNM Medical Group	Recommendation 2 - Research Park Act	The University Office of Government and Community Relations should work with UNMMG management to propose necessary amendments to the University Research Park Act during the 2015 sixty day legislative session.	The UNM Office of Government and Community Relations will work with the HSC Leadership and Council of the University Presidents to propose legislative amendments to the University Research Park and Economic Development Act during the 2015 legislative session.	6/14/2015			Connie Beimer, Government Relations officer
2013-27	Parking and Transportation Services Contract Renewal	Recommendation 1 - Update UNM Parking Regulations	The Associate Vice President of Institutional Support Services should work with the Board of Regents to revise the PATS Parking Regulations to reflect the actual parking enforcement configurations and to update the other entities that handle their own parking services.	We concur. UNM PATS Parking Regulations will be updated to reflect the current parking enforcement configurations, and submitted, for approval, to the President who has been delegated authority to approve UNM Parking & Transportation Services Regulations on behalf of the UNM Board of Regents.	9/30/2014			Chris Vallejos,Avp,Bsn Plng & Svcs/Iss and Barbara Morck, PATS Director
2013-05	HSC Cancer Research Center	Recommendation 1 - EOD Training - HIPPA and Standard	The Director/Chief Executive Officer of the UNM Cancer Center should work with the Cancer Center Human Resources Department and with the SOM Department Chairs (who hold primary responsibility for faculty) to ensure that all faculty and staff take the University's required training and HIPAA training courses.	UNM CC intends to address the recommendation with the following actions.Staff: 1) CC Human Resources will retrain managers and supervisors to ensure completion of required training is accurately tracked and noted on employee evaluations. 2) CC Human Resources will work with Learning Central to develop/obtain a detailed tracking report of required training courses by employee. Faculty: SOM Chairs/Administrators for faculty who practice in the Cancer Center will work with representatives from Learning Central to ensure faculty training plans are properly loaded for faculty. SOM Department Division Administrators will work closely with Chairs to audit and track completion; the Cancer Center Director and CEO will review completion of these learning plans with critical Department Chairs to assure completion.	12/31/2014			Cheryl Willman, Cancer Center Director/CEO, and relevant SOM Department Chairs, Administrators

2013-01	Review of College of Arts and Sciences Operations	Recommendation 2 - Process for Tracking Academic Load Requirements	A process should be implemented that enables colleges to effectively track and monitor time that faculty members spend on research and public service activities to help management effectively determine if faculty members are meeting academic load requirements and workload guidelines.	Processes to enable tracking of faculty workload are in development, with a significant amount of work still to be done. Banner has a module new to version 8 called "Faculty Workload and Compensation" and a project has been created to implement the module. The module includes a self-service portion where department chairs or designees can enter and adjust faculty instructional workload values, and input non-instructional workload measures for areas such as research, public service, administrative duties, and special assignments. The implementation is in its early phase, and full implementation would require significant further work, including work by a number of units, especially Faculty Contracts, Enrollment Management, Information Technologies, and Institutional Analytics. Also, departments and colleges will have to be trained on how to use the module to input faculty workload information.	12/15/2015	To track faculty public service activities, Academic Affairs requires Department Chairs, Directors or Deans to prepare annual written performance evaluations of all regular faculty. These written performance evaluations include a section on public service activities and thus serve as a written record of faculty accomplishments in this area. To track faculty research activities, an RFP was created for the purchase of a scholarly productivity subscription service, which will have the ability to track faculty research activities. The products of three vendors responding to the RFP are being evaluated this Fall, and a decision on purchase is expected to be made by January 1, 2015. Actual implementation of the software is expected to be completed by December 15, 2015.		Banner Faculty Workload Project Team (Nancy Middlebrook, Provost's Office, project lead)
2013-15	Safeguards for Protecting Private Data– Service Providers and Contractors	Recommendation 1 - UNM Information Security Program	The CIO needs to implement the UNM Information Security Program University-wide.	Concur. The CIO will continue implementation of the Information Security Program with the advisory structure approved by the President. The CIO submitted a recommendation to the IT Governance Council UNM Policy 2560 (President, EVPs, and Chancellor) to create a University wide security council. The existing and operational UNM Information Security Program will be assigned to the appropriate advisory structure.	8/31/2014	Comprehensive list of standards and policies drafted, vetted and communicated is on target to be completed by December 2014.		Gilbert Gonzales, Chief Information Officer
2013-15	Safeguards for Protecting Private Data– Service Providers and Contractors	Recommendation 3 - Confidential Data Contracting and Security Review Procedures	The Purchasing Department needs to work with the University Information Security Officer and the HSC Information Security Officer to develop written procedures for the review of service providers and contractors with access to confidential data. These procedures should include: disclosure by the department requesting the purchase when applicable; notification via a flag in the contract management system; and certification from the service provider.	Concur. The Purchasing Department will work with the University Information Security Officer and HSC Information Security Officer to develop written procedures for the review of contractors who have access to confidential data. The Purchasing Department will work to identify a method in LoboMart for Departments to flag requisitions that provide vendors with access to confidential data. Purchasing will also develop a process that will require the service provider to certify at the end of a contract that all confidential data is either returned to UNM or destroyed.	9/30/2014	Purchasing has added a flag to the LoboMart purchasing process that will trigger a security review in the Banner requisition process. The LoboMart flag will be based on the departments' determination on whether the requisitioned service or product will allow access to confidential data. This process should be rolled out by 9/30/2014.		Bruce Cherrin, Chief Procurement Officer
2013-15	Safeguards for Protecting Private Data– Service Providers and Contractors	Recommendation 2 - University Information Security Function	The President should give the CIO the explicit authority and responsibility to manage information security University-wide, including the decentralized computing services. The President should also ensure that the CIO has the budget to develop, implement, and enforce security policies.	Concur. The President's Office is working with the EVP for Administration, the Provost and EVP for Academic Affairs, and the Chancellor for Health Sciences on the appointment of an appropriate advisory structure. We will work with the EVP for Administration and the CIO to evaluate whether this office has sufficient budget and authority to develop, implement, and enforce security policies. The Information Security Office, through the CIO, has established a security management reporting mechanism and makes quarterly reports to senior management on the status of information security at UNM.	8/31/2014	Completion of this recommendation is dependent upon the findings of a consulting firm reviewing IT at UNM. The recommendations from the consulting firm are anticipated in 2015.		Gilbert Gonzales, Chief Information Officer

2013-29	Review of College of Education Operations	Recommendation 1 - Reserve designations	The Dean should enforce UNM Reserve policies which require preparing and maintaining adequate supporting documentation for committed and dedicated reservations.	In accordance with the Board of Regent's policy 7.2 "Budgets and Fund Balances," departments responsible for current unrestricted funds are required to submit a budget use report to the cognizant vice president. This is further explained in UAPP 7000.2. The College commits to maintaining supporting documentation that is required by these policies in the form of signed reports from the Chair to the Dean designating their balances into the appropriate categories.	10/15/2014			Salvador Hector Ochoa, Dean; Susan Rhymer, Finance Officer
2013-29	Review of College of Education Operations	Recommendation 10 - Review curricular fees for funding TK20 system	The Dean of the College of Education should review the TK20 Higher Education curricular fees to ensure that expenses are still allowable, allocable, reasonable, and timely.	An analysis of the appropriateness of the curricular fees will be conducted during FY15 to ascertain the allowability, allocability and reasonableness of the charges.	12/31/2014			Salvador Hector Ochoa, Dean; Susan Rhymer, Finance Officer
2013-29	Review of College of Education Operations	Recommendation 6 - Residency School	The Dean of the COE and the Provost office should consider developing a College of Education Teacher Preparation Residency School. Such a residency school could provide COE students with hands on training throughout their teacher preparation experience.	The College of Education will consider the Teacher Preparation Residency School as a part of the continuing re-imagining efforts and future direction of the College.	8/31/2016			Salvador Hector Ochoa, Dean
2013-29	Review of College of Education Operations	Recommendation 4 - Excess student credit hours	The Provost should work with the Interim Dean of the College to become more involved in prospective COE enrollees earlier in their college career, and endeavor to provide critical advisement to COE students as early in the process as possible. The Provost office should also work with the College to determine if excessive student credit hours are occurring before, or after, being admitted to the College.	Advisors will be shifted from University College to the College of Education so that the COE may take on the responsibility for advising their students as early in the process as possible. The departments are reviewing through the Dean their curricula and modifying it in the hope of reducing excess student credit hour accumulation. There is an impediment related to NM teacher licensure that we cannot address without collaboration with PED. Many of the excess credit hours are attributable to their requirements.	12/31/2015	New Dean of COE requested additional time to implement since he just started at UNM on 7/15/2014. Implementation date was extended from 5/31/2014 to 12/31/2015.		Salvador Hector Ochoa, Dean; Greg Heileman, Associate Provost
2013-29	Review of College of Education Operations	Recommendation 5 - Data Analysis Issue	The Provost's Office and the College should explore data reporting alternatives to the first-time fall freshmen data reporting. Internally, the University should track spring semester freshman, summer session freshman, and transfer student starts so that a more complete picture of an individual college's metrics can be obtained.	The Academic Affairs office accepts responsibility and will implement the recommendation. We will continue to work to create metrics for these reports (already underway), and spreadsheets of data in Excel format for displaying them on-line for direct department access.	12/31/2014			Greg Heileman, Associate Provost

2013-29	Review of College of Education Operations	Recommendation 7 - Field Service Assessment	The College should consider establishing a coordinated clinical field service assessment program to effectively provide feedback while teacher candidates are conducting field service and to follow up with them after graduation. Consider changes in programs to include student field service experience earlier in the program/student experience and establish a program to assess the effectiveness of traditional field service.	The College established a Field Services Portal (the first of its kind in NM) for feedback between teacher candidates and supervisors during the entire field service experience. This portal undergoes continuous improvement to facilitate and enhance feedback and communication with candidates, staff and supervisors. The College also utilizes the TK-20 assessment system to collect observations on students' learning and can be accessed by our alumni to store their teaching and learning dossiers.	8/31/2014			Salvador Hector Ochoa, Dean
2013-29	Review of College of Education Operations	Recommendation 8 - Permanent Funding and Co-Teaching Expansion	The Dean of the COE should work with the Provost's Office to develop a permanent funding model for field service, and explore expansion of the Co-Teaching Collaborative School model within the Teacher Education Department, to other departments within the College, and to rural areas of New Mexico.	The new COE Dean and the Provost will explore funding possibilities for Field Services, and further examine possibilities for expanding the Co-Teaching Collaborative School model in Teacher Education and other areas of the college. Rural areas of New Mexico will also be included.	8/31/2016			Salvador Hector Ochoa, Dean
2013-29	Review of College of Education Operations	Recommendation 9 - UNM School Turnaround Program	The Dean of the College of Education should work with the Provost's Office and the Office of Government and Community Relations to pursue options for funding for the College's school turnaround programs, including but not limited to: the New Mexico legislature, the U.S. Department of Education, NM PED, private foundations, and collective funding initiatives in the school districts.	Collaboration is underway with other New Mexico institutions of higher education, including New Mexico State University.	6/30/2015	New Dean of COE requested additional time to implement since he just started at UNM on 7/15/2014. Implementation date was extended from 5/31/2014 to 06/30//2015.		Salvador Hector Ochoa, Dean
2013-29	Review of College of Education Operations	Recommendation 11- Required University Training	The Dean of the College of Education should work with the Office of the Provost and the Human Resources Department to ensure that all faculty and staff take the University's required annual training.	The new Dean with the help of the COE Academic Operations Officer will request regular reports from HR of mandatory training completion statistics and then implement regular communications with Faculty and Staff to ensure that all faculty and staff comply with the required annual University training. Consequences will be implemented for those faculty and staff within the COE that do not comply.	12/31/2014			Salvador Hector Ochoa, Dean; Diane Gwinn, Academic Opns Ofcr

| 2013-29 | Review of College of Education Operations | Recommendation 3 - Time to acquire a degree at UNM COE | The Dean of the College of Education should work with Office of the Provost to ensure any redesign of the College addresses the Provost's recommendation for reducing minimum credit hours for degree programs | A college wide Curriculum Review has been underway since 2013; one objective of the review is to reduce the required number of credit hours in each bachelor degree program to 120 hours, or close to it. The NM PED requires 57 credit hours in core courses for teacher preparation programs. The PED is reviewing this requirement. The Early Childhood Education program (ECE) is well under way to restructuring the program into a 5 year degree program, and in compliance with regulatory and accreditation agencies. | 6/30/2016 | | | Salvador Hector Ochoa, Dean |
| 2013-29 | Review of College of Education Operations | Recommendation 2 - Endowment Reserves | The College, including its scholarship committee, should evaluate endowment expenditure and award activity to ensure endowment spending distributions and available reserves are optimally utilized, and to communicate availability of scholarships to chairs and students. In addition, the College should work with the UNM Foundation to lift certain donor imposed restrictions that are hard to meet by COE scholarship applicants. | The College will analyze existing scholarships to maximize awards including partnering with the UNM Foundation to ease donor-imposed restrictions where appropriate. This should be done in preparation for the FY16 award cycle which culminates in April, 2015. | 5/1/2015 | | | Salvador Hector Ochoa, Dean; Susan Rhymer, Finance Officer |

Internal Audit Director's Status Report
Audit Committee Meeting
August 21, 2014

ACTION ITEMS

Audit Committee Meeting Calendar for the Remainder of Calendar Year 2014. The Committee meets at 9:00 AM in the Roberts Room.

October 16, 2014 (Exit Conference 2014 External Audit)

INFORMATION ITEMS

Audit Plan Status. The Fiscal Year 2014 (FY14) audit plan consisted of seven audits carried over from FY13. The project status and hours report for the plan is at Tab #12c. The status of the plan as of June 30, 2014 is:

Completed	13
Report Writing	1
Fieldwork	2
Assigned/Planning	-
Subtotal	**16**
Unassigned/Delayed	4
Total	**20**

Complaints. Since July 1, 2014, the department received 11 reports of misconduct or fraud; as of August 14, 2014, the department has 51 open complaints.

Carry Forward from FY10	1
Carry Forward from FY12	1
Carry Forward from FY13	12
Carry Forward from FY14	27
Complaints Opened in FY15	11
Total Complaints	**52**
Complaints Closed in FY15	1
Total Open Complaints	**51**

Following is the status of open complaints:

Referred to	Total
Referred to Branch Liaison	3
Referred to HSC Compliance	11
Referred to HSC Privacy Office	3
Referred to HSC Clinical Affairs	1
Referred to HSC Information Security	1
Referred to Human Resources	5
Referred to Internal Audit	14
Referred to IT Security	2
Referred to Office of Equal Opportunity	1
Referred to Provost	5
Referred to Purchasing	1
Referred to Safety and Risk Services	4
Referred to UNMH Compliance & Audit	3
Referred to UNMH Human Resources	7
Referred to UNMH Management	1
Total	**62**

Note: An open complaint may be referred to multiple areas.
Thus, the number of referrals will be greater than the number of complaints.

Complaints Trend Data for FY2011 to FY2015 Attached to this report at Tab 11 are two graphs that show complaint trend analysis by organization and by issue types. From FY 2011 through FY 2015 (August 14, 2015), the department received 388 complaints with 448 different issues. Of the 448 issues, about 203 issues are personnel (Human Resources) related, approximately 48 are policy related, 32 are OEO related, approximately 58 are time sheet, fraud and theft related, and 28 are healthcare related issues.

Department Financial Report. At Tab 11 is the Internal Audit Department's final FY14 budget status report for your review. The FY14 adjusted budget is $842,371; actual expenditures are $840,373.82, and the reserve balance is $36,343.35 as of June 30, 2014.

The Fiscal Year 2015 approved budget is $838,596 of which $802,250 funded from the general pooled allocation and the departmental reserve funds of $36,346.

Internal Audit Department

Location of Complaints by Organization - FY2011 through FY2015 (August 14, 2014)

Legend: ■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015

Y-axis (categories, top to bottom): Other Departments, Other Institutional Support Services, VP Institutional Support Services, UNMH University Hospital, School of Medicine, School of Law, Provost, Office of the Medical Investigator, HSC AVP for Finance, Gallup Branch, EVP Administration, College of Fine Arts, College of Arts Sciences, VP Student Life, Assoc - VP Student Life

X-axis: Number of Complaints (0, 5, 10, 15, 20, 25, 30, 35, 40)

*Note: Other Departments - Departments with few complaints were categorized under Other Departments. Other Departments include but are not limited College of Education, Controller's Office, College of Nursing, College of Pharmacy, Information Technologies, School of Engineering

Internal Audit Department

Complaints by Type - FY2011 through FY2015 (August 14, 2014)

Legend: ■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015

Y-axis (categories, from top to bottom):
- Theft
- Safety Violation
- Prejudice (OEO)
- Policy Violation Other
- Patient Care / Privacy / Healthcare
- Other
- Information Technology - Data Privacy / Integrity
- Human Resources Workplace Conduct
- Human Resources Supervisor Misconduct
- Human Resources Retaliation
- Human Resources Respectful Campus/Hostile Work...
- Human Resources Other
- Human Resources Hiring Practices
- Human Resources Employee Misconduct
- Fraud
- Academic

X-axis: Number of Complaints (0, 5, 10, 15, 20, 25, 30, 35, 40)

*Note: Other - complaint types with few complaints were catagorized under Other. Other includes internal controls, student enrollment and other complaints that fall outside the types listed above.

Index: 676000 - 113280-AUDIT DEPARTME-General Activ

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
Revenue										
0340 - University Hospital Revenue!	$.00	$11,778.00	$11,778.00	$.00	.00%	$11,777.50	100.00%	$.00	$.50	.00%
1640 - Allocations Pooled Allocatio!	$766,387.00	$.00	$766,387.00	$.00	.00%	$766,387.00	100.00%	$.00	$.00	.00%
1900 - Reserves	$.00	$.00	$.00	$.00	.00%	$89,555.67	.00%	$.00	($89,555.67)	.00%
1901 - Budgeted Use of Reserves	$55,206.00	$9,000.00	$64,206.00	$.00	.00%	$.00	.00%	$.00	$64,206.00	100.00%
1903 - Change in Reserves	$.00	$.00	$.00	$.00	.00%	$9,000.00	.00%	$.00	($9,000.00)	.00%
*TOTAL Revenue	**$821,593.00**	**$20,778.00**	**$842,371.00**	**$.00**	**.00%**	**$876,720.17**	**104.08%**	**$.00**	**($34,349.17)**	**(4.08%)**
Expense										
2020 - Administrative Professional !	$680,744.00	$8,000.00	$688,744.00	$53,112.77	7.71%	$671,073.53	97.43%	$.00	$17,670.47	2.57%
2060 - Support Staff Salary Detail !	$37,982.00	$1,000.00	$38,982.00	$4,532.34	11.63%	$39,335.29	100.91%	$.00	($353.29)	(.91%)
20J0 - Student Salaries Gen	$20,000.00	$.00	$20,000.00	$3,441.60	17.21%	$19,983.60	99.92%	$.00	$16.40	.08%
20P0 - Temporary Salary Gen	$15,000.00	$.00	$15,000.00	$217.19	1.45%	$24,503.35	163.36%	$.00	($9,503.35)	(63.36%)
3100 - Office Supplies General	$3,500.00	$.00	$3,500.00	$535.85	15.31%	$1,987.61	56.79%	$.00	$1,512.39	43.21%
3110 - Books Periodicals Gen	$500.00	$.00	$500.00	$.00	.00%	$413.00	82.60%	$.00	$87.00	17.40%
3140 - Computer Software Gen	$3,000.00	$11,663.00	$14,663.00	$28.65	.20%	$25,713.65	175.36%	$.00	($11,050.65)	(75.36%)
3150 - Computer Supplies <$5,001	$100.00	$.00	$100.00	$7.00	7.00%	$451.85	451.85%	$.00	($351.85)	(351.85%)
3180 - Non Capital Equipment <$5,!	$500.00	$.00	$500.00	$.00	.00%	$78.74	15.75%	$.00	$421.26	84.25%
3189 - Computers & Servers <$5,0!	$.00	$.00	$.00	$.00	.00%	$2,191.27	.00%	$.00	($2,191.27)	.00%
31A0 - Business Food - Local	$700.00	$.00	$700.00	$.00	.00%	$970.95	138.71%	$.00	($270.95)	(38.71%)
31C0 - Dues Memberships Gen	$5,000.00	$115.00	$5,115.00	$856.00	16.74%	$4,779.00	93.43%	$.00	$336.00	6.57%
31J0 - Parking Permits Gen	$600.00	$.00	$600.00	$.00	.00%	$532.00	88.67%	$.00	$68.00	11.33%
31K0 - Postage Gen	$75.00	$.00	$75.00	$.00	.00%	$15.58	20.77%	$.00	$59.42	79.23%
31M1 - Staff Recruitment Expense !	$200.00	$.00	$200.00	$.00	.00%	$.00	.00%	$.00	$200.00	100.00%
3800 - In State Travel Gen	$1,000.00	$.00	$1,000.00	$.00	.00%	$828.00	82.80%	$.00	$172.00	17.20%
3805 - Instate Travel-Per Diem Sta!	$.00	$.00	$.00	$.00	.00%	$43.00	.00%	$.00	($43.00)	.00%
3810 - Instate Travel-Per Diem No!	$.00	$.00	$.00	$.00	.00%	$16.80	.00%	$.00	($16.80)	.00%
3820 - Out Of State Travel Gen	$6,000.00	$.00	$6,000.00	$.00	.00%	$1,351.84	22.53%	$.00	$4,648.16	77.47%
3825 - Out State Travel-Per Diem !	$.00	$.00	$.00	$.00	.00%	$47.40	.00%	$.00	($47.40)	.00%
3830 - Out State Trvl-Per Diem No!	$.00	$.00	$.00	$.00	.00%	$16.65	.00%	$.00	($16.65)	.00%
39Z1 - Travel Non UNM Emp-Non !	$.00	$.00	$.00	$.00	.00%	$.00	.00%	$.00	$.00	.00%
6000 - Telecom Charges Gen	$3,200.00	$.00	$3,200.00	$292.50	9.14%	$4,180.45	130.64%	$.00	($980.45)	(30.64%)
6020 - Long Distance Gen	$100.00	$.00	$100.00	$5.50	5.50%	$39.60	39.60%	$.00	$60.40	60.40%
6060 - Voice Mail Box Gen	$500.00	$.00	$500.00	$50.00	10.00%	$590.17	118.03%	$.00	($90.17)	(18.03%)

Index: 676000 - 113280-AUDIT DEPARTME-General Activ

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
6300 - Alarm System Gen	$300.00	$.00	$300.00	$11.25	3.75%	$135.00	45.00%	$.00	$165.00	55.00%
6315 - Electronic Databases	$.00	$.00	$.00	$388.68	.00%	$388.68	.00%	$.00	($388.68)	.00%
6340 - Auditing Services Gen	$.00	$.00	$.00	$562.00	.00%	$562.00	.00%	$.00	($562.00)	.00%
63A0 - Conference Fees Gen	$7,000.00	$.00	$7,000.00	$.00	.00%	$3,605.00	51.50%	$.00	$3,395.00	48.50%
63A2 - Seminars/Training Fees	$1,000.00	$.00	$1,000.00	$405.00	40.50%	$7,884.87	788.49%	$.00	($6,884.87)	(688.49%)
63C0 - Copying Gen	$50.00	$.00	$50.00	$.00	.00%	$27.00	54.00%	$.00	$23.00	46.00%
63V1 - Consultant Fees & Svcs-Fo!	$1,000.00	$.00	$1,000.00	$.00	.00%	$.00	.00%	$.00	$1,000.00	100.00%
69Z0 - Other Professional Services!	$4,000.00	$.00	$4,000.00	$1,252.92	31.32%	$8,180.25	204.51%	$3,920.92	($8,101.17)	(202.53%)
7000 - Plant Repairs Maintenance !	$.00	$.00	$.00	$.00	.00%	$3,765.28	.00%	$.00	($3,765.28)	.00%
70C1 - Equip Warranties/Service C!	$.00	$.00	$.00	$.00	.00%	$10.00	.00%	$.00	($10.00)	.00%
70E0 - Computer Hardware Mainte!	$2,000.00	$.00	$2,000.00	$.00	.00%	$6,597.50	329.88%	$.00	($4,597.50)	(229.88%)
70E1 - Computer Software Mainten!	$6,000.00	$.00	$6,000.00	$.00	.00%	$499.48	8.32%	$.00	$5,500.52	91.68%
70F0 - Equipment Rent Expense G!	$5,000.00	$.00	$5,000.00	$393.65	7.87%	$4,570.09	91.40%	$.00	$429.91	8.60%
8060 - Other Operating Costs Gen	$.00	$.00	$.00	$25.00	.00%	$25.00	.00%	$.00	($25.00)	.00%
80E0 - Contingency Budget Gen	$13,542.00	$.00	$13,542.00	$.00	.00%	$.00	.00%	$.00	$13,542.00	100.00%
80K0 - Banner Tax	$500.00	$.00	$500.00	$48.14	9.63%	$804.99	161.00%	$.00	($304.99)	(61.00%)
80K2 - Foundation Surcharge	$2,500.00	$.00	$2,500.00	$328.98	13.16%	$4,175.35	167.01%	$.00	($1,675.35)	(67.01%)
*TOTAL Expense										
	$821,593.00	**$20,778.00**	**$842,371.00**	**$66,495.02**	**7.89%**	**$840,373.82**	**99.76%**	**$3,920.92**	**($1,923.74)**	**(.23%)**

Index: 676000 - 113280-AUDIT DEPARTME-General Activ

Account Description	Budget (FYTD) Adopted	Budget (FYTD) Adjustments	Budget (FYTD) Accumulated	Actuals Current Month	Actuals Pct	Actuals Fiscal YTD	Actuals Pct	Encumbrances	Balance Available	Balance Pct
Total Revenue:	$821,593.00	$20,778.00	$842,371.00	$.00	.00%	$876,720.17	104.08%	$.00	($34,349.17)	(4.08%)
Total Expense:	$821,593.00	$20,778.00	$842,371.00	$66,495.02	7.89%	$840,373.82	99.76%	$3,920.92	($1,923.74)	(.23%)
Net:	$.00	$.00	$.00	($66,495.02)	.00%	$36,346.35	.00%	($3,920.92)	$32,425.43	.00%

Parameters:

Index: 676000 - 113280-AUDIT DEPARTME-General Activ

Groupings:

Warning: These reports will show fiscal year activity. For inception to date activity for Grants please use the FRRGLDS - Grant Ledger Detail Summary report.

EXECUTIVE SESSION