

BOARD of REGENTS



AUDIT AND COMPLIANCE COMMITTEE SPECIAL MEETING

*Thursday, December 4, 2014 at 10:30 am
Scholes Hall, Roberts Room*



The University of New Mexico

November 25, 2014

UNIVERSITY OF NEW MEXICO
Notice & Agenda for the Board of Regents'
Special Audit and Compliance Committee Meeting
Thursday, December 4, 2014
10:30 a.m. Scholes Hall Roberts' Room

The University of New Mexico Audit Committee will hold a special meeting on Thursday, December 4, 2014, from 10:30 a.m. until complete in the Roberts' Room on the main campus of the University of New Mexico, Albuquerque, New Mexico, 87131-0001.

The agenda of the meeting is as follows:

ACTION ITEMS

1. Confirmation of a Quorum and Adoption of Agenda
2. Approval of Meeting Minutes from October 16, 2014

INFORMATION ITEMS

3. Advisors' Comments
4. University of New Mexico Guiding Principles Update (*Melissa Bokovoy, Academic Leadership Fellow, President's Office; Pamina Deutsch, Director, Policy Office*)
5. Follow-Up Items from October 16, 2014 Meeting

EXECUTIVE SESSION

6. 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);
 - d. Proposed FY15 Audit Workplan exceptions at Sections 10-15-H(2 and 7), NMSA (1978); and
 - e. Vote to re-open the meeting.
7. Certification that only those matters described in Agenda item # 6 were discussed in Executive Session and if necessary ratification of action, if any, taken in Executive Session
8. Adjournment

If you are an individual with a disability who is in need of a reader, amplifier qualified signed language interpreter, or any other form of auxiliary aid or service to attend or participate in a meeting of the Board of Regents, please contact the Department of Communications prior to the meeting. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the Department of Communications if an accessible format is needed.

THE UNIVERSITY OF NEW MEXICO
Board of Regents Audit and Compliance Committee Meeting
October 16, 2014 – Draft Meeting Minutes

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

Other Attendees: Robert Frank, Chaouki Abdallah, Helen Gonzales, Dorothy Anderson, Amy Wolhert, Liz Metzger, Elsa Cole, Pamina Deutsch, Mike Duran, Arthur Bishop, Carla Prando Dominici, Dianne Anderson, Keith Mellor, Mike Bush, Ella Watt, Purvi Mody, Gil Gonzales, Melissa Bokovoy, John Kennedy (KPMG), DeVon Wiens (Moss Adams), Eileen Sanchez, Manu Patel, Chien-chih Yeh, Lola Neudecker, Lisa Wauneka, Avedona Lucero, William Cottrell, Victor Griego, Brandon Trujillo, Ashley Manley, Abhishek Chetty, Amy O’Donnell.

Chairman Gallegos called the meeting to order at 9:03 AM in ROBERTS ROOM, Scholes Hall, UNM.

ACTION ITEMS:

- The Committee unanimously approved the minutes from the meeting of August 21, 2014.
- The Committee unanimously consented to postpone Agenda Item #3 regarding Regents’ Policy 1.8. Committee members discussed having a Special Meeting in early December, possibly the morning of December 4, 2014 to address this item and Hospital audits before the end of the year.

INFORMATION ITEMS:

- There were no Advisors’ Comments.
- Christine Chester, Interim University Clery Coordinator provided the committee with information on the 2014 Annual Security and Fire Safety Report, published October 1, 2014. The report was sent to all students, staff and faculty members. According to the report, burglary on Main Campus decreased. Sexual assault increased due to more reporting and the awareness program. Los Alamos and Gallup Campuses reported no crimes in 2013. Taos and Valencia each reported one crime. Chairman Gallegos asked Ms. Chester how the branch campuses are included in Clery reporting. She replied that they report themselves to the Department of Education with their own unique ID numbers. UNM West is included with Main Campus. The Chairman stated that it would be helpful if UNMPD could request the reports and look to see if anything stands out. Regent Hosmer agreed. He also stated that he would like to know who at UNM should aggregate the data and trend it. Internal Audit Director Manu Patel added that the auditors make sure they complied with the reporting requirements by printing the branch reports. They are in compliance. Helen Gonzales, Main Campus Chief Compliance Officer stated she can work on developing metrics and trending the data.

Regent Hosmer asked Ms. Chester what her confidence level is regarding the amount of reporting on sexual crimes. Ms. Chester stated more incidents occur than are reported, but they do receive information from outside entities such as practitioners that examine victims. Elsa Cole, University Counsel, stated that they have tried to assess prevalence of sexual assault on campus and will have more information in a couple of months. There will be a voluntary, anonymous survey, and focused training. This will assist in legal requirements. It will also be helpful in targeting and coordinating education efforts. Ms. Chester finished by noting that the Clery Coordinator should be a funded, full time position. She has been trying to do the

immense Clery work plus her police duties since August. Chairman Gallegos stated her point is well taken.

- Provost Abdallah provided an update on SACs and STCs (Special Administrative Components and Special Teaching Components). The Provost stated the materials address an audit from 2012. In response to audit recommendations, the Provost's office revised Policy C180, completed a study of peer institution compensation, and asked all academic units to prepare and submit their SAC policies to Academic Affairs for approval. They refined the data collection to make better reporting possible and make sure they are compliant with the newly revised policy. In 2014, they completed and submitted an annual report. The SAC policies are posted on the website. Some faculty members choose to have SACs included in their reported base salaries, and some do not – mostly because awarded persons and/or amounts often change. It is not practical to standardize amounts, because a chair of a large department would usually receive a different SAC than a small department as the duties and responsibilities differ.

The audit recommendation for the STCs stated that there need to be guidelines and procedures related to the payment and monitoring of STCs. The Provost reported they started looking at this issue prior to the audit. The STCs have now decreased on Main Campus from 38 (36 of which were part of the Executive MBA program) to two. The policy that governs this is C140. There are guidelines published for this policy on the website. The Provost reported this was a useful exercise. They did find that most of the peer institutions were “in the same boat – all over the place” on this issue.

- Follow up items:

Ella Watt, UNMH Chief Financial Officer, and Purvi Mody, Executive Director, Audit and Compliance, provided the committee with updated information regarding the Recovery Audit Contractor (RAC) program as it relates to the Hospital. Ms. Watt stated they compared their results to those of their peers in the region for over/underpayments. They are at the 23 percent level, performing better than peers. The main reason for amounts reclaimed was disagreement with physicians' decision-making process. They also looked at implications so there are no compliance issues. They have added more staff to educate treating clinicians. There is no incentive regarding length of stay. The average reimbursement is different whether a patient is admitted or if the patient was treated as an outpatient. There is significant improvement. Ms. Mody noted the number of records audited is trending downward.

Pamina Deutsch, Director, Policy Office, and Melissa Bokovoy, Chair, History Department, presented the Committee with an update on the Main Campus Code of Ethics. Ms. Bokovoy reported they now have a 79 word document that is a set of four guiding principles the task force distilled and boiled down. The information was taken from multiple vision, mission, and value statements from UNM and all across the United States that will inform behavior. The Chairman asked about timeline for finalizing the information. Ms. Bokovoy stated it could perhaps be adopted by December. It is currently being vetted by various campus constituents. Ms. Deutsch added they gave people a two week turn-around time, but that was probably a little unrealistic. President Frank commented he would “love to see it sometime.” Ms. Bokovoy stated she will send him a copy. They are asking for endorsement, not word-smithing. President Frank asked if it could be done by Thanksgiving. Ms. Bokovoy confirmed that timeline.

- Stuart Freedman, Chief Compliance Officer for the Health Sciences Center provided a report. Mr. Freedman addressed the seven elements that govern compliance programs: policies, person responsible, training and education, open lines of communication, monitoring and auditing, disciplinary action, and follow up. Examples of policies include code of conduct, compliance plan, required training, social media, investigations, etc. Compliance gets involved in facilitating policies. Training is an integral part of compliance. It is essential to what they do. You need to have a single focal point, person of contact/facilitator who has unfettered access to leadership. This person is Mr. Freedman for the Hospital. It is Helen Gonzales on Main Campus. Compliance is involved in monitoring. They are also involved in auditing and investigations. Chairman Gallegos asked about illegal conduct; i.e. sexual misconduct, etc. Mr. Freedman stated other entities get involved if it is a violation of law, but the complaint could go through him. They make sure they help facilitate corrective action. Like internal audit, compliance also develops work plans. They ultimately manage the business risk. Compliance is driven by laws and regulations. At the next meeting, Mr. Freedman will discuss some new things coming to the compliance office in the future.
- Helen Gonzales, Chief Compliance Officer for Main Campus provided an update for her area. She included her quarterly report in the meeting materials. She has been working on the area of sexual misconduct and the President tasked her with convening a group on the issue of minors on campus. She is putting together the team right now. The first meeting will take place within the next two weeks. There are a lot of good models and best practices out there to use in drafting policies. This should be accomplished by the first quarter of next year.

Ms. Gonzales prepared and presented a PowerPoint presentation on the issue of sexual misconduct/assault. Most institutions have spent significant time and energy addressing the issue of sexual misconduct/assault. UNM is aggressively addressing the issue. The coordination is difficult, however, in a complex structure. Title IX is administered through a Title IX Coordinator in the Office of Equal Opportunity at UNM. This is a very common practice. This is the person who administers the process if there is an incident. There is also the Clery Act with a Clery Coordinator at the police department. This is also common. Other acts, statutes, and laws also fall into this framework. There is a new climate survey that the White House is recommending, as well as a new campaign. There are currently many national awareness campaigns. They are all valuable and important. It would be a real challenge to support all of them. We need to identify which ones we want to endorse. At UNM we have a lot of departments that address the issue.

Ms. Gonzales introduced Tomas Aguirre, Dean of Students. She has been working with him a lot on the issue of sexual misconduct/assault over the last few weeks. In addition, Ms. Gonzales stated that Melissa Vargas from the Provost's Office is very involved in the plan for coordinated response. Carla Prando from Safety and Risk Services and Elsa Cole, University Counsel have important roles. There are also committees and task forces such as the Clery committee and Title IX committee. They started with separate goals, but now some work is starting to overlap. The "SMART" team – Sexual Misconduct and Assault Response Team – is a very important team that is a victim-centered, coordinated response. The Presidential Task Force on Sexual Violence aims to identify and implement high-impact practices that improve knowledge, policies, and responses (includes a Lobo Respect program). Another initiative from the President's Office is the Community Council, created to support civility on campus. There is a hazing workgroup to develop policies and training, the UNM Ethics Taskforce, and campus

safety committees. The goal is to bring it all together. The Provost has tasked Ms. Gonzales, Ms. Vargas, and Mr. Aguirre to do this by November 26, 2014. Regent Hosmer stated that he would like to know how you find the result; what is the deliverable? Ms. Gonzales replied that is a good question and they will have their first meeting tomorrow (October 17, 2014) to discuss a cohesive, coordinated response. Hopefully, campus surveys and stakeholder input will help determine progress. The goal is safety. Regent Hosmer proposed two objectives: 1) the services available to a victim are so assuring that victims increasingly come forward; and, 2) the processes identify ground truth as closely as possible so the University will know if it is effective and is not guessing. Mr. Aguirre replied that we need to look at designs, and we may get results, but people spend so much time overcoming barriers they never get ahead. It's about efficiency. Dianne Anderson, Director of University Communication, stated that the easier it is to report, the more numbers will go up. So it may look like there are more cases out there but might just be effective reporting. Regent Hosmer replied that is exactly why we need to get a ground truth. The Chairman added it may start out that way, but over time, if the measures are effective and streamlined it should even out.

- Chien-chih Yeh, Internal Audit Manager, reviewed audit recommendation status reports with the Committee. Since the last follow up report, we have added several new recommendations for a total of 72. But 12 items were implemented. Chairman Gallegos asked about a recommendation under Arts & Sciences about tracking faculty workload. He feels it is really stringing out. Mr. Yeh responded they are in a procurement process to select the correct software vendor and implement that program. The Chairman asked Gil Gonzales, CIO, if that could be done with our existing IT infrastructure. Mr. Gonzales replied that a specialized application could address the business question raised by the audit but also allows tools to harvest information necessary for academic units in a specialized manner. That is not a Banner module or something offered by IT; it would come from an external party. President Frank proposed that this be closed in this audit and that the University opens a new tracking module for next year on this item. It is important that the University buys the software. It is part of the new ROM (Results Oriented Management) metrics debate. The Chairman agreed. The Chairman noted it looks like the Law School is on track with their implementation of recommendation.
- Internal Audit Director Manu Patel provided his Director's report to the Committee. The Department completed nine audits. There is one in report writing, one is in field work, three are in planning, and eight need to be assigned. So, the Department is on track with the proposed work plan. Director Patel stated we are changing hotline providers, effective December 1, 2014. The new provider should have a better system that over 1,000 other institutions are using and it should help us better track the data. There is not much difference in cost. For now, Internal Audit will continue to monitor and administer it. Perhaps down the road, the Compliance Office will take over that task. The Department's current budget is fully-funded. It is too early to tell how much reserve the Department will have at the end of this fiscal year, but there should be some reserve funds. Regent Hosmer asked if the 2015 numbers are normalized to the year in the complaint data chart in the Director's report. Director Patel replied that they are strictly numbers to date; they are not normalized.

By unanimous consent, the meeting went into Executive Session for the reasons stated in the agenda.

- a. Presentation of FY14 External Financial Audit pursuant to exceptions at Section 10-15-1H NMSA (1978) and Section 12-6-5 NMSA (1978) (*KPMG, Moss Adams, and Liz Metzger, University Controller*)
- b. 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).
- c. Discussion of limited personnel matters pursuant to exception at Section 10-15-1.H(2) NMSA (1978);
- d. Schedule of Audits in Process, pursuant to exceptions at Sections 10-15-1H(2 and 7), NMSA (1978);
- e. Proposed FY15 Audit Workplan exceptions at Sections 10-15-H(2 and 7), NMSA (1978); and
- f. Vote to re-open the meeting.

The meeting returned to open session at 1:40 PM, with certification that only those matters described above were discussed in Executive Session.

- The Committee approved, by unanimous consent, the FY14 External Financial Audit of the University's Main and Branch Campuses, UNM Hospitals, and Component Units performed by the audit firms of KPMG and Moss Adams.
- The Committee approved the following UNM audits by unanimous consent:

Review of University of New Mexico Children's Campus, #2014-10;

The Center on Alcoholism, Substance Abuse, and Addictions Audit of Compliance Issues, #2014-15; and

Cancer Center Portable Devices: Investigation of Allegations, #2015-14.

Motion to adjourn 1:45 PM. (Motion: Regent Hosmer, Second: Chairman Gallegos).

Approved:

Audit and Compliance Committee Chairman

There is no
handout
required for
this item

Regents' Policy Manual - Section 2.18: Guiding Principles

DRAFT OF 11-19-2014



Adopted Date:

Applicability

These guiding principles serve to direct and guide ethical conduct. They apply to all members of the University community: Regents, executive officers, faculty, staff, student employees, students, public and student members of University advisory boards and committees, and other volunteers serving in an official capacity.

Policy Statement

All members of the University community shall maintain the highest standards of ethics as articulated in the guiding principles.

Guiding Principles

1. Freedom of Inquiry

We encourage, protect, and respect the exploration of ideas and their free expression.

2. Integrity

We build trust through transparency, truthfulness, and responsibility.

3. Inclusiveness and Respect

We thrive in a diverse environment characterized by respectful regard for other persons, recognition of their dignity, and considered use of influence and power.

4. Responsibility to Community

We reflect upon our past, serve our present, and strive to improve our future through thoughtful stewardship of our cultures and environment.

Implementation

The President shall ensure that all members of the University community are aware of the guiding principles, which are supported by existing policies and procedures.

Related Policies

Freedom of Inquiry

- RPM Policy 2.1 ("Free Expression and Advocacy")
- RPM Policy 2.2 ("Speakers from Off Campus")
- UAP 2220 ("Freedom of Expression and Dissent")
- RPM 5.1 ("The Faculty's Role in the University's Academic Mission")
- Faculty Handbook Appendix 7 ("Statement on Extramural Utterances")

Integrity

Codes of Conduct and Ethics

- RPM 1.8 ("Regent Code of Conduct and Conflicts of Interest Policy")
- RPM 4.2 ("Student Code of Conduct")
- The Pathfinder ("Student Code of Conduct")
- Faculty Handbook D100 ("Dishonesty in Academic Matters")
- RPM 6.4 ("Employee Code of Conduct and Conflicts of Interest")
- UAP 3715 ("Code of Conduct")
- RPM 2.8 ("Visitors to the University")
- The Pathfinder ("Visitor Code of Conduct")
- HSC Code of Ethics

Research

- Faculty Handbook E40 ("Research Misconduct")
- Faculty Handbook E90 ("Human Beings as Subjects in Research")
- Faculty Handbook E100 ("Policy Concerning Use of Animals")
- Faculty Handbook E110 ("Conflicts of Interest in Research")
- Faculty Handbook E120 ("Effort Reporting Policy")

Grievance Procedures and Dispute Resolution

- RPM 4.3 ("Student Grievances")
- Faculty Handbook D175 ("Student Conduct and Grievance Procedures")
- Faculty Handbook D176 ("Graduate Student Grievance Procedures")
- Faculty Handbook C07 ("Faculty Disciplinary Policy")

- UAP 3215 ("Performance Management")
- RPM 6.10 ("Dispute Resolution and Employee Grievances")
- UAP 3220 ("Ombuds/Dispute Resolution Services for Staff")

Reporting Misconduct

- UAP 2200 ("Whistleblower Protection and Reporting Suspected Misconduct and Retaliation")
- UAP 7205 ("Dishonest or Fraudulent Activity")

Inclusiveness and Respect

Diversity

- RPM 2.4 ("Diversity and Campus Climate")

Sexual Harassment

- RPM 2.5 ("Sexual Harassment")
- UAP 2730 ("Sexual Harassment")

Respectful Campus

- UAP 2240 ("Respectful Campus")
- Faculty Handbook C09 ("Respectful Campus") *Includes procedures for reporting and investigating complaints of faculty bullying*

Equal Opportunity

- RPM 2.3 (“Equal Opportunity and Affirmative Action for Employees and Students”)
- UAP 2720 (“Equal Opportunity, Non-Discrimination, and Affirmative Action”)
- UAP 2310 (“Academic Adjustments for Students with Disabilities”)
- UAP 3110 (“Reasonable Accommodation for Employees with Disabilities”)
- UAP 2295 (“Service Animals”)

Responsibility to Community

- RPM 2.10.1 (“Historic Preservation”)
- UAP 5020 (“Historic Preservation”)
- UAP 2100 (“Sustainability”)

Contacts

Direct any general questions about this policy to your college or unit administrative office. If you have questions about specific issues, contact the following offices:

Academic Misconduct: Provost or Dean

Financial Matters: University Audit Office

Personnel Matters: Division of Human Resources

Student Matters: Dean of Students

Research Matters: Vice President for Research

Regent Matters: President’s Office or University Counsel

Sexual Harassment: Office of Equal Opportunity

If you feel your questions have not been answered or you wish to remain anonymous, you may file a report through the University's Hotline at 1-888-899-6092.

There is no
handout
required for
this item

EXECUTIVE SESSION