THE CENTER ON ALCOHOLISM, SUBSTANCE ABUSE, AND ADDICTIONS
AUDIT OF COMPLIANCE ISSUES
THE UNIVERSITY OF NEW MEXICO

Report 2014-15
October 8, 2014

THE UNIVERSITY of
NEW MEXICO

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ABBREVIATIONS

CASAA.............The Center on Alcoholism, Substance Abuse and Addictions
COSAP .............Campus Office of Substance Abuse Prevention
FAR ................Federal Acquisition Regulations
FY ......................Fiscal Year (Fiscal Year begins July 1st and ends June 30th)
HPV .....................Human Papilloma Virus
Internal Audit .......Internal Audit Department
RBS .................Responsible Beverage Service
UAP .....................University Administrative Policies and Procedures Manual
University .............The University of New Mexico
UNM .....................The University of New Mexico
EXECUTIVE SUMMARY

This investigation originated from several reports to the University of New Mexico (UNM) Hotline. Anonymous employees notified the Internal Audit Department (Internal Audit) of possible time abuse, petty cash fund policy violations, laptop computer tagging violations, conflicts of interest, hostile work environment, travel reimbursement violations, and misuse of University property. The allegations and resolutions of the investigation are summarized as follows.

TIMESHEET CONCERNS

Allegation: The Program Operations Director may be involved in timesheet misconduct by writing in false overtime hours in a Research Assistant’s timesheet. The Research Assistant is the Program Operations Director’s child.

Resolution: This allegation was not substantiated.

PETTY CASH CONCERNS

Allegation: The Program Operations Director has a separate (non-infrastructure) petty cash fund that lacks proper reconciliation and proper disclosures.

Resolution: The cash amounts for both funds were accurate. However, fund custodians are not reconciling the petty cash funds weekly and are not signing all petty cash reconciliation forms.

LAPTOP TAGGING CONCERNS

Allegation: The laptop computers that the Professor of Health Communication/Senior Scientist purchased about two years ago on research grants are not included in the UNM inventory and are not tagged. No documentation (check out forms) exists for these laptops.

Resolution: When laptops are being distributed to grant participants, CASAA staff are not accurately recording data on the laptop distribution forms. Laptops that are purchased for staff use are not properly tagged for inventory purposes. A former UNM employee has a laptop checked out. Eighteen laptops, valued at $10,602, were improperly allocated to a different federal grant.

CONFLICT OF INTEREST (PROGRAM OPERATIONS DIRECTOR) CONCERNS

Allegation: The Program Operations Director may be misusing his/her authority by writing himself/herself and a Research Assistant, who is the child of the Program Operations Director, into grants.

Resolution: This allegation was not substantiated.
EXECUTIVE SUMMARY

TIME ABUSE CONCERNS

Allegation: A Research Assistant and a Data Entry Operator 2 have been abusing company time, taking extended breaks and communicating needlessly on company time.

Resolution: This allegation was investigated by Human Resources.

HOSTILE WORK ENVIRONMENT CONCERNS

Allegation: The Program Operations Director, a Research Scientist 2, a Data Entry Operator 2, and a Clinical Research Associate have been creating a hostile work environment for a Data Entry Operator 2.

Resolution: This allegation was investigated by Human Resources.

TRAVEL REIMBURSEMENT APPROVAL CONCERNS

Allegation: The Program Operations Director approved his/her own travel reimbursements in May 2014.

Resolution: This allegation was not substantiated.

INACCURATE RENTAL CAR REIMBURSEMENT CONCERNS

Allegation: The Program Operations Director requested reimbursement for a rental car for a week but the travel was between 5:00pm on a Friday through 10:00am on Sunday (unsure of exact dates).

Resolution: On various business trips, two cars were used for one day beyond necessary business days and three cars were used for two days beyond necessary business days. CASAA’s travel reimbursement documentation was not detailed enough to determine which traveler was responsible for each of these cars.

PERSONAL USE OF UNIVERSITY PROPERTY CONCERNS

Allegation: The Professor of Health Communication/Senior Scientist uses University property for a personal business of alcohol server education/server permit training.

Resolution: The Professor of Health Communication/Senior Scientist lists his/her name and a UNM phone number as a contact for his/her business. Students completing training received temporary server permits with the Professor of Health Communication/Senior Scientist’s name, UNM email, UNM CASAA address, and phone number printed at the bottom of the certificate.
CONCLUSION

Key Recommendations

The Director of CASAA should:

- Require the Fund Custodians to reconcile the Petty Cash Funds once a week.
- Require the Fund Custodians to sign all Petty Cash Reconciliation forms.
- Require that CASAA staff are provided with proper directions in the preparation of laptop distribution papers by instructing employees to record consistent and correct laptop serial numbers.
- Ensure that all laptops that are retained for staff use are properly tagged for inventory purposes.
- Ensure that all laptops that are checked out to former UNM employees are returned to CASAA.
- Promptly transfer $10,602 off the RBS grant in order to ensure that the University of New Mexico demonstrates to the granting agency that once we became aware of inappropriate expenditures they were quickly transferred off the grant.
- Ensure that CASAA staff use rental cars only for necessary and allowable business expenses.
- Ensure that CASAA staff thoroughly explain their travel claims and attach original itemized receipts and supporting documentation.
- Ensure that a rental car log is prepared to identify which traveler drove which car.
- Instruct their employees not to use University funds for advances, loans or any other types of purchases for personal benefit.
- Ensure that the Professor of Health Communication/Senior Scientist immediately removes all UNM email, addresses, and phone numbers from the New Mexico State Regulation & Licensing Department website, and the Way to Serve server permits.
- Address personnel issues and appropriate disciplinary actions for the Professor of Health Communication/Senior Scientist in accordance with C07: Faculty Disciplinary Policy of the Faculty Handbook.
INTRODUCTION

BACKGROUND

The Center on Alcoholism, Substance Abuse, and Addictions (CASAA) has outlined their mission and vision and other background information on their website.

"CASAA is a multidisciplinary research center at the University of New Mexico.

Our Vision:
At CASAA our first priority is to reduce suffering caused by substance use and other addictive behaviors. We do this by generating high quality prevention and treatment research. We settle for nothing less than the highest standards of scientific integrity in our research and applied programs. Attention to human diversity strengthens our science and makes it relevant to our larger society. We do our best work by collaborating with colleagues and working across disciplines, which helps us answer more important questions about substance abuse than we otherwise could. At CASAA we are committed to sharing our knowledge with fellow scientists, practitioners and individuals who are directly impacted by substance use. It matters to us that our work makes an impact both here in our state and in our larger community.

Our Work:
CASAA investigators, affiliated with the Departments of Psychology, Sociology, Communication and Journalism, Economics, and Psychiatry, are leaders nationally in 12-step research; research on Motivational Interviewing and the Community Reinforcement Approach; family-involved treatment models; training and dissemination research; development of instruments; studies of mechanisms of change; clinical research in special populations, particularly women, Hispanics and American Indians; research on fetal alcohol spectrum disorders; and research on methods to reduce harm from risky drinking. CASAA is also the Regional Research and Training Center for the Southwest Node within NIDA's Clinical Trials Network, organized to conduct clinical trials of state-of-the-art treatment methods for drug abuse and dependence.

CASAA is the home for New Mexico Statewide FASD Prevention Program and the UNM Campus Office of Substance Abuse Prevention (COSAP). CASAA has long-standing relationships with a number of community-based treatment programs that are available as sites for clinical trials. The relationships between CASAA and these treatment facilities are on-going and reciprocal, and CASAA is widely regarded as a key resource for the development and testing of empirically supported treatments for alcohol and other substance use disorders. In addition, CASAA has uniquely strong relationship with several pueblos.
INTRODUCTION

Our Funding:
CASAA investigators are supported by research grants from the National Institutes of Health, other Federal Agencies, Private Foundations, and the University of New Mexico.

Our People:
CASAA has been directed by Barbara S. McCrady, Ph.D., a Distinguished Professor of Psychology, since 2007. UNM faculty members conduct research at CASAA on a full- or part-time basis. CASAA provides extensive research training opportunities for pre- and post-doctoral fellows as well as undergraduate students. CASAA staff members have extensive expertise in research design and implementation, project management, program evaluation, data collection and management, and data analysis. CASAA supports close to 100 full- and part-time staff and students in training.”

PURPOSE AND SCOPE

Internal Audit conducted an investigation to determine if the allegations related to financial misconduct were substantiated. Internal Audit did not investigate the allegations relating to workplace conduct. These were investigated by Human Resources and were addressed in a report produced by Human Resources. This investigation originated from several reports to the UNM Hotline.

PROCEDURES


Internal Audit staff interviewed the following individuals:

- Program Operations Director
- Senior Research Scientist 2
- Program Manager
- Professor of Health Communication/Senior Scientist
- Administrative Operations Manager

After reviewing the allegations, the investigators determined it necessary to review policies that may be applicable to this investigation. These policies include, but are not limited to the following:

- UAP 3720, Conflicts of Interest
- UAP 2500, Acceptable Computer Use
INTRODUCTION

- UAP 4000, Allowable and Unallowable Expenditures
- UAP 4030, Travel
- UAP 7210, Fetty Cash Fund
- UAP 2410, Accounting for Federally-Defined Allowable and Unallowable Costs
- National Institute of Health Grants Policy Statement
- UNM P-Card Policies and Procedures, Purchasing Control of Purchases
OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

Timesheet Concerns

The allegations regarding the Program Operations Director writing in false overtime hours in a Research Assistant’s timesheet were not substantiated.

In an interview with Internal Audit, a Senior Research Scientist 2 indicated that since he/she approved and signed the timesheets, all the hours should be accurate. Senior Research Scientist 2 stated that the approval of the timesheets in question was completed after the Program Operations Director had added notations to the timesheets.

Internal Audit asked the Senior Research Scientist 2 what the process is for verifying regular and overtime hours. The Senior Research Scientist 2 stated that he/she works with the Research Assistant, but if the Senior Research Scientist 2 is out of the office, the Research Assistant calls the Senior Research Scientist 2’s cell phone from a CASAA phone so there is a time date stamp of hours worked.

Petty Cash Concerns

Condition:
CASAA currently has two petty cash funds:

<table>
<thead>
<tr>
<th>May 2014 Balance</th>
<th>Custodian</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,600.00</td>
<td>Program Operations Director</td>
</tr>
<tr>
<td>5,500.00</td>
<td>Administrative Operations Manager</td>
</tr>
</tbody>
</table>

Internal auditors audited the petty cash funds. Internal auditors counted cash and thoroughly examined all the relevant documents, i.e. reconciliation forms, and petty cash reimbursement forms. The cash amounts were found to be accurate. However, there were other issues that arose while inspecting the documents.

For the petty cash fund administered by the Program Operations Director, internal auditors reviewed 68 petty cash fund reconciliations and found that the fund custodian did not sign the reconciliation form on 4 occasions. The fund custodian did not prepare reconciliations for 42 weeks of the required 101 weeks during the reviewed period of May 2012 to June 2014.

For the petty cash fund administered by the Administrative Operations Manager, internal auditors reviewed 82 petty cash fund reconciliations and found that the fund custodian did not sign the reconciliation form on 16 occasions. The fund custodian did not prepare reconciliations for 22 weeks of the required 100 weeks during the reviewed period.
OBSERVATIONS, RECOMMENDATIONS AND RESPONSES

Criteria:
UAP 7210 Petty Cash Fund, Section 4. Fund Custodian, states:

"The Fund Custodian is responsible for ensuring that the total amount of the fund is accounted for at all times and should reconcile the Petty Cash Fund once a week. The UNM Petty Cash Fund Reconciliation form should be used for this purpose and should be available for review by Financial Services or auditors upon request. The Reconciliation form must be signed by the Fund Custodian and maintained for two (2) years."

Cause:
The Program Operations Director and the Administrative Operations Manager were unaware of the UAP 7210 Petty Cash Fund Policy. Consequently, they did not prepare petty cash fund reconciliation forms on a weekly basis.

Potential Risk: Medium:
Regular reconciliation of petty cash funds ensures that undocumented disbursements, theft and errors can be discovered in a timely manner.

Recommendation 1

The Director of CASAA should:

a. Require the Fund Custodians to reconcile the Petty Cash Funds once a week.
b. Require the Fund Custodians to sign all Petty Cash Reconciliation forms.

Response from the Director of CASAA

<table>
<thead>
<tr>
<th>Action Items</th>
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<tbody>
<tr>
<td><strong>Targeted Completion Date:</strong> 10-17-14</td>
</tr>
<tr>
<td><strong>Assigned to:</strong> CASAA Director, Fund Custodians</td>
</tr>
</tbody>
</table>
| **Corrective Action Planned:** I agree with this audit finding. Planned corrective actions: (1) instruct both custodians to reconcile Petty Cash Funds once a week, and to sign all Petty Cash Reconciliation forms; (2) instruct the fund custodians to create a log of weekly reconciliations, and submit these to the CASAA Director for review on a monthly basis; (3) CASAA Director conduct random checks of the Petty Cash reconciliation forms to verify signatures.
OBSERVATIONS, RECOMMENDATIONS AND RESPONSES

Laptop Tagging Concerns

Condition:
The Professor of Health Communication/Senior Scientist is currently a Principal Investigator and Project Leader, respectively, for two federally funded research grants: Responsible Beverage Service (RBS), and Human Papilloma Virus (HPV). CASAA purchased 64 Dell Vostro laptop computers with RBS grant funds and 30 Dell Latitude laptop computers with HPV grant funds.

Internal auditors determined that UNM inventory tags were issued for all of the laptops purchased. Because the laptops were intended to be distributed to retail alcohol establishments (RBS grant) and schools (HPV grant), CASAA processed Request for Deletion of Assets forms to remove the inventory tags from the laptops.

In order to document the distribution of the laptops, CASAA created an internal form that listed the recipient’s name and address, the description and the serial number of the laptop, and signature lines for the recipient and the CASAA employee that was distributing the laptop.

Internal auditors reviewed the laptop distribution forms to determine that all laptops were accounted for. Internal auditors determined that all 30 laptops purchased on the HPV grant were distributed to grant participants. Of the 64 laptops purchased on the RBS grant, 44 were distributed to retail establishments, 18 were distributed to HPV grant participants, 1 was distributed to a CASAA staff member (a Research Assistant), and 1 was located in a storage closet and not distributed because it had a defective power source. The 18 RBS laptops that were distributed to the HPV grant participants were purchased at $589 each, for a total of $10,602. These laptops that were distributed to the HPV grant were transferred without prior approval from the granting agency. Moreover, a journal entry was not initiated to reflect this transfer. The laptop that was distributed to a Research Assistant was not retagged.

There were inconsistencies in the recording of correct laptop serial numbers on the distribution forms. Some forms did not have all signatures, or the signatures were not legible.

In addition to the laptops that were purchased on the HPV and RBS grants, CASAA staff informed Internal Audit of another laptop that remains checked out to a researcher who is no longer employed at CASAA.

Criteria:
CASAA created an internal form that listed the recipient’s name and address, the description and the serial number of the laptop, and signature lines for the recipient and the CASAA employee that was distributing the laptop.

UAP 7710 Property Management and Control, Section 4.1. University Equipment Inventory states:

“The office of Inventory Control maintains the University Inventory System, a database containing information on each item of property valued over $5000 and

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certain computer items such as laptops, desktop workstations, and tablets. The following information is maintained on the inventory database for each item of equipment:

- UNM identification number (per property tag)
- name or description of item
- manufacturer, model number, and serial number
- reference number, index number used for purchase, and fund code
- department name and location where equipment is assigned
- acquisition and assigned date to current department (if different)
- cost
- availability code (available for use elsewhere, used in the current department, surplus, not usable in current condition, or available for shared use)
- government code (designates government-owned equipment)
- source of acquisition
- disposition record

The office of Inventory Control forwards to the department a report identifying specific item(s) as having been recently acquired by the department. Property tags are included with the report and the department is responsible for placing the tags on the item(s) in a location that is easily identifiable. The report must be completed by the department and returned to the office of Inventory Control within thirty (30) days after receipt of the report. The report will supply them with required information, such as location of equipment and serial numbers to assist in maintaining accurate inventory records.”

UAP 2410 Accounting for Federally-Defined Allowable and Unallowable Costs Section 4.2
Allowable Costs According to Federal Regulations states:

“Allowable costs according to federal regulations are defined in OMB Circular A-21 and the Federal Acquisition Regulations (FAR), Part 31.3.

According to Circular A-21, a cost may be charged to a sponsored program only if it meets all of the following criteria:

(a) It must be a reasonable cost.
(b) It must be allocable to the sponsored program.
(c) It must be treated consistently, through the application of generally accepted accounting principles.
(d) It must be within the limitations specifically defined in Circular A-21 and the particular contract or agreement, in terms of the type of cost item and dollar amount charged.”
National Institute of Health Grants Policy Statement, Section 7.2 The Cost Principles states:

"Allocability: A cost is allocable to a specific grant, function, department, or other component, known as a cost objective, if the goods or services involved are chargeable or assignable to that cost objective in accordance with the relative benefits received or other equitable relationship. A cost is allocable to a grant if it is incurred solely in order to advance work under the grant; it benefits both the grant and other work of the institution, including other grant-supported projects; or it is necessary to the overall operation of the organization and is deemed to be assignable, at least in part, to the grant. A cost is allocable as a direct cost to a grant if it is incurred solely in order to advance work under the grant or meets the criteria for closely related projects determination."

Cause:
Proper directions were not provided to CASAA employees regarding the preparation of distribution papers and recording of accurate laptop serial numbers. The Professor of Health Communication/Senior Scientist did not consult with Contract and Grant Accounting, the granting agency, or the PI, a Professor, prior to transferring the 18 RBS laptops to the HPV grant.

Potential Risk: High:
CASAA employees did not record data completely and accurately on the laptop distribution forms. Consequently, internal auditors spent inordinate hours ascertaining correct laptops and serial numbers for the RBS and HPV grants. Because the correct serial numbers were not consistently used on all laptop distribution forms, CASAA does not have accurate records of exactly which laptops were distributed to recipients.

Laptop computers that are not tagged are at greater risk to become lost or stolen. CASAA’s property inventory is not accurately valued when assets are not tagged.

Failure to allocate costs to the correct grant may risk the University’s ability to have future grant funds awarded.

Recommendation 2

The Director of CASAA should:

a. Require that CASAA staff are provided with proper directions in the preparation of laptop distribution papers by instructing employees to record consistent and correct laptop serial numbers.

b. Ensure that all laptops that are retained for staff use are properly tagged for inventory purposes.

c. Ensure that all laptops that are checked out to former UNM employees are returned to CASAA.
d. Promptly transfer $10,602 off the RBS grant in order to ensure that the University of New Mexico demonstrates to the granting agency that once we became aware of inappropriate expenditures they were quickly transferred off the grant.

e. Address personnel issues and appropriate disciplinary actions for The Professor of Health Communication/Senior Scientist in accordance with C07: Faculty Disciplinary Policy of the Faculty Handbook.

Response from the Director of CASAA

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<tr>
<td><strong>Targeted Completion Date:</strong> 10-24-14</td>
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<tr>
<td><strong>Assigned to:</strong> (a &amp; b) CASAA Facilities Coordinator; (c &amp; d): CASAA Director to instruct Professor of Health Communication/Senior Scientist; (e) CASAA Director.</td>
</tr>
<tr>
<td><strong>Corrective Action Planned:</strong> I agree with this audit finding. Planned corrective actions: (a) reinstitute use of laptop distribution form created by the Facilities Coordinator, require use of this form for all laptops used as research incentives, and require a photograph of the back of the laptop to be attached to the laptop distribution form; (b) have Facilities Coordinator maintain records of all laptops to be used as research incentives, reconcile distribution during annual inventory process, and provide inventory tags for laptops not distributed; (c) request that laptop from former employee be returned (request sent 10-6-14); (d) move $10,602 to unrestricted index (completed 10-2-14); (e) CASAA Director to consult with Senior Vice Provost about appropriate response under the Faculty Disciplinary Policy and then implement appropriate discipline. Also require that the Professor of Health Communication/Senior Scientist retake the UNM PI training program.</td>
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Conflict of Interest (The Program Operations Director) Concerns

The allegations regarding the Program Operations Director misusing his/her authority by writing himself/herself and a Research Assistant into grants at higher salaries than what would have been normally been allowed was not substantiated.

Internal auditors reviewed job history and salary data for the Program Operations Director and a Research Assistant. We compared annual salary increases against other CASAA employees and did not find that the Program Operations Director and a Research Assistant received salary increases above or more frequently than other CASAA employees, or that the Program Operations Director processed salary adjustments prior to the submission of the grant budgets to the Pre-Award Office.
In an interview with Internal Audit, the Program Operations Director stated that the Principal Investigator decides the name of the staff to be added into the grant. The Program Operations Director also stated that he/she does not have the authority to process the Research Assistant’s salary adjustments.

**Travel Reimbursements Approval Concerns**

The allegations regarding the Program Operations Director approving his/her own travel reimbursements on May 5 and 8, 2014 were not substantiated.

Internal auditors reviewed 11 travel reimbursements submitted by the Program Operations Director for FY14. All of the hard copy reimbursements were approved by the Program Operations Director’s supervisors, the Professor of Health Communication/Senior Scientist (before March 1, 2014), or the Director of CASAA (after March 1, 2014). The Program Operations Director approved eight of the travel reimbursement transactions in Banner. Internal Audit concludes that there was not a violation of travel policy.

**UAP 4030 Travel, Section 3.2 Documentation states:**

“For travelers whose costs will be covered under a contract or grant, the PI for the contract or grant is required to document approval in lieu of the dean, director, or department head. If the traveler is a dean, director, department head, or PI, the traveler’s supervisor should document approval of the DPA form.”

**UAP 4030 Travel, Section 3.3 Documented Approval states:**

“The required documented approvals in this policy may be provided via electronic means (e.g., e-signatures, faxed signatures, or email correspondence) or with a handwritten "wet" signature.”

**Inaccurate Rental Car Reimbursement Concerns**

**Condition:**
UNM employees are encouraged to use the University P-Card for necessary and allowable business expenses. The Program Operations Director has been using a UNM P-Card to hire rental cars for the Program Operations Directors and co-workers’ work related trips. Internal auditors reviewed travel reimbursement documents and P-Card documentation to determine whether the rental cars rented under the Program Operations Director’s P-Card were used beyond necessary business days indicated on the travel reimbursement documents.

Internal auditors reviewed a total of 11 rental car invoices from 7/1/2013 to 5/2/2014 and determined that on various trips, two cars were used for one day beyond necessary business days and three cars were used for two days beyond necessary business days. In the interview with Internal Audit, the Program Operations Director stated that may have been instances where had the
OBSERVATIONS, RECOMMENDATIONS AND RESPONSES

Program Operations Director not taken a car home after a weekend trip, he/she would have needed to rent a cab to get back home, and the cost of the cab would have been more than the cost of the additional day of the rental car.

CASAA’s travel reimbursement documentation was not detailed enough to determine which traveler was responsible for each of these cars because all of the rental cars were rented in the Program Operations Director’s name. The associated travel reimbursement documents did not identify which travelers used which cars. The P-Card logs did not accurately identify the associated travel reimbursement document for each traveler.

Criteria:
UAP 4030 Travel, Section 3.2 Documentation states:

“To expedite processing of requests for travel reimbursement, travelers should thoroughly explain their travel claims and attach original itemized receipts and supporting documentation to verify that the expenses were paid by the person being reimbursed. This is important for processing and to satisfy internal and external reviews and audits.”

Cause:
CASAA staff did not have a process for providing explanations and documentation for travel expenses when travel involved multiple employees and multiple rental cars.

Potential Risk: Moderate
The usage of rental cars for unnecessary and unallowable business expenses is a misuse of University resources/funds.

Recommendation 3

The Director of CASAA should:

a. Ensure that CASAA staff use rental cars only for necessary and allowable business expenses.

b. Ensure that CASAA staff thoroughly explain their travel claims and attach original itemized receipts and supporting documentation.

c. Ensure that a rental car log is prepared to identify which traveler drove which car.
Response from the Director of CASAA

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<th>Action Items</th>
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<tr>
<td><strong>Targeted Completion Date:</strong> 10-31-14</td>
</tr>
<tr>
<td><strong>Assigned to:</strong> CASAA Director to instruct the Manager of Administrative Operations and Program Operations Director</td>
</tr>
<tr>
<td><strong>Corrective Action Planned:</strong> I agree with this audit finding. Corrective actions include: (a) development of a detailed written procedure for documentation of rental car usage when multiple cars are charged to one P-card; (b) development of a procedure for cross-review of all travel reimbursement requests between the Manager of Administrative Operations and the Program Operations Director; (c) development of a rental car log form that clearly allocates rental cars to drivers.</td>
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The Professor of Health Communication/Senior Scientist Travel Concerns

**Condition:**
A Program Specialist reserved a hotel room for the dates of May 21-24, 2014 for the Professor of Health Communication/Senior Scientist to attend the International Communication Association Conference in Seattle on May 23-25, 2014. The Professor of Health Communication/Senior Scientist used the hotel room for two additional days for personal use. The hotel charges for all four days were charged to the Program Specialist’s P-Card.

In the process of reviewing petty cash funds on June 10, 2014, Internal Audit found a money list and an attached check postdated and written by the Professor of Health Communication/Senior Scientist dated June 11, 2014 in the amount of $699.60. The money list and check were in a locked cabinet where petty cash funds were stored. The Program Operations Director stated that the money list and check were meant to reimburse the University for personal hotel days purchased on a P-Card and were to accompany a travel reimbursement form for the Professor of Health Communication/Senior Scientist. The travel reimbursement form was dated June 3, 2014 and there a handwritten note stating that a check from the Professor of Health Communication/Senior Scientist was attached with a money list. However, the money list was dated for June 6, 2014, suggesting the check was postdated for five days. This situation resulted in a personal loan from May 25, 2014, when the hotel room was charged to the University P-Card, to June 11, 2014, when the check was cashed.

Internal auditors found one more instance where another CASAA staff member, a Fiscal Services Tech, used a UNM P-Card on May 13, 2008 to purchase round trip airfare in the amount of $302.50 for the Professor of Health Communication/Senior Scientist’s spouse. The spouse accompanied the Professor of Health Communication/Senior Scientist to San Francisco, CA for a professional conference. The travel occurred on May 27 and May 30, 2008. The Money List for the deposit of
the Professor of Health Communication/Senior Scientist’s check to reimburse the University for this personal expense is dated June 12, 2008. This situation resulted in a personal loan from May 13, 2008, when the airline tickets were purchased, to June 12, 2008, when the check was cashed.

Criteria:
UNM P-Card policies and procedures state:

"The P-Card cannot be used for personal and/or unauthorized items or services. It may only be used for items purchased for approved UNM business purposes.

Violations - Level II

Violations have been assigned points. A Cardholder that accumulates 6 points will be required to be retrained. A Cardholder that accumulates 8 points will have their Card privileges terminated. The reviewer(s) may report violations to the department Chair and to the Director of Purchasing. The Chair will be given one month to respond to the findings and state the corrective action(s) to be taken.

Level II - Incremental Purchase/Prohibited Purchase (2 points)
- It appears that there was a purchase of a prohibited item.
- Airline ticket purchased for unauthorized traveler."

UAP Policy 4000, Allowable and Unallowable Expenditures, section 6. Personal Benefit states:

"It is prohibited to use University funds for any type of personal benefit, other than for salary and benefits to which employees are entitled under University policy. Common examples of personal expenses that cannot be reimbursed with University funds are listed below:

- Advances and Loans. No advances or loans to employees may be made, unless approved by other University published policy such as UAP 4030 ("Travel") or a deferred payment program specifically approved by the Board of Regents."

UAP 4030 Travel, Section 14. Combining Business Travel with Personal Travel states:

"University business travelers may combine business travel with personal travel. Travel for personal, rather than business, purposes may be added at the beginning or end of a University business trip, or friends or family may accompany a University traveler on a business trip. In such instances, the costs attributable to the University traveler for business purposes must be clearly separated from any personal travel costs of the traveler and the travel costs of the traveler's family or friends."
OBSERVATIONS, RECOMMENDATIONS AND RESPONSES

Cause:
According to the Professor of Health Communication/Senior Scientist, the first two days of the trip to Seattle were for Wedge Communication, LLC business and not for University business. The Professor of Health Communication/Senior Scientist was planning to charge the first two nights of the hotel stay to his Wedge Communication, LLC credit card. While in transit, the Professor of Health Communication/Senior Scientist received a message that the card was hacked. The first two days’ stay was charged to the Program Specialist’s P-Card and he/she used his personal postdated check to reimburse CASAA.

When internal auditors asked about the trip on May 13, 2008 where a UNM P-Card was used to pay for the Professor of Health Communication/Senior Scientist spouse’s travel, the Professor of Health Communication/Senior Scientist stated that he/she does not remember this particular situation.

Potential Risk: Moderate
This may be a violation of UNM policy and improper use of University resources.

Recommendation 4

The Director of CASAA should:

a. Instruct CASAA employees not to use University funds for advances, loans or any other types of purchases for personal benefit.

b. Address personnel issues and appropriate disciplinary actions for the Professor of Health Communication/Senior Scientist in accordance with C07: Faculty Disciplinary Policy of the Faculty Handbook.

Response from the Director of CASAA

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<th>Action Items</th>
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<td><strong>Targeted Completion Date:</strong> 10-24-14</td>
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<tr>
<td>Assigned to: CASAA Director</td>
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<td><strong>Corrective Action Planned:</strong> I agree with this audit finding. Planned corrective actions: (a) review of University policies 4000 and 4030 with CASAA Program Directors and Principal Investigators and distribute policy to all CASAA employees; (b) CASAA Director to consult with Senior Vice Provost about appropriate response under the Faculty Disciplinary Policy and then implement appropriate discipline. Also require that the Professor of Health Communication/Senior Scientist retake the UNM PI training program.</td>
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Personal Use of University Property Concerns

Condition:
The Professor of Health Communication/Senior Scientist is a co-owner of Wedge Communications, LLC, which was incorporated in Nevada in March 2011. The business enterprise through Wedge Communications, LLC is an online alcohol server training program called Way to Serve. On the New Mexico State Regulation & Licensing Department website, The Professor of Health Communication/Senior Scientist lists his/her name and a UNM phone number as a contact for the business. Until recently, students completing Way to Serve training received temporary server permits with the Professor of Health Communication/Senior Scientist’s name, UNM email, UNM CASAA address, and phone number printed at the bottom of the certificate.

Criteria:
UAP 2500 Acceptable Computer Use, section 3.3 Other Misuse states:

“Users shall not use computing services:

- in a way that suggests University endorsement of any commercial product (unless a legal agreement exists and any communication or computing activity has been pre-approved by an appropriate vice president); or
- to send commercial or personal advertisements, solicitations, or promotions.”

Although the Professor of Health Communication/Senior Scientist commercialized the technology used in his online server training with the assistance of STC.UNM, it is not appropriate to continue to use UNM computers, addresses, and telephone numbers in his personal business years after the economic development phase of his business had been completed.

Cause:
The Professor of Health Communication/Senior Scientist stated in his interview with Internal Audit that the reason his UNM contact information is on the New Mexico State Regulation & Licensing Department website and Way to Serve server permits, is because he/she worked with STC.UNM to do interim commercialization while the LLC, licensing agreement, and royalties were being set up. The Professor of Health Communication/Senior Scientist is in the process of changing all of this contact information and the training license itself from UNM to Wedge Communications, LLC.

Potential Risk: Moderate
Customers of the Professor of Health Communication/Senior Scientist’s business may believe that because a UNM email, UNM CASAA address, and a UNM phone number are on the New Mexico State Regulation & Licensing Department website, and their server permits, that Way to Serve is a UNM business. This may create adverse liability and reputational issues for UNM in the event that Way to Serve encounters legal difficulties.
Observations, Recommendations and Responses

Recommendation 5

The Director of CASAA should:

a. Ensure that the Professor of Health Communication/Senior Scientist immediately removes all UNM email, addresses, and phone numbers from the New Mexico State Regulation & Licensing Department website, and the Way to Serve server permits.

b. Address personnel issues and appropriate disciplinary actions for the Professor of Health Communication/Senior Scientist in accordance with C07: Faculty Disciplinary Policy of the Faculty Handbook.

Response from the Director of CASAA

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**Corrective Action Planned:** I do not agree fully with this audit finding. The Professor of Health Communication/Senior Scientist was conducting NIH-funded research on the effectiveness of the on-line alcoholic beverage server training program, and server trainer certificates were issued by the New Mexico State Regulation & Licensing Department to individuals who completed the training as part of the research grant. These certificates appropriately listed UNM/CASAA contact information as they were related to the research grant. However, during the same time period server training also was provided through Wedge Communication, and the Professor of Health Communications/Senior Scientist did not take any steps to clearly discriminate server trainings conducted through Wedge Communication from server trainings conducted as part of his NIH-funded research. I agree that he/she should not have had any UNM contact information on server training certificates for training provided through Wedge Communication. All NIH-funded research training was concluded by 8-31-14, so at that point all references to UNM should have been removed. Corrective actions include: (a) CASAA Director to instruct the Professor of Health Communication/Senior Scientist to request that New Mexico State Regulation & Licensing Department remove all references to UNM from their website and to only reference Wedge Communication (request submitted to the State on 10-6-14); (b) CASAA Director to consult with Senior Vice Provost about appropriate response under the Faculty Disciplinary Policy and then implement appropriate discipline.
APPROVALS

Manu Patel, CPA
Director, Internal Audit Department

Approved for Publication

Chair, Audit Committee