THE UNIVERSITY OF NEW MEXICO  
Board of Regents Audit and Compliance Committee Special Meeting 
December 4, 2014 – Meeting Minutes


Chairman Gallegos called the meeting to order at 10:32 AM in ROBERTS ROOM, Scholes II Hall, UNM.

ACTION ITEMS:

- The Committee unanimously approved the minutes from the meeting of October 16, 2014.

INFORMATION ITEMS:

- There were no Advisors’ Comments.

- Follow up items:

  Pamina Deutsch, Director, Policy Office, Amy Wohlert, Chief of Staff, and Melissa Bokovoy, Chair, History Department, presented the Committee with an update on the Main Campus Code of Ethics. The Ethics Task Force is not calling it a Code of Ethics as appears on North Campus, but rather Guiding Principles. Professor Bokovoy reported that is a set of four guiding principles the task force distilled and boiled down and that direct people to existing policies. The information was taken from multiple vision, mission, and value statements from UNM and other institutions, such as Cornell University. Dr. Ferrell, Chair, Faculty Ethics Committee, stated that using the term guiding principles is a practice that many businesses and universities follow. Ms. Deutsch noted that she had drafted a 25 page code of ethics based on the Health Sciences Center model, but consequently read an Albuquerque Journal article regarding the use of shorter guiding principles. Therefore, Ms. Deutsch suggested to the President’s Office that this might be a better model. She is not sure anyone would ever read a 25 page document.

Professor Bokovoy added that people can try to make rules flex. The principles can guide you to move to the next stage. We already have robust policies that very much deal with ethical behavior. Chairman Gallegos thought the objective would be to have an overarching code that would not require trying to go here or there and some policies might conflict – not to have 25 pages; that was never suggested and is not the case at HSC. Ms. Deutsch stated that the Health Sciences Center has a code of ethics, but different units also have codes.

Chairman Gallegos asked Professor Bokovoy when they started on this and how many meetings the ethics task force had regarding the code/principles. Professor Bokovoy stated they started in August and had approximately eight meetings of one hour each. Regent Koch asked to hear from Regent Hosmer because he has prior experience with this topic. Regent Hosmer noted that this Committee has seen the HSC version and they find it appealing and valuable. He asked for a summary of the key differences between the guiding principles and the HSC code of ethics, and what are the benefits of the differences. Professor Bokovoy replied that the key benefit of these are they are overarching, not for a specific unit. The Committee felt very strongly that ethics starts at the very top with most violations occurring at the top levels. It is
important that everyone lives by them; it is not about "dos and don’ts." It is about guiding behavior. These are ethical principles. A code is a set of laws that dictate behavior and the University already has many complicated policies and governmental laws to follow. Ms. Deutsch stated that the code of ethics at the Health Sciences Center is situational. The situations are given as examples based on discussions that occurred over a year’s time. It will be useful to have a series of forums on campus to discuss these principles and what they mean. There would be examples and eventually could be a document that would be somewhat similar to the HSC document. Regent Hosmer stated the Regents have seen the HSC version. They found it appealing and potentially valuable and they had hoped what the committee came up with would build on that. What Ms. Deutsch then explained is that what she put together initially mimicked the HSC code. It was done very quickly without opportunities to get input.

Ms. Wohlert added that the code Ms. Deutsch developed did not translate well to Main Campus and they feared it was too unwieldy. HSC has a much more focused mission. They sought cut counsel from someone who does this for a living – Ann Rhoades, President and Founder of People Ink. Ms. Rhoades communicated that you should not try to do a code of ethics for this type of institution. She indicated the University should get a set of guiding principles in place and then talk about implementation language and how this plays out. You can check to see if policies align and are comprehensive enough. Professor Bokovoy added that the principles can be used in employee evaluations in a way a code of ethics cannot. Regent Hosmer asked if the HSC version depends on the narrower focus and very detailed prescriptive aspirations. For the Main Campus something organized in that fashion would be necessarily huge. They have therefore come up with the principles that are ethical and aspirational – the same as HSC in that respect, which is what the Regents found appealing. Regent Hosmer stated that some ethical codes are summarized very succinctly. Would a single short aspirational statement that summarizes the ethical component serve as a headline which replicates the value of the HSC version and also functions for the entire University? Not to replace these at all but give them an introduction or preamble that calls out, for example, integrity in service.

Professor Bokovoy stated that there are so many layers of putting policy forward. It was the Committee’s idea that the Regents wanted this done more quickly. This process is quicker than what the HSC did. The Big Red policy handbook creates ways to implement principles. There is not usually a summary in these, so they did not think of a preamble. If the Regents want the Committee to go back and address the addition of an introduction, they can. Regent Hosmer indicated the policy statement needs an additional sentence that summarizes core concepts of integrity, trust, and service.

Chairman Gallegos asked how we determine a violation and who determines the violations? What is the measure? Professor Bokovoy replied that you go to existing policies and the code of conduct. This even includes the HSC code of ethics. The Regents thought there would be an overarching code of ethics applicable to the Main Campus in addition to any other codes or policies that are not in conflict. Regent Hosmer added that the policy statement that captures the ethical component would be a very useful front end to the process, whatever else you come up with.

Professor Bokovoy asked if this should be shelved. Chairman Gallegos answered yes. There is nothing at this point to recommend to the full Board. Regent Koch informed the Committee and the task force that he likes the request for broader, clearer explanation up front. Professor
Bokovoy agreed that they could add a statement. Regent Hosmer stated if it is the right statement the principles could all flow under that. Regent Koch said things change when you have committees and discussions. Regent Hosmer asked if Chairman Gallegos could elaborate on the disappointment with what has come forward. Chairman Gallegos responded that what is before the Committee now is a compilation of various existing policies that bear one way or the other on ethical behavior. You cannot argue with the statements of principles, but a code is different in that it states clearly that this is what is expected in terms of conduct. Then, if that is not the conduct, then you have violated it. President Frank informed the Committee that they could take it one more stage, and morph it into something more like what they wanted to hear. They can take Regent Hosmer’s request, tack it on, and then add the community meetings around campus, and it may be more like what the Regents wanted. This is a skeleton and it is early in the process. The HSC code may have been like this in the early stage.

Regent Hosmer said for each of these statements there are two sides of a coin: how do you define violations, and how do you encourage good behavior? Built above them could be a positive aspirational statement. Professor Bokovoy asked where you can get a document that is specific to a violation of, say, integrity. This guiding principles document will show where to look. It serves as an index. You will not see this anywhere in any document that already exists. Ms. Wohlert stated this will be in employee evaluations. You have to say what is exceptional integrity, what is tolerable, etc. President Frank stated there is no “live quality” to the principles document. Regent Hosmer said these eliminate grey areas. We all know of cases of misbehavior that are not actionable because they do not violate some specific law, regulation, or policy. The statements here have the benefit or strength of eliminating those grey zones.

Chairman Gallegos stated they would have to educate him on how they eliminate grey areas because they seem extremely general. President Frank replied that what is missing is where Regent Hosmer was going with the preface. They lack the HSC quality of grabbing you and they need more living examples. The readers should get more from the document. You have to understand too much. Chairman Gallegos added that the HSC version is positive. Regent Koch believes that stucents do not look at the Pathfinder (student policy manual) unless there is an issue. Ms. Wohlert stated that going forward we want to include the more positive statements, for instance to look at examples of behaviors that show adherence to the highest levels of integrity.

Director Patel concluded the follow-up items with a discussion of Clery Act data for all campuses. Internal Audit has drafted a memo detailing what information is missing. All the required information is filed with the government, but there are still some problems with internal reports. There is still work to be done to clean them up.

By unanimous consent, the meeting went into Executive Session at 11:25 for the reasons stated in the agenda.

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);
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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.

The meeting returned to open session at 12:47 PM, with certification that only those matters described above were discussed in Executive Session.

The Committee approved the following UNM Hospital audits by unanimous consent:

a. UNM Hospitals Patient Financial Services, audit period July 1, 2013 to January 31, 2014.
b. UNM Cancer Center Patient Financial Services, audit period July 1, 2013 to January 31, 2014.
c. Sandoval Regional Medical Center Patient Financial Services, audit period July 1, 2013 to January 31, 2014.

Motion to adjourn 12:48 PM. (Motion: Regent Hosmer, Second: Chairman Gallegos).

Approved:

[Signature]

Audit and Compliance Committee Chairman