Members Present: Chairman Jack Fortner, Tom Clifford, Garrett Adcock (quorum).


Chairman Fortner called the meeting to order at 12:58 PM in ROBERTS ROOM, Scholes Hall, UNM.

ACTION ITEMS:

- Regent Clifford moved to amend the agenda as pertains to the order of items. Internal Audit Director Patel noted that the Executive Session will move forward and the open session items will continue following that session. The Committee unanimously approved the agenda as amended.

- Chairman Fortner reiterated that Regent Adcock can participate as a regular voting member as he fills a vacancy on the Board due to a resignation.

- The Committee unanimously approved the minutes from the meeting of March 2, 2017.

- Chairman Fortner stated he cannot attend the proposed date for the next meeting – April 28, 2017. Following continued discussion, the preferred date that works according to the Committee members is the afternoon of April 26, 2017. The Chairman stated he would know by Tuesday if April 26th works for him. The State Auditor’s Office needs to approve the selection of the external audit contractor and that contractor needs to prepare for the entrance conference scheduled for this next meeting date; therefore the finalized date hinges on those items being completed. New future proposed dates for the remainder of 2017 are August 3, 2017 at 9:00 AM, and October 20, 2017 at 9:00 AM. The Committee approved these dates with April 26th being tentative.

By unanimous consent, the meeting went into Executive Session for the reasons stated in the agenda. The meeting went in to closed session at 1:04 PM.

The meeting returned to open session at 2:45 PM, with certification that only those matters described above were discussed in Executive Session.

The Committee unanimously approved the award of the external financial audit contract to Ricci and Company with RSM.

The Committee unanimously approved the following UNM Audits:

- The University of New Mexico Press Audit of Business Practices and Processes, Report #2016-08
- Audit of the Stairwell Project by Remodel Division, Report #2017-03

INFORMATION ITEMS:

- Chairman Fortner asked for advisor comments. There were no comments.
• Audit Manager Yeh discussed previous audit follow-up items with the Committee. There are two reports, each with one page summaries: a list of implemented items, and items still pending. The follow-up reports were not discussed at the previous meeting because we ran short on time. Therefore, some pending items may have progressed, but that progress is not reflected on these reports from early March. Regent Clifford asked for discussion of the Payroll audit items first.

Liz Metzger, University Controller discussed the Payroll items. She confirmed some information is updated since the last meeting, and some hinge on the implementation of the Talent Management System. The first piece of implementation, applicant tracking, is set to go live on Monday, April 3rd. The implementation team is hoping that integration with Banner will happen sometime in May. The first recommendation is regarding processing of adjustments outside of the normal cycle and ways to determine what is causing the adjustments. Rather than spending a lot of time with the old system and programming there, the thought was to build it into the implementation of the new system. Work has begun on that, but it is a little complex, because it is not a simple process to determine the root cause of each adjustment.

Regent Clifford asked when we talk about “HR,” is that the main HR department, or HR staff within the departments that are entering the information? Ms. Metzger responded that Dorothy Anderson is the Vice President of HR. Across campus, there are multiple data centers, i.e., Faculty Contracts, Student Employment, HR for staff hires, and the Health Sciences Center. Departments can do some HR functions and may or may not have a specialized HR person in the department. But someone is assigned to do the tasks that feed into the system. Regent Clifford asked if we know who is doing it and if they have been trained. Director Patel responded that when Internal Audit looked into the detail of an adjustment, they traced back all the way down to the department level to see if the department is where the information did not get entered on a timely basis. If not, the centralized function will have no way of knowing the information.

Regent Clifford added that the recommendations have a lot to do with training. The people at the department level who perform HR tasks report to their department, not to HR. Acting President Abdallah stated that the people do go through training. Regent Clifford added that if the people do not report to HR, they are reporting to people who do not understand what they do. HR staff are the ones who understand this system, and now we are getting a new one. That will put more pressure on this process because there is a new set of things to learn. There is a whole HR rule book that these people need to know but they do not report to HR. Acting President Abdallah stated it does filter up.

Regent Clifford stated he would like Dorothy Anderson to come to the next meeting to get a diagram of how this works, what the new system does, and how they ensure that people are knowledgeable and doing what they should be doing. It worries him that HR is telling people to do things that do not report to them. Amy Wohlert, Chief of Staff, stated that each unit has an HR Consultant that must be consulted and approve particular actions. Also, individuals who enter data into the system are required to have Banner Authorization role approval. In order to get the role approval, you have to complete training. Ms. Metzger added the point of implementing the new system is to make these processes easier and so that less things are missed and less mistakes happen. The hope is once the system is fully implemented and there are less manual parts, it will fix many of these things. Ms. Metzger stated they do run a payroll almost every day due to
adjustments and perhaps they could use more discretion as to whether or not to make somebody wait a little longer on an adjustment.

Carla Domenici and Che Nyamboli addressed the Committee regarding chemical purchases. They have upgraded their tracking system for hazardous materials. When Ms. Domenici came to UNM in 2011, the campus did not have a chemical inventory. Her predecessor had a staff member build a database called ICID, and people would voluntarily submit chemical inventories to that database. But it was probably less than five percent complete.

Safety and Risk Services worked with Purchasing. They found a SciQuest product called Enterprise Reagent Manager (ERM), and they hired six advanced-level students called Chemical Inventory Specialists. These specialists have gone into every lab on all areas of campus, as well as branches, and manually implemented everything. Each lab is visited at least once a year, some more frequently. They continually go in and update the inventory. They work with the Physical Plant to obtain quarterly data and also work with Chem Stores, providing them with bar codes. They code the chemicals and provide an Excel spreadsheet that is downloaded into the software. Because ERM is a SciQuest product, it communicates with LoboMart. The Provost’s Office has asked academic departments to purchase through ERM. If they do that, inventory automatically updates. There is some resistance because some areas prefer other vendors not inside the software due to things such as pricing or delays in availability. If chemicals or other hazardous materials are purchased outside of LoboMart, there is an additional form that must be filled out. Ms. Domenici noted that full time staff are certified and receive extensive training. The students are trained in personal protective equipment, how to handle chemicals, and radiation safety. Regent Clifford asked if UNM has an educational program for that. Acting President Abdallah stated he is not aware of one. Regent Clifford replied that might be useful as it is a job track at the labs.

There is an additional finding similar to the purchase of chemicals that Ms. Domenici stated is really the next phase. The finding was directed to the EVP for Administration, the Provost’s Office, and the Chancellor for the Health Sciences Center. The portion assigned to the EVP for Administration that remains open is a central receiving area. Safety is partnering with Bruce Cherrin, Chief Procurement Officer, who has stated he would like to take responsibility for central receiving because he oversees mail services that has a type of central receiving. If they receive all the chemicals ordered through CRLS or LoboMart, they can bar code those and close that loop. The portion remaining that is assigned to the Chancellor is not something Ms. Domínguez would be working with on the HSC side. Director Patel stated that Dr. Richard Larson oversees their labs. Internal Audit is updating that portion and can get back to the Committee at the next meeting with more information.

Regent Clifford stated he had a couple of questions about pending research items. Mr. Yeh informed the Committee that one finding regarding program requirements under the review of College of Education operations was recently implemented but not yet updated to the implemented list. Acting President Abdallah verified that they did decrease the requirement for amount of hours. Regent Clifford asked for information on the Brain Safe project. Mr. Yeh responded that Internal Audit has not been provided the evidence to close the recommendation. Regent Clifford asked Mr. Yeh and Mr. Patel to let them know if Internal Audit cannot get a response. Maybe there needs to be an inquiry from the Chairman. Chairman Fortner asked Regent Adcock if he was involved in that study. He replied that he was; he had two scans and was provided DVD copies of the information.
Regent Clifford inquired about an Arts and Sciences process to track research activities. He has been wondering how we track research activities campus-wide. Acting President Abdallah stated that Dr. Heileman, Associate Provost, has been overseeing work to collect information on research activities. UNM looked at commercial products but that was going to be very expensive, so it was determined that information could be collected internally. They are working with the Vice President for Research to develop the application that will become UNM software that could potentially be sold to other institutions. UNM has developed other tracking systems that became available for outside use. Regent Clifford stated he would like a demonstration of it when it is ready – either in this committee or ASAR. He added that the recommendation should remain open, because even if the system is developed, there is still the question of implementation.

• Libby Washburn, Chief Compliance Officer, provided the Committee with a status update on the compliance area. The Department of Justice (DOJ) agreement is the biggest thing that is touching the Compliance Office at the moment. There are quite a few tasks to be done, particularly in 2017 where there is a great deal of infrastructure to get up and running. After that time, it will be mostly about maintaining what we are doing. Ms. Washburn passed out an implementation plan to the Committee members. This plan lists every task in the DOJ agreement. It includes who is responsible for each task, the due date, and where UNM is at in the process. Ms. Washburn stated there are a lot of tasks that have been approved by the DOJ. There is still a lot to do, but UNM is getting to a better place. Since Ms. Washburn last met with this Committee, the Compliance Office has filed three status reports with the DOJ. Two included hundreds of pages of documentation. The most recent one was filed February 1, 2017. A major task in that report that the Compliance Office has identified as the most difficult was a blueprint of how UNM is going to provide in-person training for all students. There are 27,000 students. They identified a plan, submitted the plan, and the DOJ is thrilled with it. Training has already begun, with the majority of it starting in August and September.

Chairman Fortner asked about terminology used for faculty and staff that UNM designates as responsible employees. Another document, a status update, mentions that according to policy all UNM employees are designated. Ms. Washburn answered that is correct the way it stands now. UNM is revisiting that. Once they rewrite the policy, that could change, and some categories of employees may be removed from the requirement. Regent Clifford asked Ms. Washburn about participation rates and who that covers. Ms. Washburn stated that covers the online employee training. At the end of calendar year 2016, the Compliance Office had to provide the DOJ with the compliance for employees. UNM hit it out of the park, and the DOJ was shocked that we had such a high compliance rate. The President was emailing people weekly and it was a very aggressive campaign. Unfortunately, the DOJ adamantly mandated that the first student training has to be in person. UNM tried unsuccessfully to push back on that. Every subsequent year, students will do an online training. Regent Adcock asked for explanation of the waiver of training. Ms. Washburn replied there are certain reasons a waiver can be accepted, such as medical, religious, and if someone has experienced a sexual assault and the training would be a trigger. The trainers have a form for those stating they cannot do the training, or students can fill out the form ahead of time.

Ms. Washburn stated that she anticipates by the end of 2017 they will file three additional status reports. A significant deadline at the end of the year is when UNM has to notify the DOJ how many students have completed the training and any plan to capture remaining students. Regent
Adcock asked Ms. Washburn if the training is something that is going to be incorporated into freshman orientation. Ms. Washburn replied yes, and if the student has done the training at freshman orientation, they do not have to do in person again. But they have to use this certain training module. Ms. Washburn stated she thinks UNM has 8,000 students trained thus far. The incoming class of freshman will also receive the training. They are kind of a captive audience.

Regent Clifford noted there are several items that say the Compliance Office is coordinating with IT. Ms. Washburn replied that all the internal references with outdated information on UNM’s website have been updated; however there are external sites such as the Rape Crisis Center, etc., that UNM does not have control over. They had incorrect Title IX Coordinator contact information and they asked IT to help get these external sites fixed.

Chairman Fortner asked about the monitoring program to assess effectiveness of efforts. He noted that historically, most sexual assaults occur in dorms or among athletes and that is where the education should be focused. Ms. Washburn replied they did implement a monitoring program involving training evaluation forms and a climate survey. UNM is paying a professional organization to compile the statistics from the survey. Additionally, focus is on athletics, Greek life, and the dorms, where they are doing some specialized things in addition to the broad, campus-wide effort. The DOJ felt like there were pockets of the population such as graduate students that didn’t know where to go for resources.

Regent Clifford stated “to monitor the effectiveness” is a loaded phrase that requires program evaluation methodology. He wanted to know if Compliance is working with anyone on that. Ms. Washburn replied that they are teaching themselves. They are planning to ask the DOJ to assist them with examples from other institutions that have it in place. Regent Clifford responded that the DOJ says to invent your own. If UNM does their own, it shows good faith effort and there might be the ability to have more control, but Compliance needs help from somewhere internally. Acting President Abdallah responded there are social programs that have program evaluations. Regent Clifford added that UNM needs to be careful about presenting naïve statistics. There are important steps that you would take in any evaluation like this. UNM has people who can do this. Director Patel suggested Paul Guerin at the Institute for Social Research. Eileen Sanchez, Compliance Specialist, stated they are going to have Institutional Analytics assist with the raw data that comes in. The Compliance Office has also done some work in Ethics Point (where Title IX cases are captured) running reports the DOJ is requesting. They have informed the DOJ that they will run reports monthly and look for trends and patterns in Title IX cases to see if they come from any certain area on campus.

Chairman Fortner asked for clarification on academic accommodations, and if that includes when a victim says they need for certain things to be done. Acting President Abdallah replied that there is a place on campus where students go to get tested for things like test anxiety or learning disabilities. Ms. Wohlerst stated the Dean of Students can also make determinations due to ongoing needs to perhaps separate someone from the campus community but not interfere with their ability to continue their education. That could also include if an alleged assaulter and alleged victim are in the same classroom.

Ms. Washburn concluded the DOJ discussion and began discussion of Minors of Campus. There is a new policy regarding this subject and the Minors on Campus task force has reconvened. The President is going to send out a reminder to the campus community that summer camps are
coming up. The Compliance Office is working with IT and will be sending out a questionnaire to get data on where these camps are on campus and how many minors there are. This data can be populated and stored in a database.

Internal protocols for the hotline are finalized. The Compliance Office is working on a communications plan to try to get the word out about the hotline. They currently have a poster and a website but are working on more ways to spread the word. Acting President Abdallah noted that the problem with direct emails is there are already a lot of communications that go out and people do not read them. Ms. Sanchez has also been working on a short form for the hotline for quick-notify items. It should roll out in the next month or so.

- Ms. Sanchez provided the Committee with an update on the hotline statistics. She is running the benchmark report every quarter. The benchmark is against Navex Global clients, the owners of Ethics Point. There are more than 2,300 organizations in the system. Approximately 800 higher education institutions use Ethics Point. The benchmarking provides a good way to spot trends and patterns to possibly mitigate potential risk.

The first benchmark is reporting volume; it is extremely low compared to other Ethics Point institutions: 0.64 compared to 1.90. As communicated earlier, one of the Compliance Office’s goals is to increase employees’ knowledge of reporting channels. One of the tools is the open door report form. It is a URL that anybody can click on. There are a few questions to answer, then that goes into the hotline and will be reviewed to see if it warrants investigation. They are going to try to roll it out in baby steps, because if they send out the URL to everyone at once, UNM might get inundated. They are also considering a quarterly newsletter.

The anonymous reporting rate has actually gone down a little. That is helpful because they can contact the reporter if they need additional information. Regent Clifford asked if we contact the ones who identify themselves with how the case was resolved. Ms. Sanchez stated there is a follow-up section where there is just a general notice that the case has been resolved. Specific information may occur within the department.

As mentioned, the substantiated rate is very low and that is a concern. Most of the time they are not frivolous, as the reporter really does feel there is an issue, but the investigator goes out and it is not substantiated. The Compliance Office hopes the internal procedures for investigators will help. Regent Adcock asked if the Compliance Office is doing anything to educate people on what constitutes a substantial report. Ms. Sanchez replied they have links to policies as well as FAQs, but it is difficult. Sometimes the hotline can be used as an inquiry. If someone observes something and wonders if it violates policy, the person can put in a question.

The case closure time has been creeping up, from 80 days to 82 days. The benchmark in Ethics Point is 46 days. There can be a number of reasons. There are some very complex cases with multiple areas working them. Sometimes this number is skewed by a few lengthy items. Ms. Sanchez reviews cases monthly to make sure they are updated and being worked, and she sends reminders to the investigators through the system to make sure they are working the cases and providing status updates.
Reports of retaliation are starting to go up. This is a new benchmark report through Ethics Point. It was four percent in 2016, and now it is up to eight percent. Regent Clifford asked if people feel like they are being retaliated against for the particular reported incident, or in general. Ms. Sanchez replied it is mostly for a case they reported, but not always. Regent Clifford stated this is an important training issue for managers and employees. He asked if these retaliation complaints are more from students or employees. Ms. Sanchez stated she did not try to separate that information out but feels it is mostly employees. Acting President Abdallah said he hears often that people are afraid of retaliation and he is always surprised. At the town hall people expressed they were glad for a way to report anonymously because of the fear of retaliation. Ms. Sanchez stated from what she can recall most of the retaliation reports are found to be unsubstantiated. Also, the reporter has to choose Retaliation as the issue for it to show in that category. Sometimes they just select, for instance, HR Other Matters. Regent Clifford told President Abdallah he would like to see some follow up on retaliation because it seems like an issue.

There does appear to be a trend of an uptick in cases that at the end of the semesters. Case numbers picked up in 2016. Overall, the hotline is becoming more known. UNM Main has the most cases. Regent Clifford stated that would be the case because of the population size; per capita information would be helpful. Regent Clifford stated that it would be good for the President to distribute information when these issues arise.

Ms. Sanchez informed the Committee that she is retiring from the University. At UNM, she started in HR. She has been at UNM for 13 years, and in Higher Ed for 27 years total.

- Ms. Washburn informed the Committee that the Risk Assessment process has started. Electronic survey questionnaires will go out in the next week or so. Compliance and Internal Audit should have some preliminary response information at the next meeting of this Committee. Information will be compiled over the summer.

- Director Patel addressed the Committee regarding his Director’s report. At the end of this fiscal year, the department should have a carry forward balance of approximately $65,000. The National Science Foundation is going to be on campus next week auditing UNM and Director Patel will be meeting with them. There will likely be focus on IT security and research functions. UNM is just one of the entities they have chosen to audit.

The meeting adjourned at 4:13 PM.

Approved:

[Signature]

Audit and Compliance Committee Chairman