



The University of New Mexico

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MEMORANDUM

To: Brian Foster, Executive Vice President and Provost
Alicia Chavez, Executive Director, UNM Taos Branch Campus

From: Yvonne Cox, Interim Director, Internal Audit Department *Yvonne Cox*

Date: June 10, 2004

Subject: UNM Taos Branch Review of Alleged Misconduct and Financial Mismanagement
Report 2004-11

Enclosed is the above final report with your integrated response, which has been approved by the President of the University. Those who receive copies of this report package may not photocopy it, release it, nor reveal the contents, in whole or in part, without the advance written approval of the President of the University.

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Please contact the Internal Audit Department when corrective actions are completed so we can perform the follow-up review.

cc: Board of Regents KPMG
Louis Caldera
David Harris
Richard Holder
Nick Estes
Mary Donato
Kathy Guimond
Wynn Goering
State Auditor's Office

UNM TAOS BRANCH REVIEW OF ALLEGED MISCONDUCT AND FINANCIAL MISMANAGEMENT

INTRODUCTION

PURPOSE

The purpose of the review was to investigate allegations of misconduct and financial mismanagement by the Associate Director of Student Services for the UNM Taos Branch.

SCOPE

The Executive Branch Director of the UNM Taos Branch Campus (Branch) received allegations regarding the activities of the Associate Director of Student Services of the Branch (Associate Director). The Provost and the Executive Director asked Internal Audit to review the allegations. We reviewed selected material misconduct and financial allegations. To investigate the allegations, we reviewed documents and interviewed employees. We did not review all of the Branch activities as we limited our review to the allegations and other concerns that came to our attention during the course of the audit. We discussed our concerns with the Associate Director and we included information gathered in these discussions, where appropriate.

BACKGROUND

The Associate Director reports to the Executive Director of the Branch. The Associate Director directed and managed the entire department of Student Services including Financial Aid, Special Needs, Academic Advising, Student Government Advisor and all other aspects of the department. In that capacity, she directs and oversees career counseling, student discipline programs, recruitment, enrollment, admissions, registration and other student life activities.

OPINION

The Associate Director attempted to inappropriately use her position to benefit herself and her family.

RESPONSE FROM THE PROVOST AND THE EXECUTIVE CAMPUS DIRECTOR

There is one important added note that would be helpful to point out that this Associate Director serves as the Senior Student Affairs Officer for the UNM-Taos branch. This would clarify that she had full oversight responsibilities for these areas of student services.

IN A CAMPUS WIDE CONTEXT WE HAVE ALSO IMPLEMENTED THE FOLLOWING SINCE MY START DATE AS CAMPUS DIRECTOR IN OCTOBER OF 2002:

As a new branch campus, few of our staff or faculty have ever worked on a college campus and it is imperative to the quality and integrity of our services and systems that we provide ongoing training and professional development. In the past year and a half, this has been especially essential to bring us into compliance with Federal, State and UNM policies and regulations. We have utilized a variety of methods including the following:

- a weekly in-service training session for full-time faculty and staff as well as student staff to provide training in a variety of areas necessary to our development as a quality institution including: communication skills, FERPA guidelines, working effectively with students, promoting student retention, teaching and learning methods, supervision and management, responding to student and community needs, working with a diversity of populations etc.*
- a professional development team that is providing a series of training workshops, seminars and retreats on a variety of additional skill areas for faculty and staff*
- a team that is working with main campus organizational and development department to design a leadership/management institute and a long-range plan for continued professional development*
- monthly meetings with leaders, managers and supervisors to discuss University issues and provide training in critical and developmental areas*
- development of increased transparency of information utilizing the UNM-Taos web site, leadership meetings, collaborative budget review processes and increased inclusiveness of students, faculty, staff and community members on search teams and decision making teams to encourage accountability*
- plan for development of key performance indicators and assessment during the 2004-05 year to promote effectiveness, quality of service, academic excellence and accountability*

EXECUTIVE SUMMARY

The purpose of this section is to provide management with an overview of our findings. Numbers in brackets[] refer to page numbers in the report.

ATTEMPTED GRADE CHANGE [5]

The Associate Director attempted to change her grade for a Main Campus course. In her position, she had access to the official UNM grade change forms. The Executive Director is working with Human Resources to determine appropriate administrative action concerning the Associate Director. (This response is reiterated throughout the report but will not be repeated in the Executive Summary.) The Executive Director also arranged for the UNM Registrar to review the Branch academic records and processes. The Executive Director is developing procedures and changing the organizational structure to facilitate appropriate internal controls.

FINANCIAL AID TO A RELATIVE WHO DID NOT QUALIFY [6]

A relative of the Associate Director received financial aid for which the person did not qualify. The UNM Financial Aid Office billed the student and the monies were repaid. The Executive Director arranged for the UNM Financial Aid Director to review the financial aid processes and records.

NEPOTISM IN PAYROLL [8]

There were two cases of nepotism involving the Associate Director's [REDACTED] and the Executive Director's husband. The situations were corrected. The Executive Director responded that she is providing ongoing training for her managers and supervisors.

APPROVING LATE REGISTRATION FOR CLASSES [10]

The Associate Director asked an instructor to enroll her close relative into a class late. The Executive Director responded that UNM Taos-Dean of Instruction will work with the faculty mentioned in the audit report regarding expectations for registration of students in classes. The Executive Director also responded that she will include the topic of late registration for classes in the training for new faculty.

PURCHASE OF SHIRTS FOR THE TAOS HIGH SCHOOL BASEBALL TEAM [12]

When a close relative of the Associate Director was on the team, the Branch purchased shirts for a high school baseball team in the high school's colors. The Executive Director responded that she will ask for reimbursement from the employees involved in the purchase. She also responded that she reviewed the fund use for recruitment and community relations and brought the spending into compliance with University policies.

VIOLATION OF BYLAWS BY THE STUDENT GOVERNMENT [13]

When the Associate Director was the advisor for student government, the members awarded themselves scholarships in excess of the amounts permitted by the bylaws. The Executive Director responded that she will determine appropriate [student] judicial action for students named in the audit report. She also stated that she is providing training to student government and the advisors.

TRAVEL VOUCHER ERRORS [15]

There were travel vouchers errors totaling \$494.00. The Executive Director responded that she will work with Human Resources regarding appropriate administrative action which could include restitution of funds. She has also charged the UNM-Taos Business Office with increased oversight of travel vouchers.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

ATTEMPTED GRADE CHANGE

As part of her role at the Branch, the Associate Director had access to grade change forms. In 1999, she completed one of these forms to change her grade for a Main Campus graduate course she completed in a prior semester. This form was then submitted to the Registrar's Office. The grade was not changed as it was stopped by the Registrar on Main Campus. Both the Associate Director and the former Executive Director stated that no administrative disciplinary action was taken at that time. In e-mail correspondence with Internal Audit, the former Executive Director stated that the Associate Director mentioned to him that there was an issue but she did not give him the details.

In a letter to the Director of the academic program, the Associate Director stated that she did not intend to change the grade. Instead, she claimed she was using the grade change form as a training tool when training Branch personnel on how to complete grade change forms. She further stated that this form was mistakenly sent by someone to Main Campus and that she was aware that the form could not be used to change her grade a full year later. This is inconsistent with two facts: the signature on the form appears to be an attempt to forge the professor's signature and the Director of the academic program took academic disciplinary action.

Recommendation 1

We recommend that the Executive Director work with Human Resources to determine appropriate administrative action, if any, to be taken with regard to the Associate Director.

Response from the Provost and the Executive Campus Director

1. *We concur with this finding*
2. *Corrective Action*
 - a. Administrative Action
 - i. *Currently working with Human Resources to determine appropriate administrative action concerning the Associate Director for Student Services*
 - b. Completed Responses:
 - i. *Transferred a full time administrative assistant to Student Services in December of 2002 to oversee records security management and adherence of processes to UNM policies and FERPA*
 - ii. *Provided extensive ongoing training, supervision and performance management to student staff on UNM policies, ethics and professionalism in student services since January 2003*

- c. Responses Currently Underway or Planned Based on Findings of the Internal Audit Report
- i. *Currently working with human resources to develop a 2 professional mid-level management layer within student services utilizing existing staff to increase security, daily monitoring of academic and FERPA policies and provide expanded supervision of staff*
 - (1) *These individuals will provide mid-level management oversight for two areas of student affairs – Basic Student Services and Academic Student Services. Paperwork for this structure is currently in the approval process with human resources*
 - ii. *Consulted with UNM Registrar Kathleen Sena on April 7, 2004 to plan an external review of UNM-Taos student academic records and processes for securing grades, appropriate grade changes and other academic systems overseen within student services*
 - (1) *This review will take place in the summer of 2004 and will include a mini-review of student records, assessment of systems for security, development of internal check systems and additional training of staff*

FINANCIAL AID TO A RELATIVE WHO DID NOT QUALIFY

The Branch has a concurrent enrollment program which allows high school students to take courses for both University and high school credit. These students are not eligible for financial aid. In the academic year 2001-2002, a close relative of the Associate Director received \$3,313 in financial aid. UNM Admission's computer system showed the Associate Director's relative was a regular student of the Branch, when the relative was in fact a concurrently enrolled student. The employees who reported to the Associate Director processed the enrollment status and the financial aid. These employees stated that they thought that the relative was eligible for financial aid because, according to the Admissions system, he was a regular student. The Associate Director endorsed one of the checks received by the student. This endorsement indicates that the Associate Director was aware that her relative was receiving financial aid because there would be no other explanation for the relative to receive a payment from the University's student billing system.

When we brought the issue to the attention of the Main Campus Financial Aid Office, the office billed the student for the financial aid that the student improperly received. As of February 4, 2004, the amounts were repaid to the University. The University returned these monies to the US Department of Education and the State of New Mexico as required by regulations.

When we asked the Associate Director about the financial aid, she stated that she was not that familiar with the financial aid regulations so she did not know that her relative did not qualify. At another time, the Associate Director indicated that she felt that the relative qualified under the 'ability to benefit exam' "which he took and met the requirements." We discussed this scenario with the Financial Aid Office on Main Campus. They indicated that the ability to benefit was a very special situation and the circumstances did not fit the situation. They indicated that this would also need to be noted on a specific screen on the financial aid system and it was not.

Recommendation 2

We recommend that the Executive Director work with Human Resources to determine appropriate administrative action, if any, to be taken with regard to the Associate Director.

We also recommend that the Executive Director work with the Main Campus Financial Aid Office to determine what options are available to prevent this situation from occurring in the future.

Response from the Provost and the Executive Campus Director

1. *We concur with this finding*
2. *Corrective Action*
 - a. *Administrative Action:*
 - i. *Currently working with Human Resources to determine appropriate administrative action concerning the Associate Director for Student Services*
 - b. *Completed Responses:*
 - i. *Brought the issue to the attention of Main Campus Financial Aid Office as soon as we learned of the finding.*
 - (1) *The Office of Financial Aid billed the student for the funds that the student improperly received. As of February 4, 2004, the amounts were repaid to the University*
 - ii. *Have worked on an ongoing basis with Ron Martinez, UNM Director of Financial Aid to provided additional training, shadowing time with UNM financial aid personnel and certification for our financial aid staff members since Spring 2003*
 - iii. *Took appropriate disciplinary action and reported to main campus officials when an inappropriate use of financial aid funding was detected internally in the fall of 2003.*
 - iv. *Currently working with human resources to develop a 2 professional mid-level management layer within student services utilizing existing staff to increase security, monitoring of academic and FERPA policies and provide expanded supervision of staff*
 - (1) *These individuals will provide mid-level management oversight for two areas of student affairs – Basic Student Services and Academic Student Services. Paperwork for this structure is currently in the approval process with human resources*
 - v. *Transferred a full time administrative assistant to Student Services in December 2002 to oversee daily records security management and adherence of processes to UNM policies and FERPA*

- c. Responses Currently Underway or Planned Based on Findings of the Internal Audit Report
 - i. *Consulted with Ron Martinez, UNM Director of Financial Aid on April 7, 2004 to plan an external review of UNM-Taos financial aid processes and records*
 - (1) *This review is scheduled for October 2004 and will include a mini-review of student records, assessment of systems for security, development of internal check systems and additional training of staff*

NEPOTISM IN PAYROLL

For one pay period, the Associate Director's ■■■ worked for an employee who reported to her. This violates UBPPM Policy 3210 7.2, which states, "Hiring officers may not hire or supervise a family member or a family member of a line supervisor without the advance approval of the President....This applies to all categories of employees, including regular, temporary, and on-call employees." This policy also includes student employees. The Associate Director told us that she did not think the nepotism policy applied because her ■■■ was a student and he did not report directly to her.

During this same time frame, the Executive Director's husband taught at the Branch. This case of nepotism was unofficially agreed to by the Provost. When we asked for a more formal approval, the Executive Director obtained written approval from the Provost.

Recommendation 3

We recommend that the Executive Director and other members of the UNM Taos community assure that cases of nepotism do not occur or are approved as required by policy.

We further recommend that the Executive Director provide periodic training in the university business policies to Branch personnel.

Response from the Provost and the Executive Campus Director

1. *We concur with this finding*
2. *Corrective Action*
 - a. Administrative Action
 - i. *Currently working with Human Resources to determine appropriate administrative action concerning the Associate Director for Student Services*
 - b. Completed Responses:
 - i. *Upon learning of the nepotistic hiring of a close relative in student affairs during the fall of 2002, I immediately directed the Associate Director for Student Services to remove this individual from the payroll and provide me with documentation showing that this action had been completed*

- (1) *I let the Associate Director know that her close relative was welcome to apply for student staff positions in other departments at UNM-Taos where she did not have direct authority*
 - (2) *This action was completed in December of 2002*
- ii. *Provided leaders and managers the policies concerning nepotism during various staff and leadership meetings throughout the Spring 2003 semester, directed our human resources manager to provide ongoing training in this area when new searches develop and directed hiring agents to study the hiring policies and refrain from nepotistic hiring practices*
 - (1) *I have worked closely with the human resource manager on every search since December 2002 to review practices and develop appropriate systems*
 - (2) *I have encouraged her and she regularly consults with human resources staff on these details*
 - iii. *Worked with the UNM-Taos Human Resources Manager and Main Campus Human Resources personnel during Spring and Fall of 2003 to review hiring practices at UNM-Taos for compliance with UNM hiring policies*
 - iv. *Developed a task force of managers during Spring 2004 to work with Financial Aid and other staff at UNM-Taos to develop appropriate and consistent hiring processes for student staff*
 - (1) *This task force is charged with developing and implementing these additional operational practices by Fall 2004.*
 - v. *Reviewed policies for appropriate hiring of my own spouse with Human Resources personnel in the event that he would wish to apply for any future employment at UNM-Taos*
 - (1) *It is important to note that when the UNM-Taos Dean of Instruction approached my spouse to fill in for him at the last minute to teach a woodworking course, I searched the UNM hiring pages for information on Spousal Hire policies, asked our Human Resources Manager to search for these policies, had her call human resources personnel when she was unable to find information on the web and was told that there were no policies for spousal hires in the University Business Policies*
 - (a) *I then called Provost Foster to obtain permission for this one time teaching assignment, which he approved as noted in the audit materials*
 - (2) *I later learned from Yvonne Cox that this policy is listed under “Nepotism” rather than “Spousal Hire”*
 - (3) *My husband has not worked for the University since completing this woodworking course though he has volunteered some pro-bono architectural consultation and services on two occasions when requested by the Dean of Instruction and more recently by the chair of the childcare committee*

- c. Responses Currently Underway or Planned Based on Findings of the Internal Audit Report
- i. *Provided Performance Management training by BJ Thompson, Human Resources Consultant and Denise Montoya, Human Resources Senior Consultant for all supervisors and managers on April 15, 2004*
 - ii. *Developing ethics training scheduled for Fall 2004 for all staff and full-time faculty at UNM-Taos*
 - iii. *Developed a manager/leader/supervisor monthly 2-hour meeting that includes ongoing training in a variety of management and supervision areas including hiring, coaching, additional performance management training etc.*
(1) These meetings commenced in February of 2004.

APPROVING LATE REGISTRATION FOR CLASSES

The University should not be awarding class credit for courses not attended. Per the Fall 2002 calendar for class registration, the last day to add a class was August 30, 2002. On December 4, 2002, a close relative of the Associate Director registered for two Fall 2002 classes.

When we spoke with the instructor of the classes, she told us that she was either asked or told by the Associate Director to allow the close relative to attend the classes. The instructor stated that she thought that the Associate Director had the authority to place students in classes so the instructor felt compelled to accept the close relative into her class. The Associate Director disagreed with this statement. In her March 4, 2004, letter, the Associate Director indicated that she "...did not 'compel' nor did I use my position to influence any instructor to accept late registrations." In an earlier interview, the Associate Director stated that she tried to find an instructor who would accept her relative in classes late.

In her March 6, 2004 letter to Internal Audit, the Associate Director stated that the "previous Executive Directors allowed late registration at the instructor's discretion....Any late registrations allowed to the same instructor or any other instructor was within their academic authority of the UNM Taos campus policy."

The instructor indicated that the relative started attending classes in November. In a meeting with Internal Audit, the Associate Director indicated that the relative attended classes starting in November. In a letter dated March 6, 2004, the Associate Director indicated that the relative started attending the class in September. The earlier recollection is consistent with the statements from the class instructor. In either case, the Associate Director's close relative should not have not have been allowed to register for a class late in the semester.

The Associate Director further stated that it was common for instructors to let students into their classes late. The Associate Director and the instructor stated that, before this incident, the Associate Director let this same instructor enroll in a class seven weeks after it began. In our opinion, neither of the late registrations is appropriate.

Recommendation 4

We recommend that the Executive Director work with Human Resources to determine appropriate administrative action, if any, to be taken with regard to the Associate Director.

We also recommend that the Executive Director work with Main Campus to determine what options are available to prevent this situation from occurring in the future. The options may include:

- having the Registrar's Office approve and input exceptions, or
- developing analytical reports that would identify exceptions for review by the Executive Director.

Response from the Provost and the Executive Campus Director

1. *We concur with this finding*

2. *Corrective Action*

a. *Administrative Action*

- Currently working with Human Resources to determine appropriate administrative action concerning the Associate Director for Student Services*
- Will have UNM-Taos Dean of Instruction work with specific faculty individual mentioned in the audit report prior to the beginning of the fall 2004 semester, to ensure understanding of academic policies and expectations for registration of students in classes*
- Will ensure that fall 2004 faculty orientation and all future orientations for new faculty include training of policies concerning all benefits for adjunct faculty and policies on late registration*

b. *Completed Responses:*

- Transferred concurrent/dual enrollment coordination from Student Services to the Department of Instruction in Spring 2003 for appropriate oversight by academic personnel and charged them with reviewing all concurrent courses for compliance (1) Many were out of compliance with state funding guidelines and as of Spring 2004, all courses are in full compliance with appropriate state funding guidelines and UNM policies*
- Ongoing enhancement of collaboration and dual oversight of academic student services processes between department of instruction and department of student services*
- Currently working with human resources to develop a 2 professional mid-level management layer within student services utilizing existing staff to increase security, monitoring of academic and FERPA policies and provide expanded supervision of staff.*

- (1) *These individuals will provide mid-level management oversight for two areas of student affairs – Basic Student Services and Academic Student Services. The paperwork for these modified positions is currently in the approval process with Human Resources*
- iv. *Have provided additional training throughout the last year and a half in academic processes, appropriate registration of students by instructors and other information to faculty and appropriate staff*
- c. *Responses Currently Underway or Planned Based on Findings of the Internal Audit Report*
- i. *Consulted with UNM Registrar Kathleen Sena on April 7, 2004 to plan an external review of UNM-Taos student academic records and processes for registration processes and other academic systems overseen within student services*
- (1) *This review will take place in the summer of 2004 and will include a mini-audit of student records, assessment of systems for security, development of internal check systems and additional training of staff, academic administrators and faculty*

PURCHASE OF SHIRTS FOR THE TAOS HIGH SCHOOL BASEBALL TEAM

Policy 4000 4.19 states, “Payment for any other good or service that does not represent a public purpose benefiting the University *is prohibited.*” The policy also states that purchases for personal benefit, gifts, and /or charitable contributions are all prohibited.

In February of 2002, an employee who reported to the Associate Director authorized the purchase of shirts, costing \$542.40, for the Taos High School baseball team. The shirts were not UNM colors: they were Taos High School colors. The Associate Director’s close relative was a member of the team. Both the Associate Director and the employee approving the purchase told us that the purchase was for advertising or recruitment, that UNM Taos was to be printed on the shirts and the color of the shirts should have been the UNM Taos colors. Neither the Small Purchase Order ordering the shirts nor the invoice specify the color of the shirts. The employee ordering the shirts also stated that the baseball team members were Branch students because they were enrolled in Fundamentals of Baseball which was offered at the high school (this was a three credit concurrent enrollment course). Therefore, this employee believed that it was a Branch team. The Associate Director responded that the shirts were the same as other recruitment items approved by campus directors as part of the recruitment process. We asked several employees of the Branch who stated, although shirts were used as incentives for potential students, there did not appear to be another situation where shirts were purchased for a specific group that was not part of the Branch.

Recommendation 5

We recommend that the Executive Director work with Human Resources to determine appropriate administrative action, if any, to be taken with regard to the Associate Director and the employee who ordered the shirts. We also recommend that the Executive Director review the Branch guidelines for recruitment items to assure that they are in line with University policy.

Response from the Provost and the Executive Campus Director

1. *We concur with this finding*
2. *Corrective action*
 - a. *Administrative Action*
 - i. *Currently working with Human Resources to determine appropriate administrative action concerning the Associate Director for Student Services*
(1) This action could include restitution of half the cost of the shirts
 - ii. *Will work with Human Resources to determine appropriate administrative action for the employee who ordered the shirts*
(1) This action could include restitution of half the cost of the shirts
 - b. *Completed Responses:*
 - i. *Upon initial reports of inappropriate use of funding for recruitment in December 2002, reassigned authority for approval to a staff member outside of student services and requested that business operations accountants and director provide additional check system to minimize the chance of inappropriate fund use*
 - ii. *Conducted a review of fund use in recruitment and community relations soon after original findings in December 2002. Most actions were stopped or modified to come into compliance with UNM fund use policies*
 - iii. *Stopped the recruitment practice of admission fee waivers without appropriate review of need by an approved University committee upon learning of them in spring 2003*
 - c. *Responses Currently Underway or Planned Based on Findings of the Internal Audit Report*
 - i. *Have developed a faculty, staff & student team at UNM-Taos to develop a plan for outreach to prospective students and community members and have charged this team with ensuring that their plan is in line with UNM policies by reviewing UNM policies and consulting with admissions personnel at UNM main campus on fund usage and appropriate recruitment practices*
(1) The team is charged with presenting their recommendations to me prior to implementation of the plan in the Fall of 2004

VIOLATION OF BYLAWS BY THE STUDENT GOVERNMENT

The Associate Director was an advisor for the Branch student government. In that capacity, she was responsible for guiding the student representatives in their roles and responsibilities. This included ensuring that they followed the student government bylaws and acted on behalf of the student body instead of their own self-interest. The bylaws provided for scholarships that paid for a certain number of credits for students serving in student government. The constitution states that any changes to the bylaws need to be approved by University Counsel.

The students serving in student government awarded themselves additional tuition payments. They justified these increases by indicating that their volunteerism was more than they had expected. When we contacted University Counsel, they told us that they did not approve these increases. Student government also changed the timing of when the scholarships were received so that they would be received at the beginning of the semester instead of the end. From October 1, 2001 through September 18, 2002, these additional scholarships totaled \$6,662.00.

Per review of the minutes, the Associate Director attended some of the student government meetings where the students increased their scholarship awards. She did not advise the students that they could not increase these scholarships. When we asked her about her role in student government, she stated that she was given the responsibility with no training. When we asked University Counsel about the Associate Director's role in student government, we were told that she helped write the constitution and so should be very familiar with it.

Recommendation 6

We recommend that the Executive Director work with Human Resources to determine appropriate administrative action, if any, to be taken with regard to the Associate Director.

We further recommend that the Executive Director provide annual training for the members of student government and the staff advisor to assure that they understand their roles and responsibilities. This training should include an explanation of the restrictions placed on the representatives by the bylaws, and how to determine appropriateness of expenditures.

We also recommend that the Executive Director determine whether the students receiving the additional scholarships need to repay the University.

Response from the Provost and the Executive Campus Director

1. *We concur with this finding*
2. *Corrective Action*
 - a. *Administrative Action*
 - i. *Currently working with Human Resources to determine appropriate administrative action concerning the Associate Director for Student Services who served as the lead advisor to student government during these three semesters. This action could include restitution of half of the funds inappropriately disbursed to students.*
 - ii. *Will work with Human Resources to determine appropriate administrative action for other staff who worked with student government during these three semesters.*
 - iii. *Will determine appropriate student judicial action for students named in the audit report. Disciplinary sanctions could include restitution of half of the funds inappropriately disbursed to students where deemed necessary.*

- b. Completed Responses:
- i. *Upon initial reports and my own observations of inappropriate use of funding by student government in November 2002, I reassigned advisement to a staff accountant with prior student government experience at another University and a faculty member with student government advising experience at another University for appropriate oversight. I charged these advisors with reviewing policies for use of funding, working with University Counsel and Student Activities at Main Campus to bring student government into compliance with University policy and UNM-Taos student government constitution and bylaws, and provide training and ongoing advising oversight.*
 - ii. *The faculty advisor developed and taught a student government training course that all student government senators were required to attend.*
 - iii. *Current advisors continue to work with University Counsel and Student Activities staff at Main Campus to provide guidance, training, compliance oversight and advising to student government.*
 - iv. *I meet regularly with the advisors and student government president to provide leadership mentoring and assistance in promoting the success of various initiatives.*
- c. Responses Currently Underway or Planned Based on Findings of the Internal Audit Report
- i. *I have worked with other Branch Campus Directors to develop collaboration across our campuses for mentoring and sharing of ideas between student government leaders. The first shared branch campus student government leader retreat took place in April 2004 at UNM-Los Alamos.*
 - ii. *We are currently planning training for new student government leaders who will be elected in fall 2004. We will continue to develop training processes for student government leaders and appropriate check processes for oversight of expenditures*

TRAVEL VOUCHER ERRORS

As part of our review, we looked at travel reimbursements for employees who worked in student activities at the Branch. From the period January 2001 through July 2002, we identified five travel voucher errors for the Associate Director totaling \$195.50. In addition, three other employees who report to the Associate Director had travel voucher errors that totaled \$297.50.

The errors were:

- **\$11.00** The Associate Director was paid for two lunches when the lunches were provided as part of the program. The Associate Director stated that any miscalculation was an accounting error.
- **\$77.50** The Associate Director received per diem for meals and lodging for the Branch Campus Retreat when the Provost's Office provided lodging and meals as part of the retreat.
- **\$35.00** The Associate Director claimed meal per diem when the meals were provided by the conference.

- **\$69.50** The Associate Director claimed overnight per diem for the Branch Campus Retreat when the hotel and meals were provided by the Provost's Office. The Associate Director stated that she stayed in a different hotel, not at the one where the Provost's Office was paying for her room. At the time of the travel she did not explain this on the travel voucher.
- **\$2.50** The Associate Director was overpaid for a lunch that was provided by the conference but she also did not claim a breakfast for which she was entitled to. The Associate Director stated that she did not arrive in time for lunch as she had errands to run in Albuquerque. She did not offer an explanation at the time for not eating the lunch.
- **\$29.50** An employee claimed meals when they were provided by the conference. The employee told us that she could not eat the meals provided. However, the travel voucher did not note that she was asking for an exception to policy.
- **\$130.00** An employee claimed per diem for staying overnight at a conference when she returned to Taos each day.
- **\$130.00** Another employee also claimed per diem for staying overnight at a conference when she returned to Taos each day. This staff member told us that she copied someone else's travel voucher in error. She discovered the error but then she forgot to go back and change it.
- **\$8.00** A staff member claimed a lunch when it was provided by the conference.

Recommendation 7

We recommend that the Executive Director work with Human Resources to determine appropriate administrative action, if any, to be taken with regard to the Associate Director and these employees.

We recommend that the Executive Director provide periodic training in the university business policies, including travel.

We recommend that the Executive Director determine whether she needs to seek repayment for the overpayments to all of the employees.

Response from the Provost and the Executive Campus Director

1. *We concur with this finding*

2. *Corrective Action*

a. *Administrative Action*

i. *Currently working with Human Resources to determine appropriate administrative action concerning the Associate Director for Student Services which could include the restitution of funds*

ii. *Will work with Human Resources on a case-by-case basis to determine appropriate administrative action for other employees which could include the restitution of funds*

- b. Completed Responses:
 - i. *Charged UNM-Taos Business Office with increased oversight of travel voucher expenditures to check for appropriate compliance with UNM Business Policies on Travel expenditures as well as other expenditures*

- c. Responses Currently Underway or Planned Based on Findings of the Internal Audit Report
 - i. *I have requested training by our business operations director for all UNM-Taos departments on business policies including travel policies to take place in summer of 2004*
 - (1) *Once this training is complete, we will provide training on business and travel policies and procedures for all new employees as part of staff/faculty orientation and/or prior to use of travel funds.*

 - ii. *We will continue to develop training processes for student government leaders and appropriate check processes for oversight of expenditures*