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DATE: February 4, 2022

TO: NMSU Faculty, Staff and Students

FROM: Dan E. Arvizu, Chancellor/President

A handwritten signature in blue ink that reads 'Dan E. Arvizu'.

SUBJECT: Audit of Resolution of No Confidence

Today, New Mexico State University is releasing the executive summary of an audit performed to examine the accuracy and validity of the items included in the recent vote of no confidence by the NMSU Faculty Senate.

Through this process, we have gathered insight and learned more about the climate of our university, especially when it comes to the relationship between faculty and administration. I am committed to improving this relationship and I believe significant steps are already underway to do so.

Importantly, I want to share that the findings of this audit do not substantiate many of the allegations leveled, especially the most egregious allegations. For items where the audit did find issues, you'll see the executive summary details management responses for how the university plans to address these items.

Accountability is one of our key values at NMSU. With that in mind, we must follow due diligence and rely on getting the facts surrounding issues of concern to ensure we fully understand a situation. That's exactly what this audit has done. Now, we will continue our work in building trust amongst the major stakeholders in a shared governance environment. I'm confident, going forward, we will be able to work collaboratively and constructively with one another.

Attachment



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EXECUTIVE SUMMARY

To: Dr. Ammu Devasthali, Chair Regents Audit and Risk Committee

From: Audit Services

Through: Rick Rivas, Interim Chief Audit Executive 

Subject: Audit of Resolution of No-Confidence

On behalf of the Board of Regents Audit and Risk Committee (RARC), Audit Services has conducted an audit to build an understanding of completeness, accuracy, and validity of the items included in Faculty Senate Proposition 04-21/22: A Resolution of No-Confidence in the President and Provost of New Mexico State University - Appendix A: Misappropriation of University Funds, Appendix B: Unethical Hiring and Promotion Practices, Appendix C: Deliberate Circumvention of Due Process, Appendix D: Rejection of Principles and Practices of Shared Governance, and Appendix E: Broader Impacts of Systemic Failure of Leadership.

The requested audit reviewed the facts, circumstances, applicable policies, and procedures relevant to the violations alleged in the above-referenced proposition, in accordance with international internal auditing standards promulgated by the Institute of Internal Auditors (IIA).

Audit Services **did identify** instances of non-compliance with NMSU policies, rules or procedures, and lack of adequate oversight, resulting in some **findings and observations**. In addition, areas of improvement are noted herein. Audit Services purview includes university processes, policies, and adherence to such but does not duplicate efforts and investigations conducted by the Office of Institutional Equity (OIE) pursuant to the policy applicable to OIE's role and responsibilities.

After review, analysis, and research of the topics covered by this Audit, Audit Services summarizes the outcomes and recommendations as follows:

Appendix A: Misappropriation of University Funds

- Exorbitant Number of Associate/Vice Provosts
Outcome: *Audit Services determined the claim of an Exorbitant Number of Associate/Vice Provost positions was unsubstantiated.*
Recommendation: *None*

- Technology and Other Academic Packages Purchased

Outcome: *Audit Services found that the misappropriation of university funds in reference to Technology and Other Academic Packages was unsubstantiated. The outcome reflects information gathered and reviewed by Audit Services during the audit timeframe but does not encompass all existing material or evidence.*

Recommendations:

- *ICT should complete an enterprise-wide system cost of ownership initiative (the true cost of ownership for ICT resources current and projected and a comprehensive assessment of information technology or other costs across enterprise boundaries over time).*
- *ICT should review the Help Desk processes and systems used regarding Central ICT, College ICT, and other support units (Community Colleges, NMDA, PSL, and siloed units.).*

Management Response: The University agrees with the recommendations. As part of the process of identifying NMSU technology costs, ICT has been inventorying systems and system owners. Over the next 12-18 months, ICT will work to develop appropriate total cost of ownership models to capture application and infrastructure costs. Additionally, the existence of multiple and disparate ticketing systems across the institution provides NMSU with an opportunity to consolidate those platforms and adopt a single service system capable of connecting people, functions, and systems across your organization. This opportunity will be evaluated and prioritized in the context of other technology updates over the next 12 months and acted on accordingly.

- Department Scorecard

Outcome: *The claim of propagated return on investment/NMSU goals/scorecard measure as a punitive tool of human capital measures was found to be unsubstantiated.*

Recommendation: *Administration should conduct a follow-up review of Department Scorecards to ensure that upon implementation, the concerns of the Faculty Senate of the potential for discrimination are reevaluated.*

Management Response: Further development and the eventual implementation of the departmental scorecards is on hold until a permanent Provost is hired. Vice President for Research, Creativity, and Strategic Initiatives reported this to the Faculty Senate Standing Committee on Research and Creativity on January 18, 2022. The committee will be kept informed of any new developments and be part of a review process prior to implementation.

Appendix B: Unethical Hiring and Promotion Practices

- Graduate Faculty Fellow Position/Interim Associate Dean Hiring Action

Outcome: *Audit Services found the Graduate Faculty Fellow/Interim Associate Dean Position hiring claim to be substantiated due to **non-conformance, lack of enforcement, and internal control weakness of HRS processes**. Non-conformance to HRS processes by the Provost Office is shown to be more of a control breakdown rather than human error.*

Recommendations:

- *HRS should identify mechanisms to strengthen hiring and promotion internal process controls.*
- *HRS should provide mandatory training to the HRS Processes on a regular basis (i.e., annually.)*

- *HRS should establish a robust procedure for handling exceptions to the HRS process, including but not limited to strong criteria, justification of exception, and final approvals from both Assistant Vice President of Human Resource Services and Vice-Chancellor.*

Management Response: The Graduate Faculty Fellow Position/Interim Dean hire did not fully conform to, wholly enforce and exercise sufficient internal control of relevant HR processes in this hire, partly due to lack of clarity in these processes. Communication and training on these processes will be improved. Mechanisms to mature the hiring process of faculty fellows, which have not been common at NMSU, and creating faculty fellow hiring expertise among HRS and academic affairs offices are required. Examination of best practices and appropriate internal controls specific to hiring faculty fellows will strengthen needed training. Finally, management agrees with the recommendation to establish a robust procedure to handle exceptions to HRS processes. There are times when need for expediency and/or conflicting processes require exceptions to achieve the right hiring outcome.

- Promotions and/or Hires

Outcome: *Audit Services found that the non-advertisement claims for promotions and the Visiting Advisor hire to be unsubstantiated; however, noted **non-conformance to HRS processes.***

Recommendation: *HRS should identify mechanisms to strengthen hiring and promotion internal process controls.*

Management Response: The University agrees with the recommendations with the proposed revision that exceptions to HRS policy and procedures be approved by the Chancellor, Vice Chancellor, Provost or Dean/VP of the college or division as appropriate. Over the next 12 months, the hiring and promotion processes will be reviewed for opportunities to strengthen internal controls. Mandatory training on HRS processes will be implemented and required for faculty and staff as appropriate for attendance annually. This opportunity will be evaluated and prioritized in the context of other HRS tasks and responsibilities over the next 12 months and acted on accordingly.

- Quid Pro Quo Promotion to Full Professor

Outcome: *Audit Services found the quid pro quo claim to be unsubstantiated.*

Recommendation: *None*

Appendix C: Deliberate Circumvention of Due Process

- Library Information Request

Outcome: *Audit Services found the claim of mishandling of Library Information Requests to be unsubstantiated.*

Recommendation: *None*

- Accountability & Responsibility to Faculty Constituents

Outcome: *Audit Services found the claim of lack of Accountability and Responsibility to Faculty Constituents to be unsubstantiated.*

Recommendation: *NMSU should continue to strengthen and identify areas for Shared Governance via the Teibel Shared Governance Engagement and other mechanisms. Communication, trust, transparency, and other collaboration between faculty and administration should also be strengthened; benchmarking and periodic surveys should be used to measure progress over time.*

Management Response: NMSU is strengthening shared governance through engagement with faculty committees, meetings with Faculty Senate Leadership, faculty inclusion on NMSU committees, and in consultation with Teibel Inc. Progress will be assessed continuously with feedback and other means, along with climate surveys every two years.

- Faculty and Human Resources/Employee & Labor Relations

Outcome: *Audit Services found that the claim of Deliberate Circumvention of Due Process in relation to the faculty and human resources/employee and labor relations process to be partially substantiated due to the absence of written procedures and process steps. In addition, fragmentation of the faculty grievance process across multiple university units (i.e., OIE, Human Resources, ELR) caused inefficiencies to the grievance process and process breakdowns.*

Recommendations:

- *NMSU Administration should consider shifting all Faculty HRS and Faculty Labor Relations to the central HRS department and refining and documenting faculty labor relations and faculty HRS functions.*
- *The University should strengthen all partnerships between Faculty, HRS, OIE, Labor Relations, and ICT.*

Management Response: The University agrees with the recommendation to shift Faculty Employee Relations to central HRS department. Faculty Employee Relations has been shifted to the central HRS department: Employee and Labor Relations (ELR) office. ELR will work to refine and document faculty employee relations and faculty HRS functions. This opportunity will be evaluated and prioritized in the context of other HRS tasks and responsibilities over the next 12 months and acted on accordingly.

Appendix D: Rejection of Principles and Practices of Shared Governance

- College of Education and College of Health and Social Services Merger

Outcome: *Audit Services found that Rejection of Principles and Practices of Shared Governance as referenced to the College of Education, College of Health and Social Services merger to be unsubstantiated with recommendations, which can be attributed to shared governance and policy weaknesses. This reflects information gathered and reviewed by Audit Services during the audit timeframe but does not encompass all existing material or evidence.*

Recommendations:

- *Both Administration and Faculty should fully document business process flow and conduct value stream analysis; Process/Value Stream Mapping is a way to identify waste, reduce process cycle times, and implement process improvement. In addition, this methodology helps facilitate information flow, along with other important related data.*
- *NMSU's Administration and Faculty should strengthen communication and transparency bilaterally by informing all stakeholders timely, addressing questions and concerns, including rationale, impact, and value; align communication and actions with the unit and University's mission.*

Management Response: Although this is related to HEST, the recommendation to document business processes, conduct value stream analysis and implement process improvement methods is being done and will continue throughout NMSU.

- Safety & Security Concerns on Campus

Outcome: Audit Services found Safety and Security Concerns on Campus to be unsubstantiated.

Recommendation: Audit Services has identified an opportunity for improvement, by the Provost's Office, to update policies to reflect the current practice of the Provost's Office role in the CARE Committee process of handling faculty safety.

Management Response: The Provost Office is not involved in the CARE team. CARE exists to address concerns on the campus in general. Also, with the movement of Employee Labor Relations to HRS, HRS will need to be in a position to address how they will handle those matters moving forward.

- Creation and Perpetuation of an Adversarial Relationship

Outcome: Audit Services substantiated that adversarial conditions exist. This is incumbent on all to resolve.

Recommendations:

- Both Administration and Faculty should initiate team building, strengthening bilateral trust, and diversity awareness training.
- NMSU should Initiate skip level one-on-one meetings and 360 feedback programs across all units.

Management Response: NMSU is working with Teibel Inc. to improve the relationship between administration and faculty, including holding joint sessions to improve trust. Diversity training planning is underway, led by Dr. Linda Scholz. NMSU will explore skip level one on one meetings and 360 feedback programs.

Appendix E: Broader Impacts of Systemic Failure of Leadership

- Blanket policy prohibiting Las Cruces students from enrolling in branch campus online courses

Outcome: Audit Services found that the claim that the policy prohibiting Las Cruces students from enrolling in branch campuses may negatively impact students to be unsubstantiated. Audit Services noted that a robust document retention process and flow to retain all requests for exceptions approved or denied is not implemented.

Recommendation: Fully Document the policy prohibiting Las Cruces students from enrolling in branch campuses and Implement a robust document retention process and flow to retain all requests for exceptions approved or denied.

Management Response: The primary campus restriction policy can be found at: <https://records.nmsu.edu/campus-priority-registration/>. This also documents the exceptions. The Center for Academic Advising and Student Support will work to identify a process to document the number of requests made each semester and the outcomes of the decisions.

- Additional Systemic Impacts

Outcome: Audit Services found that Additional Systemic Impacts to be substantiated, which is incumbent on all to resolve. The lack of trust and adversity may result in potential financial loss and reputational harm to the University.

Audit Services would like to thank and acknowledge Faculty and Staff for their cooperation and assistance throughout this audit.

This report was based on the review and research results conducted by Robert Doyle, Interim Chief Privacy Officer and IT Compliance Officer, John Frye, Staff Auditor, and Nova Pena, Associate Auditor. Audit Services is available to answer questions regarding this report.



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