



Limited Scope Forensic Report for
**Eastern New Mexico University at Roswell
EMS Program**

For the period January 1, 2011 through May 30, 2014

Prepared by Moss Adams LLP

MOSS-ADAMS_{LLP}

Certified Public Accountants | Business Consultants

December 30, 2014

Dr. John Madden, President
Eastern New Mexico University at Roswell
PO Box 6000
Roswell, NM 88202-6000

Re: Emergency Management Services Program – Limited scope investigation – report

Dear Dr. Madden:

Thank you for the opportunity to perform consulting procedures for the matter of the Emergency Management Services Program. This report summarizes the results of the limited scope forensic consulting procedures performed to assist ENMU-R in assessing the fraud risk and internal controls in operations of the Emergency Management Services Program.

This engagement was performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants. The scope of the engagement is outlined in the body of our report. This report was developed based upon information obtained from our review of selected documentation and other relevant support.

This report is intended solely for the use of the Office of the State Auditor and Eastern New Mexico University at Roswell. Moss Adams LLP does not accept any responsibility to any other party to whom this report may be shown or into whose hands it may come. Accordingly, we provide no opinion, attestation, or other form of assurance with respect to our report or the information upon which our work is based. The procedures we performed do not constitute an examination in accordance with generally accepted auditing standards or attestation standards.

Please do not hesitate to call me at (503) 478-2289 if you have any questions or need further assistance regarding this matter.

Very truly yours,



Nancy Young, CPA, CISA, CFE
Senior Manager
for Moss Adams LLP

TABLE OF CONTENTS

	PAGE
BACKGROUND	1
SCOPE	1
APPROACH	1-2
FINDINGS AND RECOMMENDATIONS	3-12
EXHIBIT	13
MANAGEMENT RESPONSE	14

EASTERN NEW MEXICO UNIVERSITY – LIMITED SCOPE INVESTIGATION EMERGENCY MEDICAL SERVICES PROGRAM

BACKGROUND

Eastern New Mexico University Roswell (ENMU-R) established the Emergency Medical Services (EMS) Program in 1986. The program offered basic and intermediate EMS courses at inception and has since incorporated more advanced and wide range of courses.

ENMU-R's EMS program now offers multiple levels of service to students seeking to become: First Responders, Basic or Intermediate EMTs, Paramedics and more. Upon completion of the various EMS levels offered students are eligible to take the New Mexico State Licensure and/or National Registry of EMT's exam.

In 1999, ENMU-R was accredited by the Committee on Accreditation of Educational Programs for the Emergency Medical Services Professions, was reaccredited in 2005 with a full five-year approval, and again in 2011. Since the EMS program's beginning, more than 10,000 students have gone through its programs or classes. This includes over 1,826 First Responder, 5,107 EMT Basic, 1,536 EMT-Intermediate, and 1,012 Paramedic students who have graduated.

SCOPE & APPROACH

The purpose of this consulting engagement was to perform limited scope forensic consulting procedures to assist ENMU-R in assessing the fraud risk and internal control in operations of the Emergency Medical Services Program for the period of January 1, 2011 through May 30, 2014.

We reviewed supporting documentation, as noted below, on a sample of classes; reviewed the internal controls in place intended to properly identify and record revenue and expenses associated with those classes; reviewed payroll records and leave reporting; reviewed various contracts with third-parties, and reviewed University policy.

For the specified period, we obtained access to the following documents:

- EMS Class folders which including registration records, student lists, attendance sheets, instructor(s) identification, instructor travel request(s), certificates of completion issued, and final grade worksheets, where available.
- Personal Action Notices (PAN's) for EMS courses: These provide information on class length and instructors compensation for the specific class offered.
- Class budget reports prepared at our request.
- Payroll records of EMS employees.
- Requests/Report of Absence.
- Accounting department EMS expense records.
- Qualifications of instructors.
- Memorandum of Understanding.
- Third party billing invoices.

EASTERN NEW MEXICO UNIVERSITY – LIMITED SCOPE INVESTIGATION EMERGENCY MEDICAL SERVICES PROGRAM

- Credit card charges.
- Internal Auditor reports.
- Various policies and procedures.
- Emails.

From San Juan College we obtained the following documentation:

- Expense reimbursement requests.
- Payroll journal for the period of January 1, 2010 through May 31, 2014.
- W-2 for 2011, 2012 and 2013.
- Personnel Transaction Forms.
- Memorandum of Understanding between ENMU-R in partnership with San Juan College.

We also interviewed ENMU-R employees deemed to be knowledgeable regarding the scope of this engagement.

EASTERN NEW MEXICO UNIVERSITY – LIMITED SCOPE INVESTIGATION

EMERGENCY MEDICAL SERVICES PROGRAM

FINDINGS

We identified areas warranting the University's immediate attention regarding the EMS Program. Specifically, EMS class attendance, class budgets, extra pay for faculty, dual employment, and payments to third-parties. The following sections discuss our observations and recommendations. ENMU-R management's response to the report is on page 14.

2014-001 EMS Class Attendance (Material Weakness)

Criteria: At all times, the EMS program should maintain complete and accurate records for classes taught. The documentation should include, at a minimum, class registration forms for all attendees, proof of payment, copy of certificates of attendance, attendee sign in/out record, grade report, travel vouchers, class budget, and other documentation to support accreditation requirements. In addition, where applicable, the liability release form (release ENMU-R from liability due to serious injury or death) and certification cards issued should also be maintained in the class file.

Condition: We tested six EMS classes completed that reflect a cross of different classes offered and represent the program's operating process. We noted the following observations:

- Attendance in class is not always documented in a sign in/out sheet. In many instances, other than the Certificate of Completion issued there is no evidence the individual attended the class.
- Instructors and others attending the class were not on the class roster, were not registered for the class, and did not complete a liability release form yet received a test score or Certificate of Completion, as applicable to the class.
- Advanced Medical Life Support (AMLS) class issued a certificate to an individual who did not appear to attend the class.
- In the Tactical Casualty Combat Care (TCCC) Conference class, the travel voucher on file for two instructors related to a different class.
- In one instance, the number of hours budgeted for one instructor was higher than agreed to in the PAN.
- Three instances where the instructor did not have a PAN or time card on file yet was paid.
- In the TCCC class, one attendee did not pay for the class. The EMS program staff indicated that when they had called the attendee's employer for payment they were informed the individual was allowed to attend for free.

Effect: Without adequate documentation it could be inferred that class attendees can receive a Certification of Attendance without completing the course, placing the program's accreditation at risk as well as exposing the University to liability due to injury.

Cause: The above condition exists due to the EMS program management managing without complete thought regarding operational practices to demonstrate compliance with accreditation requirements. This is evidenced by the lack of written policy and procedure covering the practice for class file documentation, documenting class attendance, registration and liability waivers for all attendees, etc. In addition, management made agreements to allow some participants to attend at no charge without the

EASTERN NEW MEXICO UNIVERSITY – LIMITED SCOPE INVESTIGATION EMERGENCY MEDICAL SERVICES PROGRAM

University’s approval. We were informed that individuals wishing to earn certification as an instructor must attend a certain number of hours in order to obtain the teaching certificate. However, without proof of attendance, the EMS Program management cannot certify the hours of instruction received. Thus, there could be an EMT in the community who has not received the required training placing an injured person’s life at risk. These “Teach-backs” were the explanation for the unregistered students.

We recommend the EMS Program management:

- Immediately develop, document, and implement policy and procedures addressing the class file documentation.
- Require all attendees including students, instructors, and Teach-Backs to complete a registration form indicating the position of their attendance.
- Maintain sign in/out sheets for all classes
- Require a liability release form from all attendees where the class requires the release.
- Obtain approval from the University for waiver of class fees.
- Issuance of Certificates of Completion should be generated by the Registrar’s office, not the EMS Program.

2014-002 Class Budgets (Material Weakness)

Criteria: Programs offered through the EMS Program should be self-supporting. While it is not the intent to make a profit on the classes offered, the classes should run at a minimum of break-even. Thus, the revenue received should cover the associated costs of providing the class. Exceptions should be infrequent and have University approval.

Condition: Of the classes tested five of six classes resulted in a financial loss to the University. The revenue includes tuition, fees, and an amount of funding formula (amount X formula percentage X credit hour X number of students). The expenses identified only include identifiable direct costs but does **not** include costs for medical supplies. Such supplies represent a large expense to the program but are not tracked. Curriculum development is also not tracked. The following table summarizes the classes tested including the revenue, expenses and the net deficit/surplus.

Summary - Class Revenue & Expenses			
Class	Revenue	Expenses	Deficit/Surplus
AMLS - Advanced Medical Life Support	\$ 1,030	\$ (1,762)	\$ (732)
National Registry Test Site	3,038	(5,176)	(2,138)
Paramedic Refresher	10,868	(6,378)	4,490
TCCC - Tactical Casualty Combat Care	3,896	(9,412)	(5,516)
TCCC Conference	1,685	(6,393)	(4,708)
Trauma Lanes	8,256	(15,867)	(7,611)
Totals	\$ 28,773	\$ (44,988)	\$ (16,215)

Effect: As a result, the EMS Program must draw on other financial resources to cover class costs and thus has less funding for other priorities. This situation ultimately damages the University due to the mismanagement of funds and failure by the EMS Program to cover costs.

EASTERN NEW MEXICO UNIVERSITY – LIMITED SCOPE INVESTIGATION EMERGENCY MEDICAL SERVICES PROGRAM

Cause: The above condition is due to the EMS Program management failure to budget the cost of the classes appropriately. Classes are offered whenever program management determines a need without consideration of fiscal accountability. In addition, students are enrolled on the spot and additional instructors needed to cover the class due to last minute enrollment are also hired on the spot increasing the expenses of the class. We noted the following:

- Budgets were not prepared prior to the class being offered.
- The EMS Program Director would dictate the cost without any justification for the cost.
- Some students may not have to pay for the class yet there is an associated cost for their attendance. Teach-Backs also do not pay for a class. There is no payment waiver for the non-paying attendees.
- Some classes appear to be offered for the benefit of the Teach-Backs. For example, the TCCC class had 9 students, 5 instructors, and 5 Teach-Backs.
- There is no attendance procedure in place. As no budgets were prepared, attendance in the class by extra instructors may not be necessary or not necessary for the entire duration of the class. For example, a 5 day training class may not need four instructors scheduled for all five days but the instructors could be staggered to attend on the days they are teaching.
- There is no reconciliation of revenue to expenses upon course completion. The EMS management does not have a system in place to reconcile the tuition payments received in the Business office to actual attendees, contributing to cost overruns not being identified.

In discussion with management, the budget process has not been used for an undisclosed amount of time. There is no process to allocate department overhead, classroom supplies, or curriculum development when creating a budget.

We recommend the EMS Program management:

- Develop a budget for every class offered. The budget should take into consideration everything necessary to teach the class such as the location, supplies, teachers, number of students, transportation, etc. The budget should be approved the EMS Program Director but only if the budget at least breaks-even.
- Review the budget to actual and identify any costs overages and ensure future budgets are modified accordingly to eliminate such cost overruns.
- Ensure a minimum number of students attend and pay for the class in order to breakeven and not run at a deficit.
- Cancel classes for which the costs will exceed the revenue. In instances where a class is deemed to be necessary yet will run at a deficit, the EMS Program management should obtain approval from University management. Classes running at a deficit should be a rare exception and not the standard.
- Capture a reasonable amount of costs for classroom supplies and overhead and allocate to each class based on a reasonable factor such as the number of students and type of class offered.

EASTERN NEW MEXICO UNIVERSITY – LIMITED SCOPE INVESTIGATION EMERGENCY MEDICAL SERVICES PROGRAM

- Do not accept last minute drop in enrollment that requires hiring instructors on the spot.
- Reconcile all payments against attendees and ensure an invoice is generated and payment received before the individual attends additional classes.

We also recommend the EMS Program management document in formal policy the process for creating, approving and reviewing the budget and actual results.

2014-003 Faculty Extra Pay (Material Weakness)

Criteria: A Personnel Action Notice is generated for adjunct teachers or overload faculty time. The PAN identifies the class instructor, class(es) to be taught, expected enrollment, contact hours and the salary amount. The PAN also identifies the start and end date and is to be signed by the employee, department supervisor and division dean. Regular faculty are issued a PAN for teaching a class outside their regular weekly work schedule.

Condition: EMS Program faculty have supplemented their annual income by teaching various EMS classes. While teaching the classes was described as “beyond the faculty’s regular week schedule”, some of the classes taught are during the same time period as the individuals’ regular work schedule. The agreement is documented in a Personnel Action Notice (PAN) and is approved by the Department Supervisor and Division Dean. The following table summarizes the extra pay for some faculty of the EMS Program by fiscal year.

Summary - Faculty Extra Pay- School Year				
Faculty	FY 2012	FY 2013	FY 2014	Total
Faculty #1 - Extra Pay	3,968	18,680	32,548	55,196
Faculty #1 - Base Pay	39,088	39,675	40,468	119,231
Total Faculty #1	\$ 43,056	\$ 58,355	\$ 73,016	\$ 174,427
Faculty #2 - Extra Pay	17,390	16,570	44,445	78,405
Faculty #2 - Base Pay	40,348	40,954	41,773	123,075
Total Faculty #2	\$ 57,738	\$ 57,524	\$ 86,218	\$ 201,480
Faculty #3 - Extra Pay	-	-	24,830	24,830
Faculty #3 - Base Pay	73,869	73,869	76,100	223,838
Total Faculty #3	\$ 73,869	\$ 73,869	\$ 100,930	\$ 248,668
Faculty #4 - Extra Pay	16,430	11,080	28,860	56,370
Faculty #4 - Base Pay	37,866	38,434	**	76,300
Total Faculty #4	\$ 54,296	\$ 49,514	\$ 28,860	\$ 132,670
Faculty #5 - Extra Pay	8,060	-	15,920	23,980
Faculty #5 - Base Pay	42,316	42,951	43,810	129,077
Total Faculty #5	\$ 50,376	\$ 42,951	\$ 59,730	\$ 153,057
Faculty #6- Extra Pay	7,808	7,230	7,320	22,358
Faculty #6- Base Pay	38,472	39,049	39,830	117,351
Total Faculty #6	\$ 46,280	\$ 46,279	\$ 47,150	\$ 139,709
Faculty #7 - Extra Pay	210	8,465	840	9,515
Faculty #7 - Base Pay	42,316	42,951	43,810	129,077
Total Faculty #7	\$ 42,526	\$ 51,416	\$ 44,650	\$ 138,592
Total Extra Faculty Pay	\$ 53,866	\$ 62,025	\$ 154,763	\$ 270,654
** Faculty #4 was no longer faculty in FY 2014.				

EASTERN NEW MEXICO UNIVERSITY – LIMITED SCOPE INVESTIGATION EMERGENCY MEDICAL SERVICES PROGRAM

In some instances, it appears the faculty were able to collect their regular salary as well as the additional pay from PAN agreement. Thus, as a faculty is paid for hours falling in their regular work week schedule along with the extra pay from the PAN agreement they are being paid for the same hours twice, or double dipping. Examples of faculty being paid for extra hours that appear to fall within their regular work week include the following:

- Faculty #1 was the lead instructor for EMS class 8-12-2013 through 8-16-2013, Monday through Friday. She was paid for three credit hours at a rate of \$620 per hour for a total of \$1,860.
- Faculty #1 was paid \$30 per hours for eight hours totaling \$240 on July 19, 2013, a Friday. She also was paid \$30 per hour for eight hours totaling \$240 on July 20, 2013, a Saturday. The following week she was paid for one credit hour at \$620 for a total of \$620 for the dates of 7-25-2013 through 7-26-2013, a Thursday and Friday and then also paid for eight credit hours at \$30 for 7-27-2013, a Saturday.
- Faculty #1 was paid for 22 credit hours at a rate of \$30 per hour for a total of \$660 for the period of 8-20-2013 through 8-22-2013, Tuesday through Thursday.
- Faculty #1 was paid for 8 credit hours at a rate of \$30 for a total of \$240 for 4-3-2014, a Thursday. She was also paid for 40 contact hours at a rate of \$30 for a total of \$1,200 for the period of 4-21-2014 through 4-25-2014, a Monday through Friday.
- Faculty #4 was paid for 8 credit hours at a rate of \$30 per hour for a total of \$240 for 10-18-2013, a Friday.
- Faculty #4 was paid for 8 credit hours at a rate of \$30 per hour for a total of \$240 for 1-31-2014, a Friday.
- Faculty #2 was paid for 8 credit hours at a rate of \$30 per hour for a total of \$240 for 11-8-2013 through 11-12-2013, Friday through Wednesday.
- Faculty #2 was paid for 6 credit hours at a rate of \$30 per hour for a total of \$180 for 7-17-2013 and was also paid 8 credit hours at a rate of \$30 per hour for a total of \$240 for 7-19-2013, a Friday.
- Faculty #2 was paid for 10 credit hours at a rate of \$30 per hour for a total of \$300 for 7-2-2013 through 7-3-2013 and again for the period of 8-20-2013 through 8-21-2013, both instances on a Tuesday & Wednesday.

PANs are generated for extended periods of time with no clear identification of when the extra hours are to be worked. For example:

- Faculty #1 was paid for 15 credit hours at \$620 per hour for a total of \$9,300. The PAN covers the period of 8-19-2013 through 12-13-2013.
- Faculty #4 was paid for 18.5 credit hours at a rate of \$620 for a total of \$11,470. The PAN covers the period of 8-26-2013 through 12-13-2013.
- Faculty #4 was paid for 25 credit hours at \$620 per hour for a total of \$15,500. The PAN covers the period of 1-22-2014 through 5-9-2014.

EASTERN NEW MEXICO UNIVERSITY – LIMITED SCOPE INVESTIGATION EMERGENCY MEDICAL SERVICES PROGRAM

- Faculty #2 was paid for 11 credit hours at a rate of \$620 per hour for a total of \$6,820. The PAN covers the period of 8-19-2013 through 12-10-2013.
- Faculty #2 was paid for 10 credit hours at a rate of \$620 per hour for a total of \$6,200. The PAN covers the period of 1-16-2014 through 5-9-2014. He was also paid for 15 credit hours at a rate of \$620 for a total of \$9,300 for the same period.
- Faculty #7 was paid for 7 credit hours at a rate of \$620 per hour for a total of \$4,340. The PAN covers the period of 1-8-2013 through 5-23-2013.
- Faculty #5 was paid for 13 credit hours at a rate of \$620 per hour for a total of \$8,060. The PAN covers the period of 6-2-2014 through 8-8-2014.

PANs are generated for activity that appears to fall within the employees assigned job responsibilities. For example:

- Faculty #1 was paid for 30 credit hours at \$30 per hour for a total of \$900 for EMS course development for the period of 6-1-2013 through 7-26-2013. As a Coordinator and Program Instructor, course development would not be considered extra work above and beyond her regularly assigned duties and responsibilities.

Effect: The EMS Program is incurring avoidable costs. The amount paid to faculty under the above conditions could have been used for other program needs.

Cause: The above condition is due to the EMS Program management's failure to manage the time requirements against a faculty's regular work assignment. As a result, the EMS Program has incurred costs that could have been avoided and thus damaging the University.

We *recommend* the EMS Program management:

- Cease writing PANs and paying faculty for activities that are clearly within their job description.
- Ensure the time required in teaching classes, as documented in the PANs, takes into account the regular work week hours so that faculty are not being paid twice for the same hours.
- Track the PAN hours worked in a time card or other time reporting mechanism to ensure the hours being paid are not for the regular work schedule and were in fact worked.
- Cease writing PANs that cover months at a time. PANs should be specific to the days and hours to be worked.

2013-004 Dual Employment of EMS Director (Material Weakness)

Criteria: The Commission on Accreditation of Allied Health Education Programs states the EMS Program Director is responsible for all aspects of the program, including, but not limited to:

1. The administration organization, and supervision of the educational program;
2. The continuous quality review and improvement of the educational program;
3. Long range planning and ongoing development of the program;

EASTERN NEW MEXICO UNIVERSITY – LIMITED SCOPE INVESTIGATION EMERGENCY MEDICAL SERVICES PROGRAM

4. The effectiveness of the program and have systems in place to demonstrate the effectiveness of the program;
5. Cooperative involvement with the medical director; and
6. Adequate controls to assure the equality of the delegated responsibilities.

The Committee on Accreditation of Educational Programs for the Emergency Medical Services Professions Policies & Procedures states key personnel are the program director and the medical director and further states that an individual cannot concurrently hold more than one key personnel position at that program.

The ENMU-R policy states the acceptable uses of medical (sick) leave is used only for:

- 1) personal illness;
- 2) pregnancy;
- 3) quarantine of employee's household;
- 4) partial days not worked when an employee, who has been on medical leave, returns to work on a part-time basis while recovering from the sickness or injury;
- 5) medical examinations and treatment, dental and eye care;
- 6) illness of the immediate family including parents, children, grandparents, grandchildren, siblings or spouse.

Condition: The ENMU-R EMS Program Director (the Director) was with the University for over 25 years. In the accreditation documentation submitted by the ENMU-R EMS Program, the Director was specifically identified as the "full-time" Program Director, as part of the accreditation requirements.

The prior ENMU-R Provost, in a February 2011 memo to the Dean of the Division of Health, refers to a discussion with the Director regarding a request from San Juan Community College to have him assist them as an interim EMS Program Director while continuing to be ENMU-R's full-time Program Director. The prior Provost states the Director will have to work in Farmington at least 3-4 days every 4-6 weeks during the regular semesters to assist with coordination of the program. The prior Provost recommended that the Director take annual leave for 2-3 days so that there is no misunderstanding about the work he would be performing for ENMU-R and San Juan College.

A Memorandum of Understanding (MOU) dated May 22, 2011 was entered into between Eastern New Mexico University-Roswell in Partnership with San Juan College to collaborative on a Certificate in Emergency Medical Services. The term of services was for one year, from May 22, 2011 through May 22, 2012, with an option of renewal if mutually agreed upon. There are no other MOUs between ENMU – R and San Juan College. In a San Juan College internal memo, the Dean, states that the ENMU EMS Program Director will be a San Juan College employee starting May 1, 2011, which is contrary to the MOU that was generated.

Review of the Director's payroll records since 2011 shows that he was paid as the ENMU-R full-time Program Director at the same time he was being paid by San Juan College to be their EMS Program Director. In addition to being the EMS Program Director for ENMU-R and San Juan College, he was also paid for teaching classes beyond his regular schedule. For example, in fiscal year 2014, the Director was paid \$76,100 as the full-time ENMU-R EMS Program Director, paid \$24,830 for teaching additional classes at ENMU-R, and paid \$30,000 from San Juan College as the EMS Program Director. Thus, for fiscal year 2014, the Director supplemented his salary by \$54,830.

EASTERN NEW MEXICO UNIVERSITY – LIMITED SCOPE INVESTIGATION EMERGENCY MEDICAL SERVICES PROGRAM

The time requirement to fulfill the full-time position at ENMU-R and take 3-4 days every 4-6 weeks to be the San Juan College EMS Program Director and teach additional classes doesn't add up. For example, the Director was at San Juan College for two weeks (11-3-2013 through 11-9-2013 and 12-15-2013 through 12-21-2013) yet during that period of time he was also paid for teaching 7.5 credit hours at ENMU-R for the period of 10-21-2013 through 12-30-2013, all the while fulfilling the position as full-time ENMU-R EMS Program Director. Furthermore, during the fall of 2013, the Director was also the ENMU-R instructor AND student of the new Community Paramedic Program, a 20-credit hour program.

Review of the expense reimbursement payments from San Juan College to the Director for time spent at San Juan College and review of the Director's leave requests from ENMU-R shows that the Director did not take annual leave for the corresponding time he was working at San Juan College. See Exhibit I for identification of travel dates and amounts paid from San Juan College to the Director compared to leave requests from the Director at ENMU-R. Thus, the Director was being paid by both ENMU-R and San Juan College for the same hours or double dipping. For the fiscal years 2012, 2013, and 2014, the Director was paid \$90,000 from San Juan College as the EMS Program Director. The following table summarizes the Director's salary from all three resources.

ENMU-R EMS Program Director - Salary Summary				
Date	ENMU - R Salary	ENMU PAN	San Juan College - Personnel Transaction Forms	Total by Year
FY 2012	\$ 73,869	\$ -	\$ 30,000	\$ 103,869
FY 2013	73,869	-	30,000	\$ 103,869
FY 2014	71,600	24,830	30,000	\$ 126,430
Totals	\$ 219,338	\$ 24,830	\$ 90,000	\$ 334,168

In addition, the Director violated the ENMU-R acceptable use policy for medical leave. In one instance, the Director submitted an expense report to San Juan College for the dates of 5-4-2014 to 5-9-2014. At ENMU-R he recorded 16 hours of vacation time for the dates 5-8-2014 to 5-9-2014 and recorded 24 hours of sick time for the dates 5-5-2014 to 5-7-2014.

Effect: As a result of the Director acting as the full-time ENMU-R EMS Program Director yet not actually working full-time for ENMU-R, management violated accreditation requirements as they did not have a full-time Program Director as stated in their accreditation paperwork submitted. Attempting to be the full time EMS Director at ENMU-R and at San Juan College, teaching classes under a PAN agreement, teaching the on-line class, and attending class as a student equate to collectively holding more than one key position. Furthermore, as the Director was working at San Juan College yet reported sick hours at ENMU-R, he violated the ENMU-R acceptable use policy for medical leave.

Cause: This is due in part to the EMS Program management failure to properly run the program to ensure that at all times the program meets accreditation requirements and employees adhere to the University's policies.

In addition to the recommendations in the section Faculty Extra Pay, we *recommend* EMS management ensure its program director is full-time and that there are no competing commitments in the program director's time that jeopardize the program's integrity or its accreditation standing.

EASTERN NEW MEXICO UNIVERSITY – LIMITED SCOPE INVESTIGATION EMERGENCY MEDICAL SERVICES PROGRAM

2014-005 Payment for Third-Party Services Provided (Material Weakness)

Criteria: The EMS Program will provide services to third-parties for learning-centered academic and technical training, and use of facilities to obtain clinical experience. The agreements are documented in a Memorandum of Understanding between ENMU-R and the third-party. The EMS Program is to invoice the third party when services have been provided.

Condition: We obtained and reviewed all Memorandum of Understandings (MOUs) with Clovis Community College, New Mexico Junior College (NMJC), NMSU Carlsbad and Santa Fe Community College and we selected invoices for review of receipts and recording in the general ledger. We noted the following:

- Invoices for services related to MOUs are not generated in Banner and is done by the Administrative Assistant. As such accounts receivable/revenue are not recorded at the time of invoice generation.
- Collections of accounts are recorded as debit to cash and credit to either participants' fee or supplies expense.
- There are no MOUs covering arrangement with EMS Region II and III. As such, we could not determine if such arrangement was approved.
- One of the MOUs provides a fee of \$30 per student (NMJC) while actual billings were made for \$25 per student and to NMSU - Carlsbad.
- There were ten classes in Santa Fe Community College (completed between September and November 2013) that were not billed as of our review date. The Director of the EMS Program at Santa Fe is one of ENMU-R adjunct faculty. Due to the number of instances not billed, we conclude this was a conscience decision not to bill Santa Fe Community College.

Effect: As a result, the University is losing money due to not billing for services provided.

Cause: This is due in part to the EMS Program management not having an adequate system in place to track and monitor services provided to ensure the third-party is billed as well as deliberate agreements with third-parties not to bill for services provided. For example, the Roswell Fire Department has not paid for classes since fall of 2011. For example, no tuition was paid by the Roswell Fire Department for the EMS Refresher course offered in 2011 (24 students), 2012 (36 students), and 2013 (27 students). Roswell Fire Department has also attended Basic EMS courses and paramedic refresher courses and did not pay any tuition. In a July 2014 email, The Roswell Fire Department received an invoice billing them for students enrolled in the fire block classes wanting to know why they were being charged as the classes are usually done as a courtesy to the fire department.

We recommend EMS management ensure:

- Invoices are generated by the Business Office and generated on a timely basis. In addition, receivable and revenue should be recognized in the general ledger upon invoicing by debiting accounts receivable and crediting participants' fee (and not supplies expense).

EASTERN NEW MEXICO UNIVERSITY – LIMITED SCOPE INVESTIGATION EMERGENCY MEDICAL SERVICES PROGRAM

- MOUs are executed for arrangements entered into with third party in accordance with the University's policies.
- All MOUs are provided to the Business Office to ensure that correct fees are billed.
- Fees charged are evaluated on an annual basis. For example, fees charged to NMJC were agreed back to back in 2003 and have not been changed. MOUs for Clovis Community College (now severed) and Santa Fe Community College provide for a fee of \$50 per student.
- All services provided to third-parties are billed and no free attendance or supply usage be allowed.

**EASTERN NEW MEXICO UNIVERSITY – LIMITED SCOPE INVESTIGATION
EMERGENCY MEDICAL SERVICES PROGRAM**

Exhibit I

San Juan College - EMS Program Director Payments		
Amount	Date - From	Date - To
543.70	8/17/2014	8/23/2014
607.49	5/4/2014	5/9/2014
1,269.78	3/10/2014	3/16/2014
547.04	1/26/2014	2/1/2014
536.04	12/15/2013	12/21/2013
619.57	11/3/2013	11/9/2013
202.00	9/25/2013	9/29/2013
536.04	8/25/2013	8/31/2013
446.04	5/13/2013	5/17/2013
506.04	4/1/2013	4/6/2013
245.12	1/27/2013	2/1/2013
365.12	12/10/2012	12/13/2012
444.12	9/23/2012	9/29/2012
737.61	8/21/2012	8/24/2012
414.12	7/9/2012	7/14/2012
414.12	4/30/2012	5/5/2012
414.12	4/1/2012	4/6/2012
395.12	2/6/2012	2/10/2012
444.12	1/8/2012	1/14/2012
444.12	12/11/2011	12/17/2011
335.12	11/13/2011	11/18/2011
335.12	10/17/2011	10/21/2011
365.12	9/6/2011	9/10/2011
316.12	8/10/2011	8/12/2011
376.12	6/13/2011	6/17/2011
577.52	5/9/2011	5/11/2011
497.92	12/13/2009	12/15/2009

Eastern New Mexico University - EMS Program Director Leave Reported			
Vacation Hours	Vac Dates	Sick Hours	Sick dates
16	5/8 to 5/9	24	5/5 to 5/7
20	1/27 to 1/31		
20	11/4 to 11/8		
20	4/1 to 4/5		
32	7/9 to 7/13		
40	6/13 to 6/17		



Office of the President

December 15, 2014

Nancy Young, CPA, CISA, CFE
Moss Adams, LLP
Fraud Investigations & Forensic Accounting Services
805 SW Broadway
Ste. #1200
Portland, OR 97205

Dear Ms. Young,

We are in receipt of the draft of the Limited Scope Forensic Report for the EMS program at Eastern New Mexico University – Roswell. After a review of the contents in the report, the management of Eastern New Mexico University – Roswell is working towards a resolution of each finding.

Please know that the leadership of ENMU – Roswell regards the matters raised in the audit report with utmost concern. We will waste no time in implementing corrective measures—including appropriate systemic and organizational controls—to correct the shortcomings brought to light and to safeguard the resources of this institution going forward.

We appreciate the work provided by the Auditors at Moss Adams, LLP.

Sincerely,


John Madden, Ed.D.
President
Eastern New Mexico University – Roswell