



THE UNIVERSITY of NORTH CAROLINA
GREENSBORO
Office of General Counsel

CARL-1.1

TO: The Chair and Members
Compliance, Audit, Risk Management
And Legal Affairs Committee

Chancellor Franklin D. Gilliam, Jr.

FROM: Office of General Counsel

DATE: September 12, 2017

RE: Proposed CARL Committee Work Plan for 2017-18

CC: Dr. Dana Dunn, Provost and Executive Vice Chancellor
Charles Maimone, Vice Chancellor for Business Affairs
Dr. Julia Jackson-Newsom, Associate Vice Chancellor for Strategy and Policy
Waiyi Tse, Chief of Staff
Don Skeen, Director of Internal Audit
Kelly Harris, Associate Chief of Staff and Assistant Secretary to the Board of Trustees

I. Purpose

The purpose of this communication is to propose a CARL Committee Work Plan for the Academic Year 2017-18. This proposed CARL Committee 2017-18 Work Plan represents the consensus of each of the Committee liaisons and is based in part on the new Committee Charter approved by the Board of Trustees on May 8, 2017. The proposed Work Plan is also based on current and historical audit, legal and other requirements. The CARL Committee Charter is attached for your information and review.

The proposed Work Plan is not intended to prohibit action on other items that the Chancellor or Committee members wish for consideration, but to establish priorities and plans for the academic year.

Generally, the proposed CARL Committee 2017-18 Work Plan establishes the following priorities for the current academic year:

1. Actions related to the audit function of the University.
2. Oversight of the compliance and risk management functions of the University.
3. Review of the Code, Board of Trustees revised August 2003, Delegation of Authority and related governance documents with the goal of clarifying and streamlining BOT policies and procedures, and ensuring BOT compliance with relevant state and Board of Governors (BOG) policies and procedures.
4. Review, and where appropriate, update BOT Conflict of Interest and Commitment Policies and Procedures and Delegations of Authority.

Attached please find a document entitled “UNCG Board of Trustees CARL Committee Work Plan 2017 - 2018” that outlines the proposed topics for each of the BOT meetings and serves as proposed Work Plan for this academic year. This document is attached for your convenience and review.

Attachments

EXHIBIT A

Proposed Compliance, Audit, Risk Management and Legal Affairs Committee Charter*

A. Policy Statement

It is the policy of the Board to support University efforts to develop, implement, evaluate and monitor a University-wide enterprise risk management process and compliance program; to promote the establishment of and collaboration among the risk management, ethics, and compliance programs at the University; and to promote a culture that supports board goals for ethics, risk management and compliance.

B. Purpose/Goals

1. The CARL Committee shall assist the Board in fulfilling its oversight responsibilities related to audit, risk management, compliance, legal and ethical functions of the University.
2. The Committee shall assist the Board in fulfilling its oversight responsibilities related to: (1) the integrity of the University's financial reporting; (2) the adequacy and effectiveness of the systems of internal control; and (3) the independence and performance of the external and internal audit functions.
3. The Committee shall assist the Board in fulfilling its oversight responsibilities related to the establishment, implementation, evaluation and monitoring of a campus-wide institutional risk management process.
4. The Committee shall assist the Board in fulfilling its oversight responsibilities related to compliance with relevant laws, regulations and ethical standards, including NCAA and research and related compliance.
5. The Committee shall make inquiries of and receive reports related to threatened or pending litigation, employment litigation, substantial administrative agency complaints, substantial government investigations, and other relevant legal matters.

C. Organization

1. CARL shall consist of a minimum of five voting Members of the Board selected by the Board Chair. The Board Chair shall designate one member of the Committee to serve as its Chair and may designate another member to serve as Vice Chair.
2. Unless otherwise designated by the Chancellor, the Vice Chancellor for Business Affairs, the General Counsel, the Director of Internal Audit, and the Associate Vice Chancellor for Strategy and Policy shall serve as liaisons to the Committee.

* This proposed charter is still under development and reflects the current thoughts of Office of the General Counsel, which is working with appropriate administrators in Business Affairs, Internal Audit and the Office of the Chancellor.

D. Meetings

1. CARL shall meet at the request of the Chancellor, the Chair of the Committee, or any two members of the Committee. Committee meetings will be scheduled to facilitate the timely review of matters under consideration by the Board.
2. CARL is a Standing Committee of the Board and shall follow Board rules for a quorum, voting, and minutes.
3. The Committee may, pursuant to the Open Meetings Law, go into closed session to discuss privileged and confidential information, or any other purpose allowed by the Open Meetings Law.

E. Duties and Responsibilities of the CARL Committee Related to Compliance

1. Promote the establishment of and collaboration among the compliance programs across the University.
2. Provide oversight and monitoring of a campus-wide compliance program.
3. Promote a culture that supports Board of Trustees and University goals for compliance.
4. Promote a uniform approach to measuring the University resources expended on compliance.
5. Support training and educational efforts related to compliance.
6. Provide regular reports to the Board of Trustees regarding compliance.
7. Refer matters to the Chancellor, or other University administrators, as appropriate.
8. Perform such other duties as directed by the Board of Trustees.

F. Duties and Responsibilities of the CARL Committee Related to Audit

1. At the beginning of the University's audit cycle, review and approve a summary of the annual internal audit plan for the campus. At the end of the cycle, review a comparison of the plan advanced to the internal audits performed.
2. Review, as a committee, the results of the annual financial audit with the State Auditor or his designated representative. Review year-end financial statements, audit findings, and other matters from all external audits of the University. The Chair shall be responsible for meeting with the Auditor, without senior management, and may designate other members of the Board to participate in said meetings.
3. Review all audits and management letters of University-Associated Entities as defined in Section 600.2.5.2 [R] of the UNC Policy Manual.
4. Discuss the results of any other audit performed and report/management letter (i.e. information system audits, investigative audits, etc.) issued by the North Carolina Office of the State Auditor with either the State Auditor or his staff, the Director of Internal Audit, or appropriate campus official.

5. For any audit finding contained within a report or management letter issued by the State Auditor, review the institution's corrective action plan and obtain a resolution report once corrective action has taken place.
6. Discuss the results of any audit performed by independent auditors and, if there are audit findings, review the institution's corrective action plan and receive a report once corrective action has taken place.
7. Obtain quarterly reports from the Director of Internal Audit that, at minimum, report material (significant) reportable conditions, the corrective action plan for these conditions, and the resolution once these conditions have been corrected.
8. Prepare and forward to the Board of Governors an annual summary of the work performed by the Committee, including a report of the work of the audits, reviews, investigations or special assignments completed by the University. The report should also include any identified material reportable conditions and how such conditions were addressed.
9. Assure that the University has a plan for performing self-assessments of operating risks and evaluations of internal controls on a regular basis and for carrying out internal audit functions in a way that meets professional standards.
10. Be available to meet during the year with the State Auditor or his staff for consultation purposes.
11. Request, as needed, that the State Auditor or his designee rotate the Audit Manager assigned to the University's financial statement audit.
12. Consult with the Office of University Counsel regarding any legal matters that may have a significant impact on the University's financial statements or overall financial performance.
13. Review and approve the Internal Audit Department's Charter.
14. Consult with the Chancellor regarding the selection or removal of the Director of Internal Audit.

G. Duties and Responsibilities of the CARL Committee Related to Risk Management

1. Promote the establishment of and collaboration among the risk management programs across the University.
2. Evaluate, monitor and advise a campus-wide enterprise risk management process.
3. Promote a culture that supports Board of Trustees and University goals for risk management.
4. Promote a uniform approach to measuring the University resources expended on risk management.
5. Support training and educational efforts related to risk management.
6. Provide regular reports to the Board of Trustees regarding risk management.
7. Refer matters to the Chancellor, or other University administrators, as appropriate.

8. Perform such other duties as directed by the Board of Trustees.

H. Duties and Responsibilities of the CARL Committee Related to Legal Affairs

1. The Committee shall oversee adherence to laws, regulations, and policies that pertain to University operations.
2. The Committee shall consider and report or recommend to the Board on matters pertaining to legal issues.
3. The Committee shall provide oversight for the legal functions of the University and for the Office of the General Counsel.
4. Within the Committee's authority and responsibility as described above, the following is a partial but not exclusive list of legal subject matter areas which may be brought to the Committee for discussion and oversight and/or which the Committee may ask to review. This list is intended to be illustrative and is included here to help define the scope of the legal functions of the University. Most of these matters fall in whole or in part within the oversight purview of other committees of the Board.

- Legal aspects of compliance issues
- Health, safety and environment
- International activities and foreign laws
- Employment disputes
- Administrative agency complaints
- Government inquiries and investigations
- Conflicts of interest
- Campus safety and security
- First Amendment issues, including academic freedom and demonstrations
- Discrimination, including harassment, and affirmative action
- Employee misconduct
- Contract matters, including purchasing
- Research grants and contracts
- Clery Act
- Governance
- Policy development
- Federal and state legislative and regulatory issues
- Significant settlement agreements
- Unusual or significant severance or termination arrangements and payments

I. General

1. CARL shall coordinate with other Board committees as appropriate.

2. The CARL may modify or supplement the duties and responsibilities set forth above as needed.
3. The Committee, in conjunction with the Chancellor, shall develop annually a list of the principal duties and responsibilities of the Committee and a timetable for completion of Committee functions.
4. The CARL, with the assistance of the Office of the General Counsel, Vice Chancellor for Business Affairs, and Director of Internal Audit, and the Associate Vice Chancellor for Strategy and Policy shall periodically review and assess the adequacy of the CARL Committee Charter.