

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; 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 risk management and compliance.~~

A. Purpose/Goals

~~The CARL Committee shall assist~~It is the policy of the Board of Trustees of The University of North Carolina at Greensboro (UNC Greensboro or University), as exercised through its Compliance, Audit, Risk Management and Legal Affairs (CARL) Committee, to provide oversight and assistance to the University in its efforts to promote a culture of compliance; ensure the timely development and implementation of operational policies and procedures that are consistent with relevant laws, regulations, and ethical standards; promote collaboration among and between the compliance, audit, risk management, legal and ethical functions at the University; and establish processes and accountability measures for oversight, monitoring, and evaluation of the integrity functions of the University.

B. CARL Committee General Responsibilities

1. Assist the Board of Trustees in fulfilling its oversight responsibilities related to audit, risk management, compliance, legal and ethical functions of the University. Specifically, the CARL Committee shall assist the Board of Trustees in fulfilling its oversight responsibilities related to: (a) the integrity of the University's financial reporting; (b) the adequacy and effectiveness of the systems of internal control; (c) the independence and performance of the external and internal audit functions; and (d) the independence and performance of the compliance function.
 1. ~~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.~~
2. ~~The Committee shall assist the Board~~Assist the Board of Trustees in fulfilling its oversight responsibilities related to the establishment, implementation, evaluation and monitoring of a ~~campus~~University-wide ~~institutional~~enterprise risk management ~~process~~program.
3. ~~The Committee shall assist~~Assist the Board of Trustees in fulfilling its oversight responsibilities related to compliance with relevant laws, regulations and ethical standards, including NCAA ~~and~~, research, and other related compliance obligations.

4. ~~The Committee shall make~~Make inquiries of and receive reports related to threatened or pending litigation, employment litigation, substantial administrative agency complaints, substantial government investigations, and other relevant, constitutional, legal, and ethical matters.
5. Develop annually a Committee work plan, which shall set forth a timetable for completion of Committee functions.
6. Periodically review and assess the adequacy of this Charter.
7. Coordinate with other Board of Trustees committees as appropriate.
8. Maintain the confidentiality of information, as appropriate.
9. Modify or supplement the duties and responsibilities set forth herein as needed.
10. Perform such other duties as directed by the Board of Trustees.

B.C. CARL Committee Organization

1. The CARL Committee shall consist of a minimum of five voting Members of the Board of Trustees 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 Institutional Integrity and~~ General Counsel, the Vice Chancellor for Finance and Administration, and the Director of Internal Audit, ~~and the Associate Vice Chancellor for Strategy and Policy~~ shall serve as liaisons to the Committee.

C.D. CARL Committee Meetings

1. ~~CARL~~The CARL Committee is a Standing Committee of the Board of Trustees and shall follow Board rules for a quorum, voting, and minutes.
- ~~1.2.~~2. The CARL Committee 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 of Trustees.
 - ~~2.~~2. ~~CARL is a Standing Committee of the Board and shall follow Board rules for a quorum, voting, and minutes.~~
- ~~2.3.~~2.3. ~~The~~The CARL 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.

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

1. Understand and encourage adherence to all relevant laws, regulations, and ethical aspirations, including, but not limited to the State Ethics Act, and relevant policies and

Memorandum of Understanding¹ related to the University Compliance and Integrity Program.

- 1.2. Promote the establishment of and collaboration among the compliance programs across the University.
- 2.3. Evaluate, monitor and advise a ~~campus~~University-wide compliance program.
- 3.4. Promote a culture that supports Board of Trustees and University goals for compliance.
 1. ~~Promote a uniform approach to measuring the University resources expended on compliance.~~
- 4.5. Support training and educational efforts for the Committee, the Board of Trustees, and University employees related to compliance.
- 5.6. Provide regular reports to the Board of Trustees regarding compliance.
- 6.7. Refer matters to the Chancellor, or other University administrators, as appropriate.
 2. ~~Perform such other duties as directed by the Board of Trustees.~~

DIH.

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

1. Understand and encourage adherence to the Memorandum of Understanding² related to the Institute of Internal Auditors' (IIA) International Standards for the Professional Practice of Internal Auditing (Standards).
- 1.2. At the beginning of the University's audit cycle, review and approve a summary of the annual internal audit work plan for the ~~campus~~University. At the end of the cycle, review a comparison of the plan ~~advanced~~ to the internal ~~audits~~audit work performed.
- 2.3. Review the results of the annual financial audit with the State Auditor or ~~his~~their designated representative. Review year-end financial statements, audit findings, and other matters from all external audits of the University.
- 3.4. Review all audits and management letters of University-Associated Entities as defined in ~~Section Board of Governors Policy 600.2.5.2 [R] of the UNC Policy Manual.~~
- 4.5. 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~~their staff, the Director of Internal Audit, or appropriate ~~campus~~University official.
- 5.6. 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.

¹ The University of North Carolina at Greensboro Compliance and Integrity Program Ethical Screen Memorandum of Understanding.

² The University of North Carolina at Greensboro Internal Audit Program Ethical Screen Memorandum of Understanding.

- 6.7. 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.
- 7.8. ~~Obtain~~Receive 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.
- 8.9. ~~Prepare~~Ensure that the Director of Internal Audit prepares and ~~forward~~forwards all required reports to the Board of Governors, including an annual summary report of the work performed by the ~~Audit~~CARL Committee, ~~including a.~~ Such report shall be comprised 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.
- 9.10. ~~Assure~~Ensure 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.
- 10.11. Be available to meet during the year with the State Auditor or ~~his~~their staff for consultation purposes.
 - 1. ~~Request, as needed, that the State Auditor or his designee rotate the Audit Manager assigned to the University's financial statement audit.~~
- 11.12. Consult with the Office of ~~University~~Institutional Integrity and General Counsel and members of Chancellor's Council, as appropriate, including, but not limited to, the Vice Chancellor for Finance and Administration and the Vice Chancellor for Information Technology Services, regarding any ~~legal~~ matters that may have a significant impact on the University's financial statements or overall financial performance.
- 12.13. Review and approve the Internal Audit Department's Charter.
 - 2. ~~Consult with the Chancellor regarding the selection or removal of the Director of Internal Audit.~~

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

- 1. Evaluate, monitor, and advise a University-wide enterprise risk management program.
- 1.2. Promote the establishment of and collaboration among the risk management ~~programs~~activities across the University.
 - 1. ~~Evaluate, monitor and advise a campus-wide enterprise risk management process.~~
- 2.3. Promote a culture that supports Board of Trustees and University goals for risk management.
 - 2. ~~Promote a uniform approach to measuring the University resources expended on risk management.~~
- 3.4. Support training and educational efforts for the Committee, the Board of Trustees, and University employees related to risk management.
- 4.5. Provide regular reports to the Board of Trustees regarding risk management.

~~5.6. Refer matters to~~Keep the Chancellor, or other University administrators, as appropriate, aware of issues that may impact the reputation or operations of the University.

~~6.1. Perform such other duties as directed by the Board of Trustees.~~

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

1. ~~The Committee shall oversee~~Oversee adherence to laws, regulations, and policies that pertain to University ~~operations~~governance.
2. ~~The Committee shall consider~~Consider and report or recommend to the Board of Trustees on matters pertaining to legal and ethical issues.
3. ~~The Committee shall provide~~Provide oversight for the legal and ethical functions of the University and for the Office of ~~the Institutional Integrity and~~ General Counsel.
4. Maintain all communications between the CARL Committee and the General Counsel's office that are "privileged and confidential" as such, unless otherwise waived by the Board of Trustees.
- 4.5. Within the CARL Committee's authority and responsibility as described above, the following is a partial but not exclusive list of legal and ethical 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 and ethical functions of the University. ~~Most of these matters fall in whole or in part within the oversight purview of other committees of the Board.~~

- Threatened or pending litigation involving the University
- 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.~~

I. Conclusion

~~2. The CARL may modify or supplement the Board of Trustees acknowledges its legal status as fiduciaries and as members of a public body. The Board further affirms its commitment to fulfilling its oversight responsibilities and specifically its 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.~~

~~The CARL, with the assistance of the Office of the General Counsel, Vice Chancellor for Business Affairs as articulated, and Director of Internal Audit, and the Associate Vice Chancellor for Strategy and Policy shall periodically review and assess the adequacy of themay be from time to time modified, in this CARL Committee Charter.~~

Approved by the ~~Board of Trustees~~ May 11, 2017.

~~Brad Hayes, Chair UNC Greensboro~~ Board of Trustees _____, 2022.
The University of North Carolina at

Betsy S. Oakley, Chair
Board of Trustees
UNC Greensboro