**Compliance, Audit, Risk Management and Legal Affairs (CARL) Committee**
**October 10, 2023**
**10:15 a.m.**

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**Discussion Item**

CARL-4        Policy and Compliance Updates

**Background Information**

Kristen Bonatz, Deputy General Counsel, and Enyonam Williams, Associate General Counsel, will provide an update on the University's policy and compliance functions.

**Attachment**

4.1      University-Wide Policy and Compliance Program Update (see below)

# University-Wide
# Policy & Compliance Program
# Update

Kristen S. Bonatz, Deputy General Counsel
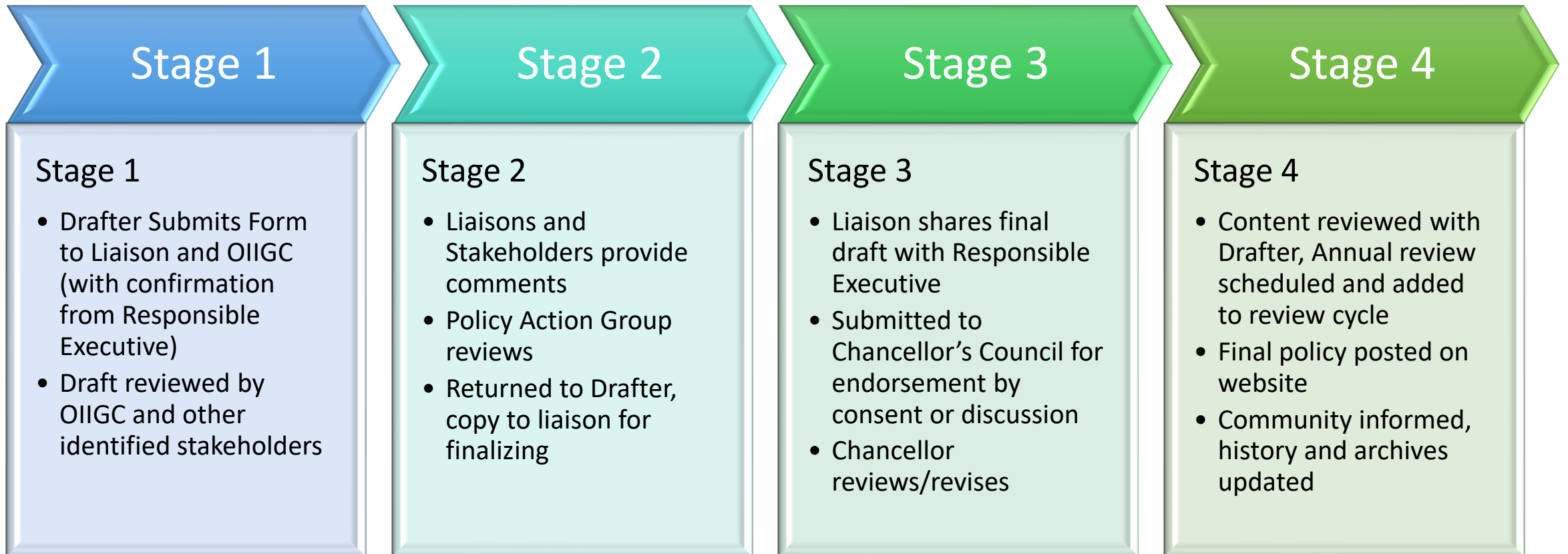Enyonam K. Williams, Associate General Counsel

# AGENDA

- Policy Program Overview and Update
- Compliance and Integrity Program Overview
  - Regulation of Higher Education
  - Guidance for Effective Compliance Programs
  - Defining & Assessing UNCG's Compliance Risk Universe
- 2023-2024 Compliance Work Plan
- Regulatory Changes in the Pipeline

Relationship Between Policy, Enterprise Risk Management, Compliance, and Audit

# Policy Review Process

## Stage 1

**Stage 1**

- Drafter Submits Form to Liaison and OIIGC (with confirmation from Responsible Executive)
- Draft reviewed by OIIGC and other identified stakeholders

## Stage 2

**Stage 2**

- Liaisons and Stakeholders provide comments
- Policy Action Group reviews
- Returned to Drafter, copy to liaison for finalizing

## Stage 3

**Stage 3**

- Liaison shares final draft with Responsible Executive
- Submitted to Chancellor's Council for endorsement by consent or discussion
- Chancellor reviews/revises

## Stage 4

**Stage 4**

- Content reviewed with Drafter, Annual review scheduled and added to review cycle
- Final policy posted on website
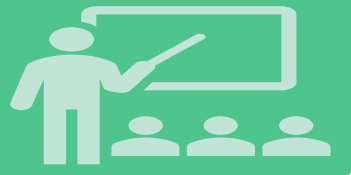- Community informed, history and archives updated

# Policy Program Update

## Academic Year 2022-2023

- Completed Policy Manual Website Conversion
- Currently have 110 officially designated University Policies
- Completed **Substantive** review of 20 policies
- Non-Substantive Revisions or Updates to 11 additional policies
- Rescinded and/or Consolidated 12 policies

# Compliance & Integrity Program Overview

## Regulation of Higher Education

- Higher Education governed by federal, state, and local regulatory agencies
- More than 300 federal laws alone apply to higher education, accompanied by mountains of regulation
- Increasing regulatory demands and expectations
  - New federal and state laws
  - Growing complexity of requirements
  - More aggressive enforcement initiatives
- Increasing regulatory burden leading to increase in university costs

# Compliance & Integrity Program Overview

## Regulation of Higher Education

- Compliance is highly decentralized and everyone's responsibility

- Compliance missteps can result in:
  - Safety and security risks
  - Financial consequences
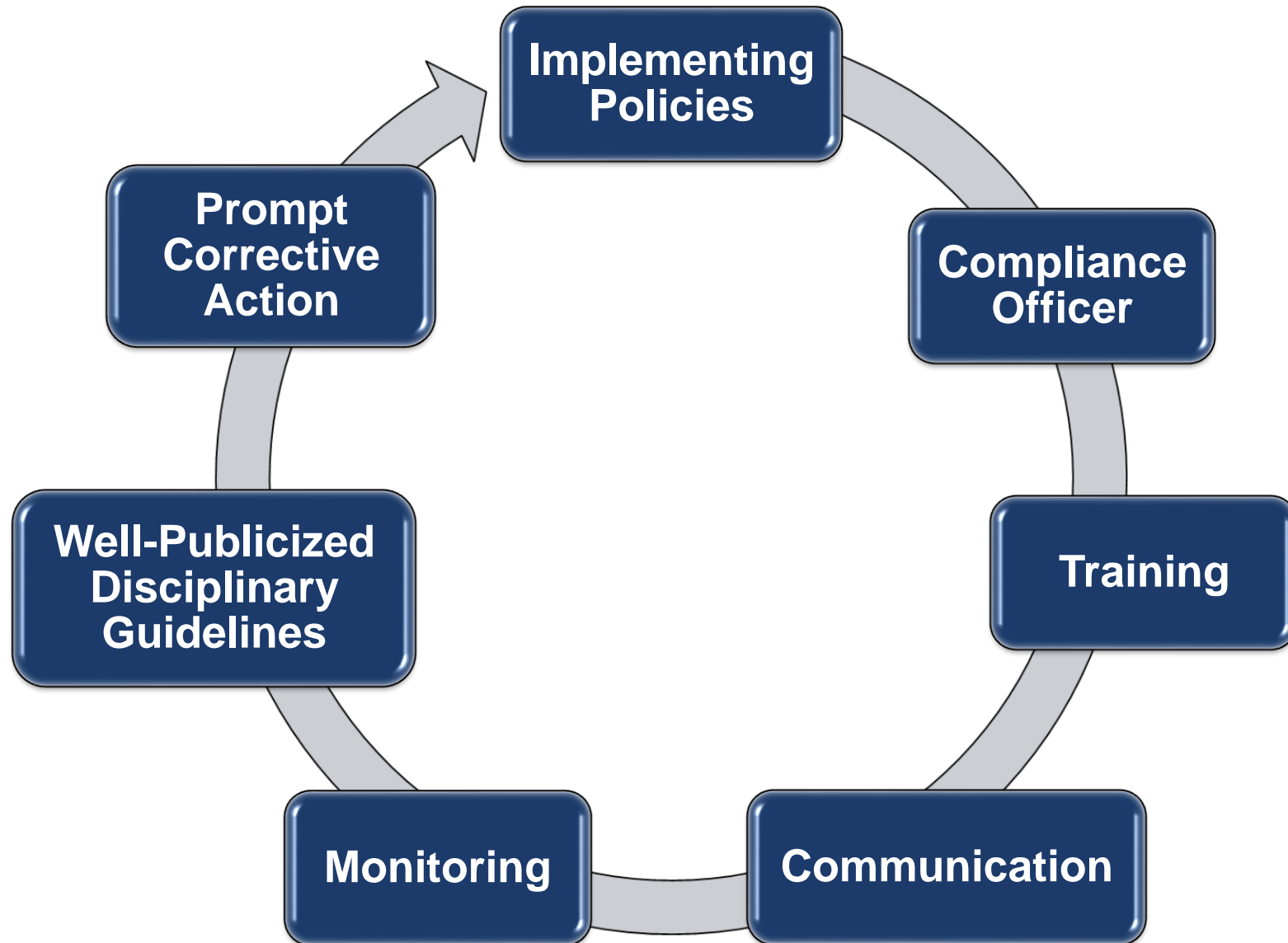  - Enhanced monitoring
  - Reputational impact

One Example

October 20, 2020

## Colleges Under Fire for Foreign Gift Reporting

Department of Education issues report accusing colleges of "pervasive noncompliance" with federal law requiring reporting of foreign-sourced gifts and contracts.

By Elizabeth Redden

# Effective Compliance Program Elements

# ENTERPRISE RISK HIERARCHY

**LIFE, HEALTH, AND WELLBEING**

*Managed by ERM*

**COMPLIANCE/LEGAL** (Managed by OIIGC)

- Academic
- Accounting & Finance
- Athletics
- Equity & Diversity
- Ethics
- External Relations
- Financial Aid & Student Billing
- Governance
- Health & Safety
- Human Resources
- Immigration & International Activities
- Information Security

- Intellectual Property & Technology Transfer
- Privacy
- Records & Information Management
- Research Integrity

**OPERATIONAL**

*Managed by ERM*

Compliance Domains
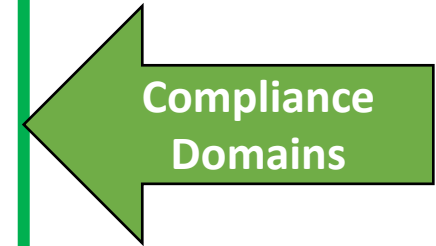
**FINANCIAL**

*Managed by ERM*

**REPUTATIONAL**

*Managed by ERM*

**STRATEGIC**

*Managed by ERM*

# COMPLIANCE RISK UNIVERSE

**16 DOMAINS** **54 PROGRAMS**

## ACADEMIC

- Accreditation
- Admissions
- IPEDS and External Reporting
- State Authorization
- Drug Free Schools Act

## ETHICS

- Accountability
- Acknowledgements and Rewards

## HEALTH & SAFETY

- Emergency Management / Insurance
- Campus Safety
- Environmental Health & Occupational Safety
- Sexual Violence (Students)
- Minors on Campus
- Housing and Dining (Safety: FDA, OSHA, etc.)
- Student Activities

## INTELLECTUAL PROPERTY & TECHNOLOGY TRANSFER

- Technology Transfer
- Copyright

## ACCOUNTING & FINANCE

- Accounting, IRS, & Taxes
- Social Security Act and FICA
- Higher Education Act
- Assets, Endowment, Banking and Trust
- Procurement and Contract Review (Goods and Services)
- Grant and Contract Management
- Payroll

## EXTERNAL RELATIONS

- Government Relations
- Donor Gift Restrictions

## HUMAN RESOURCES

- EEOC (Civil Rights Act Title VII)
- Drug Free Workplace Act
- Insurance & Workers Comp
- Employee Benefits
- Employee Classification
- Employee Eligibility Verification

## PRIVACY

- Student Privacy
- Data Security and Privacy (HIPAA)

## ATHLETICS*

- Equity in Athletics Disclosure Act
- NCAA Compliance
- Title IX

## FINANCIAL AID & STUDENT BILLING

- Financial Aid
- Student Billing

## IMMIGRATION & INTERNATIONAL ACTIVITIES

- Immigration
- International Activities & Programs

## RECORDS & INFORMATION MANAGEMENT

- Records Retention
- Public Records

## EQUALITY & DIVERSITY

- Digital Accessibility
- Antidiscrimination & Harassment
- Disability Accommodations
- Housing and Dining (Accommodations: ADA, etc.)

## GOVERNANCE

- UNC System
- North Carolina Law

## INFORMATION SECURITY*

- Data Security
    - Access Controls, Virus/Hacking Prevention
    - Payment Card Industry Data Security Standard (PCI DSS)

## RESEARCH INTEGRITY

- Research Integrity/Scientific Misconduct
- Research Involving Animals
- Research Involving Humans
- Export Controls
- Conflicts of Interest

# COMPLIANCE PROGRAM WORKPLAN

| 1 INVENTORY AND ORGANIZE | 2 DEFINE RISK STATEMENTS | 3 ASSESS RISK STATEMENTS | 4 DEFINE CONTROLS |
|---|---|---|---|
| **Inputs** | | | |
| • Authoritative sources and policies<br>• University objectives<br>• Review top enterprise risks | • Compliance risk universe | • Compliance risk statements | • Risk register<br>• Authoritative sources |
| **Activity** | | | |
| • Define compliance risk relationships & hierarchy | • Inventory of events or actions that impact UNCG's ability to achieve its objectives. | • Assess risk statements, analyzing the impact and likelihood | • Document what is currently done (or could be done) to mitigate the risk |
| **Outcomes** | | | |
| • Defined compliance risk universe | • Compliance risk statements<br>• Compliance risk register | • Prioritized compliance risk register<br>• Inherent and residual risk ratings for all risks | • Documented control objectives and control activities/procedures |
| **Target Completion** | | | |
| • Mid-September | • End of November | • January-March | • June-August |

# Regulatory Changes in the Pipeline

| | | |
|---|---|---|
| **Title IX** | **Web & Mobile App Accessibility** | **Expanded Scope of Public Records Act** |
| **Student Debt Transparency** | **Free & Compelled Speech** | **Implementation of SFFA** |