COMMITTEE MEMBERS PRESENT: Anita Bachmann (Committee Chair), Margaret Benjamin, George Hoyle, Dean Priddy

COMMITTEE MEMBERS ABSENT WITH NOTICE: Dale Phipps

OTHERS PRESENT: Chancellor Franklin Gilliam; Jerry Blakemore, Vice Chancellor for Institutional Integrity and General Counsel; Kristen Bonatz, Deputy General Counsel; Casey Forrest, Chief Information Security Officer; Donna Heath, Vice Chancellor for Information Technology Services; Jeanne Madorin, Associate Vice Chancellor for Human Resources; Kimberly Osborne, Interim Vice Chancellor of Strategic Communications; Bob Shea, Vice Chancellor for Finance and Administration; Katherine Skinner, Director of Internal Audit; Zach Smith, Assistant Vice Chancellor for Emergency and Risk Management; Debbie Storrs, Provost and Executive Vice Chancellor; Enyonam Williams, Associate General Counsel; Waiyi Tse, Chief of Staff; Kelly Harris, Associate Chief of Staff and Assistant Secretary to the Board of Trustees; and other members of the administration and staff.

PROCEEDINGS:

Chair Bachmann called the meeting to order at 10:15 a.m. She reminded the Committee members of their duty under the State Government Ethics Act to avoid conflicts of interest and advised that any conflict of interest or appearance thereof with respect to any matter before the Board of Trustees or the Committee needed to be raised at that time. None were identified.

Quorum was confirmed through roll call.

Actions Item:

CARL-1 Consent Agenda

Chair Bachmann noted the items on the Committee’s consent agenda, which were approval of: (1) the minutes of the Committee’s August 15, 2023, meeting, (2) the minutes of the Committee’s September 12, 2023, special called meeting, and (3) a revised Internal Audit Charter. Materials for each of the consent agenda items were included in the Committee’s pre-meeting materials.
There being no requests to remove any of the items from the consent agenda to the regular agenda, Chair Bachmann invited a motion to approve the consent agenda. Trustee Hoyle made the motion, which was seconded by Trustee Priddy. The motion carried unanimously.

**Discussion Items:**

**CARL-2 Internal Audit Report**

Director of Internal Audit Katherine Skinner reported on the results of the annual internal audit of the Weatherspoon Art Museum inventory management system. Skinner reviewed the objective and scope of the audit. She informed the Committee that there were no findings or recommendations.

**CARL-3 Enterprise Risk Management**

Assistant Vice Chancellor Zach Smith gave an update on the University’s Enterprise Risk Management program. He began his presentation with highlights of program initiatives and then provided an update on each of the University’s top 5 risks for 2023, which are enrollment, business processes sustainability, information technology, recruitment and retention of faculty and staff, and health and safety. Smith then reviewed the University’s top 5 risks for 2024, which are the same as 2023. The UNC System’s top risks for 2023 were also reviewed. They are an aggregation of top risks from across the UNC System: cybersecurity, talent management, student retention, financial, public safety, mental health, regulatory compliance, business processes, and facilities management.

**CARL-4 Policy and Compliance Update**

Deputy General Counsel Kristen Bonatz, who serves as Chair of the Policy Action Group, and Associate General Counsel Enyonam Williams, who oversees the University-wide compliance program, provided an update on the University’s policy and compliance programs. Bonatz summarized the University’s policy review process and reviewed policy-related activities and accomplishments during the prior academic year, which included completion of 20 substantive policy reviews, updates to 11 additional policies, and rescission and/or consolidation of another 12 policies. Williams then discussed the extensive federal, state, and local regulation of higher education, and the importance of avoiding compliance missteps, which is challenging given the increase in regulatory demands and complexity. She also discussed the elements of an effective compliance program and how the compliance program workplan is developed. She concluded the presentation with a review of regulatory changes in the pipeline.

**CARL-5 Information Technology Services Update**

Vice Chancellor Donna Heath and Chief Information Security Office Casey Forrest updated the Committee on information technology services, including security and compliance services, the University’s information security management program, and upcoming major technology initiatives.
Information Items:

CARL-6 The Institute of Internal Auditors’ (IIA) Three Lines of Defense

CARL-7 Athletics Compliance Update

The Committee was provided with two information items. The first was information regarding the Institute of Internal Auditors’ Three Lines of Defense, which is a principles-based approach that Internal Audit uses to demonstrate alignment of activities and objectives within an organization to enhance and protect value. The second was an update on Athletics compliance matters.

With no further business before the Committee, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,

Kelly Harris
Assistant Secretary to the Board of Trustees