



Statutory and Policy Authorities

Summarized below are state statutes and University of North Carolina Board of Governors policies related to the jurisdiction and oversight authority of the Committee on Audit, Risk Management, and Compliance (CARMC)

[CARMC Functions](#) (Section 301 G of *The Code*)

The Code of the University establishes the CARMC as a standing committee of the Board and sets out the committee's primary responsibilities, including:

- Recommending a committee charter for review and approval by the Board
- Addressing the University of North Carolina System's internal audit, enterprise risk management, and compliance functions
- Recommending to the Board for approval Systemwide policies regarding internal audit, enterprise risk management, and compliance
- Reviewing annual and other audit reports of the constituent institutions, the University of North Carolina System Office, and affiliated entities
- Reviewing a summary of the internal audit plans and work of the audit committees of the constituent institutions
- Reviewing a summary of the annual financial audit reports and management letters on University major associated entities
- Meeting with the state auditor annually
- Taking such other actions as are necessary or appropriate to ensure that risks are identified and properly managed and to assure the integrity of the finances, operations, and controls of the University

[Audit: Audits by the State Auditor](#) ([Article 5A, Chapter 147](#))

As a state agency, the UNC System, including its constituent institutions, affiliated entities, and System Office, are subject to audit by the North Carolina State Auditor.

[Audit: Internal Audit Program](#) ([GS 143-746](#))

As a state agency, the UNC System is required to establish an internal audit program consistent with statutory requirements.

[Audit: Special Responsibility Constituent Institutions Audits by State Auditor](#) ([GS 116-30.8](#))

Special responsibility constituent institutions are required to have an annual audit conducted by the North Carolina State Auditor (see "Special Responsibility Constituent Institutions" on Page 3 for more information on this designation).

[Audit: Associated Entities Audits](#) (Chapter 600 of the UNC Policy Manual)



Chapter 600 of the UNC Policy Manual establishes financial, reporting, and audit policies, regulations, and guidelines for the UNC System, System-related private foundations, and associated entities, including the following:

- [Section 600.2.5](#) requires chancellors to request on an annual basis a copy of the annual financial audit of all private foundations, associations, or clubs organized for the primary purpose of providing financial support to the constituent institution.
- [Section 600.2.5.2\[R\]](#) requires associated entities to have audit committees and perform various audit functions.

Campus Safety, Information Security, and Enterprise Risk Management

Board policies establish requirements for and oversight of campus safety, information security, and enterprise risk management:

- *Enterprise Risk Management.* [Section 1300.7](#) directs the establishment of enterprise risk management and compliance processes Systemwide and at each constituent institution and vests the CARMC with the authority for monitoring Systemwide risk and compliance.
- *Insurance Coverage.* [Section 1300.7.1](#) requires the UNC System and its constituent institutions to maintain sufficient minimum insurance coverage.
- *Campus Safety and Security.* [Section 1300.9](#) requires an annual presentation to the Board on campus safety and security matters; the annual report to the Board may include information presented by each constituent institution to its Board of Trustees.
- *Protection of Minors.* [Section 1300.10](#) requires constituent institutions to adopt policies and minimal standard to ensure the protection of minors conducted by constituent institutions or held on university property.
- *Title IX.* Sec. [1300.11](#) and [1300.11\[R\]](#) require constituent institutions to adopt policies that comply with Title IX.
- *Information Security.* [Section 1400.1](#) establishes requirements for information technology governance at the system and constituent institution level. [Section 1400.2](#) requires the System Office and constituent institutions to establish information security programs and designate a senior officer with information security responsibility (typically referred to as a Chief Information Security Officer or CISO). [Section 1400.3](#) requires establishment and implementation of identify confirmation and access control techniques to protect against unauthorized access to university data and information systems.

Special Responsibility Constituent Institutions ([GS 116-30.1](#); Chapter 600.3 of the UNC Policy Manual – Sections [600.3.1](#), [600.3.2](#), [600.3.3](#), and [600.3.4](#))

The Board may, upon the recommendation of the president, designate UNC System constituent institutions as special responsibility constituent institutions by expressly finding that each institution to



be so designated has the management staff and internal financial controls to enable it to administer competently and responsibly all additional management authority and discretion delegated to it. The Board has adopted policies to govern the selection and operating criteria for special responsibility constituent institutions. All 17 constituent institutions and the UNC System Office have been granted special responsibility constituent institution status (See UNC Policy Manual, [Section 600.3.2](#) for designations of constituent institutions; see [GS 116-14](#) for designation of the System Office).