

COMMITTEE ON UNIVERSITY GOVERNANCE

Committee on University Governance

August 7, 2015

9. Risk Management and Compliance Program Update Lynne Sanders/
Tom Shanahan

Situation: The committee will receive an update on the work being done to establish a UNC-system level Enterprise Risk Management and Compliance program.

Background: The University of North Carolina, like other public systems of higher education, operates amidst major technological, economic, and societal change. The University seeks to embrace these changes, while remaining focused on its core mission and creating value for all stakeholders. This dynamic environment presents a variety of risks that must be continuously examined, understood and managed by University leaders when developing strategies, operating the University, and taking steps to capitalize on opportunities.

The President, with the support of the Audit Committee, is taking steps to develop and establish a system-level enterprise risk management and compliance program for the University. Stage 1 of this work, to be completed in 2015, involves identifying initial risk areas, preparing an initial compliance calendar to be made available University-wide, proposing and adopting a University risk management policy, adjusting other policies as necessary to align with the program, and recommending next steps for Stage 2. Some of the constituent institutions have already established campus-level risk management programs that are now producing positive results. Other institutions are in the process of establishing programs. The system-level risk management program will seek to complement and support campus programs, and focus on identifying significant risks of system-wide importance in relation to the goals and objectives of the University.

Assessment: Some of the goals of the enterprise risk management and compliance program include encouraging creation of a risk-intelligent culture, educating Board members and staff on risk management, identifying risk areas and specific compliance responsibilities, and consulting with constituent institutions to identify and share best practices and approaches to risk management.

Action: This item is for information only.

The Standing Committees' Jurisdiction

The UNC Policy Manual
Chapter 100.1 - *The Code*
Section 301

CODE

SECTION 301. THE STANDING COMMITTEES' JURISDICTION.

301 A. The standing committees of the Board of Governors shall be: the Committee on Budget and Finance; the Committee on Educational Planning, Policies, and Programs; the Committee on Personnel and Tenure; the Committee on University Governance, the Committee on Public Affairs, and the Audit Committee.

301 E. The Committee on University Governance shall consist of seven voting members. It shall keep under continuous review the application and interpretation of *The Code of the University of North Carolina* and all delegations of authority under that code, and it shall make such recommendations to the Board of Governors for the amending of *The Code* or delegations of authority as may seem appropriate for the effective and efficient operation of the University of North Carolina and its constituent institutions. The committee shall make nominations to the Board of Governors for elections to the boards of trustees of the constituent institutions. The committee shall receive all requests from students of the constituent institutions for appellate review by the Board of Governors pursuant to Section 502 D(3) of this *Code*.

General Provisions Concerning Standing Committees

The UNC Policy Manual
Chapter 100.1 - *The Code*
Section 302

CODE

SECTION 302. GENERAL PROVISIONS CONCERNING STANDING COMMITTEES.

302 A. Appointment of Members.

The chair of the Board of Governors shall appoint voting members of the board to standing committees. The term of each voting member of a standing committee shall normally be two years, commencing upon the effective date of the appointment to the committee and extending until a successor is appointed. The voting membership of each committee shall be divided into two classes, with the terms of approximately one-half of the members expiring each year. To achieve balance and efficiencies in the committee system, the chair may appoint members to one-year terms or reassign members who have served one year of a two-year term. The chair shall appoint members of standing committees to take effect at the first meeting of the committee after July 1. If a voting member has served on a standing committee designated in subsections 301 B-E above for four consecutive years, the member shall be, for a period of one year, ineligible for reappointment to the same standing committee. If a vacancy occurs on a standing committee during a term, the chair of the board may appoint a voting member of the board to fill the remainder of the unexpired term.

302 B. Officers of Standing Committees.

A chair, vice chair, and secretary of each standing committee shall be designated by the chair of the Board of Governors for a one year term starting at the first meeting after July 1 of the year and continuing until their successors are appointed. No person may serve more than two successive terms as chair of the same standing committee.

302 C. Meetings of Standing Committees.

Each standing committee shall meet at such times as either the chair of the standing committee or the Board of Governors shall designate. Written notice of each meeting of a standing committee shall be mailed to members of the Board of Governors by the Secretary of the University at least five days in advance of the meeting date; but any notice which complies with the North Carolina Open Meetings Law may be given by telephone or other reliable means when, in the judgment of the chair of the committee or the chair of the Board of Governors, a necessity exists. The agenda for a meeting of a standing committee shall be prepared by the President with the approval of the chair of the committee, and, if practicable, a copy shall be mailed to the members of the Board of Governors, or transmitted by other reliable means, at least five days in advance of the meeting date; however, if such advance notice is not practicable in the judgment of the chair, the agenda shall be presented to the members of the committee and other members of the Board of Governors who are attending the meeting at the commencement of

the meeting. Such materials as the committee may designate by standing rule, or as the chair of the committee may designate in the absence of a standing rule, shall be sent with the agenda and notice of the meeting.

If notice of an agenda item is not provided to the members of the Board of Governors at least 48 hours before the committee meeting, then any recommended action resulting from that item shall not be placed on the consent agenda of the Board of Governors. In the Committee report the chair shall state that the recommended action was added to the committee agenda.

A majority of the elected committee membership shall constitute a quorum for the conduct of business of a standing committee. The chair of the standing committee shall preside at all committee meetings; in the absence of the chair, the vice chair shall preside. The procedures and rules of order governing the conduct of committee business shall be the same as those applicable to meetings of the Board of Governors. Minutes of every meeting of a standing committee shall be kept by the Secretary of the committee.

302 D. Subcommittees.

Each standing committee may establish from its elected membership such subcommittees as it may deem necessary and appropriate for the effective discharge of its assigned responsibilities. The chair of the standing committee shall appoint the chair and the members of each subcommittee and shall report to the board the establishment of any subcommittee.

302 E. Report of Standing Committees.

Each standing committee shall make a written report to the Board of Governors at least annually, reviewing the work of the committee during the preceding year.

302 F. Closed Sessions.

All meetings of committees shall be open to the public unless, consistent with the requirements of state law, a meeting of a committee is closed to the public by a motion duly made and adopted by the committee in an open meeting.