



ANNUAL REPORT TO THE BOARD OF GOVERNORS  
Committee on Audit, Risk Management, and Compliance  
July 1, 2020 through June 30, 2021

## DUTIES AND MEMBERSHIP

The Committee on Audit, Risk Management, and Compliance is responsible for recommending a committee charter for review and approval by the Board, addressing the University's internal audit, enterprise risk management, and compliance functions; recommending for approval University-wide policies regarding internal audit, enterprise risk management, and compliance; reviewing annual and other reports of the constituent institutions, UNC 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; and 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. This report summarizes the work of the Committee on Audit, Risk Management, and Compliance from July 2020 through June 2021.

The committee was composed of the following Board members: Pearl Burris-Floyd, James L. Holmes, Jr., Mark Holton, Terry Hutchens, Wendy Floyd Murphy, and Art Pope. Mr. Holton served as chair, Mrs. Burris-Floyd served as vice-chair, and Mr. Hutchens served as secretary.

Chancellor Nancy Cable (UNCA) and Chancellor Sharon L. Gaber (UNCC) also served on the committee.

## ACTIONS

The Committee on Audit, Risk Management, and Compliance met in eight regular meetings between July 1, 2020, and June 30, 2021. The major actions of the committee are summarized as follows:

Summary of Approval Actions	Month Approved
Approval of the CARMC Oversight Responsibilities and Operating Procedures.	July 2020
Approval of the UNC System Office 2020-21 Internal Audit Plan.	July 2020
Approval of the 2019-20 Committee on Audit, Risk Management, and Compliance Annual Report.	September 2020
Approval of the 2020-21 UNC System-wide Internal Audit Plans.	November 2020
Approval of the process for granting limited exceptions to the minimum coverage standards of the Policy on Insurance Coverage.	January 2021
Approval of the enterprise risk in campus safety and security recommendations to: (1) eliminate the cap on tuition waivers for campus law enforcement officers; and include this recommendation in the 2021 Board of Governors legislative policy priorities legislation amending Chapter 116-143(d) of the North Carolina General Statutes, (2) enhance the salary structure, career ladder, and organizational structure of campus law enforcement, (3) develop plans to launch training programs at Samarcand Training Facility as well as identify equipment needs, and (4) develop a system for dual employment to gap-fill critical vacancies.	February 2021

**ACTIONS (continued)**

Summary of Approval Actions	Month Approved
Approval of the organizational structure of internal audit at the UNC System Office.	April 2021
Approval of the seven information security recommendations to: (1) establish third-party validation of baseline controls, (2) improve the information security posture, (3) assure leadership is actively engaged in risk decision, (4) continuously monitor progress and exploit areas of improvement, (5) determine organizationally prioritized risks, (6) make targeted IT investments based on determined prioritization, and (7) ensure appropriate resource coverage.	April 2021