



# TRANSMITTAL LETTER

The University of North Carolina  
*General Administration*

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Transmittal Number 106  
March 11, 2016

## THIS LETTER TRANSMITS CHANGES TO THE *UNC POLICY MANUAL*

*THE CODE*  
Chapter III  
[Section 301](#)

THE STANDING COMMITTEES' JURISDICTION  
Sections 301 A. and 301G.\*

Amendments to *The Code* Sections 301A and 301G of the *UNC Policy Manual* were approved by the Board of Governors at its meeting on March 4, 2016.

[1300.7](#)

*University Enterprise Risk Management and Compliance*

This policy was adopted by the Board of Governors at its meeting on March 4, 2016.

The entire *UNC Policy Manual* is attached herein or can be accessed online at <http://www.northcarolina.edu/apps/policy/index.php>

\*A redline version is attached herein.

*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 Committee on Audit, Risk Management, and Compliance.

301 B. The Committee on Budget and Finance shall consist of seven voting members. The committee shall advise and consult with the president concerning budget policy and preparation. The committee shall consider the budget proposed by the president and, upon its approval, shall submit the budget to the Board of Governors for final action. The committee shall make recommendations to the board for the allocation of funds appropriated to the board. It shall also advise and assist the president, and submit recommendations to the board, with respect to real property transactions, investments, endowments, and other fiscal and property matters in accordance with valuation limits established in board policy and within the jurisdiction of the Board of Governors.

301 C. The Committee on Educational Planning, Policies, and Programs shall consist of nine voting members. It shall receive the advice and recommendations of the president and make recommendations to the board in all areas pertaining to the development of a coordinated system of higher education in North Carolina, including: (a) the definition of mission and assignment of functions of each constituent institution; (b) the review of requests for the initiation of new degree programs and recommendations for the termination of existing programs; (c) the provision of supportive services, facilities, and other resources for the instructional, research, and public-service programs of the constituent institutions; (d) the review of policies affecting educational programs and academic affairs; (e) matters concerning the involvement of students in the University and in university life; (f) review of matters concerning health affairs in the University; and (g) review of matters concerning the utilization of information technology in furtherance of the University's mission. The committee shall also advise and assist the president and the board in maintaining close liaison with the State Board of Education, the State Board of Community Colleges, and the private colleges and universities, including the review of all requests for state aid to the private institutions. It shall further recommend to the board procedures and standards for the licensing of non-public educational institutions.

301 D. The Committee on Personnel and Tenure shall consist of seven voting members. Upon recommendation of the president, it shall review and make recommendations to the board with respect to the appointment and compensation of all vice chancellors, senior academic and administrative officers, and persons with permanent tenure. Notwithstanding the provision above, the committee shall not review or recommend the appointment and compensation of vice chancellors, senior academic and administrative officers, and persons with permanent tenure for those campuses delegated the authority to appoint and set compensation for such employees so long as the boards of trustees act consistently with the policy and compensation ranges established by the Board of Governors. Further, the committee shall advise and assist the president in the review and evaluation of tenure policies and regulations which the president shall periodically conduct, and it shall review all appeals from faculty members of the constituent institutions which involve an institution's decision to not to reappoint a faculty member, to deny tenure, to discharge a tenured faculty member, or to impose a serious sanction pursuant to the provisions of Chapter VI of this Code. It shall also review all appeals from non-faculty employees of the University who are exempt from the State Personnel Act pursuant to Section 611 of this Code.

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.

301 F. The Committee on Public Affairs shall consist of a number of voting members to be determined by the chair of the board. A voting member serving on this committee shall also serve on one or more other standing committees. The Committee on Public Affairs shall assist the President in maintaining a positive relationship with the Governor, the North Carolina General Assembly, the United States Congress, and other governmental entities which affect the ability of the University to carry out its mission. The committee will review all state and federal policy priorities of the University.

301 G. The Committee on Audit, Risk Management, and Compliance (CARMC) shall consist of a number of voting members to be determined by the chair of the board. The voting members serving on this committee shall also serve on one or more other standing committees. The CARMC shall recommend a committee charter for review and approval by the board, addressing the University's internal audit, enterprise risk management, and compliance functions; recommend for approval University-wide policies regarding internal audit, enterprise risk management, and compliance; review annual and other audit reports of the constituent institutions and UNC General Administration and affiliated entities; review a summary of the internal audit plans and work of the audit committees of the constituent institutions; review a summary of the annual financial audit reports and management letters on University major associated entities; meet with the state auditor annually; and take 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.

*Redline version*

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 on Audit, Risk Management, and Compliance.

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301 G. The ~~Audit~~ Committee on Audit, Risk Management, and Compliance (CARMC) shall consist of a number of voting members to be determined by the chair of the board. ~~A~~ The voting members serving on this committee shall also serve on one or more other standing committees. The ~~Audit Committee~~ CARMC shall ~~develop~~ recommend a committee charter for review and ~~maintain a system approval by the board, addressing the University's internal audit, enterprise risk management, and compliance functions; recommend for approval University-wide code of ethics; policies regarding internal audit, enterprise risk management, and compliance;~~ review annual and other audit reports of the constituent institutions and ~~affiliated entities of the University, UNC General Administration and affiliated entities;~~ review a summary of the internal audit plans and work of the audit committees of the constituent institutions;~~;~~ review a summary of the annual financial audit reports and management letters on University major associated entities;~~;~~ meet with the state auditor annually;~~;~~ and take 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.

## University Enterprise Risk Management and Compliance

I. Purpose. This policy directs the president to establish and oversee enterprise risk management and compliance processes for the University of North Carolina.

II. Definitions. For purposes of this policy:

A. “Chancellor” means the administrative and executive head of a constituent institution of the University of North Carolina, as described in Section 502 of *The Code*.

B. “Constituent Institution” means one of the 17 degree/diploma-granting institutions that comprise the University of North Carolina.

C. “President” means the chief administrative and executive officer of the University of North Carolina, as described in Section 501 of *The Code*.

D. “Senior officer” means an individual who reports to the president in a senior officer position as designated by the Board of Governors, and who exercises University-wide responsibilities to assist the president and the Board of Governors in administering the affairs and executing the policies of the University of North Carolina.

E. “University” means the University of North Carolina, a body politic and corporate defined as a single public multi-campus University composed of 17 diverse constituent institutions and other educational, research, and public service organizations.

III. Establishment and Oversight of Enterprise Risk Management and Compliance Processes. The Board of Governors monitors system-wide risk and compliance through the Committee on Audit, Risk Management and Compliance (CARMC). The president, with assistance from the chief audit officer of the University, the senior vice president and general counsel of the University, and other senior officers and staff, shall establish and oversee University-wide processes to address enterprise risk management, including risks related to compliance with laws and ethical standards at the system level, and to complement and support the risk management and compliance processes and activities of the constituent institutions.

A. The system-wide processes should include components focused on the following:

1. Developing, implementing, evaluating, and monitoring a University system-wide enterprise risk management process;
2. Promoting the establishment of and collaboration among the risk management, ethics, and compliance programs at the constituent institutions;
3. Advising, assisting, and supporting the constituent institution risk management and compliance processes, and providing other advice and counsel for these purposes;
4. Promoting a culture that supports board goals for risk management and compliance;
5. Promoting a uniform approach to measuring the University resources expended on regulatory compliance;
6. Supporting training and educational efforts;
7. Providing regular reports to the board’s CARMC;
8. Referring matters to the chancellors of the constituent institutions, the president’s staff, or other University officers, divisions, and units, as appropriate; and
9. Performing such other duties as directed by the president.

B. Subject to the direction of the president, each constituent institution shall establish an enterprise risk management process that aligns with the institution’s programs, activities, and management systems and that supports the institution’s strategic and other goals. The enterprise

risk management processes established at each constituent institution shall include components and appropriate procedures for:

1. Identifying risks that impact the constituent institution's goals;
2. Developing plans to monitor and mitigate risks;
3. Providing periodic updates to the chancellor and the board of trustees; and
4. Reporting significant enterprise risks to the president and, with the president's guidance, to the Board of Governors.

IV. Other Matters

A. Effective Date. This policy shall be effective March 4, 2016, upon adoption by the Board of Governors.

B. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted by the president.