Audit, Risk, Compliance and Ethics (ARCE) Committee Charter

July 1st, 2018

I.   Purpose

It is evident that risk events are interconnected across the University and that execution of the UW-Whitewater's strategic plan is impacted daily by a variety of risk and compliance issues and challenges. The purpose of establishing an Audit, Risk, Compliance, and Ethics (ARCE) Committee - staffed with administrators appointed by the Vice Chancellor of Administrative Affairs and the Chancellor's Cabinet areas - is to systematically share risk and internal control data, information, knowledge and solutions across all UW-Whitewater colleges and departments and achieve optimal and best practice driven results in support of the University's mission.

II.   Mission

The ARCE Committee will collaborate to identify and manage the full range of risks that the UW-Whitewater faces. The ARCE Committee will champion the resultant successful strategies and will be charged with communicating them to the campus for broader application. A common language for managing risk and identifying appropriate controls will be established with a balanced view; one that attempts to minimize hazards, recognize and influence uncertainties, and achieve collaborative success.

III.   Role and Authority

The ARCE Committee Administrative Sponsor is the Vice Chancellor of Administrative Affairs and Ethics Officer.   The role of the ARCE Committee of UW-Whitewater is to assist the campus by:

1.   Advising on matters involving enterprise risk management, compliance with laws and regulations and UW-Whitewater policy and practices; and,
2.   Advising on the status of internal controls.

The Authority of the ARCE Committee will be:

1.   The ARCE Committee has no executive powers or supervisory functions. Rather, it functions in a review and recommendation role to the Vice Chancellor of Administrative Affairs.

2. The ARCE Committee will be comprised of members from each of the Chancellor's Cabinet areas and will ensure that strategies are aligned with UW-Whitewater's strategic plan, made on an informed basis and shared across the University.
3. Committee's responsibilities in keeping with campus, system and state policies and requirements.

IV. Responsibilities

A. Enterprise Risk Management

1. Design a comprehensive and common-sense approach to manage risks across the entire UW-Whitewater campus.
2. Conduct meetings with management to discuss significant risk exposures and the steps management is taking to monitor and control such exposures.
3. Ensure management has engaged in sound business continuity management planning including crisis response and disaster recovery planning.
4. Coordinate with other UW-Whitewater committees and groups regarding risk management and oversight.
5. Establish measurement methodologies for quantifying, comparing, benchmarking and prioritizing our risks.
6. Retrospectively review incurred financial or operational losses and prepare recommendations or corrective action plans for their future prevention.
7. Continuously assess our risk management strategies to assure they remain current with regulatory, operational and legal changes as well as our objectives.

B. Compliance

1. Review the effectiveness of the campus for monitoring compliance with laws, regulations and policies and the results of management's review/investigation and follow-up of any instances of noncompliance
2. Ensure effective procedures are in place for: (1) The receipt, retention, and treatment of complaints received by the UW-Whitewater regarding accounting, internal accounting controls, or auditing matters; and (2) The confidential, anonymous submissions by employees of the listed issuer of concerns regarding questionable accounting or auditing matters.
3. Review the finding of any examinations by regulatory agencies, and any auditor observations.
4. Establish a control environment, level of accountability, and ethical framework that promotes a commitment to the highest standards of ethics, integrity, and lawful conduct.
5. Considers the procedures that underpin its ethical framework.
6. Promotes ethics awareness through effective training and education activities.
7. Obtain regular updates from management and UW System Legal Counsel regarding compliance matters, including compliance with UW System policy.

8.   Work to recommend and develop policies consistent with our culture.

C. Ethics

In keeping with the University of Wisconsin's code of ethics policy created under the directive of [Wisconsin Statute 19.45(11)b](#), and to improve our standards of public service, ARCE will also serve as our campus Institutional Ethics Committee.

Mission

1.   Provide review to any member of the unclassified staff consultation and advice on the application of Chapter UWS-8.
2.   Committee deliberations and actions upon requests for consultation or advice shall be in meetings not open to the public.
3.   Records obtained in connection with requests for consultation or advice shall be confidential university information. Summaries of advice provided by the IEC that do not contain the identities of those who request the advice shall be made public in an annual report.
4.   Review the Code of Ethical Conduct and ensure that management has established a system to enforce the code.
5.   Review reports of disclosure of conflicts of interest and related party transactions.
6.   Ensure effective procedures are in place for carrying out the requirements of Chapter UWS-8 and other associated policies and directives.

D. Internal Controls

1.   Review effectiveness of, or weakness in, internal controls.
2.   Review material findings and management responses to audit reviews.

E. Other Responsibilities

1.   Review this charter at least annually.
2.   Initiate, in consultation with UW System Legal Counsel, reviews/investigations into operational matters, except when matters are most appropriately handled under other identified, existing review processes: Title 9, Whistleblower, Whistleblower Retaliation, etc.
3.   Review compliance and other legal matters that could impact financial statements and ethics efforts.

V.   Composition and Meetings

A. The ARCE Committee will consist of members who are appointed by the Vice Chancellor of Administrative Affairs and the Chancellor's Cabinet, including the appointment of a UW System Senior Auditor as an ex officio member.

B. Each ARCE Committee member will be free from any relationship that would interfere with the exercise of his or her independent judgment.

C. If any member of the ARCE Committee enters into or develops a business relationship that might interfere, that member shall have an affirmative obligation to promptly disclose such relationship to the ARCE Committee.

D. The ARCE Committee shall meet at least four times annually or more frequently as circumstances dictate.

VI. Establish Workgroups

The ARCE Committee may sponsor and impanel standing work groups to collaborate on projects and programs of agreed benefit to the Committee's work. This structure will allow for expansion and contraction of groups as needed and reduce the number of groups and meetings required to address the wide variety of risks that the UW-Whitewater must address.

The work groups will be formed within clear written processes and with explicit expectations provided to the work groups. The goals of any work group formed will include:

A. Produce work products that improve effectiveness of the UW-Whitewater in delivering on the Strategic Plan;
B. Provide a forum for exchange of professional ideas;
C. Allow participants to share common experiences and solutions related to a particular focus specialty, i.e., safety, financial controls, continuity planning, security, etc.;
D. Act as subject matter expert advisor to the ARCE Committee;
E. Review challenges common to UW-Whitewater and recommend a course of action;
F. Review new or updated regulatory requirements and recommend action plans;
G. Review new and emerging technologies.

VII. Members List

See our ARCE Members List for more information.