

# AGENDA ITEM

**SEPTEMBER 113**

Proposal New Board Committees  
Governance Structure—proposed  
approval

To: Board Committee on Operations  
Board of Governors

From: Patti White, Chair, Board Planning, Program Development and  
Budget Committee

Date: September 1, 2010

Subject: Proposed New Committee Structure

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At its May 2010 meeting, the Board Planning, Program Development, and Budget Committee, on the recommendation of the Governance Committee, expressed a preference that the Board's governance structure be comprised of five standing committees and a Board Operations Committee; and that the composition of the Board Operations Committee be as reflected in its original charter.

At the recommendation of the President-elect and in consultation with the Board Operations Committee, the Board Planning, Program Development and Budget Committee proposes changes to the Board's Committee structure in this memo and offers them for consideration and adoption.

The suggested new seven committee structure is:

1. Audit Committee
2. Board Operations Committee (BdOps)
3. Member Oversight Committee (MOC)
4. Planning, Program Development and Budget Committee (PPDB)
5. Regulation, Admissions and Discipline Oversight Committee (RAD)
6. Stakeholder Relations Committee (SRC)
7. Volunteer Involvement Committee (VIC)

In sum, structurally what this does is: (1) re-establishes the RAD committee from two committees -- Discipline Oversight and the Regulation and Admissions committees; (2) restores the Stakeholders Relations Committee and its legislative function, which during the 2009-10 Board year was the Legal Services, Pro Bono, and Equal Access Committee; and (3) bifurcates the Member Involvement, Relations and Services into the Member Oversight and Volunteer Involvement committees.

The Planning, Program Development and Budget, Audit, and Board Operations committees and the Sections Task Force remain as they are now.

### **Board Policy Book Impact**

Revisions to the Board Committee Charters

### **Fiscal Impact**

None

### **Recommendation/Resolution**

#### **Committee Resolution**

**RESOLVED**, that the Board Committee on Operations recommends that the Board of Governors adopt the proposed seven committee structure that re-establishes the RAD committee, the Stakeholders Relations Committee and its legislative function, bifurcates the Member Involvement, Relations and Services into the Member Oversight and Volunteer Involvement committees and maintains the current Planning, Program Development and Budget, Audit, and Board Operations, and Sections Task Force.

#### **Board Resolution**

**RESOLVED**, that the Board of Governors hereby adopts the proposed seven committee structure that re-establishes the RAD committee, the Stakeholders Relations Committee and its legislative function, bifurcates the Member Involvement, Relations and Services into the Member Oversight and Volunteer Involvement committees and maintains the current Planning, Program Development and Budget, Audit, and Board Operations, and Sections Task Force.

**FURTHER RESOLVED**, that the Board of Governors directs staff to align the previously adopted committee charters with the above-named committees.

<b>Committee Name</b>	<b>Board Responsibility Fulfilled</b>	<b>Role/Responsibilities</b>
Board Operations Committee (BOPS)	Guiding and Assigning the Work of the Board	<ul style="list-style-type: none"> <li>▪ Serve as “Executive Committee” of the Board</li> <li>▪ Assign issues for consideration to appropriate Board Committee(s)</li> <li>▪ Develop agendas for Board meetings</li> <li>▪ Oversee performance assessment for Executive Director</li> <li>▪ Oversee Board self-assessment process</li> </ul>
Member Oversight Committee (MOC)	Assessing the Organizational Performance of Member Services Programs of the State Bar	<ul style="list-style-type: none"> <li>▪ Monitors the operational performance of programs and functions related to attorney members that are outside of the admission, regulation and discipline functions</li> <li>▪ Oversees bar programs and services that benefit attorney members and recommends to the full Board changes in rules, policies or procedures governing the following programs within the committee’s purview including: Membership Records, Member Service Center, Lawyer Assistance Program, Insurance Programs, Sections Education &amp; Meeting Services, Member Benefits and Affinity programs and a number of law practice related programs ( Minimum Continuing Legal Education (MCLE) and Law Corporations &amp; LLP’s)</li> <li>▪ Conducts periodic member surveys and report results to the Board</li> </ul>
Planning, Program Development, & Budget Committee (PPDB)	Setting the Long-range Vision and Ensuring Fiscal Accountability	<ul style="list-style-type: none"> <li>▪ Schedule and conduct annual Board Planning Session</li> <li>▪ Review proposed advisory committee and staff programs to assist Board in aligning use of resources with Long-range Strategy</li> <li>▪ Develop proposed budgets</li> <li>▪ Assess whether resources are actually used in alignment with the Long-range Strategy</li> </ul>
Regulation, Admissions, & Discipline Oversight Committee (RAD)	Assessing the Organizational Performance of the Public Protection Programs of the State Bar	<ul style="list-style-type: none"> <li>▪ Review approved programmatic activity to identify advisory committee and staff accomplishments and use mutually agreed upon performance measures to assess programmatic effectiveness of the following: Discipline (OCTC and State Bar Court, Client Security Fund) and Admissions</li> </ul>

<b>Committee Name</b>	<b>Board Responsibility Fulfilled</b>	<b>Role/Responsibilities</b>
Stakeholder Relations Committee (SRC)	Ensuring Effective Stakeholder Relations	<ul style="list-style-type: none"> <li>Oversees the development of strategies for building understanding and respect for the State Bar, lawyers, and the legal profession, and for developing and/or maintaining close, positive relationships with key external stakeholders (utilizing the resources of the State Bar's Communications /Media and Information Services, Legislative, and Court Relations programs)</li> </ul>
Volunteer Involvement Committee (VIC)	Ensures an effective application and appointment process that is timely, accurate and compliance with existing Board policies and statutory requirements	<ul style="list-style-type: none"> <li>Responsible for maintaining effective relationships with the various constituencies and for ensuring that volunteer involvement is highly productive</li> </ul>
Audit Committee	Ensuring compliance with accounting and management standards	<ul style="list-style-type: none"> <li>Monitor, receive and review audits in which the State Bar participates and direct follow up and/or compliance issues to the appropriate board committee or management</li> </ul>
Sections Task Force	Providing the Sections with an ongoing means of communication.	<ul style="list-style-type: none"> <li>Ensure that issues of mutual interest are brought to the Board for consideration</li> </ul>

**BOARD OF GOVERNORS**

**BOARD OPERATIONS COMMITTEE**

**BOARD AUDIT COMMITTEE**

**MEMBER OVERSIGHT COMMITTEE**

**PLANNING, PROGRAM DEVELOPMENT & BUDGET COMMITTEE**

**REGULATION, ADMISSIONS & DISCIPLINE COMMITTEE**

**STAKEHOLDER RELATIONS COMMITTEE**

**VOLUNTEER INVOLVEMENT COMMITTEE**

**SECTIONS TASK FORCE**

**INVESTMENT ADVISORY SUBCOMMITTEE**

## **CHARTERS FOR PROPOSED 2010-11 BOARD COMMITTEE STRUCTURE**

### **COMMITTEE ON OPERATIONS**

The Board Committee on Operations shall be chaired by the President of the Board of Governors and consist of the chairs of the other Board Committees, the Executive Director and at least one public member of the Board. It shall be responsible for the effective functioning of the State Bar Board of Governors, for the maintenance and development of Board–Executive Director working relationship, and for oversight of certain high–level internal operational matters. This charter shall be accomplished as follows:

- Oversee the functioning of the Board of Governors by coordinating the work of the five other Board Committees, keeping the Board Mission updated, setting Board Member performance standards and monitoring Board Member performance.
- Developing and keeping updated a profile of beneficial Board Member attributes and qualifications and fashioning and executing strategies that encourage qualified candidates to stand for election to the Board.
- Developing and overseeing execution of a formal Board member capacity building program, including such elements as orientation of new members, continuing education and training, and a mentoring program pairing new members with senior Board members.
- Overseeing the Board Secretary function.
- Ensuring that the Executive Director position description is updated as necessary to reflect changing State Bar needs, priorities, and circumstances. Annually negotiating Executive Director performance targets and annually or semi-annually evaluating progress in achieving these targets.
- Addressing legal issues that have typically come before the former Legal Committee, recommending Board action as appropriate.
- Addressing internal operational issues not falling within the purview of the other Board committees and non-delegable to staff (e.g. ratifying union/management Memoranda of Understanding and recommending changes to internal rules and regulations such as conflict in interest policies), recommending Board action as appropriate.
- Taking action on behalf of the Board in rare emergency situations when it is impractical to convene a full Board meeting.
- ~~• Reviews State Bar positions on legislation.~~
- Perform such other functions relevant to the committee’s subject area as the Board of Governors may from time to time assign.

**(Source: Board of Governors’ Resolution approving Committee on Operations Charter, May, 2002; Board of Governors’ Resolutions July 2009, May 2010.)**

## Historical Note

At its May 2010 meeting, the Board of Governors reaffirmed the composition of the Board Operations Committee as described in its original charter adopted by the Board in May 2002 and reaffirmed by the Board in July 2009 (chaired by the President of the Board of Governors and consist of the chairs of the other Board Committees, the Executive Director and at least one public member of the Board).

### **PLANNING, PROGRAM DEVELOPMENT, AND BUDGET COMMITTEE**

This Committee's charter is to develop and lead the Board's participation in all State Bar planning, budget preparation, and program implementation. This charter is to be accomplished as follows:

- Reaching agreement with the Executive Director on the detailed design of the State Bar's planning and budget development cycle "with special attention to the Board's role in planning" and on the annual planning calendar, and ensuring that the Board participates fully and proactively in the planning process.
- Overseeing preparation for, and hosting, the annual strategic work session.
- Recommending to the full Board the strategic issues that will be added annually to the State Bar's Strategic Plan, updated values, vision, and mission statements, operational planning priorities, the annual budget, and other strategic and policy-level products that merit full Board attention.
- Ensuring as part of the annual operational planning/budget preparation process that all program plans include both financial and programmatic performance targets that the Performance Oversight Committees can use in monitoring the programmatic and financial performance of all State Bar programs and operating units.
- Designing appropriate input and participation of State Bar non-governing standing committees (e.g., Committee on Administration of Justice) in the State Bar planning process.
- Perform such other functions relevant to the committee's subject area as the Board of Governors may from time to time assign.

**(Source: Board of Governors' Resolution approving Planning, Program Development and Budget Committee Charter, January 2002, Board of Governors' Resolutions July 11, 2008, July 2009.)**

## CHARTER OF MEMBER OVERSIGHT COMMITTEE

This committee's charter shall be to monitor the State Bar's operational and financial performance in all programs, and functions (including non-Board State Bar committees) related to attorney members outside of the admission, regulation and discipline functions. The committee's responsibilities shall encompass attorney member practice issues and service programs for the benefit of or relating to members. This charter shall be accomplished as follows:

- Reaching agreement with the CEO on the key elements of a programmatic and financial reporting process, including the content, format and frequency of performance reports to the Board, in overseeing implementation of the process.
- Reviewing performance reports in committee meetings, in order to report program and financial performance to the full Board.
- Identifying needed corrective action in ongoing programs and functions that do not require revision in approved program and functional goals or charges in the approved budget, and overseeing the implementation of such actions.
- Overseeing the development and implementation of State Bar operational policies as needed to guide programs and functions dealing with attorney members, so long as these policies do not alter approved goals or results in changes in the adopted budget.
- Overseeing the preparation of in-depth assessments of program/function effectiveness for presentation at the annual strategic work session.
- Presenting an overall assessment of the past year's fiscal and program performance at the annual Strategic Work Session.
- Overseeing the administration of member/customer/constituency services and surveys, reviewing such surveys, and reporting results to the Board as appropriate.
- Reviewing internal and external audit reports and overseeing corrective actions.
- Performing such other functions relevant to the committee's subject area as the Board of Governors may from time to time assign.

**(Source: Board of Governors' Resolution approving Member Oversight Committee Charter May 2002; Board of Governors' Resolution approving Volunteer Involvement Committee Charter, May 2002 and Board of Governors' Resolution September 2005; Board of Governors' Resolution July 2009.)**

## **CHARTER FOR REGULATION, ADMISSIONS AND DISCIPLINE OVERSIGHT COMMITTEE**

The Regulation, Admissions and Discipline Oversight Committee is a performance monitoring committee without planning responsibilities. It is accountable for monitoring the operational and financial performance of the State Bar's Regulation, Admissions and Discipline functions such as monitoring the work of the Committee of Bar Examiners, Client Security Fund Administration, the State Bar Court, and Discipline Enforcement. The Regulation, Admissions and Discipline Oversight Committee is accountable for the following functions in the area of Regulation, Admissions and Discipline:

- Establish the key elements of a programmatic and financial reporting process, including the content, format, and frequency of performance reports to the Board, and overseeing implementation of the process.
- Overseeing (by statute: Bus. & Prof. Section 6079.5), the work of the Chief Trial Counsel, who reports to and serves under this Board committee.
- Reviewing performance reports in committee meetings and reporting program and financial performance to the full Board.
- Identifying needed corrective actions in ongoing programs and functions that do not require revision in approved program and functional goals or changes in the approved budget, and overseeing the implementation of such actions.
- Overseeing the development and implementation of State Bar operational policies as needed to guide programs and functions dealing with Admission, Regulation and Discipline, so long as these policies do not alter approved goals or result in changes in the adopted budget.
- Overseeing the preparation of in-depth assessments of program/function effectiveness for presentation at the annual strategic work session.
- Presenting an overall assessment of the past year's fiscal and program performance at the annual strategic work session.
- Reviewing internal and external audit reports and overseeing corrective actions.

**(Source: Board of Governors' Resolution approving the Regulation, Admissions and Discipline Oversight Committee Charter, May 2002; Board of Governors' Resolution July 2009.)**

## **CHARTER FOR STAKEHOLDER RELATIONS COMMITTEE**

The Stakeholder Relations Committee shall be responsible for building understanding of and respect for the State Bar, lawyers, and the legal profession; for providing public information generally about the work of the State Bar; and for developing, maintaining and/or improving effective relationships with the State Bar's most important stakeholders (with the exception of its attorney members); being accountable for:

- Overseeing the development of strategies for building understanding and respect for the State Bar, lawyers, and the legal profession, and for developing and/or maintaining close, positive relationships with key external stakeholders (utilizing the resources of the State Bar's Communications /Media and Information Services, Legislative, and Court Relations programs) -- carrying out this responsibility within the State Bar planning process and in coordination with the Planning and Program Development Committee.
- Overseeing the development and implementation of legislative relations policies and strategies.
- Overseeing Board member participation in outreach programs in appropriate forums on behalf of the State Bar.
- Periodically reviewing its strategies and the effect of their implementation.

**(Source: Board of Governors' Resolution approving External Stakeholder Relations Committee Charter, May 2002, September 2005, July 2009.)**

## CHARTER FOR VOLUNTEER INVOLVEMENT COMMITTEE

The Volunteer Involvement Committee is responsible for the maintenance of a positive, productive working relationship between the State Bar and its attorney members, and between the State Bar and the Council of State Bar Sections, in this capacity:

- Fashioning detailed strategies for building and maintaining a positive, productive relationship between the State Bar and its members, including maintaining effective two-way communication - carrying out this planning responsibility within the State Bar planning process and in coordination with the Planning, Program Development, and Budget Committee. Assessing the health of the State Bar relationship with its member attorneys, including conducting member focus groups and administering member opinion surveys, and revising strategies as appropriate.
- Recommending nondisciplinary appointments to the State Bar's standing committees, section executive committees, special committees, boards and commissions, and external entities (formerly the responsibility of the Appointments Committee of the Board of Governors).
- Ensuring - through detailed strategy formulation and careful monitoring - that the State Bar's working relationship with the Council of State Bar Sections is positive and productive.
- Fashioning strategies for maintaining effective working relationships with non-Board State Bar committees such as the Committee on Alternative Dispute Resolution - carrying out this planning responsibility within the State Bar planning process and in coordination with the Planning, Program Development, and Budget Committee.
- Perform such other functions relevant to the committee's subject area as the Board of Governors may from time to time assign.

**(Source: Board of Governors' Resolution approving Member Oversight Committee Charter May 2002; Board of Governors' Resolution approving Volunteer Involvement Committee Charter, May 2002 and Board of Governors' Resolution September 2005; Board of Governors' Resolution July 2009.)**

## Charge of the State Bar Audit Committee

- I. Delegation of Authority to the State Bar Audit Committee
  - A. Charge: The State Bar Audit Committee is charged with the following responsibilities:
    1. Selecting the independent auditor for the State Bar's annual financial statement audit;
    2. Monitoring the progress of the financial statement audit;
    3. Evaluating the results of the financial statement audit;
    4. Ensuring that control weaknesses and legal compliance violations identified in the course of the financial statement audit are promptly and effectively remedied;
    5. Serving as a direct communications link between the Board of Governors and the independent auditor; and
    6. Monitoring the adequacy of the State Bar's internal control structure on an ongoing basis.
  - B. Access to Information: The State Bar Audit Committee may request any independent auditor, expert, officer, trustee, agent or employee of the State Bar to appear before it to report on the financial condition of the State Bar and answer any questions the Committee might have, relating to the accomplishment of its responsibilities enumerated under section I.A.
- II. Role and Responsibility of the State Bar Audit Committee
  - A. Oversight Scope Defined: The role and responsibility of the State Bar Audit Committee is oversight, not preparation or operation. State Bar Management is responsible for preparing the financial statements, governmental and other reports of the State Bar, for operating the State Bar, including its financial and accounting systems, and for assuring compliance with applicable laws and with policies and procedures established by the Board. The outside auditors are responsible for auditing the financial statements and such other functions as they are specifically engaged to audit.
  - B. Reliance on Management, Auditor, and Advisory Information: In carrying out its oversight function, the State Bar Audit Committee is not expected to provide expert or special assurance as to the State Bar's financial statements or professional certification as to the work of the State Bar's staff or of the outside auditors. In discharging their duties, the members of the State Bar Audit Committee may rely on information, opinions, reports or statements, including financial statements or other financial data, prepared or presented by officers, employees, internal or external

counsel, public accountants, committees of the board duly designated with authority in particular areas, or other persons whom the member believes are reliable and competent in the matters presented, provided that in so relying the member is acting in good faith and with that degree of diligence, care and skill which ordinarily prudent the State Bar Audit Committee members would exercise under similar circumstances. The Chief Financial Officer is charged with presenting all material matters to the State Bar Audit Committee not satisfactorily resolved by State Bar Management, including expedient contact with the State Bar Audit Committee Chairperson when necessary.

### III. Customary Activities of the State Bar Audit Committee

The following functions are appropriate common recurring activities of the State Bar Audit Committee in carrying out its oversight function.

#### A. External Audit:

1. Recommend appointment of the external auditors, taking into account the recommendation of the Executive Director and Chief Financial Officer, for approval by the full Board of Governors.
2. Review and approve the annual audit scope and fees of the external auditors.
3. Evaluate the independence of the external auditors, including their recent or planned future engagement by the State Bar for non-audit services.
4. Evaluate the report of the external auditors regarding the results of the annual audit including, but not limited to:
  - a. The audited financial statements and management letter recommendations and Management's responses thereto.
  - b. The adequacy of the State Bar's system of internal controls.
  - c. Management's cooperation with the external auditors.

- d. The adequacy of the State Bar's accounting policies and practices, including the level of compliance with governmental regulations and with recent professional pronouncements and their impact on the financial statements.

B. Financial Management:

1. Review and evaluate Management's determination of the adequacy of the State Bar's system of internal controls and the extent to which recommendations made by external auditors have been implemented.
2. Review the results of the biennial performance audit conducted by the State Bureau of Audits.
3. Review reports of external auditors or consultants engaged for specific purposes.

C. Other Functions of the State Bar Audit Committee:

1. Provide advice and counsel to the Executive Director and Chief Financial Officer.
2. Perform such specific oversight functions as expressly requested by the Board of Governors.

IV. State Bar Audit Committee Structure

- A. Composition: The State Bar Audit Committee shall consist of the President, who shall be chair, a 1<sup>st</sup> year member, a 2<sup>nd</sup> year member, two 3<sup>rd</sup> year members and a public member, each of whom shall serve on this committee throughout his/her term on the Board. The President shall appoint members to fill any vacancies at the State Bar's annual meeting each year. The Chief Financial Officer will act as staff of the State Bar Audit Committee to provide State Bar information to assist the State Bar Audit Committee in fulfilling their responsibilities.

(Source: Board of Governors' Resolutions, October 2004, July 2005.)

## **TASK FORCE ON SECTIONS**

### ***Section 1: Creation and Composition***

Upon recommendation of the Board Committee on Operations, the Board created a permanent Task Force on Sections. The Task Force consists of 9 members of which 4 members are appointed by the Council of State Bar Sections to include a cross section of representation based upon section size and interest, and 4 members from the Board of Governors appointed by the State Bar President. The Task Force on Sections is presided over by the State Bar President.

### ***Section 2: Mission Statement***

The Board Task Force on Sections acts as a forum for discussion of Board and Section issues and provides a conduit for transmission of information and ideas between the Board, the Council of State Bar Sections and the Sections by:

- (a) Improving communications between the Board of Governors and the Sections;
- (b) Working together to resolve issues of concern to the Sections and;
- (c) Preserving the viability of all State Bar Sections.

**(Source: Board of Governors' Resolution, July 2003.)**