

AGENDA ITEM

701 AUGUST 2017

DATE: August 4, 2017

TO: Members, Board of Trustees

FROM: Elizabeth Rindskopf Parker, Executive Director

SUBJECT: 2017 Governance in the Public Interest Task Force Recommendations Regarding Board Committee Structure and Charters; Proposed Amendments to Board Book Tab 2.6

EXECUTIVE SUMMARY

On May 15, 2017, the 2017 Governance in the Public Interest Task Force (Task Force) filed its third triennial report pursuant to statute. The 2017 Task Force Report contains recommendations for changes in the governance structure of the State Bar. This agenda item places before the Board of Trustees for approval a change in Board committee structure and charters. It also places before the Board of Trustees for approval proposed amendments to Tab 2.6 of the Board Book. Proposed changes to Tab 2.6 include: Task Force recommendations, a separate recommendation to expand the scope of the Audit Committee, and general clean up.

BACKGROUND

The 2017 Task Force Report builds on the 2016 Task Force Report by identifying the remaining governance issues to be addressed by the State Bar. During the 2017 Task Force deliberation process, the Legislature released Senate Bill 36, the 2018 fee bill. Changes contemplated by the legislation, namely a significant reduction in the size of the Board of Trustees and the departure of the Sections and the California Young Lawyers Association, informed the deliberations. Unlike the 2011 Task Force or the 2016 Task Force, the 2017 Task Force was unanimous on the major aspects of all its recommendations for “enhancing the protection of the public and ensuring that protection of the public is the highest priority in the licensing, regulation and discipline of attorneys.” (Bus. & Prof. Code, § 6001.2, subd. (b).) As implementation of the 2016 Task Force recommendations continues, implementation of the 2017 Task Force recommendations also has begun. Most significantly, at the July 2017 meeting, the Board of Trustees adopted a new State Bar mission statement pursuant to the 2017 Task Force recommendations.

DISCUSSION

Board Committee Structure and Charters

Fundamental to the recommendations relating to the restructuring of Board committees is a belief held by the 2017 Task Force that a better structured Board committee process would allow the full Board to focus on broad policy areas especially regarding core State Bar functions (admissions/licensing, regulation and discipline) and finances, as well as ensure that all State Bar departments, program areas, operating units and related sub-entities fall under the oversight authority of an appropriate Board committee. Decisions about how best to carry out oversight responsibilities and interact with State Bar departments and sub-entities, such as whether to use liaisons, would be made by the Board committees themselves. Integrated into each Board committee process should be a uniform policy for determining the categories of matters that should pass through committee before reaching the Board of Trustees and the categories of matters that should go directly to the Board without prior review. The goal is thus clarification, consolidation and improved alignment of oversight and operational responsibilities.

The recommendations proposed by the 2017 Task Force would:

- Reduce the number of Board committees from six to five;
- Consolidate responsibility for program area oversight from three to two committees, one for discipline-related program areas and the second for all other non-discipline related program areas;
- Balance workload more evenly among committees;
- Require a comprehensive review of financial statements on a quarterly basis; and
- Include governance review as an ongoing Board topic, integrated into the strategic and budget planning processes.

Specifically, pursuant to the 2017 Task Force recommendations, the Audit Committee, the Regulation and Discipline Committee (RAD) and the Ex Com would be **retained**; the Admissions and Education Committee (A&E), the Planning and Budget Committee (P&B) and the Stakeholders, Access to Justice and Appointments Committee (SA&A) would be **eliminated**; and two new committees, the Finance and Planning Committee (F&P), and a committee tentatively named the Programs Committee for non-RAD related program oversight work, would be **established**. Responsibilities of eliminated committees would be transferred to retained or newly established committees. The attached revised charters reflect the proposed changes.

Audit Committee Charter

The 2017 Task Force made no recommendations for change to the structure of the Audit Committee or its charter. Instead proposed amendments to the Audit Committee charter are responsive to the 2017 Audit and recent events that have made clear that the State Bar faces risks beyond those which can be described as purely financial. These issues may be addressed best by a more robust review of compliance efforts and internal rules and procedures to ensure on-going consistency, accountability and transparency. The proposed amendments to the Audit Committee charter are intended to address these concerns.

Board Book Revision Project

At its meeting on May 11, 2017, the Board Executive Committee assigned Board Book sections to appropriate Board committees for review in relationship to a larger clean-up effort. That effort continues, but is likely to be reassigned to staff, in light of the anticipated reduction in Board size and the risk of duplication as implementation of the 2017 Governance Task recommendations proceed. In the meantime, this agenda item places before the Board a comprehensive set of proposed amendments to Tab 2.6 of the Board Book. These amendments encompass not only the 2017 Task Force recommendations regarding Board committee structure and a revised set of Board committee charters, but also non-substantive and technical edits for achieving greater consistency in format and style, thus creating a more streamlined organizational structure. The goal is to give the Board an opportunity, through presentation of one comprehensively revised Board Book tab, to consider how the Board Book can best be structured to serve its needs. Historically, the Board Book has been used to record official actions taken by the Board over time, along with statutory authority on Board governance issues, not all of which serve a practical operational purpose. The historical notes appear in strike-out in Attachment A, the Proposed Revisions to the Board Book, Tab 2.6, including Board Committee Charters, in Track Changes format. Going forward, the Board may want to give some thought to moving more Board Book material into the historical archives, and retaining only that which is relevant, practical and useful for purposes of carrying out the Board's day-to-day official duties. To that end, staff is also recommending that historical information be relocated to a separate end-note section of the Board Book.

FISCAL/PERSONNEL IMPACT

None.

RULE AMENDMENTS

None.

BOARD BOOK IMPACT

Board Book amendments to the following:

Tab 2.6

BOARD GOALS & OBJECTIVES

2017-2022 State Bar Strategic Plan

Goal 1: Successfully transition to the "new State Bar."

Objective (c): Implement and pursue governance, composition, and operations reforms needed to ensure that the Board's structure and processes optimally align with the State Bar's public protection mission.

STAFF RECOMMENDATION

Staff recommends that the Board of Trustees approve the following resolution:

RESOLVED, that the Board of Trustees adopts the following changes to the current Board committee structure pursuant to the recommendations of the 2017 Governance in the Public Interest Task Force: **Retain** the Audit Committee, the Regulation and Discipline Committee and the Executive Committee; **Eliminate** the Admissions and Education Committee, the Planning and Budget Committee and the Stakeholders, Access to Justice and Appointments Committee; **Establish** the Finance and Planning Committee, and a (tentatively named) Programs Committee for non-RAD related program oversight work;

RESOLVED, that the Board of Trustees approves the new Board committee charters, contained in an appendix to the agenda item, in implementation of the recommendations of the 2017 Governance in the Public Interest Task Force and in implementation of a separate recommendation to expand the scope of the Audit Committee charter;

FURTHER RESOLVED, that the Board of Trustees approves revisions to the Board Book, Tab 2.6, as presented to the Board this day and as contained in an appendix to the agenda item, and relocating the historical notes to a separate end-note section of the Board Book.

ATTACHMENT(S) LIST

- A. Proposed Revisions to the Board Book, Tab 2.6, including Board Committee Charters, in Track Changes format
- B. Clean version of Attachment A
- C. Proposed Board Committee Changes
- D. Proposed New Board Committee Structure

TAB 2.6

BOARD COMMITTEES ~~AND TASK FORCES~~

Article 1 GENERAL

- Section 1 Committee ~~Role~~ ~~Structure~~
- Section 2 Standing Board Committees
- Section 3 Appointment and Composition of Board Committees
- Section 4 Compliance with Bagley-Keene Open Meeting Act
- Section 5 Board Committee Chair Orientation
- Section 6 Board Committee Work Plan

Article 2 CHARTER FOR BOARD EXECUTIVE COMMITTEE

Article 3 CHARTER FOR FINANCE AND PLANNING ~~AND BUDGET~~ COMMITTEE

Article 4 CHARTER FOR REGULATION AND DISCIPLINE COMMITTEE

Article 5 CHARTER FOR PROGRAMS ~~ADMISSIONS AND EDUCATION~~ COMMITTEE

~~Article 6 CHARTER FOR STAKEHOLDERS, ACCESS TO JUSTICE, AND APPOINTMENTS COMMITTEE~~

~~Article 7 TASK FORCE ON SECTIONS~~

- ~~Section 1 Creation and Composition~~
- ~~Section 2 Mission Statement~~
- ~~Section 3 Appointments to Task Force~~

Article ~~6~~8 CHARTER FOR AUDIT COMMITTEE

- ~~Section 1 Creation~~
- ~~Section 2 Charter for Audit Committee~~

Article 1 GENERAL

Section 1 *Committee ~~Role~~ Structure*

The ~~B~~board, under the leadership of its ~~P~~resident, shall establish a Board committee structure that focuses on core functions necessary for the operation of this public corporation. ~~The board shall strive to use limited-term task forces that include members of the board, staff, profession and public, with the greatest experts in the area of consideration. Standing and ad hoc c~~Committees ~~and task forces~~ shall be designated by the ~~P~~resident as necessary to carry out the licensing, regulatory and disciplinary~~public and professional~~ functions of the State Bar. ~~The president-elect presents and proposes committee chairs, liaisons, and appointments to committees, after consulting with the outgoing Board Executive Committee.~~

(Source: Board of Governors¹ Resolution, August 2000: Governing Principle 5.1; Board of Governors² Resolution May 2010; Board of Trustees Resolution, August 2017.)

Section 2 *Standing Board Committees*

~~(a) The standing board committees of the Board of Trustees shall be appointed by president-elect, after consulting with the outgoing Board Executive Committee, subject to the approval of the board. The board approves the appointments to the board committees at the annual organization meeting.~~

~~(b)~~(a) The Board of Trustees established a Board committee structure comprised of five standing committees ~~and a Board Operations Committee~~. The Board further directed that the standing committees could include the following, but should be differentiated with the understanding that the Board may continue to refine the structure as experience and need requires: (1) Board Executive Committee; ~~(21) Finance and Planning, Program Development, and Budget Committee;~~ (32) Regulation, Admission and Discipline Oversight Committee; ~~(43) Programs Member Oversight Committee / Volunteer Involvement Committee;~~ (4) Stakeholder Relations Committee / Legal Services Committee; and (5) Audit Committee.

(Source: Board of Governors Resolution, Annual Organization Meeting, October 19-20, 2001 approving October 10, 2001 Action Plan/Report; Board of Governors² Resolutions, September 2004, July 2009, May 2010; Board of Trustees Resolution, August 2017.)

Historical Note

~~In 2001, the Board of Governors established a Board committee structure comprised of five standing committees and a Board Operations Committee (BOPS). The Board further directed that the standing committees could include the following, with the understanding that the Board may continue to refine the structure as experience and need requires: (1) Planning, Program Development, and Budget (PPDB) Committee, (2) Member Oversight Committee (MOC), (3) Regulation, Admission and Discipline Oversight Committee~~

~~(RAD), (4) Stakeholder Relations Committee (SRC) / Legal Services Committee, (5) Volunteer Involvement Committee (VIC).~~

- ~~• 2002 – 2003, the Board added a Task Force on Sections.~~
- ~~• 2004 – 2005, SRC and VIC were combined to create the Communications and Bar Relations Committee (COMBAR). BOPS, RAD, MOC, PPDB and Task Force on Sections were maintained~~
- ~~• In 2004, the Board added an independent State Bar Audit Committee.~~
- ~~• During 2005 – 2006, the Board went back to the six-committee governance structure adopted in 2001 with the addition of the Task Force on Sections and Audit Committees.~~
- ~~• 2009 – 2010, VIC and MOC were combined to form a Member Involvement Relations & Services committee (MIRS). RAD was split into two committees, Discipline Oversight Committee (DOC) and Regulation and Admissions Committee (RAC). SRC was eliminated and replaced with the Legal Services, Pro Bono & Equal Access Committee. BOPS, PPDB, Sections Task Force and Audit Committees were maintained.~~
- ~~• 2010 – 2011, the Board returned to the six-committee structure adopted in 2001, maintaining the Task Force on Sections and Audit Committees. The Governance in the Public Interest Task Force was created in 2010 pursuant to B & P Code section 6001.2. The task force prepared and submitted a report to the Supreme Court, the Governor, and the Assembly and Senate Committees on Judiciary with majority and minority recommendations to enhance public protection and ensure that public protection is the highest priority in the licensing, regulation, and discipline of attorneys. After the task force completed its work in 2011, section 6001.2 was repealed. However, effective January 1, 2013, section 6001.2 is added so that, as of February 1, 2013, the task force will be created again. The task force was not reconstituted in 2013.~~
- ~~• 2011-2012, the Board changed the name of the Volunteer Involvement Committee (VIC) to Nominations and Appointment Committee (NAC) to clarify the jurisdictional boundaries between various working groups during the 2011-12 Board year and because in recent years, the central mission of the VIC -- and the bulk of its work -- has been nominations and appointments. In 2011, the Board created a new Task Force on Discipline Metrics and Monitoring to focus on improving the quality of reporting information that is available to Board members in the area of discipline. During 2011-12, the board created an Ad Hoc Legislative Affairs Committee to provide a structural tool within the Board from which to draw upon the experience and expertise of Board members with significant relationships with members of the Legislature and the Governors' Office. Lastly, in 2012, the board created the Task Force on Admissions Regulation Reform.~~
- ~~• 2012-2013, the Board retained its six-committee structure. A Task Force on Admissions Regulation Reform was created in February 2012. The Task Force examined whether the State Bar should develop a regulatory requirement for a pre-admission practical skills training program, and if so, propose such a program to the Supreme Court. On Oct. 12, 2013, following the public comment period, the Board of Trustees adopted the task force's final proposals and,~~

~~additionally, authorized the creation of a special committee to devise an implementation plan for the three competency training requirements, the Task Force on Admissions Regulation Reform (TFARR), Phase II Implementation.~~

- ~~• 2013-2014, In July 2014, the Board retained its six-committee structure, but added an Unauthorized Practice of Law Oversight Committee (UPL Oversight Committee), which was established in October 2013 to oversee the State Bar's activities in enforcing the provisions of the Business and Professions Code prohibiting the unauthorized practice of law (UPL). The UPL Oversight Committee and a separate UPL unit under the Office of General Counsel, which would implement proposed legislative amendment to enhance the State Bar's civil enforcement authority, were created in anticipation of potential issues under federal antitrust law raised by *North Carolina State Bd. of Dental Examiners v. F.T.C.*, 717 F.3d 359 (2013), *aff'd* 135 S.Ct. 1101 (Feb. 25, 2015). *Dental Examiners* held that a state agency controlled by dentist that sought to stop non-dentist under state's unlicensed practice of dentistry laws from providing teeth whitening goods and services was not immune from federal antitrust law unless its actions satisfied requirements of "active supervision" by the state under Supreme Court precedent. However, the Governor vetoed of AB 888 in 2013 and AB 852, which reintroduced amendments to enhance the State Bar's civil UPL enforcement authority, was withdrawn in 2014. As a result, the State Bar's existing authority has remained in the Office of Chief Trial Counsel ("OCTC"), through its investigations and work with state and local law enforcement in the prosecution of UPL and through the State Bar's work with state and local officials and local community leaders to educate consumers and to protect the public from the harm of UPL. These circumstances removed the antitrust concerns and changed the need for a separate UPL unit and Oversight Committee. The vacant positions of the UPL unit were eliminated, and on March 13, 2015, the Board of Trustees approved the dissolution of the UPL Oversight Committee transfer of its oversight functions to the Regulation and Discipline Committee, which has oversight of OCTC.~~
- ~~• In November 2013, the Board authorized creation of an ad hoc Task Force on Civil Justice Strategies to analyze the existing "justice gap," evaluate the role of the legal profession in addressing the crisis and make recommendations to fill the justice gap and achieve "access to justice" in California.~~
- ~~• In July 2014, the Board of Trustees adopted the following Board committee structure:~~
 - ~~(1) Renamed the Board Operations Committee as the Board Executive Committee and changes its membership structure;~~
 - ~~(2) Eliminated the Member Oversight Committee, moving its fiscal and regulatory functions to the renamed Planning and Budget Committee and its member services related functions to the new Stakeholders and Access to Justice Committee;~~
 - ~~(3) Expanded the purview of the Stakeholders Relations Committee, renaming it as the Stakeholders and Access to Justice Committee;~~
 - ~~(4) Renamed the Planning, Program Development and Budget Committee as the Planning and Budget Committee;~~
 - ~~(5) Renamed the Regulation, Admissions and Discipline Oversight Committee as the Regulation and Discipline Committee; moved the admissions functions~~

~~of the current RAD Committee to a new Admissions and Education Committee which will also focus on the legal specialization, pre-licensing and continuing education functions of the Member Oversight Committee; and~~

~~(6) Maintained the Nominations and Appointments and Audit Committees, but made them subject to Executive Committee oversight, meaning that they will generally report to the Executive Committee rather than the full Board, except where Board action is needed.~~

- ~~• In September 2016, the Board of Trustees combined the Nominations and Appointments committee (NAC) with the Stakeholders and Access to Justice committee to form the Stakeholders, Access to Justice and Appointments committee.~~

Section 3 Appointment and Composition of Board Committees

- (a) Each standing committee shall have no fewer than five (5) members. The incoming P~~resident-elect~~ presents and proposes committee chairs, ~~liaisons,~~ and appointments to committees, after consulting with the outgoing Board Executive Committee, subject to the approval of the B~~board~~. The Board approves appointments to standing committees at the annual meeting.

(Source: Board of Governors' Resolutions, September 1991, August 2000, November 2000, October, 2001 Action Plan/Report; Board of Governors' Resolution, May 2010; Board of Trustees Resolution 2017.)

- (b) It shall be the policy of the B~~board~~ that the P~~resident~~, with the approval of the B~~board~~, may appoint ad hoc or special committees to handle special assignments, any such committees automatically to cease to exist upon completion of its assignment.

(1) Authorization for the creation of any Ad Hoc Committee must be sought and obtained by the President either from the board as a whole or from the Board Executive C~~committee~~.

(2) The authorization for any a~~Ad~~ h~~Hoc~~ c~~C~~Committee (i) must be based upon a written charge setting forth the task or tasks to be carried out, and (ii) must not include any task that is expressly delegated by the Board Book to any standing committee or to the B~~board~~ as a whole unless it is determined that a special ad hoc committee of targeted focus and limited duration is best suited for completion of the task or tasks.

(3) The President will retain full discretion to assign and make reassignments of the Chair and the membership of a~~Ad~~ h~~Hoc~~ c~~C~~Committees, provided that Trustees are consulted in advance, prior to their assignment.

(4) Written notice and an agenda of the meetings of any a~~Ad~~ h~~Hoc~~ c~~C~~Committee must be sent to all Trustees.

(5) Any Trustee who is not a member of an aAd hHoc cCommittee is permitted to attend aAd hHoc cCommittee meetings in person or by telephone only as an observer. ~~and~~

(6) Each aAd hHoc cCommittee shall be deemed dissolved as of the next State Bar aAnnual mMeeting following its authorization, unless the Bboard re-authorizes it.

(7) Should emergency ~~circumstances~~ or other unusual circumstances arise, the Bboard may at any time suspend these guidelines upon the recommendation of the President.

- (c) Chairs of board committees are authorized to appoint subcommittees from among the members of the Board of Trustees to further the work of the committee.

(Source: Board of Governors' Resolutions, September-October 1981, May 2010; Board of Trustees Resolution, November 2016; Board of Trustees Resolution, August 2017.)

Section 4 Compliance with Bagley-Keene Open Meeting Act

Meetings of the Board of Trustees and its committees are subject to the Bagley-Keene Open Meeting Act, as required by Business and Professions Code section 6026.7, and Business and Professions Code section 6026.5.

SEE: TAB 2.5, Article 1, Section 2.

(Source: State Bar Rule 6.57, adopted effective November 20, 2015; Bus. ~~&iness and Prof.essions~~ Code, §§ 6026.5, 6026.7; Board of Trustees Resolution, November 2016.)

Section 5 Board Committee Chair Orientation

Staff, designated by the Executive Director, shall meet with committee Chairs at the start of the Board year for an orientation on the work plan and inventory of the committees. ~~There shall be an annual orientation for board committee chairs.~~

(Source: Board of Governors' Resolution, August 2000; Board of Trustees Resolution, August 2017.)

Section 6 Board Committee Work Plan

Board cCommittees annually shall submit a work plan on a standard form.

(Source: Board of Governors' Resolution, August 2000: Governing Principle.)

Article 2 CHARTER FOR BOARD EXECUTIVE COMMITTEE

The Board Executive Committee shall be chaired by the President of the Board of Trustees and its membership ~~shall~~^{will} consist of the officers of the Board of Trustees~~State Bar~~, the Chairs of each standing committee, a representative Trustee of each appointing authority~~the Regulation and Discipline Committee, the Admissions and Education Committee, the Planning and Budget Committee and the Stakeholders, Access to Justice and Appointments Committee, two public members~~, and the Executive Director. An individual Trustee may fill more than one position on the Board Executive Committee, e.g., committee Chair and Supreme Court appointee. The Executive Director shall be a member of the Board Executive Committee, but shall have no vote and shall not be counted towards a quorum of the Board. The Vice President of the Board of Trustees~~State Bar~~ serves as the Vice Chair of the Board Executive Committee. The Board Executive Committee shall be responsible for the effective functioning of the ~~State Bar~~ Board of Trustees, ~~for~~ the maintenance and development of Board–Executive Director working relationship, and ~~for the~~ oversight of certain high–level internal operational matters.

The Board Executive Committee~~is charter~~ shall ~~be accomplished as follows~~:

- Board of Trustees Functioning: Oversee the functioning of the Board of Trustees by coordinating the work of the other Board Committees; ~~keep~~^{ing} the State Bar Board Mission Statement updated; ~~setting~~ Board Member performance standards; ~~and~~ ~~monitoring~~ Board Member performance; perform the annual Board Assessment; and maintain and update the Trustee Skills Matrix to assist the Board and appointing authorities in Trustee and officer selection and development.
- Volunteer Management/Coordination: Nominate and appoint members to serve on State Bar sub-entities and external entities; provide adequate public notice of appointment opportunities to ensure a well-qualified and diverse field of applicants; and ensure that all volunteers appointed to serve on State Bar sub-entities are provided uniform orientation on the State Bar mission, program areas, structure and fiscal/administrative policies as well as specific training on the role and responsibilities of the sub-entity on which the volunteer has been appointed to serve.
- Board of Trustees Recruitment: Inform the legal community about the work of the Board and fashion and execute strategies that encourage qualified and diverse candidates to ~~stand for election or appointment to~~^{join} the Board.
- Trustee Orientation and Development: Develop and oversee execution of a formal Board member capacity building program to ensure that each incoming group of Trustees receives timely training on all significant aspects of the State Bar, ~~the~~including such elements of which may include:

- On-boarding~~as~~ orientation about the State Bar, its governance structure and the Trustees' role and responsibilities.
 - Discipline Day and Admissions Day.
 - Ongoing~~of new members,~~ continuing education and training pursuant to a cyclical training calendar.
 - A,~~and a~~ mentoring program pairing new members with senior Board members.
- Secretary Oversight: Oversee the Board Secretary function.
- Executive Director Evaluation: Ensure that the Executive Director/Chief Executive Officer position description is updated as necessary to reflect changing State Bar needs, priorities, and circumstances;~~A~~ annually negotiate Executive Director performance targets and annually or semi-annually evaluate progress in achieving these targets in coordination with the President's performance management duties set forth in Tab 2.3, Article 2, Section 2.
- Litigation Oversight: Address legal issues that have typically come before the former Legal Committee, recommending Board action as appropriate; and provide oversight of litigation involving the State Bar.
- Operational Responsibilities: Address 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, responding to governmental inquiries and other matters such as fee bill negotiations), recommending Board action as appropriate.
- Delegation of Authority: Take action on behalf of the Board~~in rare emergency situations~~ when obtaining a quorum of the ~~it is impractical to convene a~~ full Board would not be feasible before it is necessary to take action~~meeting.~~
 - Decisions of the Board Executive Committee under this delegation of authority shall be consistent with the goals, values and direction of the Board.
 - The Executive Director, or an authorized staff member, shall report on any action taken under this delegation of authority no later than the next regularly scheduled Board meeting.
- Perform such other functions relevant to the Board Executive C~~o~~mmittee's subject area as the Board of Trustees 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, September 2010; Board of Trustees Resolution approving Board Executive Committee Charter, July 2014; Board of Trustees Resolutions, March 13, 2015; November 2016; Board of Trustees Resolution approving the Board Executive Committee Charter, August 2017.)

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 consists of the chairs of the other Board Committees, the Executive Director and at least one public member of the Board).~~

~~At its July 2014 meeting, the Board of Trustees adopted a charter for the successor committee, Board Executive Committee, which maintains the existing functions of the Board Operations Committee and serves as the committee that directs the operations of the Board. The Board Executive Committee oversees the activities of the Nominations and Appointments and Audit Committees. The Executive Committee's membership is comprised of the officers of the State Bar, the Chairs of the Regulation and Discipline Committee, the Admissions and Education Committee, the Planning and Budget Committee, the Stakeholders and Access to Justice Committee and the UPL Oversight Committee, two public members, and the Executive Director. The Executive Director continues as a member of the Executive Committee, but no longer votes in order to distinguish governance from management and does not count towards a quorum of the Board.~~

~~At its March 13, 2015 meeting, the Board of Trustees approved the transfer of the functions of the UPL Oversight Committee to the Regulation and Discipline Committee, thus retiring the UPL Oversight Committee.~~

~~At its November 2016 meeting, the Board of Trustees moved oversight of the Audit Committee from the Board Executive Committee to the Board of Trustees.~~

Article 3

CHARTER FOR FINANCE AND ~~PLANNING AND BUDGET~~ COMMITTEE

The Finance and Planning ~~is~~ Committee's ~~charter is to~~ shall develop and lead the Board's participation in all State Bar planning, budget preparation, and program implementation, including examination of financials, strategic planning and governance review. ~~The Treasurer of the State Bar shall serve as Chair or Vice Chair of the Planning and Budget Committee and shall report to the Board regarding matters involving the budget and internal financial controls through the Planning Committee.~~

The ~~is~~ Finance and Planning Committee ~~charter shall~~ is to be accomplished as follows:

- Budget and Planning: ~~C~~In consultation with the President, Vice President and 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 on an ongoing basis; and work with the senior executive team to vet the proposed budget, as well as any mid-year updates and/or proposed changes to the budget, before presentation and recommendation to the Board of Trustees.
- Financial Review: Ensure that the financials are thoroughly examined on a quarterly basis; develop a functional and detailed understanding of the State Bar's revenue streams, expenditures, and overall fiscal conditions and issues in order to be engaged proactively in the budget preparation, development and planning process on an ongoing basis; monitor the State Bar's performance relative to the budget; and ensure that appropriate actions are taken to address any material variances to the budget.
- ~~Strategic Planning Session:~~ Coordinate ~~ing~~ with the President and Vice President the overseeing, ~~and preparing~~ ation for, and hosting, the annual strategic ~~planning~~ 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.~~
- Governance Review: Review Board and Board committee functioning; make recommendations to the Board for changes in governance structure to ensure appropriate alignment with State Bar program operations, administrative policy and mission; and ensure incorporation of approved governance recommendations into the State Bar Strategic Plan.
- Oversight: Ensure ~~ing~~ as part of the annual operational planning/budget preparation process that a department-by-department fiscal review is performed

to evaluate budget projections. ~~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 Finance and Planning Committee's subject area as the Board of Trustees may from time to time assign.

(Source: Board of Governors' Resolution approving Planning, Program Development and Budget Committee Charter, January 2002;¹ Board of Governors' Resolutions, July 11, 2008, July 2009, September 2010; Board of Trustees Resolution approving Planning and Budget Committee Charter, July 2014; Board of Trustees Resolution approving the Finance and Planning Committee Charter, August 2017.)

Historical Note

~~At its July 2014, the Board of Trustees adopted a revised charter for the Planning and Budget Committee that maintains the existing functions of the Planning, Program Development and Budget Committee and assumes the fiscal functions of MOC and Stakeholders. The charge of the Planning and Budget Committee was modified to incorporate the functions of the Treasurer, previously approved by the Board: the Treasurer will serve as Chair or Vice-Chair of Planning; and the Treasurer will make required fiscal reports to the Board through the Planning Committee.~~

Article 4 CHARTER FOR REGULATION AND DISCIPLINE COMMITTEE

All members of the Board of Trustees are appointed to the Regulation and Discipline Committee, except for any Board members ~~then~~ appointed and serving on the Supreme Court's Applicant Evaluation and Nomination Committee ~~and until such time as the members are no longer serving on that committee.~~

(Source: California Rules of Court, rule 9.11(a)(2); Board of Trustees Resolution, July 21, 2016; California Rule of Court 9.11; Board of Trustees Resolution, October 2, 2016.)

The Regulation and Discipline Committee is a performance-monitoring and oversight committee ~~without planning responsibilities~~. It is accountable for monitoring the operational ~~and financial~~ performance of the State Bar's ~~Regulation and Discipline functions such as monitoring the work of the Client Security Fund Administration, the State Bar Court, Discipline Enforcement, and Mandatory Fee Arbitration~~ Program Areas identified on the Board Committee Structure Matrix appended to Tab 2.6. ~~The Regulation and Discipline Committee is accountable for the following functions in the area of Regulation and Discipline:~~

The Regulation and Discipline Committee shall:

- 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.
- Oversee (as provided by ~~statute~~: Bus. & Prof. Code, §Section 6079.5), the work of the Chief Trial Counsel, who reports to and serves under this Board committee.
- Approve any changes to policy-level quality-control measures that apply to the functioning of the State Bar Program Areas under this Board committee's performance-monitoring and oversight authority. ~~Office of Chief Trial Counsel, the Client Security Fund, or the Office of Probation.~~
- Review performance reports in committee meetings and report program ~~and financial~~ performance to the full Board.
- Identify ~~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 needed correctives such actions.
- ~~Oversee the development and implementation of State Bar operational policies as needed to guide programs and functions dealing with Regulation and Discipline,~~

~~so long as these policies do not alter approved goals or result in changes in the adopted budget.~~

- ~~Oversee the preparation of in-depth assessments of program/function effectiveness for presentation at the annual strategic~~ planning ~~work~~ session.

~~• Present an overall assessment of the past year's fiscal and program performance at the annual strategic work session.~~

- ~~Review internal and external audit reports as they relate to the Regulation and Discipline functions of the Bar~~ under this Board committee's performance-
monitoring and oversight authority ~~and overseeing implementation of~~
recommendations ~~corrective actions identified therein.~~

- Oversee the Annual Discipline Report process and underlying discipline statistics.

- Perform such other functions relevant to the Regulation and Discipline Committee's subject area as the Board of Trustees may from time to time assign.

(Source: Board of Governors' Resolution approving the Regulation, Admissions and Discipline Oversight Committee Charter, May 2002; Board of Governors' Resolutions July 2009, September 2010; Board of Trustees Resolution approving Regulation and Discipline Committee Charter, July 2014; Board of Trustees Resolutions November 2015, February 1, 2016, October 2, 2016; Board of Trustees Resolution approving the Regulation and Discipline Committee Charter, August 2017.)

Historical Note

~~At its July 2014 meeting, the Board of Trustees adopted a revised charter for the Regulation and Discipline Committee that focuses its functions on regulation and discipline, including oversight of the discipline system, the Client Security Fund, Fee Arbitration and preventative training. The Regulation and Discipline Committee continues to conduct the performance review for the Chief Trial Counsel.~~

~~Pursuant to Rule of Court 9.11 (a) Applicant Evaluation and Nomination Committee 'Two members of the committee must be present members of the Board of Governors of the State Bar (neither of whom may from the Board's Discipline Committee.'~~

~~On July 21, 2016, effective immediately and through the end of the 2015-2016 board term, the President appointed all members of the Board of Trustees to the Regulation and Discipline Committee, except for the two members appointed and serving on the Supreme Court's Applicant Evaluation and Nomination Committee until that committee has completed its evaluation of applicants and made its recommendations to the Supreme Court.~~

~~On October 2, 2016, the Board of Trustees approved a resolution to make permanent the reconstituted membership of the Regulation and Discipline Committee which will~~

~~include all members of the Board of Trustees less any members appointed and serving on the Supreme Court's Applicant Evaluation and Nomination Committee.~~

~~(Source: California Rules of Court, rule 9.11(a)(2); Board of Trustees Resolution July 21, 2016; California Rule of Court 9.11; Board of Trustees Resolution October 2, 2016.)~~

Article 5

CHARTER FOR ~~ADMISSIONS AND EDUCATION~~PROGRAMS COMMITTEE

The ~~Programs~~Admissions and Education Committee is a performance-monitoring and oversight committee. It is accountable for monitoring the ~~for the operational and financial performance of the State Bar's admissions and education functions~~Program Areas, which include~~ith a focus on preventative public protection, identified on the Board Committee Structure Matrix appended to Tab 2.6. such as monitoring the work of the Committee of Bar Examiners, Professional Competence, and Special Admissions (Foreign Legal Consultants; Practical Training of Law Students, Pro Hac Vice & Out-Of-State Attorney Arbitration Counsel), Legal Specialization, and Pre-licensing and continuing education. The Admissions and Education Committee is accountable for the following functions:~~

The Programs Committee shall:

- Establish the key elements of a programmatic and financial reporting process, including the content, format, and frequency of performance reports to the Board, and oversee~~ing~~ implementation of the process.
- Approve any changes to policy-level quality-control measures that apply to the functioning of the State Bar Program Areas under this Board committee's performance-monitoring and oversight authority.
- Review performance reports in committee meetings and report~~ing~~ program~~and financial~~ performance to the full Board.
- Identify ~~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 oversee~~ing~~ the implementation of needed corrective~~such~~ actions.
- ~~Oversee the development and implementation of State Bar operational policies as needed to guide programs and functions dealing with Admissions and Education, including Mandatory Continuing Legal Education (MCLE) requirements, so long as these policies do not alter approved goals or result in changes in the adopted budget.~~
- Oversee the preparation of in depth assessments of program/function effectiveness for presentation at the annual strategic planning~~work~~ session.
- Review internal and external audit reports as they relate to the functions of the Bar under this Board committee's performance-monitoring and oversight authority and oversee implementation of recommendations identified therein.

- Perform such other functions relevant to the [Programs Committee](#)'s subject area as the Board of Trustees may from time to time assign.

(Source: Board of Governors¹ Resolution approving Member Oversight Committee Charter, May 2002; Board of Governors² Resolution approving Volunteer Involvement Committee Charter, May 2002; ~~and~~ Board of Governors³ Resolutions, September 2005, July 2009, September 2010; Board of Trustees Resolution approving the Admissions and Education Committee Charter, July 2014,⁴ September 12, 2016; [Board of Trustees Resolution approving the Programs Committee Charter, August 2017.](#))

Historical Note

~~At its July 2014, the Board of Trustees adopted a charter for the Admissions and Education Committee that focuses its functions on the admissions system (including interface with the Committee of Bar Examiners), licensure issues, legal specialization, and pre-licensing and continuing education.~~

Article 6

CHARTER FOR STAKEHOLDERS, ACCESS TO JUSTICE, AND APPOINTMENTS COMMITTEE

~~The Stakeholders, Access to Justice, and Appointments Committee shall be responsible for developing, maintaining and/or improving effective relationships with the State Bar's most important stakeholders; maintaining 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 and other groups of the State Bar relating to the scope of this committee's work; and advising the Board on its responsibilities to nominate and appoint members of Bar and non-Bar bodies.~~

~~This committee's charter shall encompass attorney member practice issues and service programs for the benefit of or relating to members. This charter shall be accomplished as follows:~~

~~Oversee 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 Budget Committee.~~

- ~~• ———— Oversee the administration of member/customer/constituency services and surveys, reviewing such surveys, and reporting results to the Board as appropriate.~~

~~Oversee 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.~~

~~Help to develop and expand resources for civil and legal services to low- and moderate-income persons.~~

- ~~• ———— Ensure ———— through detailed strategy formulation and careful monitoring ———— that the State Bar's working relationship with the Council of State Bar Sections and other groups of the State Bar (relating to the scope of this committee's work) is positive and productive.~~

~~Monitor and develop programs relating to attorney member practice issues and service programs for the benefit of or relating to members, including issues and programs relating to the diversification of the legal profession.~~

~~• ———— Oversee the development and implementation of legislative relations policies and strategies.~~

~~• ———— Oversee Board member participation in outreach programs in appropriate forums on behalf of the State Bar.~~

~~Work with Board appointed committees and task forces to oversee and develop the Bar's access to justice programs, including identifying and distributing funding and identifying opportunities and challenges for ensuring access to justice by Californians of all income levels and from each of our state's diverse communities.~~

~~Recommend non-disciplinary appointments to the State Bar's standing committees, section executive committees, special committees, boards and commissions, and external entities (formerly the responsibility of the Nominations and Appointments committee of the Board of Trustees).~~

~~Ensure adequate public notice of appointment opportunities to ensure a well-qualified and diverse field of applicants.~~

~~Perform such other functions relevant to the committee's subject area as the Board of Trustees may from time to time assign.~~

~~(Source: Board of Governors' Resolution approving External Stakeholder Relations Committee Charter, May 2002; Board of Governors' Resolution approving Member Oversight Committee Charter May 2002; Board of Governors' Resolution approving Volunteer Involvement Committee Charter, May 2002; Board of Governors' Resolutions September 2005, July 2009, September 2010; September 18, 2011; Board of Trustees Resolution approving Stakeholders and Access to Justice Committee Charter, July 2014; Board of Trustees Resolution approving Nominations and Appointments Committee Charter, July 2014; September 12, 2016.)~~

~~Historical Note~~

~~At its July 2014 meeting, the Board of Trustees adopted the charter for the Stakeholders and Access to Justice Committee that maintains the existing non-fiscal functions of the Stakeholders Relations Committee, as well as the non-regulatory, member services and non-fiscal functions of the existing Member Oversight Committee, with increased responsibility for the Bar's access to justice commitments.~~

~~At its July 2014 meeting, the Board of Trustees adopted the Executive Committee charter that made the Nominations and Appointments committee (NAC) subject to Executive Committee oversight, meaning that NAC will generally report to the Executive Committee rather than the full Board, except where Board action is needed.~~

~~At its September 12, 2016, the Board of Trustees combined the NAC committee with the Stakeholders and Access to Justice committee to form the Stakeholders, Access to Justice and Appointments committee.~~

~~——— Article 7 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 whom 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 Trustees 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:~~

~~Improving communications between the Board of Trustees and the Sections;~~

~~Working together to resolve issues of concern to the Sections and;~~

~~Preserving the viability of all State Bar Sections.~~

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

~~**Section 3 — Appointments to Task Force**~~

~~A Task Force on Sections, consisting of nine (9) members of which four (4) members shall be appointed by the Council of State Bar Sections to include a cross section of representatives from the Sections based upon Section size and interest, and four (4) members for the State Bar Board of Trustees appointed by the State Bar President, or his or her designee, effective immediately. The Task Force on Sections will be presided over by the State Bar President.~~

~~The 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 1) improving communications between the Board of Trustees and the Sections; 2) Working together to resolve issues of concern to the Sections; and 3) Preserving the viability of all State Bar Sections.~~

~~(Source: Board of Governors' Resolution, July, 2003, November 2006.)~~

Article 68 AUDIT COMMITTEE

~~Section 1: Creation~~

~~The Board of Trustees created a "State Bar Audit Committee" is charged with assisting the Board of Trustees in fulfilling its oversight responsibility as related to the integrity of accounting and financial reporting processes, the system of internal controls, and audit processes. In addition, the Audit Committee is charged with overseeing risk management and compliance efforts. The Audit Committee has a goal of including at least one public member of the Board of Trustees. to oversee the hiring and supervision of the financial auditors pursuant to Business and Professions Code §§ 6145 and 6222, which require that the State Bar submit a copy of its audited financial statements within 120 days of the close of the fiscal year to the Board, the Chief Justice of the Supreme Court, and to the Assembly and Senate Judiciary Committees.~~

~~Section 2: Charter for Audit Committee~~

The Audit Committee shall:

- Undertake the following responsibilities relating to the annual financial statement audit:
 - 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 Trustees.
 - Evaluate the independence of the external auditors, including their recent or planned future engagement by the State Bar for non-audit services.
 - Review and approve the annual audit scope and the fees of the external auditors.
 - Monitor the progress of the financial statement audit.
 - Evaluateing the results, findings and recommendations of the financial statement audit.
 - Ensureing that the State Bar's responses to control weaknesses and ~~legal~~ compliance ~~issue~~violations identified in the course of the financial statement audit are appropriate and timely.~~promptly and effectively remedied~~
 - Serveing as a direct communications link between the Board of Trustees and the independent auditor.
 - Monitor the State Bar's implementation of the financial statement audit recommendations, working with staff to identify other compliance initiatives that should be undertaken.
 - Review with the senior executive team and the independent auditor the financial statement audit's results, findings and recommendations, including any difficulties encountered; review with the senior executive team and the independent auditor all matters required to be communicated to the Audit Committee under generally accepted auditing standards.

~~I. Delegation of Authority to the State Bar Audit Committee~~

~~II.~~

~~A. Charge: The State Bar Audit Committee is charged with the following responsibilities:~~

~~B.~~

~~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 Trustees and the independent auditor; and~~

~~Monitoring the adequacy of the State Bar's internal control structure on an ongoing basis.~~

• Undertake the following responsibilities relating to financial statements:

- Review significant accounting and reporting issues, including complex or unusual transactions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to the Audit Committee members, employ appropriate accounting principles, and appropriately reflect the financial condition of the State Bar.
- Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Understand how the senior executive team develops interim financial information, and the nature and extent of external auditor involvement.

• Undertake the following responsibilities relating to cybersecurity:

- Recommend commission of a biennial cybersecurity report, taking into account the recommendation of the Executive Director and the Director of Information Technology, to the full Board of Trustees for approval.
- Review and approve the biennial cybersecurity report scope and fees.
- Evaluate the results, findings and recommendations of the biennial cybersecurity report.
- Ensure that the State Bar's responses to control weaknesses and compliance issues identified in the course of the biennial cybersecurity report process are appropriate and timely.

- Serve as a direct communications link between the Board of Trustees and cybersecurity experts.
- Monitor the State Bar's implementation of the cybersecurity report recommendations, working with staff to identify other cybersecurity initiatives that should be undertaken.
- Review with the senior executive team and cybersecurity experts the results, findings and recommendations in the cybersecurity report, including any difficulties encountered, to ensure the State Bar's vigilance in identifying, analyzing and addressing any and all cybersecurity vulnerabilities on an ongoing and continuous basis.
- In the interim year between the biennial reports, review with the Director of Information Technology the status of cybersecurity including progress in implementation of corrective measures and identification of any new risks or concerns; ensure that the Director of Information Technology's responses to any new risks or concerns are appropriate and timely.

- Review the results of the biennial performance audit conducted by the State Bureau of Audits; and monitor the State Bar's implementation of the financial-related recommendations of the biennial performance audit, working with staff to identify other fiscal and operational initiatives and best practices that should be undertaken.

- Monitor, review and evaluate~~ing~~ the effectiveness and adequacy of the State Bar's internal control structure on an ongoing basis:
 - Ensure that the senior executive team performs its duties pursuant to Tab 4.1, Section 10 of the Board Book, which requires that a review of the State Bar's budget and fiscal control policies and procedures be undertaken every five years by an independent consultant.
 - Review and approve the independent consultant review scope and fees.
 - Evaluate the results, findings and recommendations of the independent consultant.
 - Ensure that the State Bar's responses to control weaknesses and compliance issues identified in the course of the independent consultant review, the annual financial statement audit, the State Auditor's biennial review or any other audit or review are appropriate and timely.
 - Serve as a direct communications link between the Board of Trustees and the independent consultant.
 - Monitor the implementation of the recommendations, working with staff to identify other internal control initiatives that should be undertaken.
 - Meet with the Chief Financial Officer and other members of the senior management team on a biennial basis to:

- Review and discuss the State Bar's internal control structure, including progress on implementation of the recommendations of the independent consultant and other initiatives undertaken to improve the State Bar's internal control structure.
 - Ensure the State Bar's vigilance in identifying, analyzing and addressing significant internal control structure vulnerabilities on an ongoing and continuous basis.
 - Seek assurances from the senior management team on the effectiveness of risk management practices and controls.
 - Reassess whether the policies and procedures provide for the effective identification, assessment, reporting, monitoring and control of the State Bar's principal risks; if they do not, require that the policies and procedures be updated to address any deficiencies.
- Perform such specific oversight functions as expressly requested by the Board of Trustees.
 - Review, on a Quarterly basis, reports prepared by the Office of Finance regarding Senior Executives' and Board Members' travel and expense reimbursements, ~~which includes summaries of expenditures.~~

Access to the Chief Financial Officer: The Chief Financial Officer shall have direct access to the Board of Trustees on all financial matters, and is authorized to meet with the Committee, or if more expedient with the Audit Committee Chair, on the Chief Financial Officer's own initiative or at the request of the Audit Committee Chair, outside the presence of other senior executive team members at Audit Committee meetings; in addition, the Audit Committee shall meet independently with the Chief Financial Officer on a quarterly basis.

- 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 Audit Committee might have, relating to the accomplishment of its responsibilities enumerated in this charter ~~under section I.A.~~

Limitations on the Role and Responsibility of the ~~State Bar~~ Audit Committee:

Oversight Scope Defined: The role and responsibility of the ~~State Bar~~ Audit Committee is oversight, not preparation of reports or statements or operation.

- The senior executive team ~~State Bar Management~~ is responsible for preparing the financial statements; responding to, governmental and other reports relating to ~~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 ~~external~~~~outside~~ auditors are responsible for auditing the financial statements and such other functions as they are specifically engaged to ~~perform~~audit.

Reliance on ~~Management, Auditor, and~~ Advisory Information Provided by the Senior Executive Team, Auditors and Others: 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 ~~external~~~~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 ~~b~~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 Trustees.~~
- ~~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.~~

~~Other Functions of the State Bar Audit Committee:~~

- ~~• Provide advice and counsel to the Executive Director and Chief Financial Officer.~~
- ~~• Perform such specific oversight functions as expressly requested by the Board of Trustees.~~
- ~~• Quarterly reviews of the reports prepared by the Office of Finance regarding Senior Executives' and Board Members' travel and expense reimbursements, which includes summaries of expenditures.~~

~~The Audit Committee is chaired by the Treasurer and should have the goal of including at least one public member of the Board of Trustees.~~

~~(Source: Board of Governors' Resolutions, October 2004, July 2005; Board of Trustees Resolution, July 2014; Audit Committee Resolution January 16, 2015, ratified by the Board of Trustees May 13, 2016; [Board of Trustees Resolution approving the Audit Committee Charter, August 2017.](#))~~

Historical Note

At its July 2014 meeting, the Board of Trustees adopted the Board Executive Committee charter that makes the Audit Committee subject to Executive Committee oversight, meaning that the Audit Committee will generally report to the Executive Committee rather than the full Board, except where Board action is needed.

~~The Audit Committee maintain its functions, but the Board repealed the appointment structure that was established for Audit, which required that the following board members be appointed to the Audit Committee: the President, who shall be chair, a 1st year member, a 2nd year member, two 3rd year members and a public member, each of whom shall serve on this committee throughout his/her term on the Board. In 2013, the Board acted to provide that the Treasurer is to serve as Chair of the Audit Committee. The charter also continues to state that the committee should have at least one public member.~~

At its November 2016 meeting, the Board of Trustees moved oversight of the Audit Committee from the Board Executive Committee to the Board of Trustees.

TAB 2.6

BOARD COMMITTEES

Article 1 GENERAL

- Section 1 Committee Role*
- Section 2 Standing Board Committees*
- Section 3 Appointment and Composition of Board Committees*
- Section 4 Compliance with Bagley-Keene Open Meeting Act*
- Section 5 Board Committee Chair Orientation*
- Section 6 Board Committee Work Plan*

Article 2 CHARTER FOR BOARD EXECUTIVE COMMITTEE

Article 3 CHARTER FOR FINANCE AND PLANNING COMMITTEE

Article 4 CHARTER FOR REGULATION AND DISCIPLINE COMMITTEE

Article 5 CHARTER FOR PROGRAMS COMMITTEE

Article 6 CHARTER FOR AUDIT COMMITTEE

Article 1 GENERAL

Section 1 *Committee Role*

The Board, under the leadership of its President, shall establish a Board committee structure that focuses on core functions necessary for the operation of this public corporation. Standing and ad hoc committees shall be designated by the President as necessary to carry out the licensing, regulatory and disciplinary functions of the State Bar.

(Source: Board of Governors Resolution, August 2000: Governing Principle 5.1; Board of Governors Resolution May 2010; Board of Trustees Resolution, August 2017.)

Section 2 *Standing Board Committees*

- (a) The Board of Trustees established a Board committee structure comprised of five standing committees. The Board further directed that the standing committees could include the following, but should be differentiated with the understanding that the Board may continue to refine the structure as experience and need requires: (1) Board Executive Committee; (2) Finance and Committee; (3) Regulation and Discipline Committee; (4) Programs Committee; and (5) Audit Committee.

(Source: Board of Governors Resolution, Annual Organization Meeting, October 19-20, 2001 approving October 10, 2001 Action Plan/Report; Board of Governors Resolutions, September 2004, July 2009, May 2010; Board of Trustees Resolution, August 2017.)

Section 3 *Appointment and Composition of Board Committees*

- (a) Each standing committee shall have no fewer than five (5) members. The incoming President presents and proposes committee chairs and appointments to committees, after consulting with the outgoing Board Executive Committee, subject to the approval of the Board. The Board approves appointments to standing committees at the annual meeting.

(Source: Board of Governors Resolutions, September 1991, August 2000, November 2000, October 2001 Action Plan/Report; Board of Governors Resolution, May 2010; Board of Trustees Resolution 2017.)

- (b) It shall be the policy of the Board that the President, with the approval of the Board, may appoint ad hoc or special committees to handle special assignments, any such committees automatically to cease to exist upon completion of its assignment.
 - (1) Authorization for the creation of any Ad Hoc Committee must be sought and obtained by the President either from the board as a whole or from the Board Executive Committee.

(2) The authorization for any ad hoc committee (i) must be based upon a written charge setting forth the task or tasks to be carried out, and (ii) must not include any task that is expressly delegated by the Board Book to any standing committee or to the Board as a whole unless it is determined that a special ad hoc committee of targeted focus and limited duration is best suited for completion of the task or tasks.

(3) The President will retain full discretion to assign and make reassignments of the Chair and the membership of ad hoc committees, provided that Trustees are consulted in advance, prior to their assignment.

(4) Written notice and an agenda of the meetings of any ad hoc committee must be sent to all Trustees.

(5) Any Trustee who is not a member of an ad hoc committee is permitted to attend ad hoc committee meetings in person or by telephone only as an observer.

(6) Each ad hoc committee shall be deemed dissolved as of the next State Bar annual meeting following its authorization, unless the Board re-authorizes it.

(7) Should emergency or other unusual circumstances arise, the Board may at any time suspend these guidelines upon the recommendation of the President.

- (c) Chairs of board committees are authorized to appoint subcommittees from among the members of the Board of Trustees to further the work of the committee.

(Source: Board of Governors Resolutions, September-October 1981, May 2010; Board of Trustees Resolution, November 2016; Board of Trustees Resolution, August 2017.)

Section 4 Compliance with Bagley-Keene Open Meeting Act

Meetings of the Board of Trustees and its committees are subject to the Bagley-Keene Open Meeting Act, as required by Business and Professions Code section 6026.7, and Business and Professions Code section 6026.5.

SEE: TAB 2.5, Article 1, Section 2.

(Source: State Bar Rule 6.57, adopted effective November 20, 2015; Bus. & Prof. Code, §§ 6026.5, 6026.7; Board of Trustees Resolution, November 2016.)

Section 5 *Board Committee Chair Orientation*

Staff, designated by the Executive Director, shall meet with committee Chairs at the start of the Board year for an orientation on the work plan and inventory of the committees.

(Source: Board of Governors Resolution, August 2000; Board of Trustees Resolution, August 2017.)

Section 6 *Board Committee Work Plan*

Board committees annually shall submit a work plan on a standard form.

(Source: Board of Governors Resolution, August 2000: Governing Principle.)

Article 2

CHARTER FOR BOARD EXECUTIVE COMMITTEE

The Board Executive Committee shall be chaired by the President of the Board of Trustees and its membership shall consist of the officers of the Board of Trustees, the Chairs of each standing committee, a representative Trustee of each appointing authority, and the Executive Director. An individual Trustee may fill more than one position on the Board Executive Committee, e.g., committee Chair and Supreme Court appointee. The Executive Director shall be a member of the Board Executive Committee, but shall have no vote and shall not be counted towards a quorum of the Board. The Vice President of the Board of Trustees serves as the Vice Chair of the Board Executive Committee. The Board Executive Committee shall be responsible for the effective functioning of the Board of Trustees, the maintenance and development of Board–Executive Director working relationship, and the oversight of certain high–level internal operational matters.

The Board Executive Committee shall:

- Board of Trustees Functioning: Oversee the functioning of the Board of Trustees by coordinating the work of the other Board Committees; keep the State Bar Mission Statement updated; set Board Member performance standards; monitor Board Member performance; perform the annual Board Assessment; and maintain and update the Trustee Skills Matrix to assist the Board and appointing authorities in Trustee and officer selection and development.
- Volunteer Management/Coordination: Nominate and appoint members to serve on State Bar sub-entities and external entities; provide adequate public notice of appointment opportunities to ensure a well-qualified and diverse field of applicants; and ensure that all volunteers appointed to serve on State Bar sub-entities are provided uniform orientation on the State Bar mission, program areas, structure and fiscal/administrative policies as well as specific training on the role and responsibilities of the sub-entity on which the volunteer has been appointed to serve.
- Board of Trustees Recruitment: Inform the legal community about the work of the Board and fashion and execute strategies that encourage qualified and diverse candidates to join the Board.
- Trustee Orientation and Development: Develop and oversee execution of a formal Board member capacity building program to ensure that each incoming group of Trustees receives timely training on all significant aspects of the State Bar, the elements of which may include:
 - On-boarding orientation about the State Bar, its governance structure and the Trustees' role and responsibilities.
 - Discipline Day and Admissions Day.

- Ongoing continuing education and training pursuant to a cyclical training calendar.
 - A mentoring program pairing new members with senior Board members.
- Secretary Oversight: Oversee the Board Secretary function.
- Executive Director Evaluation: Ensure that the Executive Director/Chief Executive Officer position description is updated as necessary to reflect changing State Bar needs, priorities, and circumstances; annually negotiate Executive Director performance targets and annually or semi-annually evaluate progress in achieving these targets in coordination with the President's performance management duties set forth in Tab 2.3, Article 2, Section 2.
- Litigation Oversight: Address legal issues that have typically come before the former Legal Committee, recommending Board action as appropriate; and provide oversight of litigation involving the State Bar.
- Operational Responsibilities: Address 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, responding to governmental inquiries and other matters such as fee bill negotiations), recommending Board action as appropriate.
- Delegation of Authority: Take action on behalf of the Board when obtaining a quorum of the full Board would not be feasible before it is necessary to take action.
 - Decisions of the Board Executive Committee under this delegation of authority shall be consistent with the goals, values and direction of the Board.
 - The Executive Director, or an authorized staff member, shall report on any action taken under this delegation of authority no later than the next regularly scheduled Board meeting.
- Perform such other functions relevant to the Board Executive Committee's subject area as the Board of Trustees 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, September 2010; Board of Trustees Resolution approving Board Executive Committee Charter, July 2014; Board of Trustees Resolutions, March 13, 2015; November 2016; Board of Trustees Resolution approving the Board Executive Committee Charter, August 2017.)

Article 3

CHARTER FOR FINANCE AND PLANNING COMMITTEE

The Finance and Planning Committee shall develop and lead the Board's participation in all State Bar planning, budget preparation, and program implementation, including examination of financials, strategic planning and governance review.

The Finance and Planning Committee shall:

- Budget and Planning: Consult with the President, Vice President and 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; ensure that the Board participates fully and proactively in the planning process on an ongoing basis; and work with the senior executive team to vet the proposed budget, as well as any mid-year updates and/or proposed changes to the budget, before presentation and recommendation to the Board of Trustees.
- Financial Review: Ensure that the financials are thoroughly examined on a quarterly basis; develop a functional and detailed understanding of the State Bar's revenue streams, expenditures, and overall fiscal conditions and issues in order to be engaged proactively in the budget preparation, development and planning process on an ongoing basis; monitor the State Bar's performance relative to the budget; and ensure that appropriate actions are taken to address any material variances to the budget.

Strategic Planning Session: Coordinate with the President and Vice President the overseeing, preparing for, and hosting the annual strategic planning session.

- Governance Review: Review Board and Board committee functioning; make recommendations to the Board for changes in governance structure to ensure appropriate alignment with State Bar program operations, administrative policy and mission; and ensure incorporation of approved governance recommendations into the State Bar Strategic Plan.
- Oversight: Ensure as part of the annual operational planning/budget preparation process that a department-by-department fiscal review is performed to evaluate budget projections. .
- Perform such other functions relevant to the Finance and Planning Committee's subject area as the Board of Trustees 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, September 2010; Board of Trustees Resolution approving Planning and Budget Committee Charter, July 2014; Board of Trustees Resolution approving the Finance and Planning Committee Charter, August 2017.)

Article 4

CHARTER FOR REGULATION AND DISCIPLINE COMMITTEE

All members of the Board of Trustees are appointed to the Regulation and Discipline Committee, except for any Board members appointed and serving on the Supreme Court's Applicant Evaluation and Nomination Committee.

(Source: California Rules of Court, rule 9.11(a)(2); Board of Trustees Resolution, July 21, 2016; California Rule of Court 9.11; Board of Trustees Resolution, October 2, 2016.)

The Regulation and Discipline Committee is a performance-monitoring and oversight committee. It is accountable for monitoring the operational performance of the State Bar Program Areas identified on the Board Committee Structure Matrix appended to Tab 2.6.

The Regulation and Discipline Committee shall:

- Establish the key elements of a programmatic reporting process, including the content, format, and frequency of performance reports to the Board, and oversee implementation of the process.
- Oversee (as provided by Bus. & Prof. Code, § 6079.5), the work of the Chief Trial Counsel, who reports to and serves under this Board committee.
- Approve any changes to policy-level quality-control measures that apply to the functioning of the State Bar Program Areas under this Board committee's performance-monitoring and oversight authority..
- Review performance reports in committee meetings and report program performance to the full Board.
- Identify and oversee the implementation of needed corrective actions.
- Oversee the preparation of in-depth assessments of program/function effectiveness for presentation at the annual strategic planning session.
- Review internal and external audit reports as they relate to the functions of the Bar under this Board committee's performance-monitoring and oversight authority and oversee implementation of recommendations identified therein.
- Oversee the Annual Discipline Report process and underlying discipline statistics.
- Perform such other functions relevant to the Regulation and Discipline Committee's subject area as the Board of Trustees may from time to time assign.

(Source: Board of Governors Resolution approving the Regulation, Admissions and Discipline Oversight Committee Charter, May 2002; Board of Governors Resolutions July 2009, September 2010; Board of Trustees Resolution approving Regulation and Discipline Committee Charter, July 2014; Board of Trustees Resolutions November 2015, February 1, 2016, October 2, 2016; Board of Trustees Resolution approving the Regulation and Discipline Committee Charter, August 2017.)

Article 5

CHARTER FOR PROGRAMS COMMITTEE

The Programs Committee is a performance-monitoring and oversight committee. It is accountable for monitoring the operational performance of the State Bar Program Areas identified on the Board Committee Structure Matrix appended to Tab 2.6..

The Programs Committee shall:

- Establish the key elements of a programmatic and financial reporting process, including the content, format, and frequency of performance reports to the Board, and oversee implementation of the process.
- Approve any changes to policy-level quality-control measures that apply to the functioning of the State Bar Program Areas under this Board committee's performance-monitoring and oversight authority.
- Review performance reports in committee meetings and report program performance to the full Board.
- Identify and oversee the implementation of needed corrective actions.
- Oversee the preparation of in depth assessments of program/function effectiveness for presentation at the annual strategic planning session.
- Review internal and external audit reports as they relate to the functions of the Bar under this Board committee's performance-monitoring and oversight authority and oversee implementation of recommendations identified therein.
- Perform such other functions relevant to the Programs Committee's subject area as the Board of Trustees 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; Board of Governors Resolutions, September 2005, July 2009, September 2010; Board of Trustees Resolution approving the Admissions and Education Committee Charter, July 2014, September 12, 2016; Board of Trustees Resolution approving the Programs Committee Charter, August 2017.)

Article 6

AUDIT COMMITTEE

The Audit Committee is charged with assisting the Board of Trustees in fulfilling its oversight responsibility as related to the integrity of accounting and financial reporting processes, the system of internal controls, and audit processes. In addition, the Audit Committee is charged with overseeing risk management and compliance efforts. The Audit Committee has a goal of including at least one public member of the Board of Trustees.

The Audit Committee shall:

- Undertake the following responsibilities relating to the annual financial statement audit:
 - 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 Trustees.
 - Evaluate the independence of the external auditors, including their recent or planned future engagement by the State Bar for non-audit services.
 - Review and approve the annual audit scope and the fees of the external auditors.
 - Monitor the progress of the financial statement audit.
 - Evaluate the results, findings and recommendations of the financial statement audit.
 - Ensure that the State Bar's responses to control weaknesses and compliance issues identified in the course of the financial statement audit are appropriate and timely.
 - Serve as a direct communications link between the Board of Trustees and the independent auditor.
 - Monitor the State Bar's implementation of the financial statement audit recommendations, working with staff to identify other compliance initiatives that should be undertaken.
 - Review with the senior executive team and the independent auditor the financial statement audit's results, findings and recommendations, including any difficulties encountered; review with the senior executive team and the independent auditor all matters required to be communicated to the Audit Committee under generally accepted auditing standards.
- Undertake the following responsibilities relating to financial statements:
 - Review significant accounting and reporting issues, including complex or unusual transactions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
 - Review the annual financial statements, and consider whether they are complete, consistent with information known to the Audit Committee members, employ appropriate accounting principles, and appropriately reflect the financial condition of the State Bar.

- Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- Understand how the senior executive team develops interim financial information, and the nature and extent of external auditor involvement.
- Undertake the following responsibilities relating to cybersecurity:
 - Recommend commission of a biennial cybersecurity report, taking into account the recommendation of the Executive Director and the Director of Information Technology, to the full Board of Trustees for approval.
 - Review and approve the biennial cybersecurity report scope and fees.
 - Evaluate the results, findings and recommendations of the biennial cybersecurity report.
 - Ensure that the State Bar's responses to control weaknesses and compliance issues identified in the course of the biennial cybersecurity report process are appropriate and timely.
 - Serve as a direct communications link between the Board of Trustees and cybersecurity experts.
 - Monitor the State Bar's implementation of the cybersecurity report recommendations, working with staff to identify other cybersecurity initiatives that should be undertaken.
 - Review with the senior executive team and cybersecurity experts the results, findings and recommendations in the cybersecurity report, including any difficulties encountered, to ensure the State Bar's vigilance in identifying, analyzing and addressing any and all cybersecurity vulnerabilities on an ongoing and continuous basis.
 - In the interim year between the biennial reports, review with the Director of Information Technology the status of cybersecurity including progress in implementation of corrective measures and identification of any new risks or concerns; ensure that Director of Information Technology's responses to any new risks or concerns are appropriate and timely.
- Review the results of the biennial performance audit conducted by the State Bureau of Audits; and monitor the State Bar's implementation of the financial-related recommendations of the biennial performance audit, working with staff to identify other fiscal and operational initiatives and best practices that should be undertaken.
- Monitor, review and evaluate the effectiveness and adequacy of the State Bar's internal control structure on an ongoing basis:
 - Ensure that the senior executive team performs its duties pursuant to Tab 4.1, Section 10 of the Board Book, which requires that a review of the State Bar's budget and fiscal control policies and procedures be undertaken every five years by an independent consultant.
 - Review and approve the independent consultant review scope and fees.

- Evaluate the results, findings and recommendations of the independent consultant.
- Ensure that the State Bar's responses to control weaknesses and compliance issues identified in the course of the independent consultant review, the annual financial statement audit, the State Auditor's biennial review or any other audit or review are appropriate and timely.
- Serve as a direct communications link between the Board of Trustees and the independent consultant.
- Monitor the implementation of the recommendations, working with staff to identify other internal control initiatives that should be undertaken.
- Meet with the Chief Financial Officer and other members of the senior management team on a biennial basis to:
 - Review and discuss the State Bar's internal control structure, including progress on implementation of the recommendations of the independent consultant and other initiatives undertaken to improve the State Bar's internal control structure.
 - Ensure the State Bar's vigilance in identifying, analyzing and addressing significant internal control structure vulnerabilities on an ongoing and continuous basis.
 - Seek assurances from the senior management team on the effectiveness of risk management practices and controls.
 - Reassess whether the policies and procedures provide for the effective identification, assessment, reporting, monitoring and control of the State Bar's principal risks; if they do not, require that the policies and procedures be updated to address any deficiencies.
- Perform such specific oversight functions as expressly requested by the Board of Trustees.
- Review, on a quarterly basis, reports prepared by the Office of Finance regarding Senior Executives' and Board Members' travel and expense reimbursements.

Access to the Chief Financial Officer: The Chief Financial Officer shall have direct access to the Board of Trustees on all financial matters, and is authorized to meet with the Committee, or if more expedient with the Audit Committee Chair, on the Chief Financial Officer's own initiative or at the request of the Audit Committee Chair, outside the presence of other senior executive team members at Audit Committee meetings; in addition, the Audit Committee shall meet independently with the Chief Financial Officer on a quarterly basis.

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 Audit

Committee might have, relating to the accomplishment of its responsibilities enumerated in this charter.

Limitations on the Role and Responsibility of the Audit Committee:

Oversight Scope Defined: The role and responsibility of the Audit Committee is oversight, not preparation of reports or statements or operation.

- The senior executive team is responsible for preparing the financial statements; responding to governmental and other reports relating to the State Bar; operating the State Bar, including its financial and accounting systems; and assuring compliance with applicable laws and with policies and procedures established by the Board.
- The external auditors are responsible for auditing the financial statements and such other functions as they are specifically engaged to perform.

Reliance on Advisory Information Provided by the Senior Executive Team, Auditors and Others: In carrying out its oversight function, the 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 external auditors. In discharging their duties, the members of the 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.

(Source: Board of Governors Resolutions, October 2004, July 2005; Board of Trustees Resolution, July 2014; Audit Committee Resolution January 16, 2015, ratified by the Board of Trustees May 13, 2016; Board of Trustees Resolution approving the Audit Committee Charter, August 2017.)

Committee		Changes to Role and Structure
Retained	Regulation and Discipline Committee	<ul style="list-style-type: none"> Address problems posed by the RAD Committee's current 'committee of the whole' structure, such as by creating two RAD sub-committees, one to address issues of administrative policy and the other to address operational issues.
	Audit Committee	None
	Executive Committee	<ul style="list-style-type: none"> Transfer responsibility for the appointment process from the SA&A Committee to ExCom. Assign to ExCom responsibility for leadership development, talent management, succession planning, and an annual Board assessment process.
Newly Created	Non-Disciplinary Programs Committee ¹	<ul style="list-style-type: none"> Assign responsibility for planning and oversight of all non-discipline program areas. Assign responsibility for all sub-entities and program areas formerly under the A&E Committee and the SA&A Committee.
	Finance and Planning Committee	<ul style="list-style-type: none"> Assign responsibility for budget oversight and review of financial statements. Assign responsibility for ongoing strategic planning processes.
Eliminated	Planning and Budget Committee	
	Admissions and Education Committee	
	Stakeholder, Access to Justice and Appointments Committee	

¹ The title of this Board Committee may need to be modified, as not all Task Force members agreed it appropriately describes the critical oversight responsibilities to which it is assigned.

Proposed New Board Committee Structure

Board Oversight	Programs Committee			Regulation and Discipline Committee			
Program Area	Admissions/Licensing	Access to Justice	Legal Specialization	Member Records and Compliance	Discipline	Prevention and Remediation	Ethics
Principal Functions	Pre-Admissions <ul style="list-style-type: none">• First Year Law Student Examination☑ Bar Examination• Moral Character	Grants to Legal Services Providers	Certification of Legal Specialists	Maintenance of Attorney Roll	Office of Chief Trial Counsel <ul style="list-style-type: none">• Discipline-Related Attorney<ul style="list-style-type: none">☐ Investigation and Prosecution• Unauthorized Practice of Law<ul style="list-style-type: none">☐ Investigation and Referral for Prosecution• Moral Character Proceedings	Client Security Fund	Formulation of Rules of Professional Conduct
	Certifying Applicants for Admission	Access to Justice Policy and Initiatives		MCLE Provider Certification	Probation Monitoring	Lawyer Assistance Program	Ethics Hotline
	Special Admissions	Diversity and Elimination of Bias		MCLE Compliance Tracking	OCTC Ethics School	Mandatory Fee Arbitration	Ethics Opinions
	Law School Regulation	Evaluation of Judicial Candidates		Certification of Law Corporations and Limited Liability Partnerships	State Bar Court* Hearing and Appellate Review	Client Trust Account School	Ethics Symposium
Sub-Entities	Committee of Bar Examiners	Commission on Access to Justice/Committee on Delivery of Legal Services Legal Services Trust Fund Commission Council on Access and Fairness Commission on Judicial Nominees Evaluation and Review Committee	Board of Legal Specialization			Client Security Fund Commission Lawyer Assistance Program Oversight Committee Committee on Mandatory Fee Arbitration Committee on Professional Liability Insurance	Commission for Revision of the Rules of Professional Conduct Committee on Professional Responsibility and Conduct
Infrastructure	Executive Director's Office, Finance, General Counsel, General Services, Human Resources, Information Technology, Government Affairs						

*The State Bar Court is not subject to direct oversight by the Board of Trustees with respect to its quasi-judicial functions.