

AGENDA

COMMITTEE ON ORGANIZATION AND RULES

Meeting: 3:00 p.m., Tuesday, July 18, 2006
Glenn S. Dumke Auditorium

George G. Gowgani, Chair
Craig Smith, Vice Chair
Jeffrey L. Bleich
Herbert L. Carter
Carol R. Chandler
Debra S. Farar
Ricardo F. Icaza
Melinda Guzman Moore

Consent Items

Approval of Minutes of May 17, 2006

1. Amendment to Trustees' Rules of Procedure, *Action*

**MINUTES OF MEETING OF
COMMITTEE ON ORGANIZATION AND RULES**

**Trustees of The California State University
Glenn S. Dumke Conference Center
401 Golden Shore
Long Beach, California**

May 17, 2006

Members Present

George G. Gowgani, Chair
Debra S. Farar, Vice Chair
Jeffrey L. Bleich
Herbert L. Carter
Carol R. Chandler
Murray L. Galinson, Chair, Board of Trustees
Melinda Guzman Moore
Ricardo F. Icaza
Charles B. Reed, Chancellor
Craig R. Smith

Chair Gowgani called the meeting to order.

Consent Items

Chair Gowgani noted there was one consent item on the agenda, the Approval of Minutes for the May 15, 2006 meeting. There were no comments and the item was approved as submitted.

Chair Gowgani informed the committee that the item, Proposed Schedule of Trustees' Meetings 2007, was presented for action. Chancellor Charles B. Reed asked the committee for the flexibility to conduct one of the proposed meetings on a campus. The Chancellor promised to inform the Trustees of the location in plenty of time to arrange their schedules. Chair Galinson stated that he felt it was important for the Board to visit campuses and to give people in the community a chance to attend a Board meeting.

Chair Gowgani called for a motion for approval of the dates with the provision to allow Chancellor Reed to pick one possible date for the meeting to be held on one of the campuses. The item was approved as submitted.

Adjournment

Chair Gowgani adjourned the meeting.

COMMITTEE ON ORGANIZATION AND RULES

Amendment to Trustees' Rules of Procedure

Presentation By

Christine Helwick
General Counsel

Summary

This item recommends an amendment to the Trustees' Rules of Procedure to permit the Committee on Audit to act independently from the Board.

Background

The current Rules Governing the Board of Trustees of the California State University, IV. § 1. d., describe the function of the Audit Committee as follows:

The Committee on Audit is responsible for the overall audit function within the California State University, including the selection and oversight of the university's external and internal auditor, controls to ensure their independence, annual selection of areas to be audited, review of audit reports and responses, monitoring of internal financial controls, review of annual financial statements, and the budget to support these functions. At least one member of the Committee on Audit must have accounting or financial management experience.

The *Rules* do not capture what is best practice, and has long been the practice of this Board that the Committee on Audit, like the Committee on Collective Bargaining, acts independently from the Board. This item amends the Rules to make clear that practice.

This item was presented for information at the March Board of Trustees' meeting and is now being presented for action.

The following resolution is recommended:

RESOLVED, By the Board of Trustees of the California State University, that the Rules Governing the Board of Trustees of the California State University, IV. § 1. d., be amended as follows [new language in italics]:

The Committee on Audit is responsible for the overall audit function within the California State University, *and has the authority to act on behalf of the Board of Trustees on all matters*, including the selection and oversight of the university's external and internal auditor, controls to ensure their independence, annual selection of areas to be audited, review of audit reports and responses, monitoring of internal financial controls, review of annual financial statements, and the budget to support these functions. At least one member of the Committee on Audit must have accounting or financial management experience.