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Approved

Office of the Secretary and Chief of Staff to The Regents
May 15, 2008

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

AMENDMENT OF BYLAWS 10.1 (STANDING COMMITTEES); 10.4 (EX OFFICIO MEMBERS); 12.1 (RESPONSIBILITIES OF THE COMMITTEE ON AUDIT; AND 21.5 (DUTIES AND RESPONSIBILITIES OF THE SENIOR VICE PRESIDENT-CHIEF COMPLIANCE AND AUDIT OFFICER)

At the March 20, 2008 meeting of The Regents of the University of California, Regent Gould served notice that at the next regular meeting he would move amendment of Bylaws 10.1, 10.4, 12.1, 21.5 as shown below:

Deletions shown by strike out, additions by underscore

BYLAW 10.

COMMITTEES OF THE BOARD OF REGENTS

10.1 Standing Committees.

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(b) The following shall be the Standing Committees of the Board:

Committee on Compliance and Audit
Committee on Compensation
Committee on Educational Policy
Committee on Finance
Committee on Governance
Committee on Grounds and Buildings
Committee on Health Services
Committee on Investments
Committee on Long Range Planning
Committee on Oversight of the Department of Energy Laboratories

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10.4 Ex Officio Members.

The President of the Corporation, the Chairman of the Board or in the Chairman's absence the Vice Chairman of the Board, the former Chairman of the Board for the year immediately following a term of office as Chairman provided that the former Chairman is still a Regent, and

the President of the University shall be ex officio members of all Standing Committees, of all Special Committees, and of all subcommittees, except that the President of the University shall not be a member of the Committee on Compliance and Audit or of Special Committees concerned with the selection of a President of the University.

The Chairman of each Committee shall be an ex officio member of each subcommittee of that Committee.

The Regents' representatives to the California Postsecondary Education Commission and the State Superintendent of Public Instruction shall be ex officio members of the Committee on Educational Policy.

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BYLAW 12.

RESPONSIBILITIES OF STANDING COMMITTEES

12.1 Committee on Compliance and Audit.

The Committee on Compliance and Audit shall:

(a) Advise the Board of Regents regarding the Board's responsibilities to oversee:

- (1) the quality and integrity of the University's compliance with legal, regulatory and policy requirements, financial reporting and financial statements, and compliance with legal and regulatory requirements internal controls related to risks;
- (2) the ~~performance, functions and function~~, disclosures ~~of~~, and performance of corporate compliance, internal control, and risk management systems regarding ethics and compliance, risk, finance, and accounting, ~~compliance and ethics (including sexual harassment, discrimination, and conflicts of interest)~~, and assure and the adequacy of such systems, ~~policies, procedures and practices~~ throughout the University; and
- (3) the independent certified public accountant's qualifications and, independence, and the performance as well as performance of the internal audit function and independent certified public accountant.

(b) Meet at least four times a year.

(c) ~~Monitor the University's system of internal controls and the adequacy of the accounting, financial, and operational policies and practices related to financial,~~

- ~~accounting, and compliance and ethics reporting.~~(d) — Review the annual internal audit plan and ~~discuss the extent that to which~~ it addresses high risk areas ~~with the University Auditor and management.~~
- (e) (d) Review the annual report ~~on the accomplishments~~ of the internal audit department and discuss significant issues of internal ~~control and compliance~~ controls with the University Auditor and management.
- (f) (e) Discuss the planned scope of the annual independent audit ~~and other engagements~~ with the independent certified public accountants and review the results of the audit ~~and other engagements~~ with the independent certified public accountants and management.
- (g) (f) Receive and review the annual financial report with the independent certified public accountants and management.
- (h) (g) After considering the recommendations of management, recommend to the Board the certified public accountants to serve as independent auditor and the scope of their annual audit, and approve any services other than audit and audit related services provided by the certified public accountants.
- (i) (h) Have the power, through its chair or a majority vote of the Committee members, to request management to address specific issues within the mandate of the Committee and have the authority to engage independent counsel and other advisors to carry out its duties.
- (j) — ~~Assure that the internal audit function reviews and examines policies and procedures in a comprehensive manner to assure that all facets of the University are undertaking such implementation in a clear, consistent, and effective manner.~~
- (k) — ~~Approve~~ (i) Provide recommendations to the Board regarding approval of the corporate compliance program model and the internal audit mission statement, the committee charter, and other governance documents related to both internal and external compliance and auditing activities in the University.

BYLAW 21.

DUTIES AND RESPONSIBILITIES OF OFFICERS OF THE CORPORATION

21.5 Senior Vice President–Chief Compliance and Audit Officer.

The Senior Vice President–Chief Compliance and Audit Officer shall develop and maintain the University’s Corporate Ethics and Compliance Program and Audit Programs, functioning as an independent and objective office that reviews and evaluates compliance and audit issues and concerns within the University. This position will monitor and report as to the Board itself, the administration, faculty, and employees on compliance with rules and regulations of regulatory agencies, University policies and procedures, and the University’s Statement of Ethical Values and Standards of Ethical Conduct. This position is authorized to implement all necessary actions to ensure achievement of the objectives of an effective, accountable ethics and compliance program and audit programs.