

## Basic Principles of Management for the Peralta Community College District

1. By widely accepted principles of management, authority can be delegated but accountability cannot. Delegations to the Chief Executive Officer provide the Chancellor with the commensurate authority and resources to implement all policies that fall under his cognizance. He is accountable to the Board for the success or failure to effectively achieve the standards established by the Board and to effectively pursue the promulgated goals and objectives. The Board is held accountable to the electorate of the six cities in our District; the State Board of Trustees; the State Chancellor; the Governor; and the Judiciary of the United States and the State of California. Accountability for performance, at all levels, is limited to the degree to which authority has been provided and the degree to which funding resources have been made available. The Board of Directors does not delegate authority for the final approval of the Budget and therefore are instrumental in the definition of performance levels through the allocation of resources.
2. The same delegation of authority and relationship to accountability cascades down the organizational chain of command (e.g., Chancellor to College Presidents; College Presidents to the Vice Presidents; etc.)
3. Our Board has been formally criticized for interfering in the role of policy implementation and day-to-day operations. When one level in an organization intervenes at a lower level, a disruption occurs between the authority and accountability (i.e., you can longer, legally or ethically, hold the manager at the lower level accountable for achieving standards and goals established for that level). A repetitive and broad scale incidence of interference leads to management by chaos; a reactive process where crisis management is the dominant theme; and where the process to implement policy, maintain standards, and pursue goals and objectives are overshadowed and camouflaged.
4. By the same token, we all recognize that the Board is accountable for the operation and performance of all aspects of the District; that performance standards need be established or mandated ones recognized; that goals and objectives must be established or mandated ones recognized; and that the operation must be effectively monitored to ensure compliance on an ongoing basis. The Board must require that management control systems are put in place and management information systems structured to ensure that the Board is fully informed with respect to policy implementation and on-going performance.

5. We currently have six Standing Committees of the Board, with up to three Trustees assigned to each. The three Trustees will be a resource for the Board in terms of the specific focus areas involved. The committees should be a set of more intensive eyes and ears in terms of identifying issues, problems and opportunities with respect to policy formulation and implementation. They should be an important element in carrying out our role as Trustees. *However, the Committees of the Board and individual Trustees are not empowered to issue orders; define policy; define policy implementers; nor commit anything to any internal or external party on behalf of the Board of Directors, the District or any sub-element of the District.*
6. All of the above applies to the General Counsel and an Inspector General.
7. The methodology for holding various levels of the organization accountable must be a formalized and codified process and in conformance to provisions of the applicable laws. The expectations for performance must be defined through a negotiation process between the parties and mutually agreed upon for specified periods of time. For example, the committee assigned to evaluate the performance of the Chancellor must negotiate and reach a mutually agreed upon set of standards of performance and goals and objectives to recommend for approval to the full Board of Trustees. The evaluation must be based upon, and limited to, this agreement. A similar process must be followed for the General Counsel and the Inspector General. The evaluations must be held at least annually. The performance agreements must be considered "living documents" and subject to formal modifications when called for by changing circumstances (i.e., funding resources, staffing, etc.).
8. The performance agreements and all evaluations must be considered *Confidential* and all details limited to Closed Session discussions and disseminations.
9. The performance agreements, and subsequent evaluations, throughout the entire Peralta Community College District, must be visible to the higher levels in the chain of authority. For example, one hundred percent of the agreements and evaluations throughout the District would be available for monitoring by the Board of Trustees. The CEO would have visibility and monitoring authority for all performance agreements and subsequent evaluations for the entire organization under his cognizance.

# **CHARTER FOR THE POLICY COMMITTEE OF THE PERALTA COMMUNITY COLLEGE DISTRICT**

## **MISSION STATEMENT**

The Policy Committee shall assist the Board of Trustees with respect to the codification and institutionalization of Board policy; ensure that the Board Policy Manual, as the legal frame of reference for all policies approved by the Board, is up-to-date and in conformance with the official intent of the Full Board; initiate proposed modifications, additions or deletions to the Policy Manual to the full Board; incorporate policies approved by the Board into the Policy Manual, in a manner consistent with the approved cataloging techniques and language; and ensure that a proper audit trail exists between Board action and the policies reflected in the manual.

## **ROLES AND RESPONSIBILITIES**

The Committee, as the official custodian of the Board Policy Manual, shall be the sole conduit for all formal modifications, additions or deletions.

The Committee shall:

- A. Formally review the entire existing Board Policy Manual to ensure that it is up-to-date with respect to the laws, regulations and directives of higher authority; consistent with existing behavior and practices of the Board and the District; consistent with official policies approved by the Board; provides for a continuous flow of policy that does not contain gaps, conflicts, or redundancy; and definitive and unambiguous, in terms of language, to ensure that a group of "reasonable people" would arrive at a common interpretation of the stated policy.
- B. Forward all proposed changes to the Board Policy Manual to the Full Board for approval, in formal context and language.
- C. Review the agenda and minutes of all Board meetings, on a continuous basis, to formally identify all new policies or modification to existing policies, such that, for example, the second Board meeting in September and the first Board meeting in October would be reviewed for action items at the Policy Committee meeting for the month of October, with a goal of having a formal submittal to the full Board by the month of December.

- D. Regularly meet for approximately two hours at 3 PM on the Thursday following the second Board Meeting of each month, from September through July.
- a. The District General Counsel and the assistant to the Chancellor, Beth Weyand, will provide the staff support for the Committee.
  - b. All meetings will be posted and conducted in accordance with the Sunshine laws of the State of California.
  - c. Additional meetings may be called, including closed sessions, when circumstances so dictate.
  - d. Minutes of each session shall be prepared, approved at the following meeting, and retained in accordance with District retention policy.
  - e. A majority of the Committee of three Trustees shall constitute a quorum for the transaction of business at any meeting thereof, and the act of a majority of the members of the Committee present at any meeting at which a quorum is present shall be the act of the Committee.

# CHARTER FOR THE AUDIT AND FINANCE COMMITTEE OF THE PERALTA COMMUNITY COLLEGE DISTRICT

## MISSION STATEMENT

The Audit and Finance Committee shall assist the Board of Trustees in fulfilling its oversight responsibility with respect to the financial reporting process and integrity of the District's financial statements; the development of the annual budgets that are realistic in scope and content and understandable to all interested parties; the systems of internal control; the performance of the District's independent auditors and internal audit function; the independent auditors' qualifications and independence; and the District's compliance with legal and regulatory requirements. The Committee shall take all appropriate actions to set the overall District tone for quality financial reporting, sound business risk practices, and ethical behavior. The Committee will pursue a goal to achieve the best financial operations when compared to other Community College Districts.

## ROLES AND RESPONSIBILITIES

The Committee shall report to the full Board of Trustees on matters requiring its attention and recommend action based on the Committee's review and evaluation of budgeting, accounting, audit and financial reporting issues, on the basis of oversight of the District's systems of internal controls and preparation of financial statements. *It is not the responsibility or duty of the Committee to plan or conduct audits or to determine that the District's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. Management is responsible for the preparation, presentation, and integrity of the District's financial statements and for the appropriateness of the accounting principles and reporting policies used by the District. The independent auditors are responsible for auditing the District financial statements.*

The Committee shall:

- A. Review and evaluate the budget development process for content and presentation methodology prior to submittal to the full Board for approval.
- B. Review and evaluate all interim reports on budget execution and status.
- C. Recommend the appointment of the external auditors, considering the recommendation of the Vice Chancellor for Financial Affairs/Chief Financial Officer, for approval by the full Board of Trustees.

- a. Review and evaluate the annual audit scope and fees of the external auditors.
  - b. Evaluate the independence of the external auditors.
  - c. Evaluate the report of the external auditors regarding the results of the annual audit, including but not limited to:
    - i. The audited financial statements and management letter of recommendations.
    - ii. The adequacy of the District's system of internal controls.
    - iii. Management cooperation with the external auditors.
    - iv. The adequacy of the District's accounting policies and practices, including the level of compliance with governmental regulations, recent professional pronouncements and their impact on the financial statements.
- D. Confirm with management and the independent auditor that the annual financial statements disclose all material off-balance sheet transactions, arrangements, obligations, and other relationships of the District with unconsolidated entities or other persons that may have a material current or future effect on the financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses.
- E. Recommend the establishment of a position of Inspector General to the full Board of Trustees to assume responsibility for internal audit of both financial and operational functions, with the Audit and Finance Committee as the initial point of contact.
- a. Review applicants that have survived the appropriate review processes of the District and recommend an appointment.
  - b. Review and evaluate the performance of the Inspector General on a periodic and scheduled basis.
  - c. Review and evaluate the results of major operational or compliance audits and make appropriate recommendations to the full Board of Trustees with respect to the findings involved.
  - d. Review the scope of audit coverage and the applicable schedules.
- F. Establish procedures for the receipt, retention and treatment of complaints or concerns received by the District regarding accounting, internal accounting controls or auditing matters, including confidential, anonymous submissions from employees.
- G. Regularly meet for approximately two hours at 5 PM on the Thursday following the second Tuesday of each month from September through July.
- a. The Vice Chancellor for Financial Affairs will provide the staff support for the Committee.