

## **2024-030 State Bar Audit Scope and Objectives**

This audit is mandated by Business and Professions Code section 6145 and Government Code section 8546.1, which requires the State Auditor to conduct a performance audit of the State Bar's operations. The State Auditor has developed the following objectives to guide the performance of this audit. Consistent with generally accepted government auditing standards, the State Auditor may refine or adjust these objectives as work is performed if he determines such changes are necessary.

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Identify the State Bar's annual expenditures, sources of revenue, and any excess spending over revenues (budget deficit) for calendar years 2022, 2023, and 2024. Determine how it allocates funds to further its core mission objective of protecting the public.
  - a. Identify and evaluate the cost-saving measures the State Bar recently achieved to address its budget deficit and its plan for addressing any remaining potential savings.
  - b. Determine how the State Bar uses funds from its mandatory fees and the effectiveness of its collection efforts.
  - c. Identify the amount of law school oversight fees collected by the State Bar during calendar years 2022 and 2023 and evaluate how the fee amounts were determined. Assess how the law school oversight fees collected from state law schools are used and whether they align with the costs for administering the oversight program.
3. Determine whether the State Bar's current disciplinary processes have helped it to reduce its disciplinary complaint and case backlog and whether its processes has resulted in a more timely resolution of complaints and cases. For a selection of complaints and cases, review trends in the processing time during calendar years 2022, 2023 and 2024, and identify reasons for excessive delays, if any.
4. To the extent possible, for a selection of California law schools that have had their accreditation revoked or closed during the last 10 years, determine the reasons for the revocation and closure. In addition, perform the following review:
  - a. Assess whether the State Bar dedicates sufficient resources to assist law schools with accreditation.
  - b. Determine how many of the law schools that closed or lost their accreditation and identify the demographics of their student populations.
  - c. Determine whether the State Bar has policies that promote enrollment of students from demographically and socioeconomically diverse backgrounds and how this population has changed during the past 10 years.

5. Review and assess the State Bar's responses to the recommendations from our most recent audits.