

**Table 18**  
**The State Bar Has Fully Implemented Most of Our Recommendations from Past Audits**

REPORT NO.	REC. NO.	TEXT OF RECOMMENDATION	AUDITOR CONCLUSION (as of December 2024)
2022-030	4	To ensure that it fulfills its duties to investigate attorney misconduct, by April 2023, the State Bar should begin monitoring compliance with its new policy for identifying the circumstances in which investigators should continue to investigate even if the complainant withdraws the complaint.	The State Bar has <b>fully implemented</b> the recommendation by monitoring and identifying the circumstances in which investigators should continue to investigate even if the complainant withdraws the complaint. The State Bar conducts audits of closed cases that includes a requirement that auditors ensure that the final disposition of the case complies with all applicable office policies, procedures and disciplinary standards, and case law. All relevant OCTC office policies and procedures are provided to the auditors to use and reference in their work.
2022-030	8	To improve its ability to identify and prevent conflicts of interest that its staff may have with attorneys who are subjects of complaints, the State Bar should develop a process by July 2022 for monitoring the accuracy of the information in its case management system used to flag attorneys with whom its staff have declared a conflict of interest.	The State Bar has <b>fully implemented</b> the recommendation by developing a process for monitoring the accuracy of the information in its case management system used to flag attorneys with whom its staff have declared a conflict of interest. Specifically, staff in the Office of Research and Statistics are now required to run a weekly conflict check report for OCTC to ensure staff are regularly checking and inputting conflicts into the system.
2022-030	13	To ensure that it appropriately reviews complaints involving overdrafts and alleged misappropriations from client trust accounts, the State Bar should by July 2022, revise its intake manual to disallow de minimis closures if the attorney has a pending or prior bank reportable action or case alleging a client trust account violation.	The State Bar has <b>fully implemented</b> this recommendation by updating its case processing Intake Manual. Specifically, the manual disallows de minimis closures of a case against an attorney if the attorney has a pending or prior bank reportable action or case alleging a client trust account violation in the last two years preceding a current open case.
2022-030	14	To ensure that it appropriately reviews complaints involving overdrafts and alleged misappropriations from client trust accounts the State Bar should, by July 2022, establish a monitoring system to ensure staff are following its policies for de minimis closures.	The State Bar has <b>fully implemented</b> this recommendation. Specifically, the State Bar in December 2024 codified a policy with procedures that staff must follow for de minimis closures. The State Bar monitors compliance with all Office of Chief Trial Counsel policies, which now includes this new policy, through a random external audit of closed cases.
2022-030	15	To ensure that it appropriately reviews complaints involving overdrafts and alleged misappropriations from client trust accounts, by July 2022 the State Bar should, when investigating client trust account-related cases and bank reportable actions not closed de minimis, require its staff to obtain both the bank statements and the attorney's contemporaneous reconciliations of the client trust account, and determine if the relevant transactions are appropriate.	The State Bar has <b>fully implemented</b> this recommendation. Specifically, the State Bar in December 2024 codified a policy with procedures that require staff to request bank records and the attorney's recent reconciliations for the account in question. The State Bar monitors compliance with all Office of Chief Trial Counsel policies, which now includes this new policy, through a random external audit of closed cases.
2022-031	4	By October 2023, the State Bar should identify any service fees that do not fully cover the costs of providing the services. The State Bar should increase the fees it has identified to the amount necessary to recoup its costs unless it determines that doing so would limit the public's access to the services. It should also identify any service fees that have not been updated in five years or more and assess whether they should be updated. The State Bar should then determine the effect that the increased service fees will have on the amount of mandatory licensing fee revenue that it needs.	The State Bar has <b>fully implemented</b> this recommendation. Specifically, the State Bar completed its review of its two remaining fees for service and has proposed or implemented increases of those fees to more closely match the costs for providing the related services.

continued on next page ...

REPORT NO.	REC. NO.	TEXT OF RECOMMENDATION	AUDITOR CONCLUSION <i>(as of December 2024)</i>
2020-030	5	To ensure that it is operating efficiently, the State Bar should assess the impact of its discipline system reorganization, including determining how the changes have affected its ability to efficiently resolve cases and fulfill its mandate to protect the public. Based on the assessment's results, the State Bar should determine whether additional changes to its organizational structure are warranted.	<b>Pending</b> In its April 2024 report to the Legislature about the status of its case processing standards, which the State Bar described as support of its implementation of our recommendation, the State Bar described that the organizational changes were relatively recent and it is too early to assess the impact of the changes on case processing efficiency. In that report, the State Bar asserts it will begin to assess the impact on efficiency in the future, and we look forward to reviewing that assessment.
2020-030	6	To determine if the changes to its discipline process have been effective and to help it identify problems in specific phases of its process before they affect the backlog, the State Bar should implement methods to monitor its enforcement process performance, including comparing the trial counsel staff's performance against its benchmarks.	The State Bar has <b>fully implemented</b> this recommendation. Specifically, the State Bar now uses dashboards to monitor OCTC staff performance and compare case processes to relevant benchmarks.
2020-030	8	To reduce its backlog of discipline cases and ensure that it has appropriately allocated resources to all phases of its discipline process, the State Bar should determine the staffing level necessary to achieve the goal it develops and recommends, as required by state law.	The State Bar has <b>fully implemented</b> this recommendation. In an April 2024 report to the Legislature, the State Bar detailed the additional staff positions it would need to address the case backlog and achieve the proposed case processing standards.
2020-030	9	To reduce its backlog of discipline cases and ensure that it has appropriately allocated resources to all phases of its discipline process, the State Bar should work with the Legislature to establish the backlog measure and goal it develops and recommends, and to revise its reporting requirements accordingly. If necessary, the State Bar should also request the additional resources required to meet the goal.	The State Bar has <b>fully implemented</b> this recommendation. In 2022 the State Bar submitted a proposal to the Legislature on case processing standards it could adopt, in accordance with SB211. In April 2024, the State Bar submitted a licensing fee increase request, which included a request for additional funding that would add positions for work associated with addressing OCTC's case backlog and to achieve the proposed case processing standards.

Source: Auditor analysis, previous audit reports, and the State Bar's responses.

Note: The State Bar's response to the conclusions above is provided in full on the California State Auditor's [website](#).