Audit Objectives and the Methods Used to Address Them

	AUDIT OBJECTIVE	METHOD
1	Review and evaluate the laws, rules, and regulations significant to the audit objectives.	Reviewed relevant laws, rules, and regulations applicable to the State Bar.
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.	• Used the State Bar's audited financial statements, adopted budgets, projections, and internal financial documentation to identify its annual expenditures, revenue sources, and fund-specific deficits. • Used the State Bar's financial data to determine how the State Bar spent its resources in the areas identified in its mission statement.
	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.	• Used the State Bar's adopted budgets, projections, and internal financial documentation to identify cost-savings measures the State Bar implemented. • To the extent possible, evaluated the cost-savings measures for any actual costs saved.
	b. Determine how the State Bar uses funds from its mandatory fees and the effectiveness of its collection efforts.	• Reviewed the State Bar's internal financial records to determine what expenses the mandatory fees supported in the general fund. • Reviewed State Bar billing and collection data to determine whether the current fee billing process is effective, and found that the State Bar's collection rate was 98 percent in 2022 and 2023.
	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.	• Reviewed the State Bar's internal financial records to identify the amount of fees collected for law school oversight and related expenses for 2022 and 2023. Reviewed the State Bar's projected revenue to identify the amount of fees expected in 2024. • Compared the actual revenue to the actual expenses of the State Bar's law school oversight program to determine whether the fees align with the costs in 2022 and 2023. Compared the projected revenue to the projected expenses of the program to determine whether the fees are expected to align with the costs in 2024. • Interviewed staff and reviewed Board of Trustees' and Committee of Bar Examiners' meetings and minutes to determine how the law school fee amounts were determined.
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.	• Interviewed OCTC staff; reviewed and documented OCTC's current disciplinary processes. • Obtained case data and compared case processing times from the last 3 years, including cases from 2024, to determine whether case processing times have improved.
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:	• Identified California law schools whose accreditation was revoked or that closed during the last 10 years; determined the reasons for revocations and closures. • We found that four schools had their accreditation revoked in the last 10 years because of noncompliance with State Bar Rules and Guidelines, specifically with minimum bar passage rates.
	a. Assess whether the State Bar dedicates sufficient resources to assist law schools with accreditation.	Interviewed State Bar staff and reviewed State Bar resources to determine whether the State Bar dedicates sufficient resources to assist law schools with accreditation.
	b. Determine how many law schools closed or lost their accreditation and identify the demographics of their student populations.	Reviewed racial demographic data and enrollment data from all law schools in California from 2013 through 2023, including schools that closed or lost accreditation, and identified trends.
	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.	Interviewed State Bar staff and reviewed State Bar policies and resources to determine whether the State Bar has policies that promote law school enrollment of students from demographically and socioeconomically diverse backgrounds.

	AUDIT OBJECTIVE	METHOD
5	Review and assess the State Bar's responses to the recommendations from our most recent audits.	Reviewed open recommendations to the State Bar from audit reports 2022-031, 2022-030, and 2020-030 and evaluated the State Bar's 2024 updated response to those recommendations.

Source: Audit workpapers.