

# **OPEN SESSION**

## **AGENDA ITEM III.B**

### **JANUARY 2018**

**DATE:** January 25, 2018

**TO:** Members, Audit Committee  
Members, Board of Trustees

**FROM:** Kevin Harper, Interim Chief Financial Officer

**SUBJECT:** Adoption of Annual Work Plan for the Audit Committee

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#### **EXECUTIVE SUMMARY**

State Bar staff recommends that the Audit Committee adopt the Annual Work Plan for 2017-18.

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#### **BACKGROUND**

Annual Work Plans provide guidance and accountability for Board Committees and Bar staff. The Work Plans for 2017-18 have been re-designed to summarize the issues that Board Committees plan to address; establish timelines for bringing these to Committees and the Board, and; clarify the relationship between the activities of the Committees and the State Bar's Strategic Plan.

#### **DISCUSSION**

The Work Plan for the Audit Committee (Committee) was developed by the Chair and Vice-Chair of the Committee with the support of State Bar staff. The plan reflects on-going items that are reviewed periodically by the Committee and issues that are time-limited. Time-limited items may be accomplished within the 2017-18 period or at some point beyond the term of the current Committee.

#### **FISCAL/PERSONNEL IMPACT**

None.

#### **RULE AMENDMENTS**

Not Applicable.

## **BOARD BOOK IMPACT**

Charters for Board Committees will be revised in the future to require the adoption of Annual Work Plans and the submission of the Plans to the Executive Committee for review.

## **STRATEGIC PLAN GOALS & OBJECTIVES 2017-2022**

Goal: 1. Successfully transition to the “new State Bar”— an agency focused on public protection, regulating the legal profession, and promoting access to justice.

Objective: c. Implement and pursue governance, composition, and operations reforms needed to ensure that the Board’s structure and processes optimally align with the State Bar’s public protection mission.

## **RECOMMENDATION**

Staff recommends that the Audit Committee approve the following resolution:

**RESOLVED**, that the Audit Committee adopts the Annual Work Plan for 2017-18.

## **ATTACHMENT(S) LIST**

**A.** 2017-2018 Work Plan - REVISED

State Bar of California  
AUDIT COMMITTEE

2017-18 Work Plan

Annual/Recurring Items	To Committee? / By When?	To Board? / By When?	Link to Strategic Plan
<ul style="list-style-type: none"> <li>Cybersecurity Assessment (Every 2 years):               <ul style="list-style-type: none"> <li>Approve scope and fees</li> <li>Monitor progress</li> <li>Evaluate findings and recommendations</li> <li>Monitor implementation of corrective actions</li> <li>Review status of cybersecurity with staff (in years with no assessment)</li> </ul> </li> </ul>	Previously done Ongoing Jan 2018 Ongoing 2019	NA As Needed March 2018 As Needed As Needed	Goal 3.f.
<ul style="list-style-type: none"> <li>Review quarterly Travel Expense Reports</li> </ul>	11/17; 01/18; 05/18; 07/18, 11/18	As Needed	Core Business Operations
<ul style="list-style-type: none"> <li>ORIA Performance Audits (Ongoing):               <ul style="list-style-type: none"> <li>Review scope of audits</li> <li>Monitor progress</li> <li>Evaluate findings and recommendations</li> <li>Monitor implementation of corrective actions</li> </ul> </li> </ul>	Planning Stage	Planning Stage	Goal 3.e.
<ul style="list-style-type: none"> <li>State Auditor's Audit (Every 2 years):               <ul style="list-style-type: none"> <li>Monitor progress</li> <li>Evaluate findings and recommendations</li> <li>Monitor implementation of corrective actions</li> </ul> </li> </ul>	Expected 2019	Unknown	Core Business Operations
<ul style="list-style-type: none"> <li>Annual Financial Statement Audit (Every Year):               <ul style="list-style-type: none"> <li>Approve scope, meet with auditor, assess independence</li> <li>Monitor progress</li> <li>Review audited financial statements</li> <li>Evaluate findings and recommendations</li> <li>Monitor implementation of corrective actions</li> </ul> </li> </ul>	December 2017 Ongoing March 2018 Ongoing Ongoing	NA As Needed May 2018 Needed Needed	Core Business Operations

State Bar of California  
AUDIT COMMITTEE

2017-18 Work Plan

<ul style="list-style-type: none"> <li>Internal Control Audit (Every 5 years):           <ul style="list-style-type: none"> <li>Approve scope and fees</li> <li>Monitor progress</li> <li>Evaluate findings and recommendations</li> <li>Monitor implementation of corrective actions</li> <li>Assess management oversight of controls (Every 2 years)</li> </ul> </li> </ul>	Previously done Ongoing Jan 2018 Ongoing Ongoing	NA Needed March 2018 Needed Needed	Core Business Operations
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Time-Limited Items	To Committee? / By When?	To Board? / By When?	Link to Strategic Plan
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