

OPEN SESSION AGENDA ITEM

SEPTEMBER 2018 AUDIT COMMITTEE ITEM III.E.

DATE: September 13, 2018

TO: **Members, Audit Committee**

FROM: John F. Adams, Chief Financial Officer

SUBJECT: **Audit Committee Work Plan Review**

EXECUTIVE SUMMARY

This agenda item presents the Audit Committee 2017-18 Work Plan and reviews the accomplishments of the previous year.

BACKGROUND

To strengthen the Board committee process, each Board committee, with staff assistance, has developed a work plan summarizing the annual, recurring and time-limited items to be undertaken, the strategic goal(s) and objective(s) furthered by each item and an estimated timeline for the completion of this work.

Work Plans for the 2017-18 Board year were developed in the fall of 2017 and approved by the Board Executive Committee in January, 2018. At that time, however, no process was established for review of the work plans. Nor was consideration given to ensuring the alignment of the work plans with the Board's larger strategic planning efforts.

DISCUSSION

This item is intended as a discussion item for the Audit Committee and to alert the members to a proposal before the Board Executive Committee to modify the process of developing Committee Work Plans.

Attached is the Work Plan developed by the Committee in 2017 and approved by the Board Executive Committee. Members are encouraged to provide input regarding how the work plan can be improved in the future and better used to guide the work of the Committee and advance the Strategic Plan of the Bar.

FISCAL/PERSONNEL IMPACT

None

RULE AMENDMENTS

None

BOARD BOOK AMENDMENTS

None

STRATEGIC PLAN GOALS & OBJECTIVES

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

None

ATTACHMENT(S) LIST

A. Audit Committee Work Plan

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	Status
<ul style="list-style-type: none"> Cybersecurity Assessment (Every 2 years): <ul style="list-style-type: none"> Approve scope and fees Monitor progress Evaluate findings and recommendations Monitor implementation of corrective actions Review status of cybersecurity with staff (in years with no assessment) 	Previously done Ongoing March 2018 Ongoing 2019	NA As Needed March 2018 As Needed As Needed	Goal 3.f.	Assessment Completed Dec 2017. 44 Recs. Ongoing Monitoring
<ul style="list-style-type: none"> Review quarterly Travel Expense Reports 	11/17; 03/18; 05/18; 07/18, 11/18	As Needed	Core Business Operations	Completed Each Qtr. Ongoing
<ul style="list-style-type: none"> ORIA Performance Audits (Ongoing): <ul style="list-style-type: none"> Review scope of audits Monitor progress Evaluate findings and recommendations Monitor implementation of corrective actions 	Planning Stage	Planning Stage	Goal 3.e.	Ongoing. Staff Update At 9/2018 Committee Meeting
<ul style="list-style-type: none"> State Auditor's Audit (Every 2 years): <ul style="list-style-type: none"> Monitor progress Evaluate findings and recommendations Monitor implementation of corrective actions 	Expected 2019	Unknown	Core Business Operations	Expected to Start 10/2018
<ul style="list-style-type: none"> Annual Financial Statement Audit (Every Year): <ul style="list-style-type: none"> Approve scope, meet with auditor, assess independence Monitor progress Review audited financial statements Evaluate findings and recommendations Monitor implementation of corrective actions 	January 2018 Ongoing March 2018 Ongoing Ongoing	NA As Needed May 2018 Needed Needed	Core Business Operations	Completed FYE 2017 FYE 2018 Audit kickoff 10/2018

State Bar of California
AUDIT COMMITTEE

2017-18 Work Plan

Time-Limited Items	To Committee? / By When?	To Board? / By When?	Link to Strategic Plan	Status
<ul style="list-style-type: none"> Internal Control Audit (Every 5 years): <ul style="list-style-type: none"> Approve scope and fees Monitor progress Evaluate findings and recommendations Monitor implementation of corrective actions Assess management oversight of controls (Every 2 years) 	Previously done Ongoing March 2018 Ongoing Ongoing	NA Needed March 2018 Needed Needed	Core Business Operations	Completed March 2018 77 Recs. Ongoing Monitoring

Time-Limited Items	To Committee? / By When?	To Board? / By When?	Link to Strategic Plan	Status
<ul style="list-style-type: none"> Select financial auditor for 2018 – 2020 	May 2018	July 2018	Core Business Operations	Done--Pending Board Approval Sept 2018