

CTAPP Compliance Review Readiness Checklist

A practical guide for California law firms

Are You Ready for a CTAPP Compliance Review?

As part of the State Bar of California's Client Trust Account Protection Program (CTAPP), law firms may be selected for a formal compliance review.

Many firms only evaluate their trust accounting processes after being selected, but the most successful reviews start well before that point.

Use this guide to assess your readiness, identify gaps and approach the process with clarity and confidence.

What a CTAPP Compliance Review Typically Covers



Three-way reconciliations
(bank, client ledger,
trust account register)



Sampling of client
transactions and
supporting documentation



Timeliness of deposits
and disbursements



Proper handling of earned
vs. unearned fees



Review of policies, procedures
and internal controls

Approach CTAPP with Confidence

CTAPP compliance reviews are becoming a standard part of the regulatory landscape, and expectations continue to increase.

Weaver is an approved service provider with the State Bar of California and works with law firms to assess readiness, strengthen trust accounting processes and navigate compliance reviews with confidence.

Contact Us to Learn More

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Foundation & Annual Reporting

Start with what's been reported.

- ❑ Trust accounts are properly registered with the State Bar of California
- ❑ Annual CTAPP reporting is complete and accurate
- ❑ Self-assessment responses reflect actual practices
- ❑ No discrepancies exist between reported balances and internal records

Documentation & Recordkeeping

Your records should tell a clear, complete story.

- ❑ Monthly three-way reconciliations are completed and tie out
- ❑ Reconciliation differences are investigated and resolved promptly
- ❑ Client ledgers are accurate, current and accessible
- ❑ All deposits and disbursements are supported and clearly recorded
- ❑ Records are organized and readily available for review

Processes & Internal Controls

Consistency and oversight matter.

- ❑ Written procedures exist for trust account management
- ❑ Roles and responsibilities are clearly defined
- ❑ Duties are appropriately segregated (authorization, recording, reconciliation)
- ❑ Transactions and reconciliations are reviewed by a second individual
- ❑ Deposits, disbursements and fee transfers are handled in a timely manner

Compliance Review Readiness

Be ready before the request comes.

- ❑ A central point of contact is designated for the review
- ❑ Documentation can be compiled within required timeframes
- ❑ Historical records and reconciliations are retained and accessible
- ❑ Team understands the compliance review process and expectations
- ❑ Stakeholders are aligned on roles and responsibilities

Risk Monitoring & Continuous Improvement

Remember that compliance is ongoing.

- ❑ Individual client balances are regularly reviewed
- ❑ No negative client balances exist (or are promptly resolved)
- ❑ Potential gaps or inconsistencies have been identified
- ❑ Corrective actions have been implemented
- ❑ Periodic internal reviews are conducted

Common Gaps to Watch

Where firms most often experience issues:

- ▶ Missing or incomplete three-way reconciliations
- ▶ Delays in recording or reconciling transactions
- ▶ Negative client balances or unexplained variances
- ▶ Lack of documented review and approval processes
- ▶ Overreliance on a single individual with limited oversight
- ▶ Commingling the firm's funds with the client's funds in the trust account

How Did You Score?

Mostly checked

You're in a strong position, but a mock review may still surface risk areas.

Some gaps

Targeted improvements can significantly reduce exposure.

Many gaps

A proactive compliance review is strongly recommended.