

REQUEST FOR PROPOSAL (RFP) FOR AUDITING SERVICES

Georgia Legal Services Program (GLSP), Inc., located at 104 Marietta Street, Suite 250, State Bar Center, Atlanta, Georgia 30303 invites qualified accountants, licensed to practice in the State of Georgia to submit proposals to conduct an audit and compliance review of its financial accounts and records, in accordance with the specifications enumerated in this proposal.

I. INFORMATION ON SERVICES REQUIRED

A. General Information

Georgia Legal Services is a Georgia non-profit corporation established for the purpose of providing civil legal representation to low income individuals. The Internal Revenue Service has granted the Program 501(c)(3) tax-exempt status. The Program currently provides services in 154 counties throughout the State of Georgia. Georgia Legal Services is governed by a 33-member Board of Directors who hire an Executive Director to run the day-to-day operations. The Program's staff is 170 employees (including the Executive Director) who are located in twelve offices throughout the state.

In addition to the attorneys on staff, the Program pays approximately 1,000 private attorneys in any one year to handle cases for persons eligible for services.

The majority of funding for the Program is provided by the Legal Services Corporation (LSC) through annual grants issued on a calendar year basis. In addition, the Program receives approximately \$3.1 million from the Georgia Bar Foundation, Inc. (Interest on Lawyers Trust Accounts/IOLTA), and many smaller grants and donations are also received. The total 2009 budgeted revenue exceeds \$14 million.

The most recent audit was performed by the PJC Group, LLC for the period ending December 31, 2008. The type of opinion given was unqualified on the financial statements and there were no compliance issues found. **A copy of the 2008 Audit Report information and other GLSP information may be obtained at the pre-proposal meeting to be scheduled in late May. The time and location of meeting to be determined. All interested parties must attend the pre-proposal meeting and obtain the additional information. Please contact Darlene Lackey Rushing for directions and information.**

B. Description of Records

Georgia Legal Services adheres to fund accounting requirements and maintains an operating fund (revenue and expenses) for all revenue sources. Separate bank accounts are not maintained for each funding source. The Program maintains five (5) separate checking accounts: operating, special, administrative, client trust, and building account.

The financial records are maintained on an accrual basis. General Ledger, including accounts payable and inventory is computerized using USL software. The payroll account is processed by UltiPro. The inventory and depreciation of office furniture and equipment are maintained on a computerized spreadsheet. Information on our clients, cases and attorney time are maintained in LegalServer.

C. Nature of Services Required

The accounting firm will examine the financial statements of the Program for the year ending December 2009, 2010, and 2011, in accordance with generally accepted auditing standards and the auditing and reporting provisions of the "Audit Guide for Recipients and Auditors" and all other audit bulletins produced by the Legal Services Corporation. The compliance portion of the review should be done in accordance with the "Compliance Supplement for Audits of LSC Recipients," also produced by LSC. The audit will be sufficient in scope to enable the firm to express an opinion in the audit report on the financial statements for individual funding sources as well as the total Program. Specific audit schedules will need to be prepared in accordance with various grant requirements.

The LSC audit and compliance requirements can be obtained from the LSC Office of the Inspector General website. The address is <http://www.oig.lsc.gov>.

D. Report Requirements

The following reports are expected at the completion of the audit:

- (1) An auditor's report on the examination of the financial statements prepared in conformity with generally accepted accounting principles should be issued. The auditor is to provide an unqualified opinion. If an unqualified opinion cannot be expressed, a qualified opinion, adverse opinion, or a disclaimer of opinion with an explanation of the reasons therefore will be provided.

In addition, the auditor is to provide an opinion as to whether the supplemental information which accompanies the financial statements is fairly stated in all material respects in relation to the financial statements taken as a whole.

In addition to its examination of the recipient's financial statements, the auditor is required to submit a separate supplemental/management letter to the Board of Directors and major funding sources commenting on the items noted during the examination with respect to: (a) suggested improvements in internal control procedures; (b) significant and unusual transactions; (c) compliance with the LSC Audit Guide; (d) compliance with the financial or accounting provisions of the LSC grant, particularly the Program's compliance with the Private Attorney Involvement (PAI) grant conditions, (e) eligible costs, and (f) the status of the Program's response to comments made in the previous year's supplemental/management letter.

- (2) The accounting firm will be expected to complete the audit and distribute the audited financial statements and management letter within 120 days from the close of the fiscal year ending December 31, 2009. The report must be submitted to LSC by May 1, of each year. The accounting firm will provide the Program with 50 copies of the Audited Financial Statements and Management Letter printed and bound. The accounting firm will also provide 40 loose copies to be inserted into the Program's Board of Directors meeting material for the annual meeting.

Upon completion of the audit work, the firm will conduct an informal conference with the Executive Director and the Director of Finance of the Program. A formal conference will be held with the Board of Directors Audit Committee, and a representative from the auditing firm will appear before the Board of Directors as a whole to answer questions with regard to the audited financial statements and management letter. The time and place for the conference with the Audit Committee and the full Board will be determined by the Executive Director and the Director of Finance.

- (3) The accounting firm will be expected to prepare the Federal Tax Return Form 990, and submit this information to the Audit Committee with the audit report. The accounting firm must monitor IRS regulation changes and keep GLSP informed of any new or revised requirements. The Audit

Committee will need at least three weeks to review these materials, and report back to the Board of Directors.

- (4) Georgia Legal Services contributes to a Section 403(b) Tax Sheltered Annuity Plan, and has a medical benefit plan on behalf of its employees. The accounting firm will not be expected to prepare the required annual return Form 5500.

E. Assistance Available to Auditors During Audit

The audit field work is typically performed during the months of November, and March. The financial staff of the Program will provide draft copies of the financial schedules prepared for review by the auditors at the start of the audit. There will also be personnel available to assist the auditors with the preparation of confirmations, photocopying of documents, pulling and filing of documents, etc.

F. Billing

The Program will accept billings on a monthly basis for services rendered in the prior month. Final payment for services will be made after the receipt of the required reports and presentation of the reports to the governing body. No more than 80% of the agreed upon audit will be billed or paid in advance of the meeting with the Audit Committee of the Board of Directors. Under no circumstances will more than 80% of the audit fee be paid prior to completion and approval by the Program of the final Audit Report.

G. Other Information

1. Georgia Legal Services is not liable for any costs incurred by prospective auditors in replying to the Request for Proposal.
2. If it becomes necessary to revise any part of the Request for Proposal or otherwise provide additional information, an addendum will be issued and furnished to all firms that have received copies of the original request.

II. **INFORMATION TO BE REQUESTED FROM PROPOSER**

In order to simplify the evaluation process and obtain the maximum degree of comparison. Georgia Legal Services is requiring prospective auditors to submit proposals in the format and manner prescribed by the section.

A. **Title Page**

Show the RFP project title, the name of the proposer firm, address, telephone number, name of the contact person(s), and the date.

B. **Letter of Transmittal - (limit to one or two pages)**

1. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the required time period.
2. State the all inclusive fee for which the work will be done.
3. State the name(s) of the person(s) who will be authorized to make representations for the proposer, along with the person's title, address, and telephone number.

C. **Profile of the Proposer**

State the type of firm (local, regional, national, etc.), the location of the office from which auditors are to work, and the number of staff by job classification at that office.

D. **Qualifications of the Proposer**

1. Experience with non-profit organizations, especially LSC grantees is required. Briefly describe the recent audit services you provided.
2. Describe the past experience, education, training, etc., of those expected to work on the audit. Identify the supervisor (e.g., partner, manager, auditor-in-charge) and the staff who is expected to work on the audit.
3. List the qualifications of the proposer's staff to audit computerized systems.
4. Describe the firm's participation, if any, in professionally sponsored quality control review programs or comparable programs.

5. Describe the professional liability insurance carried by your firm, including the policy limits.

E. Proposer's Approach to the Audit

1. State the proposer's understanding of the services to be performed and the work products to be provided as defined in Section I-C "Nature of Services Required" and Section I-D "Report Requirements" of this RFP.
2. Submit a work plan to accomplish the scope of services. The work plan should include time estimates for each of the significant segments of the work and the staff level to be assigned. Include a brief discussion of the audit procedures to be used in the audit process.

F. Compensation

State the total hours and hourly rate required by staff classification for each type of service requested in Section I-C "Nature of Services Required" and the resulting all inclusive maximum fees by year. The maximum fee schedules for each of the three years should be addressed.

G. Additional Information

Give any additional information not specifically requested previously considered essential to the proposal.

Georgia Legal Services Program (GLSP) reserves the right to reject any and all responses to this RFP.