

February 11, 2005

Request for Proposal – Audit Services - State Bar of Michigan

Dear CPA Firm,

The State Bar of Michigan is seeking bid proposals for audit services beginning with the audit for the fiscal year ended September 30, 2005.

The State Bar of Michigan is a unified Bar operating under the supervision of the Supreme Court of the State of Michigan. The State Bar has over 36,000 members with an annual budget of over \$9 million. It is organized as a Public Body Corporate and located in downtown Lansing, Michigan. For financial reporting purposes, the State Bar of Michigan is a component unit of the State of Michigan's Comprehensive Annual Financial Report, and follows GASB accounting standards. The State Bar's website is located at www.michbar.org.

The scope of the audit shall include the State Bar's Administrative Fund, Client Protection Fund, and the 38 State Bar Sections. A copy of recent annual financial reports are located at the State Bar's website at www.michbar.org/generalinfo/reportsforms.cfm. The audit shall also include the Attorney Discipline System (a related entity located in Detroit consisting of the Attorney Discipline Board and Attorney Grievance Commission). Their websites are located at www.adbmich.org and www.agcmi.com. The State Bar provides financial and HR services - including financial reporting and accounting - for the Attorney Discipline System (ADS). The ADS is also a component unit of the State of Michigan.

Your proposal should be in the form of an audit engagement letter, and address the following basic requirements:

- 1) The audit must be completed so that an annual report can be issued to the Supreme Court of Michigan by December 31 of each year, and must be ready for Finance Committee and Board approval and for providing same to the State of Michigan by November 15 of that year.
- 2) The proposal shall include issuance of a letter ("Management Letter") to the Finance/HR Committee outlining any concerns with internal accounting controls. It shall also include a meeting with the Finance/HR Committee at the time the audit is completed.
- 3) The proposal shall include preparation of the report (including the crosswalk summary provided to the State of Michigan) based on the information provided by the State Bar staff. An electronic file of the final report shall be provided to the State Bar. The State Bar will handle printing and distribution of the reports.

- 4) Information to be supplied with your proposal shall include: a) an overview of your firm; b) your firm's qualifications, including specific experience with GASB, governmental units and not-for-profit entities; c) biographical sketches of the partner(s) and staff who would be assigned to this engagement; d) an estimate of the hours required for the engagement; e) the proposed audit fee (including any additional costs not part of the audit fee if any); f) payment provisions requested; g) client references; h) other services your firm provides; i) proof of liability insurance; and j) agreement to indemnify the State Bar from any liability resulting from the auditor's work on this engagement.
- 5) The State Bar does not expect to seek audit proposals for another 3 years after acceptance of the requested proposal. Therefore, the proposed audit service fees included in your proposal shall address each of the next 3 years.

The criteria for selection of the successful proposal will include general experience, qualifications, reputation, experience with GASB, experience with similar organizations, and the audit fee. While the audit fee will be a factor in the evaluation of the proposals, it is not necessarily the most important factor. Minority and female owned firms are encouraged to submit proposals.

A pre-bid conference will be held at the State Bar of Michigan located at 306 Townsend, Lansing, Michigan on February 25, 2005 from 2:00 PM to 3:00 PM.

Parking is available in the paid lot across the street or at meters. While attendance is not mandatory, all questions concerning the RFP will be addressed during this conference.

Proposals must be received by 4:00 PM on Tuesday, March 15, 2005 at the State Bar of Michigan. The proposal shall be submitted in a sealed package, with 7 copies, marked to the attention of the Audit Subcommittee of the State Bar of Michigan, c/o James C. Horsch. Proposals received after that date will not be considered.

The State Bar of Michigan expects to notify the firm submitting the successful proposal by April 30, 2005. Selection will be made by the Audit Subcommittee of the Finance/HR Committee of the State Bar, with approval by the Finance/HR Committee and the State Bar of Michigan Board of Commissioners.

We look forward to receiving your proposals and discussing this further with you at the pre-bid conference.

Sincerely,

James C. Horsch
Director of Finance & Administration
State Bar of Michigan
306 Townsend
Lansing, Michigan 48933
(517) 346-6324