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May 27, 2022

Erica Carroll
Lead Program Analyst
Office of Access & Inclusion
State Bar of California
180 Howard Street
San Francisco, CA 94105

Sent via email: Erica.Carroll@calbar.ca.gov

Re: Preparation of Yearly Financial Audit

Dear Erica:

In order to ensure that it can consistently provide audited financial statements to the Legal Services Trust Fund Commission by May 1 of each year, AIDS Legal Referral Panel (ALRP) will shorten its timeline for year-end close and request that field work for its audit begin by mid-February of each year. We are engaging a new auditor as of our 2022 fiscal year and we will request that the auditor complete their work and deliver a draft audit by mid-April of each year, providing time for review and approval by ALRP's board of directors prior to May 1.

Sincerely,

Bill Hirsh
Executive Director

Cc: Christal Bundang@calbar.ca.gov
Christopher McConkey@calbar.ca.gov



**CENTRAL CALIFORNIA
LEGAL SERVICES**
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June 9, 2022

To Whom It May Concern:

Re: 2021 Annual Audit Report
Steps to ensure timely submission during next application cycle.

CCLS understands the importance of ensuring that a timely audit is prepared during the next application cycle (and every application cycle moving forward). To aid us in accomplishing this, CCLS has identified the following issues and solutions to those issues:

Issue: Project Bandwidth (external auditors)

Description: CCLS has enjoyed the relationship with our current auditors for many years. We trust their work and value their contributions to our processes. In recent years, our audit firm has experienced turnover of key audit personnel and project bandwidth issues related to that turnover. We understand the need to prioritize projects and failed to stress the importance of this to our “new” auditors. The competing needs of their tax-season schedule, along with our delay in providing requested information, prevented a timely start to our audit.

Resolution: CCLS will likely go out for RFP of audit services this year. Regardless of the firm handling our audit, CCLS will require a commitment from the audit firm that our assigned auditor will focus on our deadline and not have a competing tax-season workload. Our previous audit-manager was audit-only; recent auditors assigned to us have had both audit and tax practices.

Issue: Project Bandwidth (internal team)

Description: CCLS lost our experienced Fiscal Officer- Accounting and Reporting just before the start of the new year. Our Fiscal Director also made known his intention to transition out by January 1. It was our sincere intention to have completed a recruitment (or internal cross trainings) before these losses, but that became a challenge as well. CCLS started the year with a new Fiscal Officer and an open recruitment for our Fiscal Director.

Resolution: CCLS has promoted Maria Vargas, Fiscal Officer-Operations, into our Director of Fiscal Services role. Jaime Chavez, previously Fiscal Clerk, promoted to Fiscal Officer-Accounting and Reporting. Both of these individuals have the experience and foundational training to succeed in these roles and we are excited to continue their staff development! Both of their vacated positions have already been filled so that CCLS Fiscal Department can enjoy a complete team. CCLS has also secured the guarantee of our prior Fiscal Director, Marc Young, that he will stay on as a Fiscal Consultant to guide the team through Special Projects, annual projects, and wherever else needed to ensure the team has the bandwidth to be successful.



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Issue: Lack of External Communication/ Coordination

Description: The old adage “no news is good news” proved not to be true. We genuinely thought that the audit was well-underway and that our audit firm would let us know if issues arose. It was only recently that we learned that a technology issue on our part caused our audit firm to receive none of the items they requested, and therefore to not start the audit timely.

Resolution: CCLS will require regular check-ins between the audit firm and the CCLS audit team, including meetings with our Audit/ Finance Committee, standing updates at board and management meetings, and a solid commitment from all involved parties.

Issue: Lack of Internal Communication/ Coordination

Description: In prior years, the audit team worked directly with specific CCLS employees for various items needed to complete the audit. With turnover in key positions on both sides, there was confusion around roles and responsibilities.

Resolution: CCLS Fiscal Director and Grants Manager have replaced “names” with “positions” in the duties rosters. CCLS has also appointed the Fiscal Director as coordinator and relationship manager to ensure all components of the audit (financial, compliance and programmatic) are equally addressed.

Issue: Competing Projects

Description: The new year always brings annual projects that compete for attention: LSC application, year-end grant reporting, other grant and contract reports and applications.

Resolution: CCLS is strongly focusing on the bandwidth plan: cross training, succession planning, and identifying external resources (such as our fiscal consultant and board treasurer) that can be pulled in to assist as needs arise.

CCLS is firmly committed to the relationship with the State Bar. We appreciate your consideration of our request and will do everything in our power to achieve the desired results. We believe our solutions listed above will accomplish this, and remain available to answer any questions.

Sincerely,



BRANDI M. SNOW
INTERIM EXECUTIVE DIRECTOR

CCLS spends all funds in accordance with the LSC Action of 1974, as amended and implementing regulations.

Dear Legal Services Trust Fund Commission,

Thank you for your patience and consideration regarding the Disability Rights Legal Center audit. At the conclusion of 2022, we began to take steps to decrease the cost of our audit and were met with a challenging landscape of rising prices and limited capacity from various nonprofit auditing firms.

We currently have a plan in place to complete FY22 audit have an agreement to engage with a new firm, Windes, at an already negotiated rate that is significantly lower than our current engagement. We plan to sign an engagement letter upon completion of the audit and 990 with our current firm Armanino to avoid any conflicts. The partner we are working with is Michael Barloewen, he has reviewed the FY 20 audit and financial statements and feels they can meet our deadlines and needs overall.

As part of our engagement with Windes, they have booked DRLC into their workflow and schedule to begin the audit process in January, with a goal to complete the draft of the audit by the end of February. This will leave six weeks to accommodate for field work and requests, leaving ample time to ensure the transition to new auditors is sufficient. Additionally, we have worked with our finance team to be sure that our systems are prepared for close out immediately at year end so that we can begin the audit field work in a timely fashion.

During the first week of March in 2023 we will host an Audit Committee meeting to review the audit for presentation to the full Board of Directors. Upon approval at this meeting, the Audit Committee will submit the year-end financial statements and audit to the Board at our regularly scheduled March 14th Meeting.

Thank you again for your consideration and support.

Best,



Jordan Kough
Executive Director
Disability Rights Legal Center



JUSTICE & DIVERSITY CENTER
OF THE BAR ASSOCIATION OF SAN FRANCISCO

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Homeless Advocacy Project
Immigrant Legal Defense Program
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June 8, 2022

Legal Services Trust Fund Commission
State Bar of California
180 Howard Street
San Francisco, CA 94105

RE: Audit Timeliness Justification

Commissioners,

The Justice & Diversity Center of the Bar Association of San Francisco (JDC) has reviewed its annual financial audit procedures and has identified several strategies that will enable us to complete and submit our financial audit by May 1st of each year.

First, JDC is a sister organization with the Bar Association of San Francisco, and in the past we have always conducted both agencies' audits simultaneously. Preparing both audits at the same time takes significantly longer than it would normally require to complete an audit of one agency. In response to the State Bar's request that we hasten the JDC audit, we have decided to sequence our two audit processes so that the JDC audit is conducted first. This change should be sufficient to ensure that our audits are ready, approved, and distributed by May 1.

Second, we plan to engage our Certified Public Accounting firm, Moss Adams LLP, two weeks earlier than they have in the past. Given that our 2021 audit missed timely review by our Finance Committee and Board of Directors by less than two weeks this year, we anticipate that moving the process up on the calendar will ensure timeliness next year. To allow the audit process to start earlier, we have adjusted some of our accounting practices around revenue recognition that should make year-end reconciliation processes quicker and simpler.

JUSTICE & DIVERSITY CENTER

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JUSTICE & DIVERSITY CENTER
OF THE BAR ASSOCIATION OF SAN FRANCISCO

We strongly believe that taking these steps will ensure that annual audits are submitted before May 1st each year. If you should have any questions or concerns, please reach out to JDC and we will be glad to provide you with any additional information you may require.

Sincerely,

Yolanda Jackson, Executive Director
The Justice & Diversity Center of the Bar Association of San Francisco



June 8, 2022

Legal Services Trust Fund Commission (LSTFC),
State Bar of California
180 Howard St.
San Francisco, CA 94105

Re: Audit Extension Requests in 2021 & 2022, and impact on future years

Dear LSTFC,

We are so grateful to have joined the cohort of legal aid organizations who receive IOTLA & EAF grant funding through the State Bar of California. We recognize that our request for additional time on the annual audit deadline could compromise our eligibility for funds in the future, and are confident that it's a request we will not need to make again. This letter serves to provide some context, and to thank you for your understanding.

Our first extension request coincided with our first application for IOLTA/EAF funding, in May 2021. Because we had not applied previously, we were not aware of the requirement for a finalized audit. When preparing for our FY2020 audit, I had intentionally scheduled the fieldwork for late April to accommodate my team's capacity constraints earlier in the year. As soon as I became aware of the requirement in mid-April, I reached out to Erica Carroll to inquire and communicate our need for an extension, this being our first year to apply for funding.

Our requested extension in 2022 is due to different circumstances. Late last year, our board audit committee recommended a competitive bid for new auditors, with the hope to engage a firm more values-aligned and expert in the field of non-profit accounting. After reviewing three bids, our audit committee selected Capin Crouse, LLP to serve as audit and tax counsel for the next three years. Due to timing constraints on Capin's end, we could not schedule fieldwork until late April, nearly the same schedule as last year.

We are sorry for the inconvenience this has caused, and have worked to make plans to ensure this will not happen again. We have shared with Capin Crouse, LLP that it is essential in all future years for our audit to be finalized no later than April 30. I have received confirmation that we will be prioritized in their scheduling for next spring to accommodate this deadline.

Thank you, again, for your kind consideration of our request.

With regards,

Rachel Mellby
Director of Finance

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(415) 734-4124

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June 6, 2022

Erica Carroll
Lead Program Analyst, Office of Access & Inclusion
The State Bar of California
180 Howard Street
San Francisco, CA 94105

Dear Ms. Carroll:

On behalf of Western Center on Law & Poverty's Board of Directors and staff, thank you for your ongoing support of our participation in the State Bar of California's grant programs.

We appreciate the opportunity to follow up on our initial audit extension request to detail the steps Western Center will take to ensure that a timely audit is prepared during the next application cycle. Moving forward, to ensure WCLP can submit an approved audit by May 1, we will take the following steps:

- WCLP Finance team will begin audit fieldwork no later than early March
- Report drafting and management response in early April
- Present audit to Audit Committee of WCLP Board of Directors for approval in mid-April

We have discussed this new timeline with our auditor and are confident we can amend our process. As detailed in our extension request letter dated April 29, 2022, the past few years have been nontraditional given the unforeseen challenges of the pandemic and compounding personal adversities.

We appreciate the Legal Services Trust Fund Commission working group's consideration of our request to submit this year's audited financial statement past the 2023 IOLTA/EAF application deadline.

If you require any addition details about the changes we will make to our audit process moving forward or the status of our current year submission, please don't hesitate to reach out to our team.

Sincerely,



Crystal D. Crawford
Executive Director