



**GranthamPoole**

Certified Public Accountants

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# REQUEST FOR PROPOSAL

July 19, 2019

**Issued by:**

Office of the State Auditor  
Jackson, Mississippi

Ms. Stephanie Palmertree

*Director, Financial and Compliance Division*

**Submitted by:**

GranthamPoole PLLC  
1062 Highland Colony Parkway, Suite 201  
Ridgeland, MS 39157

Federal Tax ID Number: 64-0903390



**GranthamPoole**  
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July 19, 2019

Ms. Stephanie Palmertree  
Director, Financial and Compliance Division  
Office of the State Auditor  
501 North West Street, Suite 801  
Jackson, Mississippi 39201

**Re: Request for Proposal**

Dear Ms. Palmertree:

We appreciate the opportunity to respond to your request for a proposal to provide audit and tax services to Mississippi Prison Industries Corporation (MPIC) for the year ended June 30, 2019. In our many years of service to the Mississippi marketplace, we have had the privilege to work with many governmental and nonprofit organizations whose purpose is to serve our community and the state. In our conversations with you and in our review of your solicitation package, we have prepared this proposal to present for consideration. We hope you find this proposal responsive to your request.

Should you require any additional information, please do not hesitate to contact us. Furthermore, if your office would like to speak with or interview us as it is evaluating our proposal, we will gladly make ourselves available.

Again, we appreciate the opportunity to be considered in this process and look forward to the possibility of working with you in connection with the audit of MPIC.

Sincerely,

Dickens Q. Fournet, CPA  
*Partner*



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## EXECUTIVE SUMMARY

GranthamPoole PLLC (GranthamPoole) is one of the leading accounting and advisory firms in the state of Mississippi. Our core values state that our desire is to be a family that honors and serves God by serving each other, our clients, and our community with trust, integrity and excellence. We take these core values seriously, and strive to maintain an attitude of service as we work with our clients.

Furthermore, our firm's stated purpose is to serve our clients by (a) providing them accurate and reliable financial information, (b) protecting and increasing their financial health and wealth, (c) anticipating and helping solve their financial problems, (d) being proactive in helping them, and, ultimately, (d) helping bring them financial peace of mind.

While GranthamPoole is a business enterprise and not a not-for-profit organization, we do have the opportunity to impact the clients that we serve. Service is central to our firm's mission and core values. We take these core values seriously, and strive to maintain an attitude of service as we work with our clients. In serving, our primary aim is to help our clients succeed.

There are many qualified firms to choose from, but we believe GranthamPoole can draw on the unique background and experiences of many of our team members to offer something that many of our competitors cannot.

The pages that follow will outline our understanding of the scope of work, our experience in serving both MPIC over these many years, as well as serving clients similar to MPIC, and the things that differentiate our firm and make us an ideal choice to continue as the auditors for MPIC.



## UNDERSTANDING OF THE WORK TO BE PERFORMED

Based on our review of the request for proposal, we understand that the engagement consists of the following:

- Audit of the financial statements of Mississippi Prison Industries Corporation, a component unit of the State of Mississippi, for the year ended June 30, 2019, conducted in accordance with *Government Auditing Standards*.
- Included as part of the audited financial statements are; the *Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based On An audit of Financial Statements Performed In Accordance With Government Auditing Standards*.
- Compliance with the requirements as listed in AU-C 600 – Audit of Group Financial Statements, recognizing that the Office of the State Auditor (OSA) is the Group Auditor. Any procedures requested by OSA will be performed.
- Preparation of the Form 990 *Return of Organization Exempt from Income Tax* for the year ended June 30, 2019 and related State of Mississippi filings, if any.
- Availability throughout the year to provide advice and guidance on financial accounting and reporting issues, and meetings with the board of directors and OSA as necessary.

Our proposal has been prepared based on the presumption that the day-to-day record keeping will be performed by MPIC's internal accounting staff and that we will assist management in the preparation of the financial statements, supplemental schedules and related footnote disclosures.

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## WHY CHOOSE GRANTHAMPOOLE?

The CPA firms you are considering in this process will have many similarities. Their teams will be comprised of professionals with accounting educations, certifications such as the CPA designation, and years of experience serving clients. Those are all important qualities to consider in your evaluation; however, we believe that GranthamPoole can offer you something that few, if any of our competitors can offer. We believe our firm is different, and it is these differentiators that position us to offer you something that our competitors cannot. GranthamPoole also has considerable experience serving as auditors for MPIC and would be honored to continue to serve in this capacity going forward. While MPIC is a non-profit corporation, its operations are heavily focused on manufacturing. GranthamPoole has considerable experience in the non-profit arena, but also has significant experience dealing with manufacturing enterprises. As a result, we are well qualified and experienced in the areas of most importance to MPIC.

### *Strategically Focused*

While we offer the same traditional compliance services – Audit and Tax Compliance Services – offered by other CPA firms, GranthamPoole believes that our clients enjoy a partnership with a firm of professionals who can help them think strategically and offer greater value. In addition to the traditional compliance practices, we have a sizable advisory service practice that focuses on helping our clients find solutions to complex problems. We also offer our clients performance services (financial statement analysis, contract controller, etc.), and strategic services (business valuation, strategic planning, quality and efficiency reviews (a.k.a., Lean Six Sigma), etc.).

The skills that we have developed and in delivering these advisory services help us to think differently about the clients for which we perform audits. We believe we are well positioned to offer strategic insights that can help you think differently about your operations and our hope is that we will be able to add value by offering insights and suggestions for improvement to management and the governing body.

### *Practical Experience*

We have a team with extremely diverse experience. Most traditional CPA firms are filled with classically trained accountants, many of which hold the CPA designation. We have plenty of those – in fact, we have 38 CPAs, and seven of our partners have substantial experience with International (Big 4) and National accounting firms, including Arthur Andersen, KPMG, Deloitte, Ernst & Young, and BKD. Aside from this experience, you will find that our team is filled with professionals who also have substantial experience working in private industry, which is unique for accounting firms. We have team members with significant experience outside public accounting serving organizations as accounting executives. While all of these team members may not be assigned directly to the MPIC project, they are accessible for us to draw upon their experiences in helping our firm serve MPIC. The experiences of these individuals are something we believe our competitors may not be able to offer, and positions us to offer tremendous value to you.





### *Practical Experience (Continued)*

Furthermore, many of our team members (both those on the proposed engagement team and others not specifically slated to serve MPIC) have experience serving on finance and other committees of non-profits. This gives us real-world experience that we can apply to serving MPIC.

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We recognize that you have a number of qualified firms from which to select, all of which would likely serve you well as your auditor; however, we believe that GranthamPoole offers a *different value proposition*. In addition to the alignment of our organizations' core values and mission, our strategic focus and our practical experience give us opportunities to offer you value that we don't believe other firms can offer.

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## EXPERIENCE

The experiences of our people translate into a firm that has enormous depth and resources in serving clients similar to MPIC. Our firm has significant expertise in providing auditing and tax services to a number of non-profit and governmental organizations. In fact, GranthamPoole has more than a 40-year history in the Mississippi marketplace. Over these years we have served clients in a wide variety of industries, and our experience in the non-profit and governmental industry segments goes back more than 25 years. Should you wish to speak with a few of our clients to discuss what they enjoy about their relationship with GranthamPoole, we have listed contact information for relevant references in the section titled “**Client References**” on page 14.

The listing below is a collection of representative clients currently or previously served by GranthamPoole. This listing is not all-inclusive, but will provide you a preview of the kind of clients we serve or have served within the non-profit and manufacturing industries.

Client Name	Industry	Service
Boys and Girls Club of Mississippi	Non-profit	Financial System Consulting
State of Mississippi, Office of the State Auditor	Non-profit	Financial Statement Audit
Catholic Charities, Inc.	Non-profit	Single Audit (Uniform Guidance) & Form 990
Galloway United Methodist Church	Non-profit	Financial Statement Audit
Jackson Zoological Park	Non-profit	Financial Statement Audit; Form 990; SOS Charity Registration
National Space Grant Foundation	Non-profit	Financial Statement Audit & Form 990
Southern Christian Services	Non-profit	Financial Statement Audit; Form 990; SOS Charity Registration
Gateway Rescue Mission	Non-profit	Financial Statement Audit & Form 990
Hospice Ministries	Non-profit	Outsourced Controller Services
R.E.A.L. Christian Foundation, Inc.	Non-profit	Financial Statement Audit; Form 990; SOS Charity Registration
Stewpot Community Services	Non-profit	Financial Statement Audit & Form 990
Grace House, Inc.	Non-profit	Single Audit (Uniform Guidance) & Form 990
MHA Health Research & Education Foundation	Non-profit	Single Audit (Uniform Guidance) & Form 990
Hinds Community College	Non-profit	Single Audit (Uniform Guidance)
Precision Spine, Inc	Manufacturing	Financial Statement Audit
Metaris, Inc.	Manufacturing	Financial Statement Audit & Tax Returns
Trinity Apparel, LLC	Manufacturing	Financial Statement Audit & Tax Returns
McNeely Plastics, Inc.	Manufacturing	Financial Statement Audit & Tax Returns





## CLIENT SERVICE TEAM/KEY PERSONNEL

Our firm has been blessed to have experienced many successful years and we attribute this success directly to the abilities and qualifications of our people. Our team of professionals have varying backgrounds and experiences, which allow us to deliver high-quality client service. From this talent pool we have selected a team of professionals who would be eager to serve MPIC if selected as your audit and tax professionals. Information on the proposed client service team for MPIC is included below. Additionally, résumés are included for each team member in the section titled **“Professional Résumés of Client Service Team”** starting on page 10.

**Dickens Fournet** will serve as the engagement partner/manager for the MPIC audit. Dickens has over 20 years of public accounting experience. He has managed numerous audits of non-profit corporations and has particular experience in Uniform Guidance audits (Formerly OMB Circular A-133 audits). Dickens has served as the manager on the MPIC audit for many years, and will be a tremendous resource to the engagement team in his new role as the overall engagement partner. Dickens also currently serves as the team leader for the firm’s non-profit industry team.

**Brad Hatchett** will serve as the overall quality control review partner for the MPIC audit, as well as the client relationship partner. Brad has more than 20 years of experience in public accounting, 11 of which was with two international accounting firms. During his career, Brad has maintained responsibility for audits of numerous non-profit organizations, and has significant experience in the manufacturing and distribution industry as well. At his previous firm, Brad served as a member of the national instructor team, teaching training programs for the firm’s professionals. Brad is also a Certified Valuation Analyst, and performs valuation and other advisory services for GranthamPoole’s clients.

**Alan Arrington** will serve as an additional resource partner for the MPIC audit, as well as the client relationship partner. Alan has more than 40 years of experience in public accounting serving non-profits, including those that receive federal funding, as well as private companies, including those in the manufacturing sector. In addition to servicing clients, Alan is also the head of the firm’s audit division. Alan has served MPIC as the overall engagement partner for many years, and his experience and knowledge of MPIC’s operations will be an invaluable resource to the overall engagement team.

In addition to the above referenced individuals, we will utilize other staffing resources (including clerical and support staff) from our firm to deliver services to MPIC.



### *Continuing Professional Education*

GranthamPoole places strong emphasis on the professional development of its employees and we strive to ensure that all professional staff members, whether or not they carry professional certifications, are continuously sharpening their technical skills. This is achieved through a combination of continuing professional education and increased responsibility on client engagements. GranthamPoole periodically offers in-house continuing education to our professional staff, a portion of which is focused in the non-profit and governmental sector. Additionally, professional staff participate in continuing education programs through the American Institute of Certified Public Accountants and the Mississippi Society of CPAs, including courses related to non-profit accounting and taxation. In addition to formal continuing education, we also have weekly team meetings for our audit and tax teams, at which topics of current professional interest are discussed. Frequently, these topics cover matters that are of relevance to our non-profit clients.

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## TIMING OF WORK

In our review of the Request for Proposal we understand that the timing of audit fieldwork and tax return preparation is very important. We will schedule our fieldwork to make certain the due date of October 31, 2019, for the issuance of the audit report is met.

Based on this knowledge, we propose the following timeline for completion of our work:

Milestone	Proposed Date
Audit Fieldwork	August
Draft Financial Statements Presented to Board of Directors and OSA	October 15, 2019
Issue Final Financial Statements	October 31, 2019

[REST OF PAGE INTENTIONALLY LEFT BLANK]



## PROPOSED FEE STRUCTURE

Based on our prior experience serving MPIC and our discussions with management, we have prepared estimates of the hours and fees required to complete the annual audit of the MPIC financial statements, as well as to prepare the Form 990 tax return. Such estimates are included in the table below:

Service	Estimated Fee
Audit of financial statements as of and for the year ended June 30, 2019	\$ 28,750
Prepare annual Form 990 for the tax year ended June 30, 2019	2,500
<b>Sub-total</b>	31,250
Non-profit Discount (20%)	(6,250)
<b>Total</b>	<b>\$ 25,000</b>

The above fee estimate assumes that we will receive appropriate assistance from MPIC personnel including, but not limited to, preparation of schedules supporting the audit and financial statements and footnotes, and assistance gathering supporting documentation (i.e., purchase orders, invoices, check copies, agreements, etc.) selected for testing. This pricing will be good for an additional two years after the initial contract period.

Except in the case of a change in the scope of services to be provided, we do not anticipate significant changes in our professional fees from the amounts previously shown. If a change in the scope of services to be provided is identified and an adjustment to our professional fees is determined necessary, we will initiate a timely discussion with management and those charged with governance and OSA before incurring additional billable time.

MPIC and/or OSA may request GranthamPoole to perform additional work under the contract. We understand that before such work would begin, GranthamPoole, MPIC and OSA will mutually agree in writing upon the terms, including associated fees, for the additional work to be performed.



## PROFESSIONAL RÉSUMÉS OF CLIENT SERVICE TEAM

As previously discussed, GranthamPoole is a firm of diverse professionals, each with differing experiences, qualifications and certifications. The education, training and experiences of our professionals provide our firm a tremendous resource from which to draw in providing quality service to our clients. Furthermore, the client service team has significant experience serving the MPIC and, therefore, understands the organization, its operations, and its mission.

The following pages include the résumés of select members of our professional staff who may provide services to MPIC.





## DICKENS Q. FOURNET, CPA

### Engagement Partner

**Education**      Mississippi State University, 1988  
Bachelor of Business Administration in Banking and Finance  
Bachelor of Professional Accountancy

### Professional Affiliations (Present and Past)

- Certified Public Accountant licensed to practice in Mississippi
- Mississippi Society of Certified Public Accountants - Past Chapter Vice-President and Secretary
- Member of American Institute of Certified Public Accountants
- Member of Government Accounting and Auditing Committee
- Mississippi Society of Certified Public Accountants
- Member of Leadership Jackson class 2003/2004
- Board of Governors Mississippi Society of CPA's

### Work Experience

- Partner with GranthamPoole PLLC (2003 to Present)
- Auditor with GranthamPoole PLLC (December 1994 to Present)
- Audit Senior with May & Company, CPA's (June 1988 to November 1994)

### Industry Experience

- Non-profit organizations
- HUD low-income housing projects
- Small businesses
- School district audits

### Civic/Community Involvement (Present and Past)

- \* Treasurer and Board Member – Mississippi Leukemia and Lymphoma Society
- \* Advisory Council Assisi Learning Center
- \* Board of Directors and Treasurer - Mississippi Opera Association
- \* Member of St. Richard Catholic Church
- \* Advisory Council and Treasurer - Saint Richard's Catholic School
- \* Treasurer and Board Member - Saint Joseph Catholic School
- \* Board Member Louisiana/Mississippi ALS Association



## **BRADFORD C. HATCHETT, CPA, CVA**

### **Engagement Quality Control Partner**

**Education**      Samford University, 1995  
Bachelor of Science in Accounting

University of Alabama, 1997  
Master of Business Administration

### **Professional Affiliations (Present and Past)**

- Certified Public Accountant licensed to practice in Mississippi and Florida
- Mississippi Society of Certified Public Accountants
- Member of American Institute of Certified Public Accountants
- Member of National Association of Certified Valuators and Analysts

### **Work Experience**

- Partner with Grantham, Poole, Randall, Reitano, Arrington & Cunningham, PLLC (January 2011 to Present)
- Senior Manager with Grantham, Poole, Randall, Reitano, Arrington & Cunningham, PLLC (September 2008 to December 2010)
- Audit Senior Manager with KPMG LLP (May 2002 to September 2008)
  - ♦ National Instructor Team Member
  - ♦ Derivative Resource Team Member
  - ♦ Training and Methodology Team Member
- Audit Senior Associate with Arthur Andersen, LLP (July 1997 to May 2002)

### **Industry Experience**

- Non-profit organizations
- Industrial and commercial real estate and construction
- Manufacturing, retail and distribution
- Employee benefit plans

### **Civic / Community Involvement (Present & Past)**

- Trail Life USA Troop MS-1031 Pear Orchard Presbyterian Church - Troopmaster (2014-present)
- Donor Investment Committee - United Way of the Capital Area (2006 - 2008)
- Pear Orchard Presbyterian Church Local Missions Committee Member (2012-2014)



## **ALAN G. ARRINGTON, CPA**

### **Resource & Client Relationship Partner**

**Education**      Mississippi State University, 1972  
Bachelor of Science in Accounting

#### **Professional Affiliations (Present and Past)**

- Certified Public Accountant licensed to practice in Mississippi, License No. 2146
- Member of American Institute of Certified Public Accountants
- Member of the Mississippi Society of Certified Public Accountants
- Governmental Accounting Committee of National Group of Accounting Firms - Chairman (1985)

#### **Work Experience**

- Partner with GranthamPoole (1995 to Present)
- Sole Proprietor, Alan G. Arrington, CPA (1986 to 1995)
- Audit manager with a large local firm (1973 to 1986)

#### **Industry Experience**

- Non-profit organizations
- Higher education
- Manufacturing and distribution
- Wholesale/retail
- Commercial real estate
- Employee benefit plans

#### **Civic/Community Involvement (Present and Past)**

- St. Richard Catholic Church – Pastoral Council, Eucharistic Minister
- St. Richard Catholic School – Advisory Council – Finance Committee
- Friends of the USA/IBC (International Ballet Competition) – Treasurer



## CLIENT REFERENCES

We have a long tradition of serving clients in a variety of industries, but we have considerable experience in serving non-profit organizations, including organizations that receive government funding. The following is a list of clients you may contact if you wish to talk to organizations with which we work to find out what they enjoy about their partnership with our firm.

### **Hinds Community College**

*Services: Audit (Uniform Guidance)*

Mr. Russell Shaw

*Vice-President for Business Affairs*

(601) 857-3968

### **National Space Grant Foundation**

*Services: Financial Statement Audit*

Dr. Mitchell Hobish

*Executive Director*

(406) 282-0035

### **MHA Health Research & Education Foundation**

*Services: Audit (Uniform Guidance) & Preparation of Form 990*

Ms. Marcella McKay

*President*

(601) 368-3220

### **Grace House, Inc.**

*Services: Audit (Uniform Guidance) & Preparation of Form 990*

Ms. Catherine Sullivan

*Executive Director*

(601) 353-1038



## SYSTEM OF QUALITY CONTROL AND INDEPENDENCE

In order to guarantee the quality of our services, GranthamPoole has implemented a system of quality control. In addition, our firm participates in the CPA profession's Peer Review process on a triennial basis. Our most recent Peer Review was completed for the year ended June 30, 2018. At the completion of this review, GranthamPoole received an unmodified (clean) opinion on its system of quality control for its accounting and auditing practice. No comments were noted in this review. An unmodified opinion with no comments is the highest rating that a CPA firm can receive. A copy of our June 30, 2018 Peer Review report is included on the following page.

GranthamPoole is independent of MPIC as defined by auditing standards generally accepted in the United States of America and *Government Auditing Standards*.



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Report on the Firm's System of Quality Control

February 27, 2019

To the Members of GranthamPoole PLLC  
and the Peer Review Committee of the Peer Committee of the MSCPA's

We have reviewed the system of quality control for the accounting and auditing practice of GranthamPoole PLLC (the firm) in effect for the year ended June 30, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of GranthamPoole PLLC in effect for the year ended June 30, 2018, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. GranthamPoole PLLC has received a peer review rating of *pass*.

*Taylor, Powell, Wilson & Hartford, P.A.*

TAYLOR, POWELL, WILSON & HARTFORD, P.A.