

LAW OFFICES OF SARAH J. READ

MEDIATION • RESOLUTION COUNSEL • ARBITRATION

FREQUENTLY ASKED QUESTIONS ON LAW PRACTICE MANAGEMENT AUDITS

What is law practice management?

- ◆ Law practice management (LPM) is the process of implementing systems that help you practice law in an efficient, effective and safe manner. We work with you as a consulting attorney to help you improve your practice.

What is a LPM audit?

- ◆ A law practice management audit is a review of your existing systems and procedures as compared to recommended practices and the requirements set forth in the professional rules of conduct.

What happens during an LPM audit?

- ◆ During an LPM audit we visit your office, interview you and your staff, and look at the equipment, and some of the systems and forms you are using. Following the audit we generate a report that summarizes what we observed and provides recommendations for change. Before a report is finalized, we send you a draft for review and comment.

How does a LPM audit differ from an audit by my accountant?

- ◆ An LPM audit is not a financial audit. Instead it is a review of administrative policies and procedures.

What are my responsibilities for the LPM audit?

- ◆ Your presence, and that of your staff, will be required during the audit.
- ◆ You will be expected to candidly answer questions, provide copies of forms, and provide an overview of how you use your office equipment and software programs.
- ◆ You are not expected to discuss or disclose client specific information or individual matters.

How long does an LPM audit take?

- ◆ Each case is different and will depend on your individual and unique needs. In general, however, the audit will take at least one full day. In some cases, an additional day will be needed.

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FAQ ON LPM AUDITS (cont'd)

How much will LPM services cost?

- ◆ Each case is different and will depend on your individual and unique needs. Your specific fee arrangement will be detailed in the fees and expenses section of our engagement letter with you. There are however some basic fee components which are discussed further below.
- ◆ An initial administrative fee of \$500.00 is payable at our first meeting. This administrative fee includes the opening of a client file, a conflicts check, an initial consultation of one hour, review of any documents submitted prior to the interview, and related administrative tasks.
- ◆ A flat fee, generally between \$3,000 and \$5,000, will be charged for any LPM audit. Fees vary based on size of office and anticipated scope of the audit. This fee typically includes attorney and staff time in preparing for the audit, travel to your office, the audit itself, and the follow-up administrative work relating to the audit. After the audit as been completed and the audit report submitted, fees are charged as outlined below.
- ◆ Follow up coaching fees are based on a flat fee of \$1,500 per calendar quarter which includes up to 10 hours of professional time and also covers administrative costs. If more time is required during a calendar quarter, additional fees will be billed at an hourly rate of \$150.00 billed in increments of 0.25 hours (15 minutes). In addition to in-person meetings, these fees will apply to document review and creation, and other work related to the scope of services outlined in our engagement letter with you. On those occasions where travel to your office is required, travel time to and from your office is also billed at this hourly rate.
- ◆ For coaching clients, I will often recommend various reading and resource materials, many of which are part of my firm's library. You are welcome to review the materials in my office as long as you make an appointment for such review. There is no charge for reviewing library materials in this manner.
- ◆ If you are a coaching client, you are also able to "check out" certain materials with the understanding that the materials are to be returned within two weeks and in the same condition (normal wear and tear excepted) as borrowed. If the materials are not returned within the two-week time frame, or are damaged, you will be charged the replacement price of the materials, including any shipping and handling charges.

How will I be billed for LPM services?

- ◆ Payment for in person meetings not covered by a flat fee is expected at the time services are rendered.
- ◆ Fees, other than flat fees, and expenses will be billed on a monthly basis and payment is expected within 10 calendar days after the billing date.
- ◆ For your convenience, payment may be made by check or credit card.

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