



Feeley & Driscoll, P.C.
Internal Audit Services Group

Overview of Services and Statement of Qualifications

Visit us on the web: www.fdcpa.com

Or Call: 888-875-9770

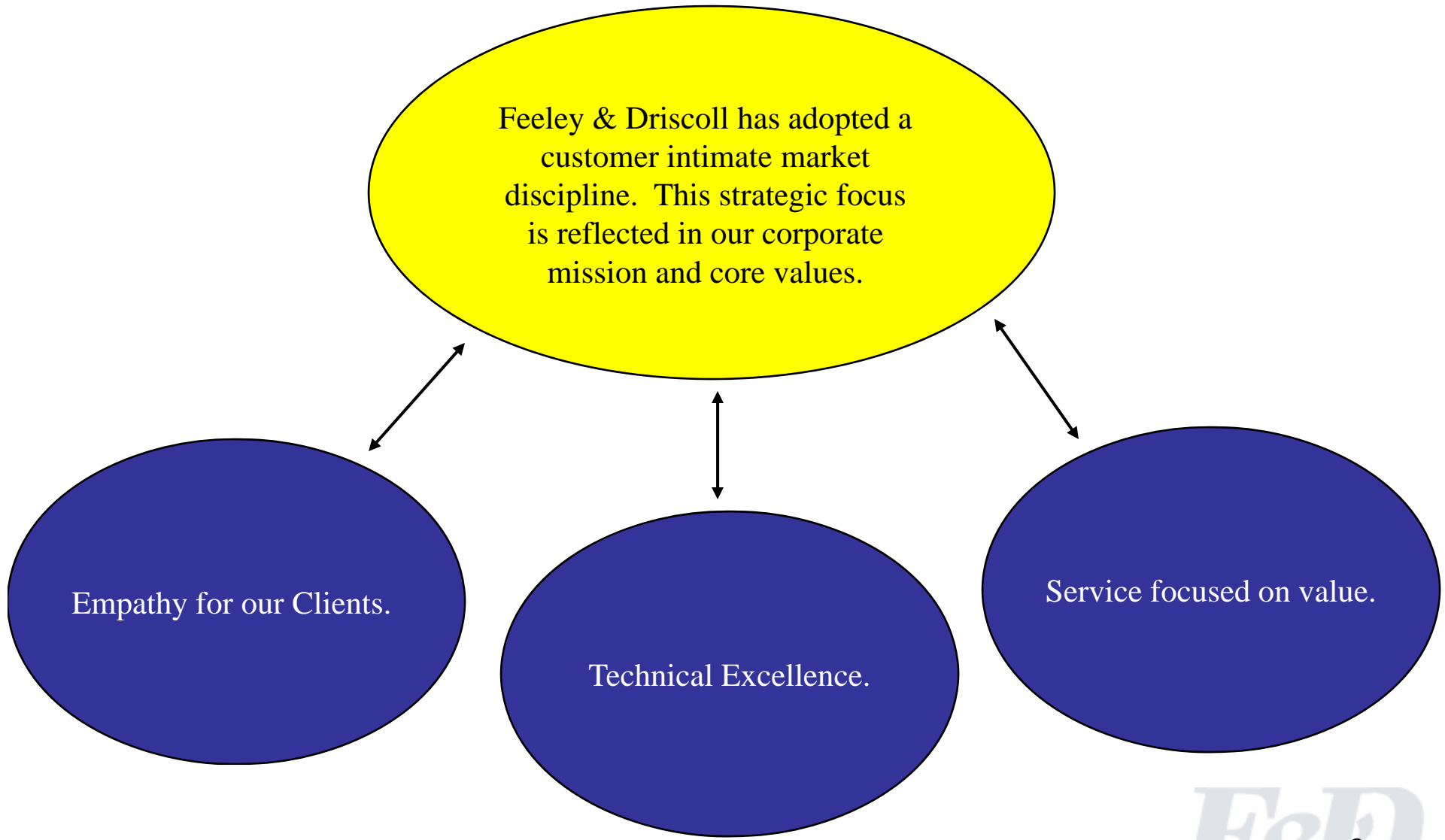


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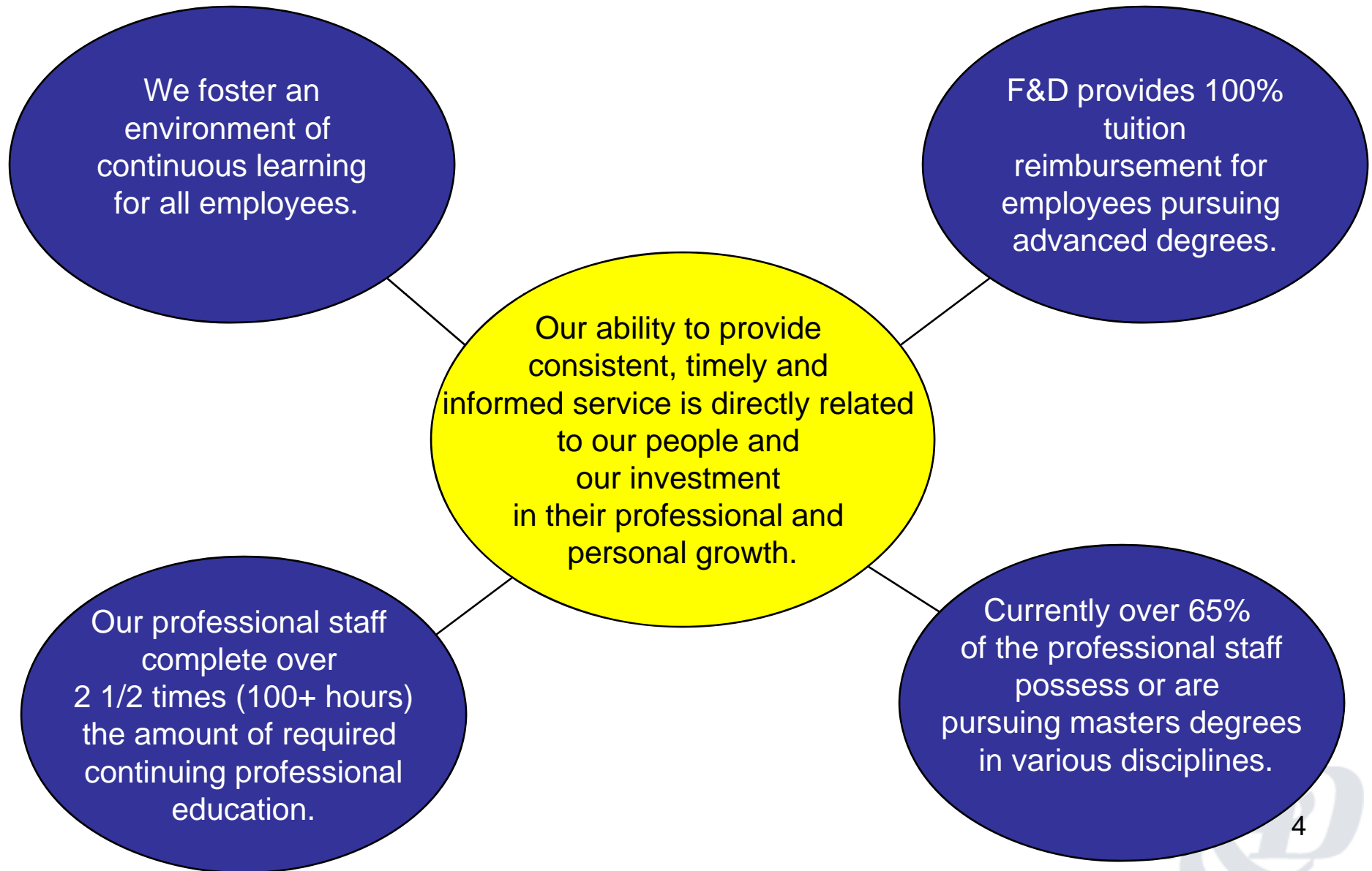
- Feeley & Driscoll, P.C. (F&D) is a 140 person Boston-based regional certified public accounting and business consulting firm.
- F&D serves four main industry groups: healthcare and human service providers, construction contractors, professional service firms, manufacturing and distribution companies, and technology companies.
- Expansive understanding of a broad array of issues and the unique responses regarding internal audits.
- F&D is one of the fastest growing regional accounting and business advisory firms in New England.
 - For seven out of the last eight years we have been named one of the “Best of the Best” CPA firms in the United States by INSIDE Public Accounting (IPA).
 - In 2007, F&D was recognized by the Boston Business Journal as one of the 60 fastest growing private companies in Massachusetts.
- Staff receive specialized training and professional development for internal audits and related issues



Feeley & Driscoll Core Values



Technical Excellence



Definition of Internal Auditing

What is Internal Auditing?

- An independent, objective assurance and consulting activity designed to add value and improve an organization's operations.

How does it help organizations to accomplish its objective?

- By bringing a systematic, disciplined approach to evaluate & improve the effectiveness of risk management, control, and governance processes.

It is not...

- Designed to intentionally uncover fraudulent activities or forensically review transactions within any specific cycle.

Five Elements of Internal Controls

1. Control Environment

- How the tone of the organization influences the control consciousness of its people
- Integrity, ethical values and competence are part of the control environment
- *Examples: Hiring policies*

2. Risk Assessment

- Identify & analyze risks relevant to achieving corporate goals
- Any condition, event, or factor that might prevent the organization from achieving its objectives
- *Examples: Market conditions, Government regulations, external events*

3. Control Activities

- The processes, procedures & policies that help ensure the fulfillment of management directives
- Once the risks are known, control activities are established to prevent or detect the risks
- *Examples: Performance review; Security of assets; Segregation of Duties, Information Technology controls*

Five Elements of Internal Controls

4. Information and Communication

- Internal communication (two-way, both planes)
 - *Senior Management must listen to lower level management*
- External communication (customers, suppliers, etc.)

5. Monitoring

- Monitoring also encompasses the ongoing appraisal of the performance and capabilities of the control system itself
- Monitoring mechanisms receive and evaluate the output of control activities
- *Examples: Comparison of system data to physical assets (i.e. inventory records to physical counts); Regular managerial reviews*

Source: Committee of Sponsoring Organizations of the Treadway Commission (“COSO”)

Engagement Process

Phase 1

- Comprehensive Understanding of Organization's Overall Operations & Systems, including key control activities
 - Establish information requirements
 - Internal Policies & Procedures
 - *Process flows/ Organizational charts*
 - Interviews with Select Staff
 - Information technology and systems utilization
 - Review of Auditors Reports and Required Communications

Engagement Process

Phase 2 ~ Risk Assessment – Risk Model

- Inherent Risk
 - Susceptibility to material misstatements occurring in unaudited information when internal controls are absent.
 - *Examples: High Management turnover; Size and complexity of the entity's operations; Evidence of contentious or difficult accounting or control issues etc.*
- Control Risk
 - The risk of material omission/misstatement or event of non-compliance occurring in any assertion will not be prevented/detected on a timely basis by the internal controls.
 - *The effectiveness of the design and operation of the control activities*
- Overall Audit Risk
 - Combination of both inherent risk & control risk
 - Financial/ Compliance

Engagement Process

Phase 3

- Determination of specific areas/systems to focus on based on the overall audit risk assigned
- Develop auditing procedures for chosen areas of risk
- Communicate initial findings/observations with management and the Audit Committee
- Prioritize those areas of risk
- Confirm the scope of Internal Audit Procedures with management and the Audit Committee



Engagement Process

Phase 4

- Perform established audit procedures noted in phase three
- Review preliminary findings and recommendations with management

Phase 5

- Present final findings/ observations/ recommendations to Audit Committee



Our Commitment to Taj Boston

- A **PROACTIVE** team that will meet regularly with management to assist throughout the year.
- We bring an internal audit approach that is **customized** to meet your needs and provide an efficient and timely level of service.
- A comprehensive **understanding and commitment** to understanding internal audits, complexities, challenges, and opportunities.
- A team with proven **experience** in assisting providers with their needs.
- **Personal service** - your needs are our needs, we deeply value our relationship on a personal and professional basis.
- An understanding that the internal audit should provide insight into opportunities and potential hazards

Bottom-Line: Why Choose F&D?

You Get Our
Top People

Our top people are involved in the day-to-day fundamentals of this engagement.

We Are
Accessible

You get our time and attention, based on *your* schedule and *your* needs - not ours.

Our Industry
Expert
Approach

We help you strategize, survive and prosper.

Our Services
Are NOT a
Commodity

We focus on increasing value through a customized approach designed to meet your needs and address key issues for management through open and constant communication between our senior people and yours.

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Certified Public Accountants / Business Consultants



13

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