



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

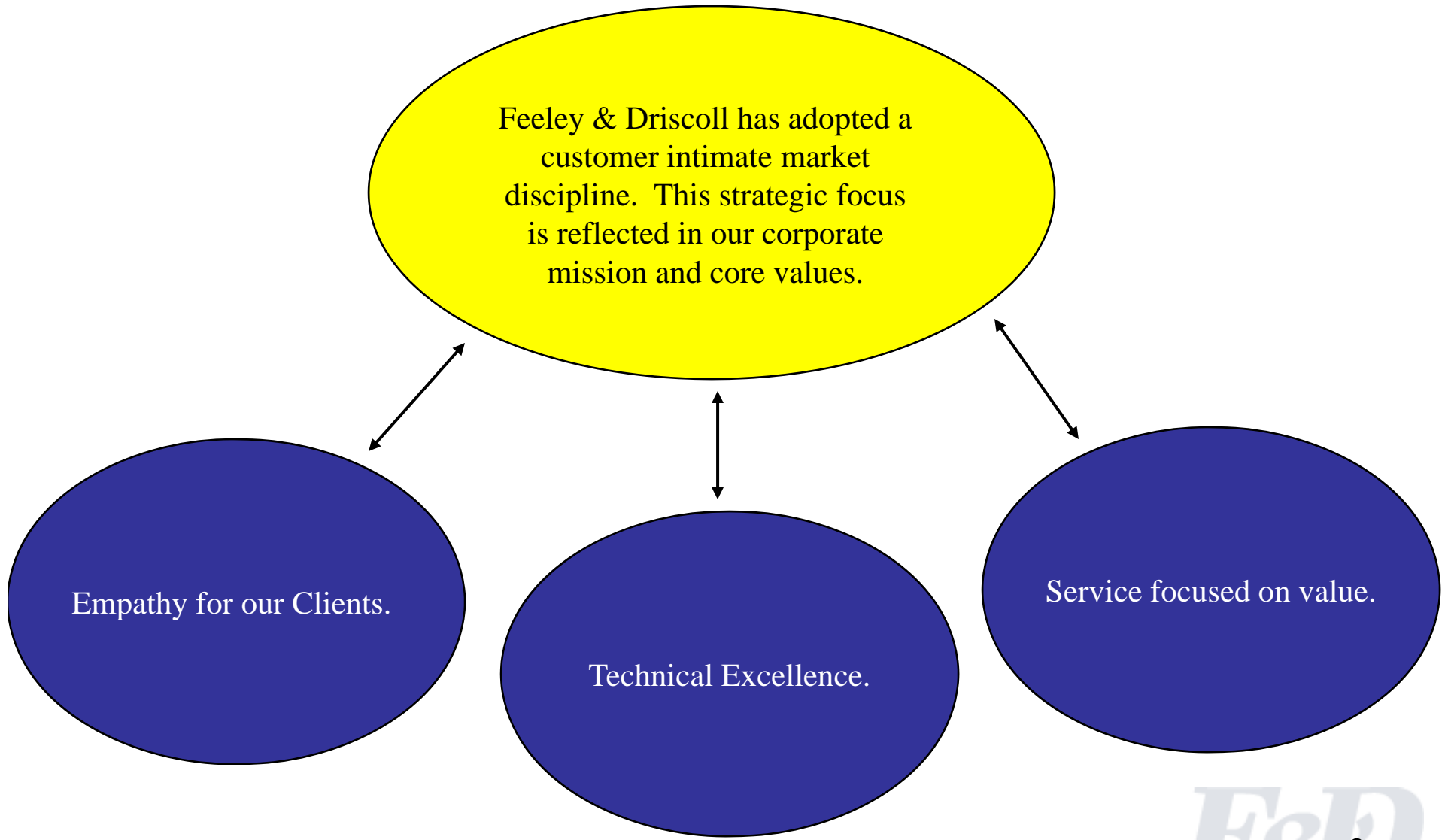
Overview of Services and Statement of Qualifications



Feeley & Driscoll, P.C.

- 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

We foster an environment of continuous learning for all employees.

F&D provides 100% tuition reimbursement for employees pursuing advanced degrees.

Our ability to provide consistent, timely and informed service is directly related to our people and our investment in their professional and personal growth.

Our professional staff complete over 2 1/2 times (100+ hours) the amount of required continuing professional education.

Currently over 65% of the professional staff possess or are pursuing masters degrees in various disciplines.

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.



FEELEY & DRISCOLL, P.C.
Certified Public Accountants / Business Consultants

