MARCUM
ACCOUNTANTS ▲ ADVISORS

# MARCUM OVERVIEW

May 2024

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# MARCUM: WHO WE ARE

Marcum LLP is a top-ranked national accounting and advisory firm with more than 70-years experience of helping clients resolve their greatest business and personal financial challenges.

AICPA Peer Reviewed

Registered with the PCAOB
Public Company Accounting Oversight Board

**Top 13**
Firm Nationwide

**4,100+**
Associates

**550+**
Partners

## LOCATIONS – as of 12/31/23

New York, New York
Melville, New York
Uniondale, New York
Bridgehampton, New York
Riverhead, New York
Saddle Brook, New Jersey
East Hanover, New Jersey
Tinton Falls, New Jersey
Marlton, New Jersey
Neptune, New Jersey
Northfield, New Jersey
Hartford, Connecticut
New Haven, Connecticut
Greenwich, Connecticut
Boston, Massachusetts
Andover, Massachusetts
Greenfield, Massachusetts
Providence, Rhode Island
Portland, Maine
Ellsworth, Maine
Merrimack, New Hampshire
Philadelphia, Pennsylvania
Blue Bell, Pennsylvania
Washington D.C.
Rockville, Maryland
Nashville, Tennessee
Miami, Florida
Fort Lauderdale, Florida
West Palm Beach, Florida
Tampa, Florida
Akron, Ohio
Cleveland, Ohio (2)
Chicago, Illinois
Deerfield, Illinois
St. Louis, Missouri
Houston, Texas
Los Angeles, California
San Francisco, California
San Jose, California
Costa Mesa, California
Grand Cayman, BWI
Dublin, Ireland *
Beijing, China *
Guangzhou, China *
Hangzhou, China *
Shanghai, China *
Tianjin, China *
Singapore *

* Joint venture offices

# OUR ADVISORY- INTERNAL AUDIT PRACTICE

## Marcum and Internal Audit Services

Marcum helps clients innovate so they can identify and seize opportunities. We guide your organization to the right solutions and approach your business challenges with the creativity and insight necessary to view the whole picture.

Whether you need help with consistent policies and procedures designed, an outsourced internal audit team, or a special project, our team is ready to ensure your assets are secured and safe.

## KEY SERVICES

- Internal audit outsourcing and co-sourcing
- Project planning and management
- Documentation, evaluation, testing, and remediation of risks and controls
- Department, operational, and compliance reviews
- Special projects (e.g. Enterprise-wide Risk Assessment)
- Process flowcharting and control identification

# OUR GOVERNMENT EXPERIENCE

Marcum's public sector services is one of the Firm's specialty industry sectors and focuses on local governments and governmental entities.

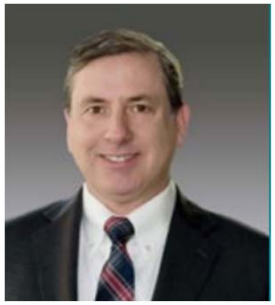
Marcum provides services that include audit and tax services, outsourced internal audit, co-sourced relationships, and special projects such as risk assessments and focused reviews. Some examples of our engagements include:

- Belmont Public Schools
- Berkshire Hills Regional School District
- Bristol Warren Regional School District
- Cape Cod Regional Technical School District
- City of Lynn
- City of Manchester
- Concord School District
- Douglas Public School District
- Farmington River Reg. School District.
- Franklin County Technical School
- Gateway Regional School District
- Hampden-Wilbraham Regional School District
- Hollis Montessori School
- Hoosac Valley Regional School District
- Nashoba Regional School District
- Norwood Public Schools
- Pioneer Valley Regional School District
- Putney School
- Putney School 403(b) plan
- Quaboag Regional School District
- Randolph Public Schools
- Southeastern Regional School District
- Southeastern Regional School Foundation
- Town of Lincoln
- Town of Tiverton
- Tri-County Reg. Voc. Tech School District
- Wachusett Regional School District
- Watertown Public Schools
- Westford Public Schools
- Weymouth Public Schools

# OUR LEADERSHIP TEAM FOR THIS ENGAGEMENT



Jim Low is an Advisory Services partner in Marcum's Providence, RI office who joined in 2023. With more than 30 years of combined big-4 audit and advisory experience, Mr. Low leads Marcum's New England Internal Audit Services group. He has interacted extensively with the Audit and Risk Committee board of director members and senior management addressing with them various business cycles, issues and events.



Michael McShea is a director in Marcum's New England Internal Audit Services. Mike has more than 30 years of experience providing internal audit and internal controls-related services to large and middle market clients. Mike also has experience in coordinating with executive management, internal and external auditors and business process owners, ways to identify and effectively test controls, as well as identifying process and control areas for improvement.

# OUR DRAFT PROPOSED SERVICES AND COSTS

## Nature of Services

Marcum's Services are performed in accordance with the American Institute of Certified Public Accountants' ("AICPA") Statements on Standards for Consulting Services. In connection with the provision of these Services we may provide, update or create forms, tools, software or electronic materials (including spreadsheets, documents, databases and other tools or work product), that shall remain the property of Marcum. If these are provided to you, they are provided "as is", without any representation or warranty, and use of these materials is at your risk.

## Scope of Services

Phase I – Budget Process Review:
With respect to the development of the annual school budget, Marcum would:

- Perform a walkthrough of the entire budgeting process
- Review any existing standard operating procedures for update opportunities and/or suggest the elements that would constitute an adequate procedural document
- Create a Risk and Control Matrix for the Town with respect to the budget process
- Identify segregation of duties in place and/or recommend such
- Identify any control gaps and control improvements / suggestions
- Report out on all findings and recommendations

## Deliverables

- Flowcharts of budget process processes
- Risk and control matrix for budget process
- Segregation of duties matrix
- Report of noted control gaps/process and control observations/recommendations for improvement



# OUR DRAFT PROPOSED SERVICES AND COSTS

Phase II– Risk Assessment:
We would provide an independent risk assessment (with a focus on fraud risks and controls) in connection with the school districts budget process. We would:

- Develop a list of risk related questions to be included in interviews at the Town and School District level
- Discuss the questions and the approach with the designated Town and School District liaison(s)
- Identify interviewees by reviewing the hierarchy details and selecting key employees with broad coverage over all functional business areas, across various level of seniority
- Conducted interviews
- Discuss elevated/trending risk areas to assist with driving conversations during the interview
- Collate all risk identified during the interviews into a single risk universe document
- Assess each identified risk by applying a high, medium or low score across various risk factors using our risk model
- Prepare a final report of observations describing how Marcum analyzed the risk environment and prioritized areas for further consideration/review

## Deliverables

- Risk assessment with key areas of risk prioritized areas for further consideration/review



# OUR DRAFT PROPOSED SERVICES AND COSTS

**Fee Estimates**

**Phase I**

| Activity | Low Hours | High Hours | Estimated Low Fees | Estimated High Fees |
|---|---|---|---|---|
| Planning | 24 | 40 | $ 5,280 | $ 8,800 |
| Budget Process Flow Chart and Risk and Control Matrix (RCM) | 80 | 120 | $ 17,600 | $ 26,400 |
| Analyze segregation of duties | 24 | 40 | $ 5,280 | $ 8,800 |
| Internal Control Gap Analyses and Recommendations | 40 | 60 | $ 8,800 | $ 13,200 |
| Recommend policies and procedures | 24 | 40 | $ 5,280 | $ 8,800 |
| Reporting, status meetings | 16 | 24 | $ 3,520 | $ 5,280 |
| Totals | 208 | 324 | $ 45,760 | $ 71,280 |

**Phase II**

| Activity | Low Hours | High Hours | Estimated Low Fees | Estimated High Fees |
|---|---|---|---|---|
| Planning | 24 | 32 | $ 5,280 | $ 7,040 |
| Develop and approve approach to assessment | 24 | 32 | $ 5,280 | $ 7,040 |
| Conduct assessment | 40 | 60 | $ 8,800 | $ 13,200 |
| Perform analysis of results | 24 | 40 | $ 5,280 | $ 8,800 |
| Reporting, status meetings | 16 | 24 | $ 3,520 | $ 5,280 |
| Totals | 128 | 188 | $ 28,160 | $ 41,360 |

Additional services would be time and materials based on personnel deployed utilizing our discounted fee chart:

| Partners | Directors | Senior Managers | Managers | Supervisors | Seniors and Staff |
|---|---|---|---|---|---|
| $435 | $345 | $270 | $225 | $190 | $160-100 |

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