

State of New York Office of the State Comptroller

Proposal to provide audit services for
the audit of OSC's internal controls

Technical proposal | Original

August 22, 2019



MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER



August 21, 2019

Director of Financial Administration
Office of the State Comptroller (RFO19-03)
110 State Street – Stop 13-2
Albany, NY 12236-0001

Dear Director of Financial Administration:

Mitchell & Titus, LLP (Mitchell Titus) is pleased to have the opportunity to present our qualifications to perform advisory services for the New York State Office of the State Comptroller (NYSOSC).

A well-established professional services firm, Mitchell Titus is the largest minority-controlled accounting firm in the U.S., with offices in New York City, Chicago, Philadelphia, Newark, Baltimore and Washington, DC. We adhere to leading-edge quality, assurance, risk management and independence procedures, while using our innovative technology resources. We also have the advantage of connecting with and utilizing the established knowledge base of an exceptional professional services membership organization.

Our credentials include a team of diverse professionals with multi-faceted experience within the programs required for your audit, including subject matter experts in internal controls auditing procedures. Our clients include several U.S. banks, including government-sponsored enterprises. While focusing on your objectives, we take pride in our ability to help provide impactful solutions to our clients. Our commitment to achieving excellence together inspires our commitment to you.

While there are numerous ways we differentiate ourselves from other firms, one of the most compelling reasons to select Mitchell Titus is our client services philosophy and timeliness of our delivery. We believe in the importance of building a long-term relationship with our clients; our impetus is to understand your overall needs and challenges, with an eye on achieving long-term goals and efficiencies. You can be assured that your specialized program area audits will be conducted by executives and technical professionals who have hands-on experience in delivering quality services to organizations of a similar size and complexity as NYSOSC. We would look to make our resources available at the optimum timeframe specified to Mitchell Titus by NYSOSC.

The enclosed materials detail our understanding of NYSOSC's needs and outline our methodology and how we are able to assist you. We look forward to discussing our proposal with you, but in the meantime, please do not hesitate to contact Uzma Malik-Dorman, Engagement Partner, at 212 709 4500 or at udorman@mitchelltitus.com if you have any questions.

Sincerely,

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New York, NY 10005
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Title page

**State of New York Office of the State Comptroller
RFP19-03**

Professional auditing services for the audit of OSC's system of internal controls
Issued July 18, 2019

Mitchell Titus contact: Uzma Malik-Dorman

Mitchell & Titus, LLP

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New York, NY 10005

212 709 4500

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FOR THE TECHNICAL PROPOSAL			
TAB	RFP §	REQUIREMENT	INCLUDED
N/A	§ 7.1.A	ONE Original and Five Copies of the Technical Proposal	<input checked="" type="checkbox"/>
1	§ 6.2.A - B	Title Page and Table of Contents	<input checked="" type="checkbox"/>
2	§6.2.C	Attachment A – Proposer’s Certified Statements, completed and signed	<input checked="" type="checkbox"/>
3	§ 6.2.D.i.d	Attachment D - Section 6.2.D.i.d Response Form	<input checked="" type="checkbox"/>
4	§ 6.2.D.iii.a	Attachment E – Section 6.2.D.iii.a Response Form	<input checked="" type="checkbox"/>
5	§ 6.2.D.iii.c	Attachment F – Section 6.2.D.iii.c Response Form	<input checked="" type="checkbox"/>
6	§ 6.2.E	Attachment G (References)	<input checked="" type="checkbox"/>



Executive summary

We offer the right team, with the right experience

Our professionals have deep Internal Audit experience. We believe that our involvement in the audits of many of our clients has assisted in their growth and development because of our experience dealing with various organizational structures, information technology environments, complex business processes, and compliance issues affecting these organizations. We provide advice and assistance in areas ranging from Sarbanes-Oxley (SOX) testing, risk assessment risk mitigation measures, business process improvements, governance matters, and Audit Committee-leading practices.

Our comprehensive team brings to NYSOSC specific, relevant experience gained from many years of working with organizations with similar missions/goals. Our professionals would spend the time to perform the work required to become well-versed in your operations. We have the flexibility to work across all the SOX testing/external auditor assistance, compliance and facilities management administration projects during a timeline that is right for you. Our team includes Uzma Malik-Dorman, Engagement Partner, Rekha Nambiar, Concurring Partner, Stephen Baloga, Executive Director, Jeanette Carmona, Senior Manager, and Tissy Feiman, Senior. See Appendix A for our team members' biographies.

Our focus is to always provide exceptional client service and a fresh perspective

We know that a responsive team is important to you and our team is ready to work with you immediately to provide a fresh perspective. We offer a new lens with which to view your organization, which is especially critical with program auditing. The Mitchell Titus team selected to serve you consists of top performers who have significant experience serving their clients with passion and excellence, combined with the industry experience that you require. We will continually challenge our service approach and make adjustments, as necessary, to be aligned with your operations and expectations. We have the ability to combine skills from multiple practices and competencies to drive value for NYSOSC, bring subject matter expertise and experiences, and provide industry best practices and thought leadership. We would be truly honored to serve NYSOSC and our most knowledgeable and experienced professionals are eager to begin working with you.

We are committed to serving as your trusted advisor

Mitchell Titus strongly values the personal commitment of our people and their sensitivity to our clients' needs. For NYSOSC, this means that the Mitchell Titus client service team will be proactive, accessible and devote the time necessary to understand your organization and its operations. Our team provides an array of advisory services to various organizations, such as internal control reviews and Internal Audit support and co-sourcing services. The entire client service team will tap into their broad-based experience to share industry knowledge and best practices as they serve NYSOSC.

The relationship we develop with you will be based on open communication

Currently, we are an employee benefit plan professional services provider to NYSOSC. We are always cognizant of our clients' service delivery expectations. We have established protocols to effectively communicate critical matters encountered during the audit, including reporting any issues and any related ramifications, in a timely manner to avoid "late surprises". Your engagement team will be in contact frequently to provide regular updates on industry trends, respond to any questions or concerns that you may have, and discuss accounting and financial reporting issues related to new developments at your organization.



We would be truly honored to serve NYSOSC and our most knowledgeable and experienced professionals are eager to begin working with you.

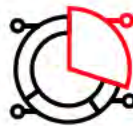
About Mitchell Titus



Mitchell Titus, the nation's largest minority-owned certified public accounting and business advisory firm, was founded in 1974. Headquartered in New York City, the firm maintains offices in Chicago, Philadelphia, Newark, Washington, DC, and Baltimore. In 2017, the firm became an independent member firm of the BDO Alliance USA, a network of professional services firms that enhances resources and capabilities of each other for the benefit of our clients. The BDO Alliance network, along with Mitchell Titus, is deeply experienced in the financial services sector.



Assurance



Tax



Advisory

The firm provides a full range of services through its Assurance, Tax, and Advisory practices to a diversified client base across all four industry-specialized practices:

Commercial	Employee Benefit Plans	Government and Public Sector	Not-for-Profit
<ul style="list-style-type: none"> ▪ Financial services ▪ Asset management ▪ Real estate ▪ Private equity ▪ Fortune 1000 ▪ Middle-market and emerging companies 	<ul style="list-style-type: none"> ▪ Health and welfare ▪ Defined contribution pension ▪ Defined benefit pension ▪ Deferred compensation ▪ Union plans, Cash balance, Profit sharing ▪ 401(k), Leveraged employee stock ownership 	<ul style="list-style-type: none"> ▪ City, state, federal agencies ▪ Authorities, boards and commissions ▪ Public benefit corporations 	<ul style="list-style-type: none"> ▪ Social service organizations ▪ Membership organizations ▪ Private and corporate foundations ▪ Community development, Health care ▪ Educational institutions ▪ Cultural arts ▪ Civic organizations

Program auditing services

SOX testing and external auditor assistance

In today's environment, Internal Audit plays a much more critical role in supporting the business. Previously, Internal Audit approaches focused solely on monitoring an organization's control and compliance structure. However, the Internal Audit function must now also serve as a mechanism for providing high-quality, relevant business insight to the organization as an integral part of its activities. As an example, our risk assessment approach encourages "real-time" updating based on changing or emerging risks throughout the year. Additionally, our Internal Audit methodology takes a value-driven approach toward risk by focusing more resources on the highest levels of risk and utilizing more data analysis and indirect monitoring for the lower-level risks. It is not a "one-size-fits-all" approach and our ability to execute more rigorous testing methods for controls with higher probabilities of failure is critical to our approach. We know that NYSOSC operates in a distinctive, multi-faceted environment that requires an equally distinctive Internal Audit function aligned to your needs. Such an Internal Audit function requires consistent access to industry-focused professionals.

Internal control is much more than only an auditing or accounting effort. It is about managing risk and promoting accountability. Banks must ensure customers receive services effectively and efficiently, and demonstrate the value of their services. An effective internal control system touches every aspect of a bank's operation, depends upon all of its employees, and helps the bank achieve its mission and objectives relating to operations, reporting, and compliance with laws and regulations. This directive establishes – or re-establishes – policy, responsibilities, and procedures for implementing effective internal control systems within financial institutions.

Our professionals have deep Internal Audit experience within financial services, commercial banking and government-sponsored enterprises. Mitchell Titus has developed a progressive vision and approach to Internal Audits. NYSOSC can benefit from our commitment to this vision by gaining access to the investments we are making to more efficiently serve our clients' Internal Audit functions and drive more value for them.

The Audit Committee of a large not-for profit organization recently engaged Mitchell Titus to perform a diagnostic review of significant financial processes, including financial reporting. Mitchell Titus obtained an understanding of significant processes and related internal controls, including information technology controls, and identified, assessed and prioritized key risks within the financial processes. The engagement also involved performing an objective assessment of the adequacy of staffing for the organization's finance function.

Compliance experience

Mitchell Titus assists organizations in identifying key risk areas mapped to business objectives, strategies and key activities and processes. The enterprise-wide risk assessments often help to prioritize Internal Audit efforts. Our Internal Audit work involves performing design and operating effectiveness reviews of internal controls for financial and operating processes, such as financial reporting, investments, human resources, legal and governance and information technology.

Regulatory management is an important aspect of any financial group. Mitchell Titus' staff resources are adept at knowing the latest changes and developments in fiduciary regulations and communicate best practices for you to follow. Policy management grows out of mandates, and we can help tailor, update and disperse this necessary organizational information in a consistent and timely manner, including training suggestions. Mitchell Titus also believes in the importance of change management and the business solutions that can be derived. We will guide NYSOSC on how to prepare, equip and support individuals so that they may successfully adopt change to drive organizational success and outcomes. Mitchell Titus can also offer consultations about effective oversight and governance models and strategies.

Facilities management and administration

Our Senior Assurance executives have experience in advising on the most effective systems to handle facilities management, security and building services and communications. Contract management and fixed asset solutions are key to streamlining and staying current with your parameters of running your business. We can help you maximize operational and financial performance, while reducing financial risk, helping you also to reduce costs and improve financial performance.

Focus on risk areas

Mitchell Titus' Advisory Services practice assists clients in examining their strategic, operational, compliance and financial risks. The practice encompasses professionals with competencies in risk management, internal controls and audit, contract compliance and litigation support services. They are the core team selected to serve NYSOSC and will draw on their extensive professional experience to give you fresh perspectives and open, objective advice. We work with our clients to develop an integrated, holistic approach to risk and controls, so that your risk functions are aligned and you are likely to gain both a better return on your investment in internal controls, risk management and processes, as well as greater confidence that you can respond to whatever challenges the future may hold.

Enterprise risk management

The key to effectively protecting and growing returns for an organization's stakeholders is to identify and manage the risks that could prevent the organization from achieving its objectives. When key risks are clearly identified, risk management efforts can focus on the risks that could have the most significant impact on the organization. Our enterprise risk assessment is a highly effective and practical approach that provides insight on inherent risks and then links them to your organization's objectives, initiatives, and processes.

Approach

At Mitchell Titus, our audit processes are built around our clients' unique needs. Assigned to each engagement are individuals with specific and extensive knowledge of the various governmental regulations over the activities of financial institutions. These individuals will bring to bear scalable and cost-effective solutions/recommendations.

Proposed approach

Overall objective

The overall goal of this project will be to perform the audits of OSC's compliance with existing administrative and programmatic internal controls in accordance with Article 45 of the Executive Law. Our audits will determine OSC's compliance with the Standards for Internal Control in New York State Government ("Standards") issued by the New York State Comptroller in March 2016. We understand that internal controls audits will cover a comprehensive scope of administrative and programmatic internal controls for operations throughout the organization, in addition to controls related to financial transactions. The audit procedures that we perform will be tailored to address key aspects of the requirements and our reports and findings will assist OSC to be in compliance with the requirements.

Our proposed approach

We will begin our project by meeting with OSC representatives immediately after our appointment as service providers to co-develop expectations for the project. We will validate our planned approach with you, making sure that we address your concerns effectively. In this manner, we will gain a deeper understanding of your issues and expectations which, in turn, will allow us to focus our efforts on critical internal control areas, including areas of risk. As part of our co-development session, we would validate the criteria required to be addressed in the audits.

We will then finalize a detailed audit plan using the information gained during our co-development session. Our plan will emphasize efficient execution to assess if OSC's administrative and programmatic internal controls system is established and functioning in a manner to achieve the specific objectives of internal controls as set forth by Executive Law and the Standards. Our plan will summarize the significant objectives and relevant internal accounting and administrative controls, protocol for communications with OSC, planned key procedures and how they align with the audit criteria, a detailed timeline for project activities and deliverables, and a summary of the support required from OSC.

Once the audit plan is agreed upon, our team will then execute on the plan. Our audit will cover a mutually agreed upon 60-day period to conduct the internal control audit. Our audit will identify the significant objectives and related controls; then audit the controls to cover OSC's system of internal controls which manages critical State and agency functions including, but not limited to, the State's accounting system, the Common Retirement Fund, the State's payroll system, State contract and expenditure review and the State's Office of unclaimed funds.

We will review significant accounting and transaction processing systems, including OSC's financial system and selected business processes, and document our understanding of the internal controls within

each of these systems and processes. We gain a thorough understanding of the various processes by conducting interviews with personnel in both the finance and operational departments as well as performing walkthroughs of these processes. This visibility by the audit team to the organization's management team in the various departments allows us to elevate the audit process and highlight the significant financial and operational controls. Once we have assessed whether the system narratives accurately depict how systems are actually working, we will identify the key internal control elements in the systems and evaluate the control environment.

Performing tests of controls

The purpose of performing tests of controls is to confirm our initial assessment of the effectiveness of controls and the likelihood or actual presence of errors in the accounting and administrative process and provide a basis for us to rely on the controls. The nature and extent of the testing of controls will be influenced by our initial assessment of the control procedures being used.

Our tests of controls will include procedures, such as inquiry and observation, corroborated by inspection of physical evidence resulting from the performance of controls and, in some cases, re-performance of the controls. After executing our planned tests of controls, we will evaluate the results of those tests and decide whether the initial assessment of the effectiveness of the controls was appropriate. Upon completion of the risk assessment and evaluation of the results of the tests of controls, we will develop a detailed audit program. The audit program is specifically designed to take into consideration the operation and control environment of OSC and assess the adequacy of the OSC's ongoing internal control. It is designed to identify any internal control weaknesses, identify actions to be corrected and monitor corrective action plans.

We would plan to provide OSC with regular status updates throughout the project, the frequency, timing and extent of which would be mutually decided upon during our planning co-development session.

We will deliver a draft report on OSC's system of internal controls within 60 days of commencement of the engagement. The report will include whether the OSC's internal controls are designed and functioning in a way that provides reasonable assurance that they meet the objectives of internal controls as defined in New York State Executive Law, Article 45, section 950. The draft report will be reviewed by OSC staff prior to issuing the final report. The report will be addressed to the Comptroller, follow the requirements of generally accepted government auditing standards (GAGAS) and include language that the internal controls were reviewed in accordance with standards established by the American Institute of Certified Public Accountants (AICPA).

If internal control weaknesses are significant or material with respect to OSC are identified and findings are warranted, the findings will contain sufficient detail for OSC management to initiate timely corrective action.

Project timeline

Based on our review of the requested scope of services, we understand and affirm that we have the available resources to commence the SOX/External audit, compliance and facilities management projects and complete the fieldwork during the timeframe to be specified by NYSOSC.

The audit team members to conduct this audit will be sourced primarily from our New York office and will work onsite in Albany, New York.



Appendices

Appendix A: Engagement team biographies



Uzma Malik-Dorman

Partner

212 709 4500

udorman@mitchelltitus.com

Uzma Malik-Dorman, Partner, has over 25 years of public accounting experience, serving large governmental and commercial entities. She began her public accounting career with KPMG. She has been the partner on financial and compliance audits of governmental entities, including the Government of the District of Columbia, the District of Columbia Housing Finance Agency, the District of Columbia Housing Purchase Assistance Program, D.C. Department of Housing and Community Development, Prince George's County, Maryland, Prince George's County Economic Development Corporation, the Redevelopment Authority of Prince George's County, Industrial Development Authority, the Housing Authority of Prince George's County, USDA, U.S. Census Bureau, Washington Suburban Sanitary Commission, and D.C. Water and Sewer Authority.

Uzma's commercial clients have included Prudential Financial, Marriott International, Host International and Hilton Worldwide. She has experience providing internal audit services to clients, including assisting corporations with maintaining compliance with the SOX. Uzma led a team of approximately 50 auditors on an SOX engagement for Prudential Financial, Inc. and provided cost-effective recommendations to help Prudential decrease the cost of unnecessary and redundant controls and enhance the efficiency of financial and operational processes.

In addition, Uzma has extensive experience conducting audits of employee benefit plans for large corporations, including Prudential Financial, Marriott International, Host International, McCormick & Company, MillerCoors, Johns Hopkins Health System Corporation and The Johns Hopkins Hospital. She has also served as the engagement partner or the concurring partner on the annual audits of employee benefit plans for the Government of the District of Columbia, the Maryland State Retirement and Pension System, Prince George's County, Maryland, and the Pennsylvania Public School Employees' Retirement System.

Uzma currently serves on the Board of Directors of the Government Finance Officers' Association (GFOA) – Washington Metropolitan Area. She is a former member of the Board of Directors of the Greater Washington Society of Certified Public Accountants (GWSCPA), the Chair of GWSCPA's Audit Committee, and the Chair of the GWSCPA's Employee Benefit Plan Section. She has also served on the Board of Directors of the Ben's Chili Bowl Foundation, Youth Power Center, and U Street Theatre Foundation.

Uzma has been a resident of the District of Columbia for 20 years. She earned a BS in Accounting from Towson University and is a licensed CPA in several states. Uzma is a member of several professional organizations, including the AICPA, Greater Washington Society of Certified Public Accountants and the GFOA.



Rekha Nambiar

Concurring Partner

Rnambiar@mitchelltitus.com

Rekha Nambiar, Assurance and Advisory Partner, has over 27 years of experience in public accounting and has been specializing in the Not-for-Profit sector for the past 17 years. Her experience encompasses working with not-for-profit organizations, including social service organizations, foundations, cultural institutions, healthcare entities and membership associations. Rekha is skilled in identifying opportunities to improve the effectiveness and efficiency of accounting processes and internal controls and has significant experience working with the management and Board of Directors of not-for-profit organizations on matters related to governance and risk.

Rekha is a key member of Mitchell Titus' National Not-for-Profit Market Group and also serves as a member of Mitchell Titus' Quality Control, Training and People Committees. As a quality control leader for the firm, Rekha helps to oversee the audit methodology, audit quality and audit efficiency. She also leads the firm's Single Audit practice and serves as a technical resource related to accounting and auditing matters relevant to the Not-for-Profit sector. Rekha also develops and leads training sessions pertaining to accounting and auditing matters, not-for-profit industry topics, *Government Auditing Standards* and Single Audit topics.

Prior to joining the firm, Rekha was an Assurance Executive Director at Ernst & Young (EY), where she gained over 18 years of audit experience. During her tenure at EY, Rekha served many of the Northeast Sub-Area's largest and most prominent not-for-profit clients that held operations nationally as well as internationally. In addition, she served as the Northeast Sub-Area's Director of Not-for-Profit Services, where she had overall responsibility for the assurance services provided to the Sub-Area's not-for-profit clients.

Further, Rekha was EY's National Not-for-Profit Sector Industry Resident, where she helped lead EY's National Not-for-Profit Services Practice and served as a technical resource concerning not-for-profit accounting and auditing matters, including emerging issues. While at EY, Rekha led and implemented educational programs for the Not-for-Profit sector, including *Government Auditing Standards* (GAS) and OMB Circular A-133/Single Audits on national and local levels.

Rekha earned a BS in Accounting from Rutgers University and is a CPA licensed in various states. She has also completed the Columbia University Graduate School of Business Executive Education Program entitled, "High Impact Leadership: Maximizing Individual and Organizational Performance." Rekha is a member of the AICPA, the New York State Society of Certified Public Accountants (NYSSCPA) and the New Jersey State Society of Certified Public Accountants. In addition, she is a member of the AICPA Not-for-Profit Section and serves on the NYSSCPA's Not-for-Profit Organizations Committee. Rekha also serves on the Board of Directors of a not-for-profit organization in New York City.



Stephen A. Baloga
Subject Matter Expert – Contractor

Stephen A. (Steve) Baloga is an Assurance executive with over 35 years of experience in public accounting while employed with EY and Mitchell Titus. He serves primarily state and local government clients.

Steve has performed peer reviews for the City of Philadelphia Office of the Controller – Audit Division; the Bureau of Audits of the Pennsylvania Office of the Budget and the Pennsylvania Treasury Department and audit quality reviews for the City of Orlando, in conjunction with EY. He has also performed many compliance audits and performance audit engagements. During his tenure at EY, Steve served many of its largest and most prominent government clients, including states, counties, cities, authorities, boards and commissions, as well as major federal government agencies. Steve was previously the engagement partner of the Pennsylvania Housing Finance Agency and the New York City Housing Development Corporation. Steve was also previously the Engagement Quality Reviewer of the Connecticut Housing Finance Authority and the New York City Housing Authority.

Steve has served as the Independent Reviewer for the audits of the Fund for Public Health in New York, New York Lottery, New Jersey Transit, New Jersey Health Care Financing Facilities Authority, New Jersey Fund of Investment, New York City Economic Development Corporation, Suffolk County Water Authority, New York City Housing Development Corporation, New York City Housing Authority, State of West Virginia, West Virginia Board of Risk and Insurance Management, West Virginia Public Employees Insurance Agency, U.S. Department of Education, U.S. Department of Health and Human Services, National Aeronautics and Space Administration, and many others.

Steve has also served as the Coordinating Partner for the audits of the State of Maryland, State of Delaware and the Commonwealth of Pennsylvania while at EY.

Steve has experience conducting audits under GAGAS and in compliance with the OMB's Uniform Guidance, as well as extensive experience advising clients on the application of complex GASB pronouncements.

Steve earned a BS in Accounting from Pennsylvania State University. He is a CPA licensed in various states, including New York, and a Certified Government Financial Manager. Steve is a member of the AICPA, the Association of Government Accountants, the GFOA and the Pennsylvania Institute of Certified Public Accountants (PICPA).



Jeanette Carmona

Senior Manager

jcarmona@mitchelltitus.com

Jeanette Carmona has 17 years of experience in auditing, including 10 years of experience with EY's State and Local Government practice and seven years of experience with Mitchell Titus' Not-for-Profit and State and Local Government team.

Jeanette serves as the Senior Manager on the National Railroad Passenger Corporation Single Audit, Pennsylvania Higher Education Assistance Agency financial statements and Single Audits and attestation engagements. Jeanette also serves as the Senior Manager on several of the firm's not-for-profit entities' financial statement audits and Single Audits.

Jeanette has experience conducting audits under GAS and the Uniform Guidance.

She leads educational training for the Government and Public Sector, including GAS and OMB/Single Audits.

She has a BBA in Accounting from the Bernard Baruch College (City University of New York). She is an active member of the AICPA and the PICPA.



Tissy Fieman

Senior Auditor

tfieman@mitchelltitus.com

Tissy Fieman has 14 years of auditing experience, including eight years with EY's East Central State and Local Government practice and four years with Mitchell Titus' State and Local Government team, serving state and local government clients, specializing in OMB Circular A-133 audits.

Tissy served on the audit of the Commonwealth of Pennsylvania in accordance with accounting principles generally accepted in the United States. Her responsibilities included performance of fieldwork, preparation of audit adjustments, financial statement findings and management letter comments. She served on the Lancaster County pension work in a staff capacity, and has worked on the Organization of American States' pension plan in the senior/staff capacity. Tissy served on the Commonwealth of Pennsylvania's Single Audit. Her responsibilities included performance of fieldwork and preparation of Federal award findings and management letter comments.

Her experience with audits of major programs includes the Supplemental Nutrition Assistance Program (SNAP) Cluster (formerly known as the Food Stamps Cluster), the Workforce Investment Act (WIA) Cluster, and the Trade Adjustment Assistance Program. She has taken several courses on the ARRA of 2009. Also Served on the Single Audit of Lancaster County and Cumberland County. Her responsibilities include planning; performance of fieldwork; and review and testing of Single Audit Report, including preparation of the Federal award findings; and management letter comments. She served on the GAAP Audit of Lancaster County. Her responsibilities included planning, performance of fieldwork, and review and testing of the CAFR, which received the GFOA Certificate of Achievement for Excellence in Financial Reporting. Tissy served on the International Registration Program/ Apportioned Registration Program verification audits of PennDOT registrants in accordance with contractual and agreed-upon procedures from PennDOT. Included communicating with the registrants in order to confirm proper record-keeping procedures in accordance with the IRP/ Apportioned Registration Program manual, making recommendations for improvement where appropriate and submitting a completed record to PennDOT detailing the results of the review in order to determine the registrant's compliance with the IRP/ Apportioned Registration Program.

She has served on the Pennsylvania Legislature (General Assembly) financial statement audit and agreed-upon procedures engagements. The agreed-upon procedures engagement provided GAAP accrual and disclosure information necessary for the Commonwealth to report in its CAFR. Her responsibilities included performance of fieldwork. Also Served on the Pennsylvania Unified Judicial System (PA Judiciary) audit. Her responsibilities included performance of fieldwork. Two years of internal audit experience with an international retail company as a senior internal auditor. Evaluated Sarbanes-Oxley Project Team documentation and testing control design effectiveness for various business cycles. Provided feedback and assisted management with internal control gap remediation. Supervised, trained and reviewed performance of up to four auditors during audit execution. Interviewed management to obtain information used in evaluation of internal controls or other test work performed. Drafted reports with clear, concise audit conclusions and recommendations based on findings. Independently performed follow-up of findings and elicited management responses.

Tissy has earned a BS in Business Administration with a concentration in Accounting, Millersville University of Pennsylvania. She regularly attends seminars and courses, including Accounting and Auditing Updates, Public Sector Update, and Yellow Book and A 133 Update. She also attends seminars and courses offered by organizations such as the AGA, the PICPA, the AICPA and the GFOA.

Appendix B: Commitment to quality



Our attention to quality is evident in our adherence to high standards of professional and business ethics and in the credentials of our staff. We undergo a peer review process every three years and conduct internal inspections annually.

Mitchell Titus is proud to be a member of the AICPA Audit Quality Center for Public Audit Firms. We are also members of the AICPA Government Audit Quality Center and Employee Benefit Plan Audit Center. In addition, we are registered with the Public Company Accounting Oversight Board (PCAOB). As a registered public accounting firm, we have voluntarily agreed to adhere to stringent oversight, peer review, inspection and compliance actions from the AICPA and PCAOB. We feel that this enhances the quality of our practice and results in significant value to our clients.

In today's competitive environment, setting and achieving high standards is expected — and it is good business, too. Delivering high-quality professional services is embedded in our client service delivery process and a core part of our team's service model. This is a key factor in differentiating Mitchell Titus from other firms. Our quality control program includes independent engagement quality reviews of all client engagements, an annual internal quality control review that is far more extensive than the triennial peer review, on-the-job quality reviews and strict independence requirements. Staff audit personnel through partners maintain technical proficiency by participating in mandatory training. On average, formal education hours far exceed professional requirements. In addition, we mandate industry-specific education for all managers through partners.

Independence

Independence and objectivity are the foundation of our client relationships and will be evident to NYSOSC as we build a relationship with you.

Audit quality and independence conflict prevention — Like any other system of internal controls, no single safeguard provides us with the desired assurance that our people comply with applicable professional standards and our firm's standards of quality. Working in tandem, however, these safeguards provide a system that serves to prevent or detect matters that, without corrective action, could result in substandard performance.

A higher bar for independence — We have policies extending beyond those required by the SEC and professional standards. As an example, for several years, we have prohibited, and continue to prohibit, all full-time client service professionals from owning an audit client's securities. Our policies include a requirement for managers through partners to report changes in their stock portfolios and confirm all holdings. We also have special policies and procedures to address situations when a professional accepts a position with an audit client for which he or she had engagement responsibilities during the 12 months prior to leaving the firm. These safeguards start when a person is first offered employment and are in place to assess the person's objectivity and impartiality on the most recent audit engagement.

We are not aware of any matters that would bear on our independence as NYSOSC's auditors.

SDVOB Statement:

When selecting subcontractors, we adhere to the statutory procedures required for the solicitation and to ensure a smooth integration within the project, we strive to use subcontractors where there is a previous working relationship. Mitchell Titus searches for certified small businesses by utilizing databases of the acceptable certification agency. If we do not already have a pre-existing relationship with a resulting firm with comparable qualifications, we actively solicit by sending letters or initiating personal contact and examine their past performance to ensure their skills match those required in the RFP. We provide all potential subcontractors or vendors with adequate and timely information on the plans and specifications of this project as well as information necessary to provide a bid or quote. After a brief meeting with the top ranked subcontractors for the scope of work, Mitchell Titus selects a firm or individual to receive at or above the required percentage of work. If awarded the contract, our firms will enter into a subcontracting agreement setting forth the terms of each firm's commitments and obligations.

Subcontractor Management Plan

The subcontractor management plan is a component of our overall management plan. Our management plan is comprehensive enough to satisfy the general requirements of the qualifications of the solicitation, yet flexible enough to meet the specific requirements of individual task orders as they are awarded. The plan is as follows:

Features Benefits to Client

Project Requirements Definition:

Demands a thorough, accurate, understanding of project requirements as a critical first step for any type of project or endeavor. Provides a solid foundation for conceptualizing what the end product should be, and for planning, staffing, and executing the work to achieve the desired results.

Project Organization and Leadership:

Project requirements drive how projects are organized and staffed with seasoned management personnel. An organizational structure designed specifically around task requirements ensures effective and efficient delivery of services and establishes the framework for identifying and assigning key management personnel, subject matter experts, and professional staff with the skills and experience necessary to complete the project with a high degree of success.

Workforce Planning:

A comprehensive workforce plan to staff multiple projects in multiple locations. Orientation guides provide an overview of the services to be provided. Training requirements are identified and fulfilled prior to staff deployment. Task orders are adequately staffed no matter where the work takes place. Staff are familiar with project requirements as well as directives, mandates, and guidelines. Staff orientation and training prior to deployment promotes project success and facilitates compliance with project mandates.

Project Management and Control:

Utilizes clearly defined and proven management processes to control the project and keep it on track while monitoring quality. Effective project management and control ensures project goals are specific, measurable, agreed upon, realistic, and time-framed. Projects are delivered on budget and on time. Quality of deliverables is achieved through a defined staff supervision and work product review process.

Risk Management:

Recognizes that the success on any project is threatened by adverse, unforeseen circumstance and events. Threats to project success are reduced by anticipating them and developing proactive, comprehensive strategies to prevent, avoid, or mitigate them.

Subcontractor Management Plan:

Assignments, expectations, and commitments of subcontractors are formalized in contractual documents, and subcontractors are integrated seamlessly into the project team. Subcontractors are managed as fully integrated partners thereby creating a seamless, highly-focused project team.

Appendix C : Peer review



CliftonLarsonAllen LLP
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SYSTEM REVIEW REPORT

To the Shareholder of Mitchell & Titus LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Mitchell & Titus LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended February 29, 2016. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, and audits of carrying broker-dealers.

In our opinion, the system of quality control for the accounting and auditing practice of Mitchell & Titus LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended February 29, 2016, 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*. Mitchell & Titus LLP has received a peer review rating of *pass*.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
July 26, 2016



ATTACHMENT A
PROPOSER'S CERTIFIED STATEMENTS

(MANDATORY SUBMISSION: to be completed and included in the Technical Proposal documents)

RFP19-03 – Professional Auditing Services for the Audit of OSC's System of Internal Control	
1. Information with regard to the Proposer	
A. Provide the Proposer's name, address, and telephone number.	
Name: Mitchell & Titus, LLP	
Address: 80 Pine Street, 32 nd Floor	
City, State, ZIP Code: New York, NY 10005	
Telephone Number (including area code): (212) 709 4500	
B. Provide the name, address, telephone number, and email address of the Proposer's Primary Contact with OSC with regard to this proposal.	
Name: Uzma Malik-Dorman	
Address: 80 Pine Street, 32 nd Floor	
City, State, ZIP Code: New York, NY 10005	
Telephone Number (including area code): (212) 709 4500	
Email Address: udorman@mitchelltitus.com	
C. Provide the name, address, telephone number, and email address of the person authorized to bind the Proposer contractually, if different from (B).	
Name: Elaine Allen	
Address: 80 Pine Street, 32 nd Floor	
City, State, ZIP Code: New York, NY 10005	
Telephone Number (including area code): (212) 709 4500	
Email Address: eallen@mitchelltitus.com	

<p>D. In accordance with paragraph 6 of the OSC Procurement Integrity Procedures included in this RFP as Appendix D, provide the name, address, telephone number, email address, place of principal employment and occupation of any person authorized to represent the Proposer. This requirement applies not only to Proposer's employees involved in the submission of the proposal, but also to every individual or organization employed or designated by the Proposer to attempt to influence the procurement process. If there is none, state that. This information must be updated if, after the Deadline for Submission of Proposals, the Proposer retains an individual or organization to attempt to influence the procurement process. Indicate also whether the individual or organization has a financial interest in the procurement.</p>	
Name: None specified (N/A)	
Address:	
City, State, ZIP Code:	
Telephone Number (including area code):	
Email Address:	
Place of Principal Employment:	
Occupation:	
This individual/organization has a financial interest in the procurement:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
No such individual/organization is authorized to represent the Proposer:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. Minimum Qualifications to Propose (Section 4.0):	
A. The Proposer is an independent Certified Public Accounting ("CPA") firm that is registered and in good standing with the New York State Board for Accountancy, or with the State Board for Accountancy where licensed.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B. The Proposer is registered to practice public accounting in New York State and has provide a copy of the firm's current registration.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C. The Proposer has previously conducted a government audit within the last five years that included the review of internal controls, using Generally Accepted Government Audit Standards ("GAGAS"). A list of client(s) and dates demonstrating this fact has been attached to the proposal. A sample audit report resulting from one of the government audits conducted within the last five years has also been attached to the proposal.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D. The Proposer is independent of OSC in accordance with the American Institute of Certified Public Accountants ("AICPA") and government auditing standards and is able to conduct the proposed audit. A statement signed by an authorized signatory has been included with this proposal.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
E. The Proposer certifies collectively, the team assigned to the audit is qualified to provide an opinion on whether OSC's system of internal control is established and functioning in a manner that provides reasonable assurance that it meets the objectives of internal controls as defined in the Executive Law and as prescribed in the Standards. A statement signed by an authorized signatory attesting to this fact has been included in this proposal.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3. Proposer's Acknowledgement of Proposal Requirements: [Please note: alteration of any language contained in this section may render your proposal non-responsive.]	
A. The proposal, including the Technical, Administrative, and Cost Proposals, constitutes a firm and irrevocable offer for a period of <u>180</u> days from the date of submission to OSC.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B. By submission of a proposal, the Proposer agrees not to make any claims for or have a right to any damages because of any misrepresentations or misunderstanding of the specifications or because of any lack of information.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C. The Proposer agrees to fully comply with the OSC Executive Order on Procurement Integrity and the OSC Procurement Integrity Procedures attached to this RFP as Appendix D.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

D. The Proposer certifies that it can and will provide and make available, at a minimum, all services as described in the RFP if selected for award.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
E. The Proposer certifies that staff provided to perform Services possesses the necessary integrity and professional capacity to meet OSC's reasonable expectations. Subsequent to the commencement of Services, whenever the selected Proposer becomes aware, or reasonably should have become aware, that any staff member(s) providing Services to OSC no longer possesses the necessary integrity or professional capacity, the Proposer agrees to immediately discontinue the use of such staff and notify OSC.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
F. The selected Proposer agrees to undertake a background investigation of any new/replacement staff during the term of the Agreement.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G. The Proposer certifies that it will maintain records related to the background investigations performed during the term of the Agreement. In accordance with the terms of Appendix A (Section 10, Records).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H. The Proposer certifies that all information provided in connection with its proposal is true and accurate.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
I. The Proposer has read, understands, and accepts all provisions of Appendix A – Standard Clauses for NYS Contracts. Appendix A contains important information related to the contract to be entered into as a result of this RFP and will be incorporated, without change or amendment, into the contract entered into between OSC and the selected Proposer. By submitting a response to the RFP, the Proposer agrees to comply with all the provisions of Appendix A.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
J. The Proposer's Legal representation has reviewed and understands Attachment J (Draft Contract), and the Proposer is willing to enter into an Agreement substantially in accord with the terms of Attachment J (Draft Contract), should the Proposer be selected for contract award.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
K. The Proposer agrees that OSC shall have the right to approve or disapprove, after appropriate review and/or interview(s), any and all subcontractor(s) of the Proposer prior to their performance of services under the Agreement.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
L. The Proposer agrees that it shall be fully responsible for performance of work by its staff and by its subcontractor's staff. OSC reserves the right to request removal of any Proposer staff or subcontractor's staff if, in OSC's discretion, such staff is not performing in accordance with the Agreement.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
M. The Proposer agrees to provide all mandatory deliverables as stated in Section 3.2.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

* A "No" Response in Sections 2 or 3 of this attachment will result in disqualification.

4. Information Required:

A. The Proposer is (check as applicable):

- A New York State Certified Minority-Owned Business Enterprise
- A New York State Certified Woman-Owned Business Enterprise
- A New York State Certified Minority- and Woman-Owned Business Enterprise (Dual Certified)
- A New York State Certified Service-Disabled Veteran-Owned Business Enterprise
- None of the above

B. Provide the name, title, address, telephone number, and email address of the person authorized to receive Notices with regard to the contract entered into as a result of this procurement. See Section IV of the Draft Contract (Attachment J), NOTICES.

Name: Uzma Malik-Dorman

Title: Partner

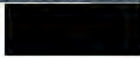
Address: 80 Pine Street 32nd Floor

City, State, ZIP Code: New York, NY 10005

Telephone Number (including area code): (212) 708 4500

Email Address:

C. Proposer's Taxpayer Identification Number:



D. Proposer's NYS Vendor Identification Number as discussed in Section 6.1.E, if enrolled:

20137805

By my signature on this Attachment A, I certify that I am authorized to bind the Proposer contractually.

Elaine Allen

Typed or Printed Name of Authorized Representative of the Proposer

Partner

Title/Position of Authorized Representative of the Proposer

A handwritten signature in cursive script that reads "Elaine Allen".

Signature of Authorized Representative of the Proposer

August 21, 2019

Date

ATTACHMENT D

Section 6.2.D.i.d Response Form

In the table below, list ALL internal control audits completed by your firm on a governmental client within the last five years. The internal control audits may have been completed separately or as part of a larger governmental audit, but, in either case, must have been conducted in accordance with GAGAS. Governmental entities may include, but are not limited to: Federal agencies, State agencies, public authorities, county and municipal governments, and school districts.

Proposers are strongly advised to complete each field as required below. Fields left blank or incorrectly completed will not be evaluated in the Proposer's favor. The information provided will be scored in the technical evaluation. Add rows as necessary.

Auditee Name and Amount of Annual Budget	Principal Client Contact (Name, Telephone Number, and Email Address)	Partner In Charge	Total Hours, Including Subcontractors (Do not use hour ranges or FTEs)	Scope of Work	Engagement Outcomes (type of report)
Pennsylvania Higher Education Assistance Agency: \$500 million	Ms. Kathy Witten, Vice President of Financial Reporting Telephone number: 717-720-2014 Email address: Kwitten@aessuccess.org	Elaine Allen	1,093	Financial & compliance audits, including internal controls	Internal Control Over Financial Reporting and on Compliance and other Matters
Port Authority of New York & New Jersey: \$5.5 billion	Daniel G. McCarron, Comptroller Telephone number: 201-395-3400 Email address: dmccarron@panynj.gov	Uzma Malik-Dorman	791	Financial & compliance audits, including internal controls	Internal Control Over Financial Reporting and on Compliance and other Matters
Pennsylvania Judicial System: \$500 million	Mary Gillette, Director of Finance; Tel: 717 231 3300; Mary.Gillette@pacourts.us	Irene Davis	777	Financial & compliance audits, including internal controls	Internal Control Over Financial Reporting and on Compliance and other Matters
Cook County Emergency Telephone System Board: \$2.6 million	Shereen Gamble, 847-294-4746; Shereen.gamble1@cookcountylil.gov	Angela Allen	418	Financial & compliance audits, including internal controls	Internal Control Over Financial Reporting and on Compliance and other Matters;

Commonwealth of PA Dept. of Transportation: \$3.8 billion	Tanya Cooper, Audit Manager Telephone number: 717-787-1524 Email address: TCooper@pa.gov	Uzma Malik-Dorman	1,850 (over past 2 years of 5-year engagement)	Financial & compliance audits, including internal controls	Report on Financial Statements; Unmodified report
Amtrak: \$3.3 billion	Matthew M. Brobson, Financial reporting; Tel: 202 906 3736; Matthew.brobson@amtrak.com	Elaine Allen	309	Compliance & internal controls audits	Internal Control Over Financial Reporting and on Compliance and other Matters
City of Philadelphia HealthChoices Behavioral Health Program: \$851 million	Renee Henderson, Community Behavioral Health; Tel: 215 413 3100; Renee.henderson@Phila.gov	Rekha Nambiar	1,259	Financial statement audit	Unmodified report

ATTACHMENT E
6.2.D.iii.a Response Form

List each staff member to be assigned to the 2019 Audit, along with each subcontractor staff likely to be assigned, in the tables below. Specify their title, years of total auditing experience, years of experience in government auditing, certifications (e.g., CPA, CFE CICS, COSO Certificate), and any other qualifications which enables them to complete the Services. Proposers are limited to using the following titles for their staff on this form: Partner, Manager, Supervisor, or Staff Auditor. Proposers should choose the title that most accurately reflects the staff member's actual title. Add rows if necessary.

Proposers are strongly advised to complete each field as required below. Fields left blank or incorrectly completed will not be evaluated in the Proposer's favor. The information provided will be scored in the technical evaluation. Add rows as necessary.

A. Proposer Staff

Name	Title [Partner, Manager, Supervisor, or Staff Auditor]	Years of Total Auditing Experience	Years of Experience in Government Auditing	Certifications	Other Qualifications
Uzma Malik-Dorman	Partner	25	25	CPA	
Rekha Nambiar	Partner	30	30	CPA	
Stephen Baloga	Manager	35	35	CPA	
Jeanette Carmona	Supervisor	17	17	CPA	
Tissy Fieman	Staff Auditor	14	14	CPA	

B. Subcontractor Staff

Name	Title [Partner, Manager, Supervisor, or Staff Auditor]	Subcontractor Firm Name	Years of Total Auditing Experience	Years of Experience in Government Auditing	Certifications	Other Qualifications
N/A						

ATTACHMENT F
6.2.D.iii.c Response Form

For the 2019 audit only, provide the number of hours assigned to each deliverable under the appropriate staffing titles. Insert titles in the "other" column(s) for titles not listed. Add additional space and description as needed. The staffing plans titles and hours should agree with what is in the Cost Proposal for the 2019 audit (hourly rates must not be included in the Technical Proposal; rates must be included in the Cost Proposal only).

Deliverables	Hours Per Staffing Title						Total Hours
	Partner	Manager	Supervisor	Staff	Other:	Other:	
#1: Detailed Audit Plan	10	16	40	50	N/A	N/A	116
#2: Audit Work	40	68	160	200	N/A	N/A	468
#3 & 4: Draft and Final Reports	10	16	40	50	N/A	N/A	116
Total Hours	60	100	240	300	N/A	N/A	700

APPENDIX F

DISCLOSURE OF PRIOR NON-RESPONSIBILITY DETERMINATIONS

Have you been found by any governmental entity to be non-responsible within the past four (4) years from the date of this bid due to:

- 1. Impermissible contacts or other violations of New York State Finance Law Section 139-j (e.g., conduct prohibited by the ethics provisions of the New York State Public Officers Law)?

Yes No

- 2. Intentional provision of false or incomplete information to a governmental entity?

Yes No

If your answer to either of the above is "Yes," please attach a written explanation, indicating the date of the non-responsibility finding, the entity that found you to be non-responsible, and the circumstances surrounding such finding (including any written finding of non-responsibility issued by such entity).

By my signature on this form, I certify that all information disclosed to the State is complete, true, and accurate with regard to prior non-responsibility findings within the past four (4) years based on (i) Impermissible Contacts or other violations of New York State Finance Law Section 139-j, or (ii) the intentional provision of false or incomplete information to a governmental entity.


Signature

Elaine Allen
Printed or Typed Name

Partner

Title

RFP19-03

Procurement Number

8/21/19
Date

**ATTACHMENT G
REFERENCES**

Submit a total of **THREE** references, at least one of whom is a government agency (Section 6.2.E) using this form.

Expand fields and duplicate this page as necessary.

RFP19-03 – Professional Auditing Services for the Audit of OSC's System of Internal Control	
PROPOSER:	Mitchell & Titus, LLP
Provide the following information for each reference submitted. Fields will expand as you type.	
Reference #1:	Pennsylvania Higher Education Assistance Agency
Industry Type:	Government
Contact Person:	Ms. Kathy Witten, Vice President of Financial Reporting
Address:	1200 N. 7 th Street
City, State, Zip:	Harrisburg, PA 17102
Telephone Number:	717-720-2014
Email Address:	Kwitten@aessuccess.org
Number of years Proposer provided services to this entity:	7 years
Brief description of the services provided:	Financial and compliance audits, including internal controls
Reference #2:	Commonwealth of Pennsylvania Department of Transportation
Industry Type:	Government
Contact Person:	Tanya Cooper, Audit Manager
Address:	Keystone Building, 400 North Street, Fifth Floor
City, State, Zip:	Harrisburg, PA 17120
Telephone Number:	717-787-1524
Email Address:	TCooper@pa.gov
Number of years Proposer provided services to this entity:	2 years
Brief description of the services provided:	Compliance and internal controls audits
Reference #3:	Port Authority of New York and New Jersey
Industry Type:	Government
Contact Person:	Daniel G. McCarron, Comptroller
Address:	4 World Trade Center
City, State, Zip:	New York, NY 10007
Telephone Number:	201-395-3400
Email Address:	dmccarron@panynj.gov
Number of years Proposer provided services to this entity:	1 year
Brief description of the services provided:	Financial and compliance audits, including internal controls



Office of the Professions

Verification Searches

The information furnished at this web site is from the Office of Professions' official database and is updated daily, Monday through Friday. The Office of Professions considers this information to be a secure, primary source for license verification.

Business Entity Information *

08/20/2019

Name : MITCHELL & TITUS, LLP
Street Address :
 ONE BATTERY PARK PLAZA
 27TH FLOOR
 NEW YORK, NY 100041461

Business Entity : Certified Public Accountancy Partnership
Partnership ID# : 074792
Board Approval Date : 03/14/79
Current through : 10/31/21

Partners : Click on license number link to the left of professional's name for detailed information.

- [040192](#) ALLEN ELAINE T -
- [059842](#) KENDALL ANTHONY -
- [066691](#) BROWN CHRISTOPHER ARTHUR -
- [092248](#) NAMBIAR REKHA V -
- [093927](#) DAVIS FREDERICK E JR. -
- [105956](#) DAVIS IRENE RENEE -
- [108510](#) GILES DARRELL KEITH BUTLER -

* Use of this online verification service signifies that you have read and agree to the [terms and conditions of use](#). See [HELP glossary](#) for further explanations of terms used on this page.

- Use your browser's back key to return to establishment list.
- You may [search](#) to see if there has been recent disciplinary action against this registered establishment.





MITCHELL TITUS

August 21, 2019

Office of the State Comptroller
Attention: Director of Financial Administration
110 State Street – Stop 13-2
Albany, NY 12236-0001

Mitchell & Titus, LLP's team that is assigned to the audit is qualified to provide an opinion on whether OSC's system of internal controls are established and functioning in a manner that provides reasonable assurance that it meets the objectives of internal controls as defined in the Executive Law and as prescribed in the Standards.

Stavne Allen
Signature

PARTNER
Title

8/21/19
Date

JUDICIAL DEPARTMENT OF PENNSYLVANIA

**Single Audit Report and Reports in Accordance
With the Uniform Guidance
Year Ended June 30, 2018
With Independent Auditor's Report**



MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

JUDICIAL DEPARTMENT OF PENNSYLVANIA

Single Audit Report
Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

The Members of the Judicial Auditing Agency
Commonwealth of Pennsylvania

Report on the Financial Statement

We have audited the Judicial Department of Pennsylvania statement of judicial operations (the financial statement), issued under separate cover, for the year ended June 30, 2018, and the related notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the budgetary basis of accounting described in Note 1; this includes determining that the budgetary basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the Judicial Department of Pennsylvania's operating activity for the year ended June 30, 2018 in accordance with the budgetary basis of accounting described in Note 1, and to the extent as described in Note 2.

Basis of Accounting and Scope

We draw attention to Note 1 to the financial statement, which describes the basis of accounting. The financial statement is prepared on the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As described in Note 2, the financial statement does not purport to show all transactions of the Judicial Department of Pennsylvania. Additionally, in fiscal year ended June 30, 2018, the scope of the financial statement reporting changed to include activity from current-year appropriations and disbursements from amounts payable or encumbered in prior fiscal years.

Other Matter

Audit of Prior-Year Financial Statement

As described in Note 19, the Judicial Department of Pennsylvania began including certain current-year activity relating to prior-year appropriations within its financial statements, and the 2017 financial statement was restated to conform with the 2018 presentation. Accordingly, since all of the activity within the 2017 financial statement was not subject to audit, we do not express an opinion or provide any assurance on the 2017 financial statement, including 2017 amounts disclosed in the notes to the financial statement.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated November 1, 2018 on our consideration of the Judicial Department of Pennsylvania's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Judicial Department of Pennsylvania's internal control over financial reporting and compliance.

Mitchell Titus, LLP

November 1, 2018



**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**

The Members of the Judicial Auditing Agency
Commonwealth of Pennsylvania

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of judicial operations of the Judicial Department of Pennsylvania (JDP), for the year ended June 30, 2018, and the related notes to that financial statement, and have issued our report thereon dated November 1, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the statement of judicial operations, we considered JDP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the statement of judicial operations, but not for the purpose of expressing an opinion on the effectiveness of JDP's internal control. Accordingly, we do not express an opinion on the effectiveness of JDP's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the JDP's statement of judicial operations is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of statement of judicial operations amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mitchell Titus, LLP

November 1, 2018



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE AND
REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

The Members of the Judicial Auditing Agency
Commonwealth of Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited the Judicial Department of Pennsylvania's (JDP) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the JDP's major federal program for the year ended June 30, 2018. The JDP's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for JDP's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about JDP's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of JDP's compliance.

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Opinion on Each Major Federal Program

In our opinion, JDP complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the JDP is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the JDP's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program as a basis for designing the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the JDP's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the Statement of Judicial Operations of JDP as of and for the year ended June 30, 2018, and have issued our report thereon dated November 1, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Mitchell Titus, LLP

November 1, 2018

JUDICIAL DEPARTMENT OF PENNSYLVANIA

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2018

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's Number</u>	<u>Total Federal Expenditures</u>	<u>Passed Through to Sub-recipients</u>
<i>U.S. Department of Justice</i>				
Drug Court Discretionary Grant Program	16.585	2016-VV-BX-0003	\$ 75,000	\$ -
Passed-Through Pennsylvania Commission on Crime and Delinquency:				
Violence Against Women Formula Grant	16.588	2016-VA-05-26422-2	218,477	181,108
Violence Against Women Formula Grant	16.588	2017-VA-05-26422-3	27,462	22,844
Total Passed-Through Pennsylvania Commission on Crime and Delinquency			<u>245,939</u>	<u>203,952</u>
Total U.S. Department of Justice			<u>320,939</u>	<u>203,952</u>
Passed-Through the State Justice Institute Judicial Needs Assessment Project	16.unknown	SJI-12-N-158	<u>16,110</u>	<u>-</u>
<i>U.S. Department of Health & Human Services</i>				
Direct Program:				
State Court Improvement Program	93.586		<u>781,787</u>	<u>-</u>
Total U.S. Department of Health & Human Services			<u>781,787</u>	<u>-</u>
Total Federal awards passed through to sub- recipients			-	<u>\$ 203,952</u>
Total Federal awards			<u>\$ 1,118,836</u>	

See accompanying notes.

JUDICIAL DEPARTMENT OF PENNSYLVANIA
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the Federal grant and contract activity of the Judicial Department of Pennsylvania (JDP) under the programs of the Federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the JDP, it may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The JDP has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

JUDICIAL DEPARTMENT OF PENNSYLVANIA
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2018

Part I – Summary of Auditor’s Results

Financial Statements Section

Type of auditor’s report issued (unmodified, qualified, adverse or disclaimer):

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards Section

Internal control over major federal program:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Type of auditor’s report issued on compliance for major federal program (unmodified, qualified, adverse or disclaimer):

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of Major Federal Program:

CFDA Number(s)

Name of Federal Program or Cluster

93.586 State Court Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

JUDICIAL DEPARTMENT OF PENNSYLVANIA
Schedule of Findings and Questioned Costs (*continued*)
For the Year Ended June 30, 2018

Part II – Financial Statement Findings Section

No matters were reported.

Part III – Federal Award Findings and Questioned Costs Section

No matters were reported.



About Mitchell Titus

Mitchell & Titus, LLP is the largest minority-controlled accounting firm offering Assurance, Tax and Advisory services in the US.

Our inclusive environment and diverse talent result in creative thinking and innovative approaches for our clients. Mitchell Titus' tenured team of quality and seasoned professionals bring varied insight to every engagement.

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