# ANALYTICAL TOOLS: USING DATA ANALYSIS IN PERFORMANCE AUDITS

**John F. Buyce, CPA, CIA, CFE, CGFM**

**Audit Director**

**State Government Accountability**

**New York State Comptroller's Office**

- **Examples of Data Analysis in Performance Audits**

- **From Fraud & Abuse to Operational Efficiency & Effectiveness**

- **Lessons Learned Along the Way**

# OBJECTIVES

*We're Buying WHAT for WHO???*

- **Viagra for Sex Offenders**

- **2004 Medicaid data vs Sex Offender Registry**

- **198 Level 3 Offenders getting Viagra**

**LESSON #1:
ANALYSIS DOESN'T REPLACE INTUITION**

Sometimes it's surprisingly simple … at least in hindsight

- Medicaid - Six Dentists working out of the same chair.

- Individually they don't stand out, but together……..

- 200 services requiring almost 60 hours of work done in just 9 hours

- At least $2.3 million over 4½ years

Sometimes it's what is NOT there that matters most…..

- Anyone know what a paper voucher costs?

- **2007 - 1.5 million vouchers for $864 million**
- **70 percent could have used P-Card**
- **$7 million per year plus $2 million is rebates**

- **2008 Dropped by one-third, but still 80 percent available**

- **2013 – P-Card use has doubled – 70% have increased usage**

**LESSON #3:**
DATA IS NOT JUST FOR FRAUD

Data analysis is very useful for identifying inefficiency …

and for changing behavior, which takes more time.

- 120,000 invalid DEA number
- 66,000 appeared more than once - different drug, doctor, pharmacy or patient
- 40,000 refilled 86,000 times
- 90,000 filled 160,000 more than OK'ed
- 4,000 reported stolen
- 4,500 supposedly destroyed
- 4,500 before they were issued to Dr.s
- 125 licenses revoked

**LESSON #4:**
DATA IS ONLY USEFUL WHEN IT GETS USED

- Narcotics Enforcement
- **Only 4 percent of cases come from data analysis**
- 28.5 million records
- Oxycodone, Hydrocodone, Morphine, Fentalyn
- 325,000 irregular items filled 565,000 times

- **31,000 manufacturers, distributors and food service establishments**

- **80 Food Inspectors**

- **Backlog of 5,000 places (1/6)**

- **Staffing well below FDA Standards**

- **Managers could only access individual inspection data**

- **Daily location info showed less than half of the time spent actually inspecting**

- **More efficient scheduling could reduce backlogs**

**LESSON #5:**
DATA IS ONLY USEFUL IF PEOPLE CAN ACCESS IT

**Systems Limitations**

**Sometimes data is already there, but not in the hands of the right people, or in the right form**

- 30 new positions to audit Pre-School Special Education

- 300+ Providers – cost-based funding

- 26 audits with $25 million disallowed

- 8 Providers referred for prosecution


- $610,000 - spouse already full-time at CUNY

- $100,000 ex-wife Payroll clerk

- $850,000 other relatives

- $1.9 million affiliated business

- Apartments, home entertainment systems, landscaping, student loans, college tuition

**LESSON #6:**
DATA ANALYSIS COULD DETERMINE YOUR FUTURE

**When money gets tight, auditing is rarely the highest priority for government budgets**

**Using data in innovative ways can demonstrate value and ensure that you have a future**

- **Like Internal Controls – Performance Audits should focus on Prevention as well as Detection**

- **You can use Data Analytics to help focus your audits as well as to show Management how they can do it themselves**

- **Demonstrate value and change behavior**

## CONTACT INFO

John F. Buyce

Office of the State Comptroller

State Government Accountability

100 State Street

Albany, NY 12236

(518) 474-3271

JBuyce@osc.state.ny.us