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Promoting Accountability and Fiscal Integrity

Data Analysis

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**STATE AUDITOR &
INSPECTORS OFFICE**

- Divisions of the Office
 - State Agency Division
 - Conducts Financial, Federal compliance, & Attestation Services for State Government.
 - Local Government & Special Services Division
 - Conducts Financial, federal compliance, & compliance audits in all 77 counties across the state, as well as (51) Emergency Medical Service Districts and (27) District Attorney's bogus check and property forfeiture fund. Also, perform special investigative audits.
 - Specialized Audit Division
 - Conducts Mineral Management audits, Horse Racing Audits, Gaming Audits, and OSEEGIB audits.
 - Performance Audit Division
 - Conducts Performance Audits upon request.
 - Quality Assurance Division
 - Responsible for ensure the quality of government audits performed by our staff.
 - Information Technology Division
 - Conducts IT audits and also provides support for software and computer hardware used within our agency.

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COUNTY AUDIT APPLICATIONS

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Benefits

- Auditors don't have to be experts on multiple systems.
- Obtain knowledge of the entity and its operations.
- Test large portion of populations; even 100%.

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Benefits

- Automate manual processes
 - Recalculations
 - Footing
 - Sampling
 - Summarizing
 - Duplicate/gap test
 - Benford's law
 - Aging
 - Validating of reports

LGSSD & Financial Audits

- Division audits 77 counties
- Financial systems primarily located in the County Clerk & Treasurers Office
 - The two offices use multiple vendors
 - County Clerk: 6 vendors, 1 vendor covers 64 counties.
 - Identifying ways to obtain data

Sampling

- Before (old process)
 - Obtain hard copy reports, ledgers, etc.Perform sample by:
 1. Haphazard sample
 2. Random number generator

Sampling

- After (new process)
 - Obtain dataBenefits:
 1. Identify populations
 2. Stratify data
 3. Identify significant items
 4. Sample by random, monetary unit, etc.
 5. Quickly export sample to excel.

Scripts

- Even further automating of commonly performed task
 - LGSSD
 - Ad valorem recalculation
 - Reconciliation of County Clerk to County Treasurer

Scripts

- Benefits:
 - Complex procedures can be recorded and ran by staff with lower software knowledge
 - Improves efficiencies and cost savings for audits
 - Don't have to remember how you did it last time.

SAS 99

- Requires testing of appropriateness of journal entries.
- Before - scan ledger manually
- After - using CAATS:
 - Properly identify what an actual unusual item is.
 - Identify all unusual items for 100% of entries.

Where We Are Headed

- Analytical procedures
 - Obtain a complete back-up of system and build receipt data to perform multi-year trend analysis.
- Verification of segregation of duties
 - Data indicates who records/posts transactions. Summarize data by person and compared to duties to make sure appropriate.

STATE AGENCY AUDIT APPLICATIONS

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SAAD - History

- Responsible for auditing all state agencies.
 - CAFR
 - Single Audit
- Using data analysis software for about 10 years.

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Getting Started - Year 1

- We started with 2 agencies
- Primary goal was data validity
- Used for sampling and limited compliance procedures

Where We Are Now - Year 10

- Data analysis software is used in some way in almost all of our audits.
- Each audit is unique, the procedures performed vary from one agency to another using a variety of techniques.

Common Procedures

- Stratify our populations
- Summarize data by fields (funds, accounts, etc.)
- Select Samples
- Benford's law
- Comparison/reconciliation of data to reports/financial records

Benefits

- Able to test 100% of the population for certain requirements.
- Perform more detailed analytical procedures to reduce the need for samples in substantive tests.
- Federal questioned costs projections can be more precise.
- Gives us more assurance about the programs and their data.

Financial Applications

- Analytical procedures:
 - Multiple year vendor comparison
 - Summarize on vendor for 2 or 3 years and joined the data to review for trends
 - Reviewed for multiple vendors with the same mailing address.
 - Duplicate tests
 - Review for negative expenditures

Financial Applications

- Test 100% of the Medicaid Payable amount that is reported on the CAFR.
 - A script has been designed to ensure claims' dates of service occur prior to 6/30, but were paid after 6/30.
 - Irregular dates (03/22/2022)
 - Claims that were paid but not presented in reports due to programming error and irregular dates

Financial Applications

- **Compensated Absences**
 - Tested compliance with leave limits
 - Employees with less than 5 years of service and annual leave balances greater than 240 hours.
 - Employees with 5 or more years of service and annual leave balances greater than 480 hours.

Federal Applications

- Test 100% of the population for eligibility requirements on several federal programs.
 - LIHEAP - A script has been developed to confirm eligibility based on the established maximum allowable income according to household size. For households over 8 a certain amount is added to the allowable income to arrive at the income eligibility.

Results

- 1 of the 85,368 heating cases tested during analytical procedures appears to have an income greater than the income and resource standards shown on OKDHS Appendix C-7, Low Income Home Energy Assistance Program Income and Resource Level by Household Size. (Questioned Costs \$85)

Source: SFY 2007 State of Oklahoma Single Audit

Condition: During analytical procedure testing, we noted the following:

- 26 of 97,726 cases appeared to have received the incorrect payment amount or received benefits when their household income was greater than the allowable rate. (Questioned Costs \$6,769)
- 25 of 97,726 cases appeared to have received duplicate payments. (Questioned Costs \$2,095)
- 18 of 18,866 cooling recipients appeared to have received payments for natural gas.
- 16 of 18,866 cooling recipients appeared to have received payments for firewood.

Source: SFY 2004 State of Oklahoma Single Audit

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Federal Applications

- Eligibility Tests Continued:
 - LIHEAP – A script has been designed to ensure the paid benefit amount was correct based on the household size, income and fuel type.
 - TANF – perform tests to ensure the benefit amount paid did not exceed the maximum amount allowed.

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Federal Applications

- Eligibility Tests Continued:
 - Foster Care & Adoption Assistance:
 - A script has been designed to ensure the paid benefit amount was correct based on daily rate/difficulty of care and child's age.
 - Perform tests to identify children who have aged out of the program (over 18) but are still receiving benefits. Verify these children meet exception rules (special needs, in school, etc.)

Results

Condition: We analyzed the Department's records and determined there were 52 IV-E Foster Care recipients over the age of 18 receiving benefits during SFY09. We tested 26 of those cases and noted the following:

- 4 case files did not contain the Voluntary Placement Request signed by the youth or other documentation verifying the youth was attending school and expected to graduate before reaching the age of 19. (Questioned Costs \$3,324)
- In addition to the 26 case files tested, 1 IV-E recipient was 19 years of age and older when they received benefits. (Questioned Costs \$498)

Results

Condition: During our testing of IV-E Adoption Assistance cases, we noted that in sixteen of the twenty-one cases tested, the parents received assistance after the child attained the age of 18 and documentation was not provided which indicated the child had a mental or physical handicap that warranted the continuation of assistance to the age of 21. The documentation provided to support the continuation of benefits after the child had attained the age of 18 only demonstrated the child was still enrolled in school which is not an allowable reason for the continuation of benefits for the IV-E Adoption Assistance program.

Source: SFY 2009 State of Oklahoma Single Audit

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Federal Applications

- Eligibility Tests Continued:
 - Verification that medical services charged under the State's Children Insurance Plan were provided to persons 21 and under.

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Federal Applications

- Join Division Assistance & TANF payments to ensure:
 - Recipients did not receive a regular TANF benefit payment within 3 months of Diversion Assistance payments.
 - Recipients who did receive a TANF benefit payment after 3 months but less than 12 months from receiving Diversion Assistance payments had county director approval.

Results

Condition: During our testing of cases that received TANF benefits within the twelve months following the receipt of Diversion Assistance benefits during SFY 2009, we noted the following:

- Three of the eight cases received TANF benefits in the same month or within three months of receiving Diversion assistance benefits. (Questioned Costs \$1,237)
- Two of the eight cases tested did not contain documentation in Family Assistance/Client Services (FACS) case notes of an approval by the county director certifying TANF benefits within one year of receiving Diversion Assistance benefits. (Questioned Costs \$1,002)

Federal Applications

- Verification of Compliance with Policy.
 - Agency has a policy requiring workers to check and clear exceptions noted from their Income Eligibility Verification System (IEVS) within 30 days of the discrepancy being posted.
 - Obtain the discrepancy listing and identify any items over 30 days old.

Results

Condition: We performed testwork on the SFY 2009 G1DX Exception and Clearance Reports. We noted the following:

Error Type	G1DX TOTAL EXCEPTIONS	G1DX EXCEPTIONS OVER 30 DAYS	% OF EXCEPTIONS OVER 30 DAYS
BEN	18,162	1,354	7.46%
IEV	33,799	3,273	9.68%
OWG	15,617	1,784	11.42%
SDX	44,969	3,692	8.21%
SNH	64,237	6,077	9.46%
UIB	14,964	768	5.13%
TOTAL	191,748	16,948	8.84%

Source: SFY 2009 State of Oklahoma Single Audit

Federal Applications

- Duplicate Payments
 - LIHEAP: Performed a test for duplicate addresses

Condition: While performing analytical procedures we noted the following:

- 6 out of 22 addresses appear to have received more than one heating benefit payment for the household. (Questioned Costs \$1,035)
- 1 out of 22 addresses appear to have received more than one cooling benefit payment for the household. (Questioned Costs \$150)
- 3 out of 68 addresses appear to have received more than \$500 in ECAP benefits. (Questioned Costs \$718)

Source: SFY 2009 State of Oklahoma Single Audit

Federal Applications

- Analyzed LIHEAP to identify direct payments and tested those payments specifically.

Results

Condition: We noted 446 cooling cases where the cooling benefit payment detail indicated no vendor and an "S" fuel type. According to the LIHEAP FSSD - 2009 Summer Cooling Instructions, benefits with the fuel type "S" are direct payments to the client for the purchase of or repairs to cooling equipment. We selected 10 of these cases for further review and noted the following:

- For 8 of the 10 case files selected, we noted a completed application for cooling assistance with an indication of a desire to purchase fan/air conditioner equipment; however, there was no purchase documentation (receipt) indicating that the purchase of this equipment was made.
- For 2 of the 10 case files selected, we noted a completed application for cooling assistance with no indication of a desire to purchase fan/air conditioner equipment with the benefit funds and no purchase documentation (receipt) indicating that the purchase was made.
- In addition to the above noted items, while looking in the selected case files, we also noted several instances where this type of benefit payment for the purchase of fan/air conditioner equipment was requested in different years by the same applicant. Although it is possible that the same person could need a replacement fan/air conditioner each year, this could also indicate that these direct payments to the client are being obtained and used for other purposes since purchase documentation is not required to obtain the benefit.

Source: SFY 09 State of Oklahoma Single Audit



Federal Applications

- Obtained a listing of providers that were de-certified for the Medicaid Program and reviewed data to ensure they did not receive payments.

Condition: We obtained a listing of the long-term care facilities that, according to the Oklahoma State Department of Health (OSDH), had been decertified from the Medicaid program during SFY 2004. We then performed tests to ensure that no Medicaid payments were made for services rendered after these facilities had been decertified. We noted the following:

- Two (2) of the nine facilities listed had continued to receive Medicaid payments for services rendered after the date of decertification by OSDH and the appeals process. (Questioned Costs \$135,241)

Source: SFY 2004 State of Oklahoma Single Audit



Federal Applications

- Test medical payments for age/gender appropriateness.
 - A script has been developed to include codes with certain age/gender requirements (modified each year as codes are changed)
 - Found claims where a male has received female procedures, vice versa.
 - Found claims where adults received children procedures, vice versa.

Results

Condition: While performing analytical procedures on 83,174 MAP and 3,095 SCHIP physician service claims, we noted 82 MAP claims and 3 SCHIP claims that had an age specific procedure code and the recipient did not meet the age requirement. (MAP Questioned Costs \$7,683) (SCHIP Questioned Costs \$1,581)

Source: SFY 2008 State of Oklahoma Single Audit

Condition: While performing analytical procedures on 1,180,090 MAP and 69,522 SCHIP laboratory and radiology service claims, we noted 107 MAP claims and 10 SCHIP claims that appear to have been improperly coded.

- 106 MAP claims and 10 SCHIP claims were claims with procedure codes identified in the “2006 Ingenix CPT Expert” as an age specific code and the recipient did not meet the age requirement. (MAP Questioned Costs \$2,380) (SCHIP Questioned Costs \$207)
- 1 MAP claim was a claim with a procedure code identified in the “2006 Ingenix CPT Expert” as an age and gender specific code and the recipient did not meet either the age or gender requirement. (Questioned Costs \$166)

Source: SFY 2006 State of Oklahoma Single Audit

Federal Applications

- Test medical payments for number of times services were provided.

Condition: While performing analytical procedures on 366,032 Medical Assistance Program case management service claims, we noted seven claims that appear to have been improperly coded. These were claims with procedure codes identified in the “2006 Ingenix HCPCS Level II Expert” book as a once per month procedure and the recipient received the procedure twice in the same month.

Source: SFY 2006 State of Oklahoma Single Audit

Federal Applications

- Recalculated medical payments to ensure amounts paid complied with established rates.
 - Identified unusual insurance payment amounts (0.01).
 - Claims where it appears the payments were not credited prior to the agency paying the claim.
 - Wrong rates were paid.

Results

Condition: During our testing of 168 Mental Health services with TPL amounts, we noted five (5) instances in which the TPL amount was considered before payment was made by OHCA; however, the TPL amount does not appear to be a reasonable (amounts range from \$0.01 to \$8.10).

During testing of 149 physician services with TPL amounts, we noted a total of twenty-six (26) instances in which it appears the cents in the TPL amount were not considered in the payment amount. In addition, we noted three (3) instances in which the TPL amount did not appear to have been credited before payment nor did it appear to be a reasonable amount (amounts ranged from 0.01 to 0.05). We also noted one (1) instance in which it appears the TPL amount was credited, however, it did not appear to be a reasonable amount (TPL amount was 0.01) (Questioned costs \$14)

In addition to the errors noted in the Medical Assistance Program we would expect these errors to also be occurring in the SCHIP program due to the fact that all claims are processed the same regardless of funding source.

Source: SFY 2004 State of Oklahoma Single Audit

Condition: During our testing of 94 Home and Community Based Waiver services, we noted 67 instances where the third party liability (TPL) was only partially considered or not considered when calculating the reimbursement amount.

Source: SFY 2003 State of Oklahoma Single Audit

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Results

Condition: While performing testwork to ensure claims were paid at the allowable rate, we noted seven of 26 long-term care claims were paid either in total or in part using revenue code 184 (ICF/MR – Leave for any reason). We further noted that all seven claims were attributable to one provider/facility. Since this facility is not an ICF/MR, the claim should not have been paid using this revenue code.

Source: SFY 2003 State of Oklahoma Single Audit

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Federal Applications

- Medicaid - Perform tests to verify claims were submitted to the agency for payment within 1 year of the last date of service.
- WIC - Obtained addresses of program recipients and verified it was in Oklahoma.

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Federal Applications

- Analyzed medical payments for duplicate payments.

Condition: During review of 140,634 nursing facility services, we performed a duplicate test to ensure OHCA was not paying for duplicate services. Two tests were performed (1) for the same provider, recipient, and dates of services; and (2) same recipient, dates of service (different providers). We identified 1,795 possible duplicates and performed a detailed review of 10 possible duplicates from each test (a total of 40 claims were reviewed). We noted the following results:

- 2 of the 10 possible duplicates for same provider, recipient, and dates of service appear to be duplicates. (Questioned Costs \$3,974)
- 3 of the 10 possible duplicates for same recipient, and dates of services appear to be duplicate payments for some of the days paid by OHCA. From reviewing additional documentation, it appears the facility submitted claims for the entire month as if the recipient was in attendance the full month (OHCA pays 100% for all the days). A second claim is later submitted for hospital days during that same month, OHCA pay 50% the allowable rate for those days. However, the days originally paid at 100% have not been recouped. (Questioned Costs \$1,514).

Source: SFY 2003 State of Oklahoma Single Audit

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