



# Internal Controls: Lowering Risk, Improving Results

James C. Cox  
Medicaid Inspector General  
November 13, 2013  
New York, New York

# Thank you



- ☐ For inviting us to speak today
- ☐ For your commitment to integrity and the importance of internal controls

# Today's Agenda

- ❑ OMIG Background
- ❑ Why Are Internal Controls Important to OMIG?
- ❑ We Run A Tight Ship
- ❑ Conclusion



# OMIG Background

# Mission Statement

Our mission is to enhance the integrity of the New York State Medicaid program by preventing and detecting fraudulent, abusive, and wasteful practices within the Medicaid program and recovering improperly expended Medicaid funds while promoting high-quality patient care.



# Why Are Internal Controls Important to OMIG?

# We Have A Statewide Presence

## Regional Offices:

- ☐ Albany
- ☐ Buffalo
- ☐ Hauppauge
- ☐ New York City
- ☐ Rochester
- ☐ Syracuse
- ☐ White Plains

# We Need to Be Accurate

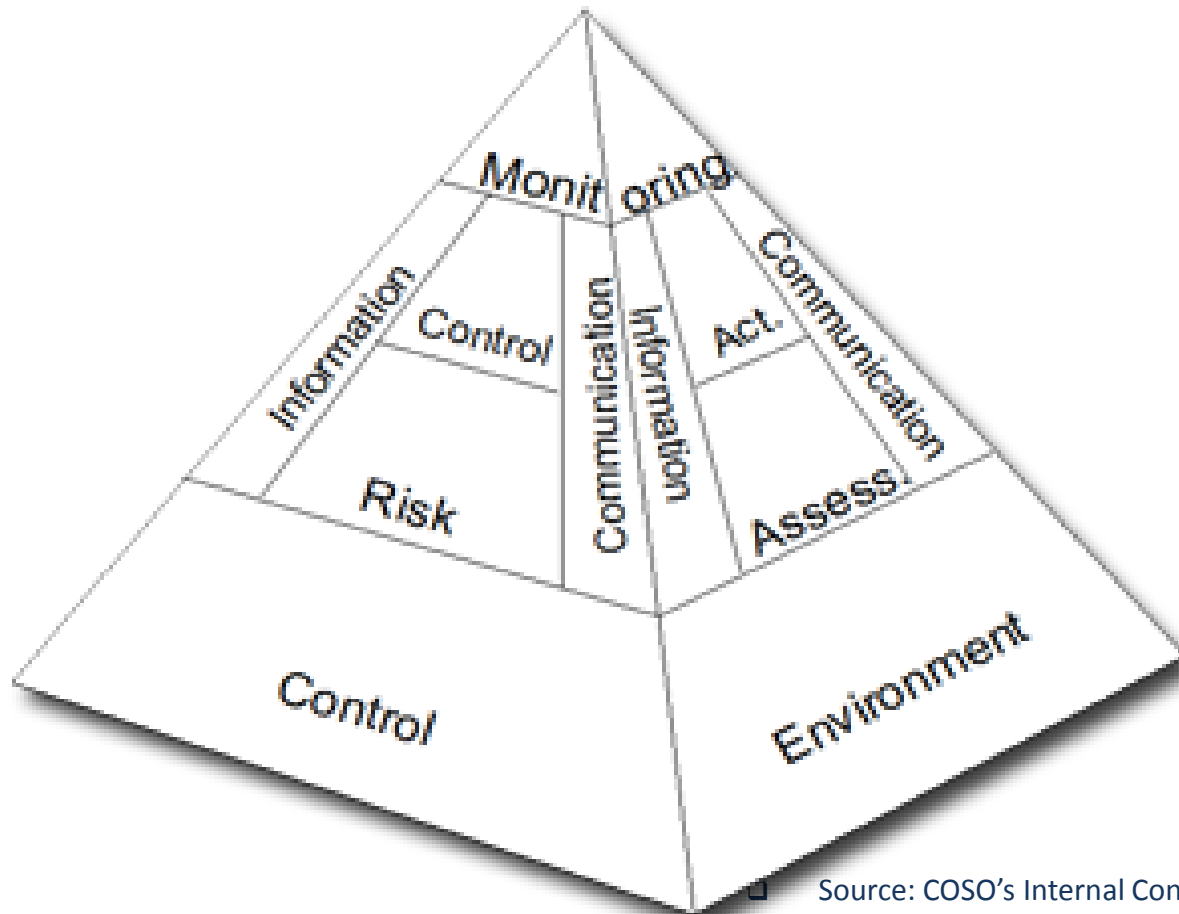
- ❑ We put out a significant number of audit reports:
  - 1,123 final audit reports in our last reporting year
  - We trigger hundreds of millions in collections: \$467 million in our last reporting year
- ❑ We prevent billions from going out the door: Internal controls are a part of ensuring that we can make these statements and that we can stand behind them.



# **We Need to Measure and Mitigate Risk**

- ☐ Procedures
- ☐ Policies
- ☐ Controls
- ☐ Measurement and Testing
- ☐ Corrective Actions

# COSO Model



Source: COSO's Internal Control-Integrated Framework

# New York Has Statewide Standards

- ☐ Control environment
- ☐ Communication
- ☐ Assessing and managing risk
- ☐ Control activities
- ☐ Monitoring

## Standards for Internal Control in New York State Government

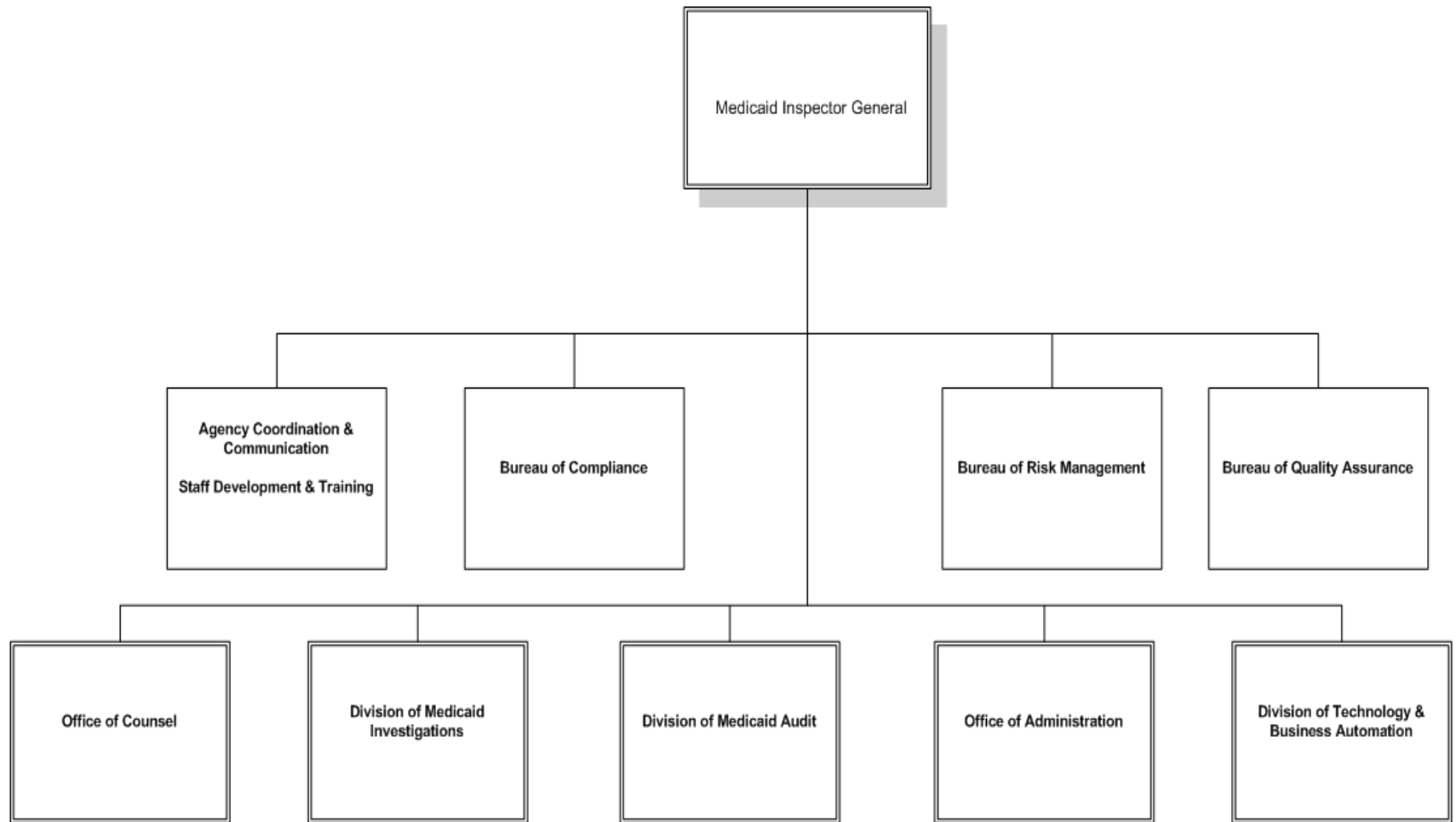


October 2007



# **We Run A Tight Ship**

# OMIG ORG Chart



# Reduce the Risk of Error

## ❑ Bureau of Quality Assurance

- Dedicated Resources
  - Creates policies
  - Creates procedures
  - Standardizes work products
- Management buy-in and promotion

# Test to Ensure Risk Mitigation Works

## □ Bureau of Risk Management

- Dedicated resources
  - Tests our processes to ensure that they work
  - Provides internal updates to staff, explaining the risk management function, and mandate
- Management buy-in and promotion

# Training Helps Close the Gap

- ❑ Bureau of Staff Development and Training
  - Dedicated resources
    - Coordinates all training opportunities
    - Centralizes tracking of training achievements
  - Management buy-in and promotion



# Results

- ❑ As of our annual certification every employee (400+) had received up-to-date training.
- ❑ Every employee receives a hard-copy version of internal control information.
- ❑ OMIG developed an agency-wide training plan.
- ❑ For the first time ever, OMIG, at certification, was fully compliant with all internal control requirements – including training.
- ❑ OMIG's certification process was examined by the Office of the State Comptroller – with good results.

# Results

- ❑ Value Added
- ❑ Barriers
- ❑ Executive-Level Importance

# Recent Accomplishments: First Six Months of 2013

- ❑ Recovered more than \$193 million
- ❑ Finalized and activated 19 audit protocols (posted on Web site – [www.omig.ny.gov](http://www.omig.ny.gov)) – more protocols to come



# Conclusion and Results

# Internal Controls Process

- ❑ Since adding the three bureaus, OMIG has discovered new ways to improve and streamline a number of internal processes that once were fragmented.
- ❑ Internal controls is an ever-evolving process. It is fluid and can change every day. By employing the expertise of the staff in the three bureaus, OMIG staff is learning the value of internal controls and putting the principles into practice.

# We Want to Hear from YOU

- ❑ Our new, improved Web site: [www.omig.ny.gov](http://www.omig.ny.gov)
- ❑ Join our Listserv
- ❑ Follow us on Twitter: @NYSOMIG
- ❑ “Like” us on Facebook
- ❑ Dedicated e-mail: [information@omig.ny.gov](mailto:information@omig.ny.gov)
- ❑ More than 4,000 final audit reports
- ❑ Audit protocols
- ❑ And much, much more!

# How You Can Work With Us

## Fraud Hotline



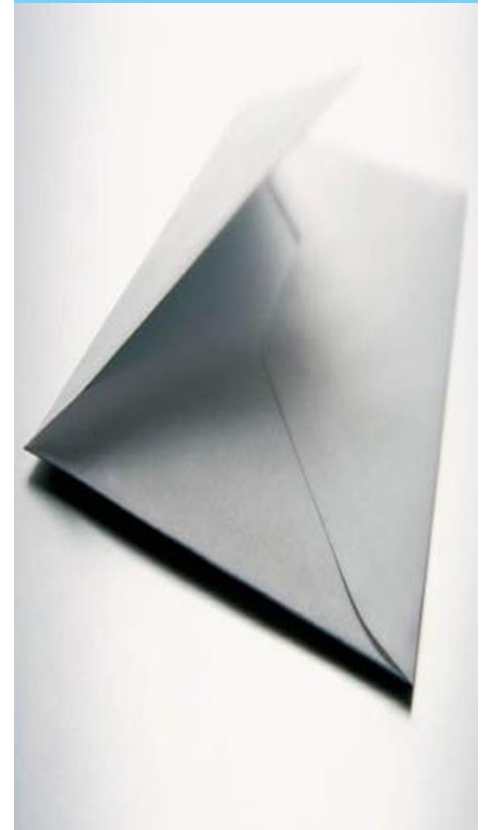
Fraud Hotline  
1-877-87-FRAUD

## E-mail



bmfa@  
omig.ny.gov

## U.S. Mail



800 N. Pearl Street,  
Albany, NY 12204

# Contact Information

**James C. Cox**

*Medicaid Inspector General*

*New York State Office of the Medicaid Inspector  
General*

800 North Pearl Street

Albany, NY 12204

518-473-3782