Every decade offers opportunities for growth and evolution, and we are poised at the cusp of a new decade that promises great things for internal auditing. In my role as president and CEO of the most widely recognized internal audit advocate, educator, and provider of standards, guidance, and certifications, I am often cast as a cheerleader for the profession. It is a role I am happy to take on. But I also have served in or served the profession for more than 40 years, which I humbly submit makes my observations more than just promotional.

Guiding the internal audit profession has been The IIA’s mission for nearly 80 years. It includes providing the thought leadership, practice guides, and tools for the modern internal auditor to execute his or her job at the highest levels, even as that job becomes more complex, dynamic, and fast-paced.

Over that time, The IIA has evolved from a group of dedicated and forward-thinking volunteer leaders to a professional organization that employs more than 200 dedicated workers in its global headquarters and depends on the insights and hard work of thousands of volunteers globally. I believe the coming decade promises great things for The IIA, as we leverage new technology to improve how we deliver our products and services.

Supporting the professional needs of practitioners across the globe is a daunting task, but it is one The IIA is well-positioned to undertake. In the coming decade, we will work tirelessly to seek new ways to help our members grow. Innovation will be vital to that effort, as it will be for internal auditors who must change and adapt to meet the demands of their jobs. Practitioners who invest in training and certifications, attend professional conferences, and seek out networking opportunities will position themselves well to succeed.

Any profession that goes through dynamic change must rely on its foundations to weather the transformation. For internal auditors that foundation is codified in the International Standards for the Professional Practice of Internal Auditing and the Core Principles for the Professional Practice of Internal Auditing. Not only do these documents provide foundational direction, they also prove that our bedrock beliefs as internal auditors are sound and resonate across cultures, geographies, and time.

Nothing gives me more comfort about internal auditing’s future than knowing the Standards, Core Principles, and other components of the International Professional Practices Framework are guiding practitioners around the world. They have been tested and proved, and they remain as relevant today as when they were first articulated.
Diagnosing Health-care Fraud

An excerpt from Art Stewart’s online article.

A U.S. federal court jury has convicted a Florida nursing home operator of carrying out the largest health-care fraud scheme prosecuted in the U.S., Bloomberg reports. Federal prosecutors charged Phillip Esformes with 20 counts of bribing doctors to admit patients to facilities he operated, laundering money, and receiving kickbacks. Prosecutors say Esformes’ facilities fraudulently billed Medicare and Medicaid more than $1.3 billion between 1998 and 2016, with Esformes receiving at least $37 million.

Lessons Learned
Another attempt to reform the U.S. health-care regime appears to be on the horizon. Whatever system is adopted, it needs a strong focus on continuously strengthening controls over fraudulent activity, whether from physicians, health-care professionals, operators of health-care facilities, or patients.

The U.S. Department of Health and Human Services (HHS) and its Office of the Inspector General are taking a disciplined, systematic approach to the department’s fraud risk assessment and detection activities. Here are some suggestions to strengthen these efforts.

- **Enhanced Data Analysis and Data Quality.** Medicare and Medicaid are making billing and claims data available more quickly and efficiently, providing law enforcement increased access to data — including real-time data. This data also helps focus enforcement resources on high-risk geographic, organizational, and individual cluster groups.

  Authorities perform risk scoring of Medicare claims billing and payment, and test predictive models. This kind of data needs to be assessed carefully to identify cases where clusters of physicians refer patients to the same health-care provider.

  Moreover, investigators, data analysts, clinicians, and subject-matter experts work on cases in a multidisciplinary environment. There also needs to be a continuing emphasis on enterprise-wide improvements of the accuracy and availability of data for Medicaid program integrity and oversight.

- **Whistleblower programs.** While the HHS clearly has whistleblower programs in place, it is not clear to what extent these programs are contributing to its overall fraud prevention and detection effectiveness. It also is not apparent how the programs might be reviewed for improvements. Results from a recent pilot program to estimate the overall probable level of program fraud have been delayed.

- **Enrollment and Payment Controls.** HHS should continue to implement stronger measures to screen providers and suppliers on the basis of fraud risk, with three risk levels for providers (limited, moderate, and high). The department should add the target population to this determination of risk level. For example, elderly and infirm individuals are typically more susceptible to fraudulent exploitation.

  One goal of such assessments is to identify ineligible providers or suppliers before they are enrolled or revalidated by conducting provider site visits. HHS can do this by increasing the scope and coverage of high-risk providers and suppliers such as nursing home and assisted-living facilities, independent diagnostic testing facilities, and outpatient rehabilitation providers.

  Matching billing data to payment data also is important. Increasing the frequency of surprise out-of-cycle site visits will enhance the effectiveness of this element in detecting potential fraud. And, more than just surprise visits need to happen. HHS should audit facilities and their records, particularly where the provider has been operating over a long time.

- **Human Resources Management.** Related to inspections, surprise or not, there should be policies and processes in place to review the placement and rotation of inspectors according to a risk-based assessment. In addition, HHS should regularly update background checks of inspectors to uncover suspicious lifestyle changes.

Internal Audit Job Postings

- **Internal Auditor - CareSource**
  
  Are you looking for an opportunity to develop professionally while serving members of your community? CareSource, a managed-care organization headquartered in Dayton Ohio, is looking for an experienced professional who wants to work in an innovative environment that offers the opportunity to work with executive leadership, contribute value-adding ideas, and drive positive change.
  
  If you are self-driven and looking for your next big challenge, please see the [Internal Auditor job description](#) linked here and apply today! “At CareSource, the difference is you.”

- **Internal Audit Manager - Creative Financial Staffing**
  
  Click [Here](#) for details.
Third Thursday Chapter Meeting Update

January Meeting

**Date and Time:** Thursday, January 16, 2020  
11:30am - 1:00pm

**Location:** Brio at the Greene  
4459 Cedar Park Drive  
Beavercreek, OH 45440

**Meeting Topic:** Enterprise Risk Management

**Speaker:** Chuck Peirano, Director of Risk Management - Wright-Patt Credit Union  
Dave Passarelli, Risk Manager - Wright-Patt Credit Union

**Cost:** FREE! Includes educational information pertinent to internal auditing, 1 CPE and networking opportunities (just pay for the cost of lunch).

February Meeting

**Date and Time:** Thursday, February 20, 2020  
11:30am - 1:00pm

**Location:** Brio at the Greene  
4459 Cedar Park Drive  
Beavercreek, OH 45440

**Meeting Topic:** Metathinking: The New Critical Thinking for Auditors

**Speaker:** Dr. Toby Groves

**Cost:** FREE! Includes educational information pertinent to internal auditing, 1 CPE and networking opportunities (just pay for the cost of lunch).

Interested in Speaking?

Please let us know! There are many opportunities to speak and present at Dayton Chapter IIA events. Topics can be anything applicable to Internal Audit! Examples can include: managing your audit team and workload, learning how to audit new processes, fraud and investigations, IT related audits and controls, preparing for and passing IIA designations, and much, much more!

If you are interested in speaking or attending a future Dayton IIA event, please contact Jen Ogden or Samantha Young. Volunteers and topic ideas are always welcome!

February Speaker Spotlight: Dr. Toby Groves

Dr. Toby Groves is a social cognitive scientist, speaker and writer. He researches innovative thinking approaches that spark insight with a focus on higher-order critical thinking, problem solving and communications. He presents his unique content using vivid mental imagery and radically interactive exercises. His fascinating history spurred a lifelong research journey in advanced critical thinking and communications in expert environments. A popular speaker amongst leading organizations in industry, government, and academia, Toby works with experts that provide society's most critical services including the audit, intelligence, investigative, legal and medical communities.

Toby has a PhD in psychology, an MA in industrial-organizational psychology, and has training in a unique combination of forensic psychology and forensic accounting.

**Metathinking: The New Critical Thinking for Auditors**

Metathinking is a game-changing approach to critical thinking for all internal auditors. The Metathinking approach developed by Dr. Groves spurs a dynamic analysis of our own reasoning processes, exposing hidden factors that influence our thinking, boosting the quality of higher order thinking and problem solving for individuals and teams. The audience will be taught to recognize assumptions that corrupt their reasoning processes and methods that unveil subconscious associations that shape their interpretations.
New Year, New You!
Get your CIA in 2020!

Click Here for more information on how to join a number of your Dayton peers in earning an official IIA certification designation.

Member Anniversaries

Congratulations to the following members who are celebrating an IIA anniversary in January:

- Michael Garland - 22 years
- Susan Hoertt - 19 years
- Ryan Reiber - 18 years
- Melissa Nordstrom - 16 years
- Yuko Armstrong - 1 year
- Kiesha Baker - 1 year
- Chad Pierce - 1 year
- Melissa Hartzell - 1 year

CAP Corner

Upcoming Deadline!

Member Needs Survey - Deadline extended! Earn up to 300 additional CAP points. Your chapter will receive 100 CAP points just for promoting, and a total of 300 CAP points if you promote and at least 30 members respond! The survey was disseminated directly to members on December 10, 2019, and will close on January 17, 2020. Please respond to the survey and help our chapter earn CAP points!

What are CAP points?

The Chapter Achievement Program (CAP) is an achievement/recognition program for chapters that uses points to recognize chapter activities that align with the North American Strategic Plan in four service categories:

- Chapter Health - Focusing on items from your reporting calendar and chapter standards.
- Service to Members - Focusing on growing your chapter’s membership, volunteers, certifications and accounts for the programming your chapter offers their members.
- Professionalism - Focusing on giving back to the profession.
- Leadership Development - Focusing on the development of local leaders through online training and cross-leader collaboration.
Recommended Reading

**Responding to Fraud Risk: Exploring Where Internal Auditing Stands**
by Farah Araj
Click [Here](#) for more information.

**The IIA’s New Red Book**
by The Institute of Internal Auditors
Click [Here](#) for more information.

**Fraud Examination**
by W. Steve Albrecht, Conan C. Albrecht, Chad O. Albrecht, and Mark F. Zimbelman
Click [Here](#) for more information.

Website Update

**Coming Soon!**
Our Technology Chairperson, Chris Knodel, in the process of updating our Dayton Chapter website so that we can provide you with up-to-date news and event information. We will notify the chapter when this update is complete. Thank you for your patience!

**Editor’s Note:**
If you have any suggestions for “The Auditor’s Toolbox”, the newsletter in general, etc., we would love to hear them! Please reach out to any of the chapter officers using contact information on Page 4, or feel free to chat with us during a Third Thursday meeting. We are always looking for feedback. Thanks!

The Auditor’s Toolbox

*Helpful tools and resources you can use to enrich your internal auditor knowledge base*

Recommended Podcasts

- **Internal Audit Mastery**
  *Top notch internal auditors | World class internal audit functions.*
  Click [Here](#) for more information.

- **Auditing the Business Continuity Plan (BCP)**
  *Cassian Jae, Center Director, hosted an AuditCast with Seth Davis and Ben Getz to find out the answers to some of the most frequently asked questions from their popular webinar, Auditing the Business Continuity Plan.*
  Click [Here](#) for more information.

- **Swindled**
  *Utilizes narrative storytelling, archival audio, and immersive soundscapes to explore true stories of white-collar criminals, con artists, and corporate evil. From corruption and fraud to Ponzi schemes and environmental disasters, these financially motivated crimes have shaped our world in unimaginable ways. All in the name of greed.*
  Click [Here](#) for more information.