



Audit Critical Thinking Exercise

NYS TCTC Conference

May 22, 2023



Agenda

—Audit simulation

—Considerations for Impactful Audit

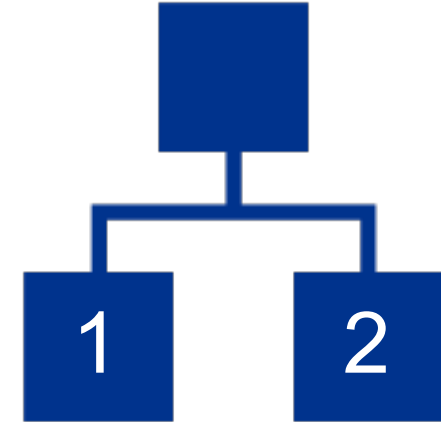
—Q&A

Simulation Overview

NO TECH REQUIRED



TWO TEAMS



40 MINUTES

Simulation Part 1 – 40 minutes

Audit Planning Team

- Read the documents provided to you – 20 minutes
- Summarize the risks and audit objectives based on the request from Management – 20 minutes
- Consult with the Prison Auditing SMP as necessary

Analytics Team

- Read the documents provided to you – 20 minutes
- Determine the appropriate analytics – 20 minutes
- Consult with the Prison Auditing SMP who is knowledgeable of specific data points within the prison



THINK *CRITICALLY*



ASK *QUESTIONS*

Debrief 1 – Audit Team

- 1. What are your top 5-10 objectives?**
- 2. How do you plan to test the objectives?**
- 3. Do you think the Mayor will be satisfied with your audit results?**

Debrief 1 – Analytics Team

- 1. What are the analytics you think will provide an impact for the audit?**
- 2. Do those analytics link to the audit team's objectives?**

Simulation Part 2 – 40 minutes

One Team Approach

- **Share your knowledge from the first part of the simulation with the other team**
- **Use an approach that focuses on developing hypotheses and testing those hypotheses with data**
- **Consider ways to use analytics to:**
 1. Identify the problem or issue
 2. Quantify the magnitude of the problem or issue (frequency, financial impact, cost per incident, etc.)
 3. Help design a solution to the problem or issue

Define Hypothesis (Problem)	Specific Testing Approach	Potential & Likely Outcomes	Decision Point	Potential Cost-Effective Solutions	Other Considerations

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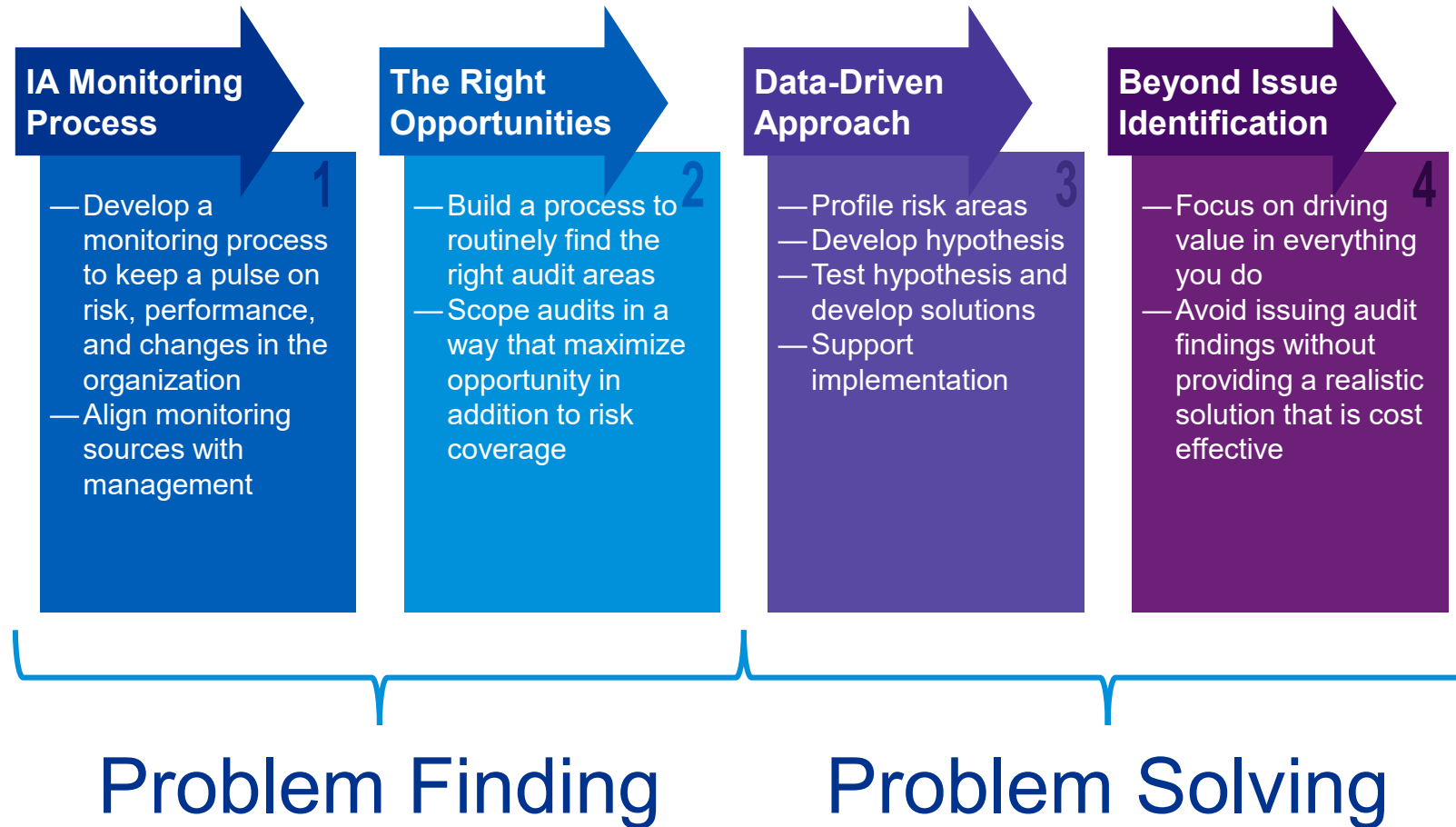
Define Hypothesis (Problem)	Specific Testing Approach	Potential & Likely Outcomes	Decision Point	Potential Cost-Effective Solutions	Other Considerations
Inmates convicted of violent crimes before age 21 will be involved in more violence than inmates convicted of similar crimes after age 35	1) Determine the violence rate (incidents per year per inmate) for each of the 3 age groups 2) Consider how to control for other factors likely to cause violence (e.g., gang membership) 3) Trend data over time to determine if the violence rate holds constant	<ul style="list-style-type: none"> • There is no significant correlation between age of conviction and long term violence habits • Those convicted before age 21 do have a higher likelihood of maintaining violent patterns through the rest of their sentence 	Seek potential solutions if a correlation exists based on 10 years or more of historical data	Develop a violence index that considers the various factors that are likely to identify a violent inmate. Based on the violence index, determine the appropriate location in the prison for the inmate to be housed and re-assess the violence index for each prisoner on a periodic basis.	There are many factors that can lead an inmate to be more or less violent. Consider other trends outside the prison to determine a relative baseline. For example, the legalization of marijuana could reduce the number of non-violent prison inmates which would cause the violence rate to increase in a prison.



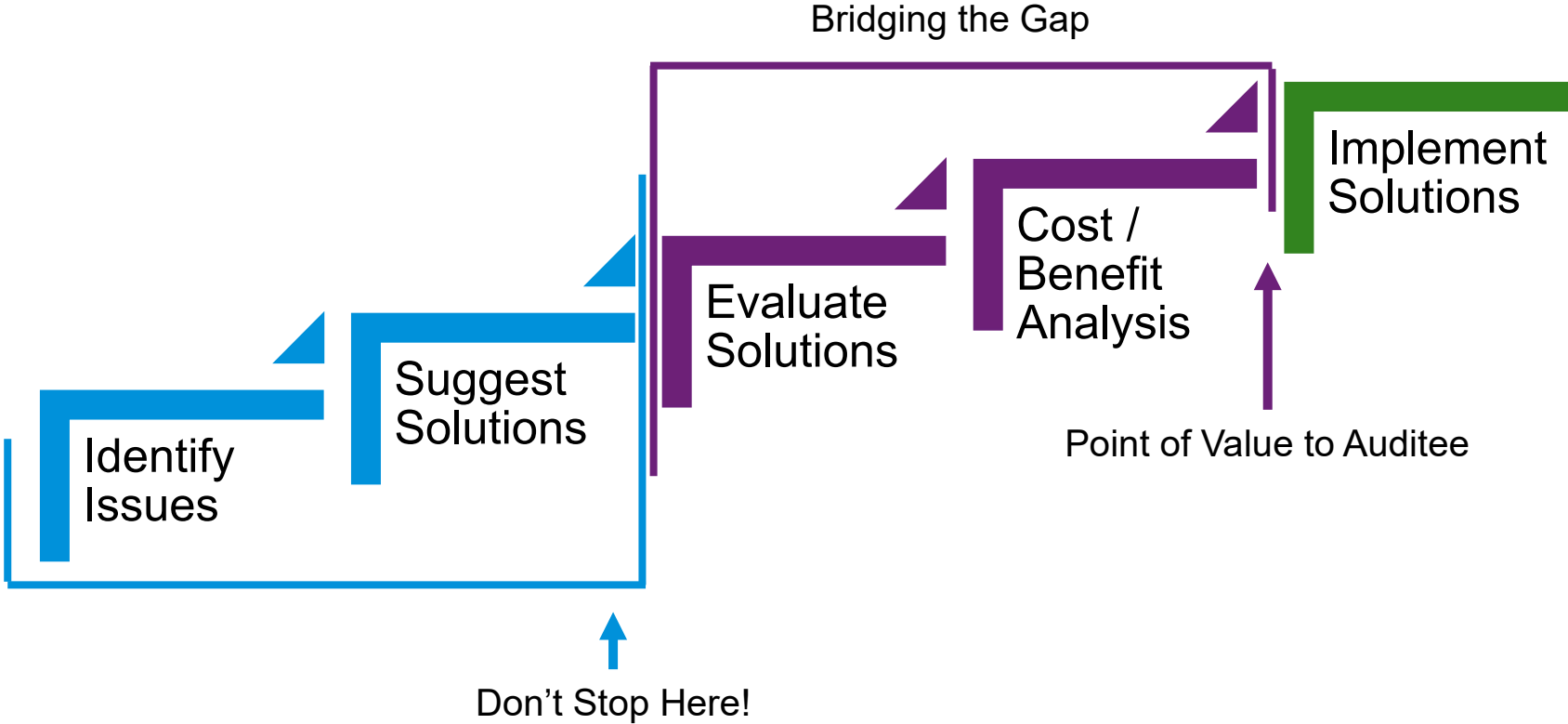
Impactful Audit

January 2019

Key Topics to Consider for Impactful Audit



Go the Extra Step





Questions?



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