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CENTER FOR BUSINESS ANALYTICS

CASE STUDY

Performance Auditing Issues, Techniques and Procedures

Previous field research has identified key knowledge, skills and abilities that state auditors now require in their everyday duties. Forensic applications relating to this work have extended the need for these auditors to perform more inquisitive systems testing and account analysis as a means to safeguard treasury assets and fulfill mission responsibilities.

More recent researcher fieldwork with the New Jersey State Auditors' Office has identified the growing significance of performance auditing whereby state auditors now extend audit procedures to areas such as education and Medicaid expenditures. Such applications enable monitoring and assessment of operational/custodial efficiency and effectiveness. This type of auditing requires a broader based sense of the environment including new research capabilities and related contextual knowledge/auditing skills.

The proposed project will consist of two parts. The first of these is designed to highlight the relative significance of healthcare expenditures through Medicare and Medicaid as well as the high level of inefficiency and fraud currently existing. The second part will develop learning modules and case materials that provide users with the concepts and experiential insights to work in a performance audit environment.

The development of learning modules focusing on performance auditing techniques and procedures will be developed from both state and federal materials and interviews with appropriate personnel involved in these audits. The issue of identity theft and its role in health care expenditures will be addressed. Cases based on actual findings will be written to apply the knowledge, skills, and abilities required to successfully perform certain types of performance audits. These materials will be designed for supplemental use in university courses as well as standalone continuing professional education for current and prospective state and federal auditors.