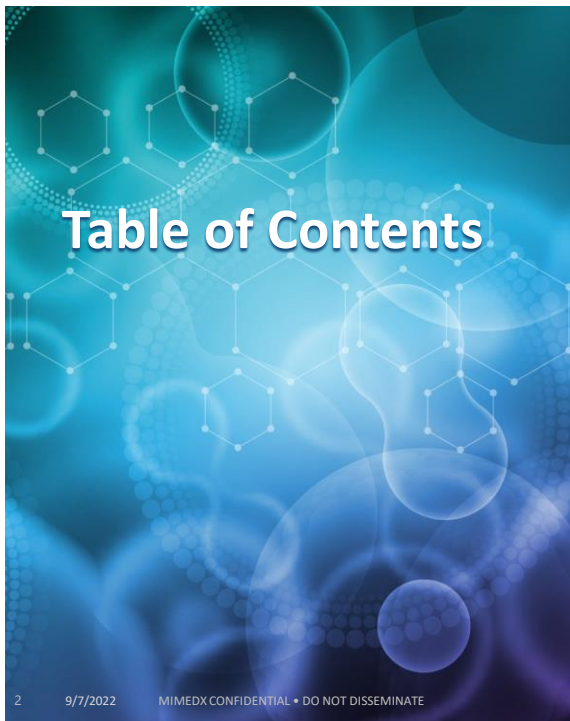




Auditing & Monitoring the Deep Dive - Breaking the Cycle While Improving Process

September 20, 2022



Risk Assessment
Selecting a Sample
The Auditing and Monitoring Cycle
Dashboards
Candidate Selection
Company Culture
Q & A



Risk Assessment(s)



- Why:** Risk Assessments allow the organization to identify areas of risk and then determine the best mitigation plans to address those risks
- When:**
 - Annually
 - Semi – annually
 - Industry/organization determined
- How:**
 - Compliance conducted
 - Committee conducted
 - Internal stakeholders conducted
 - Industry/organization determined
- What:** Areas of risk are rated based on;
 - Likelihood
 - Impact
 - Control

3

Risk Assessment: Rating Scale

Criteria for Evaluation		
Likelihood		
<i>What is the likelihood of something going wrong for MiMedx related to this particular business activity?</i>		
Score	Description	Criteria
1	Unlikely	Risk could occur in rare circumstances.
2	Possible	Risk could occur occasionally.
3	Likely	Risk could occur in most circumstances.
4	Almost Certain	Risk is expected to occur in most circumstances.
Impact		
<i>What is the impact on the business if the risk becomes a reality?</i>		
Score	Description	Criteria
1	Low	No risk of fraud and abuse due to potential compliance issues. Consequence can be absorbed under normal operating conditions.
2	Moderate	Some risk of fraud and abuse due to potential compliance issues. Senior Management / Compliance Committee should be involved/aware.
3	Significant	Significant risk of fraud and abuse due to potential compliance issues. Executive Committee/ Compliance Committee should be involved/aware.
4	Major	Major risk of fraud and abuse due to potential compliance issues. Board should be involved/aware.
Control		
<i>Are there policies, procedures, training, oversight and/ or other controls in place to manage/mitigate the risk?</i>		
Score	Description	Criteria
1	Optimized	Best-in-class control mechanisms in place.
2	Managed	Controls are in place and functioning. Comprehensive control framework.
3	As Needed	Controls are as needed or reactive to a specific, identified issue. Fragmented control framework.
4	Limited	Controls are limited or lacking.

4

Risk Assessment: Risk Register

Risk #	Business Activity	Risk Register Activity	Description	Likelihood	Impact	Control	Covered by Available	Covered by Internal Code	Current Focus of Government Investigations	Regulatory Environment	MIMEDX Risk
R1	Consignment Inventory	Consignment Contracts									
R2	Consignment Inventory	Inventory Management									
R3	HCP Contracts(Speaker&Consultant)	FMV					x	x			
R4	HCP Contracts(Speaker&Consultant)	Contract Language & Terms					x	x			
R5	HCP Contracts(Speaker&Consultant)	Contract in Existence/Executed					x	x			
R6	HCP Contracts(Speaker&Consultant)	Federal Employees(No Contracts)					x	x			
R9	NCE(No Charge Evaluation)	Improper usage of NCE/Oversage					x				
R10	DDMS	Proper use of the program by Physician and or AE									
R11	Speaker Programs	Execution					x	x			
R12	Speaker Programs	Speaker Training					x	x			

NATE

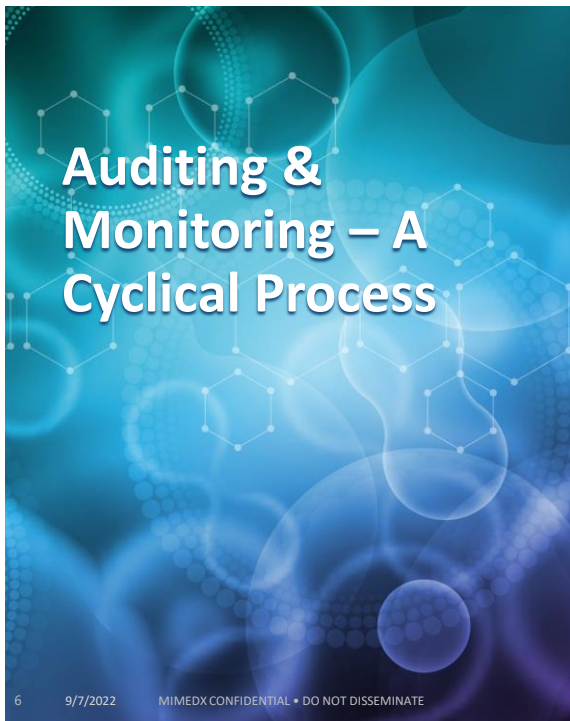
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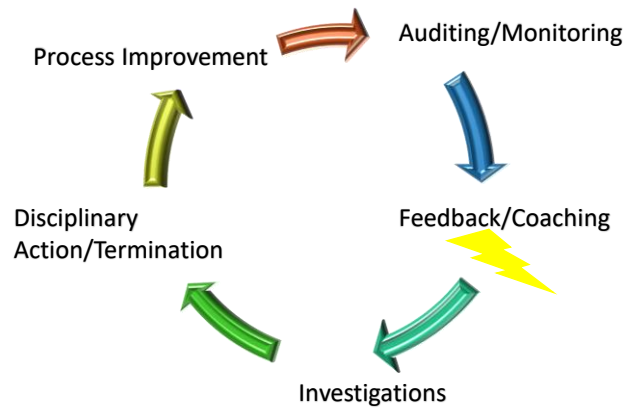
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THE A&M CYCLE



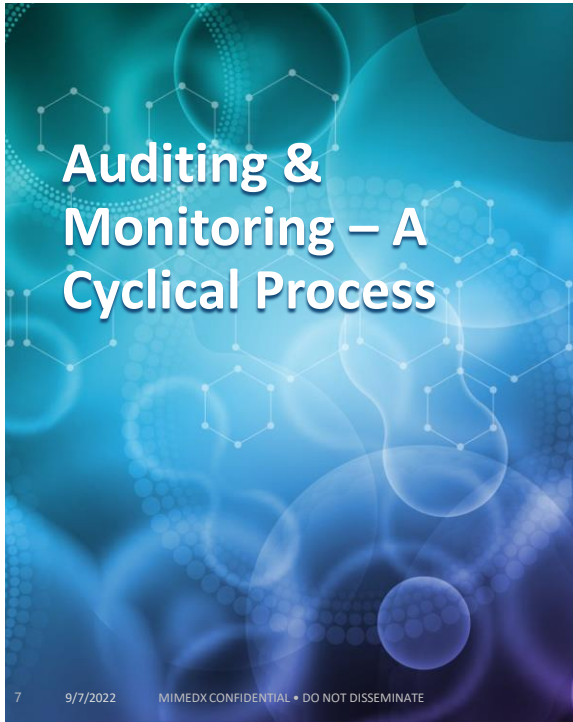
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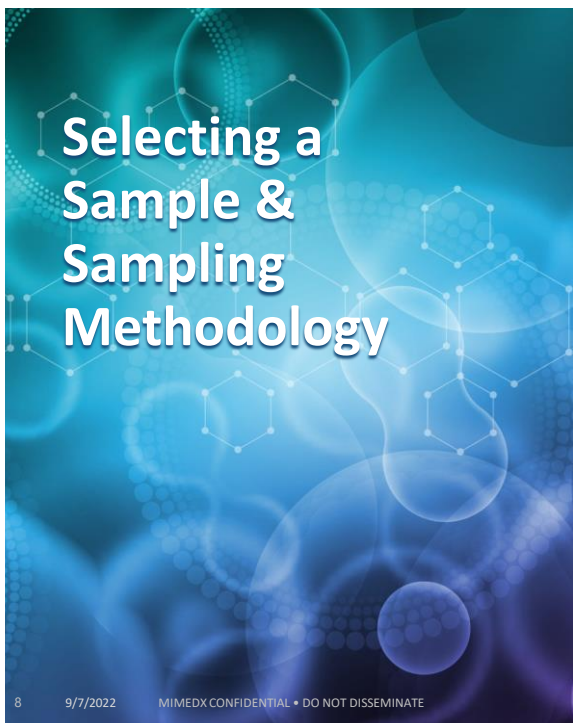
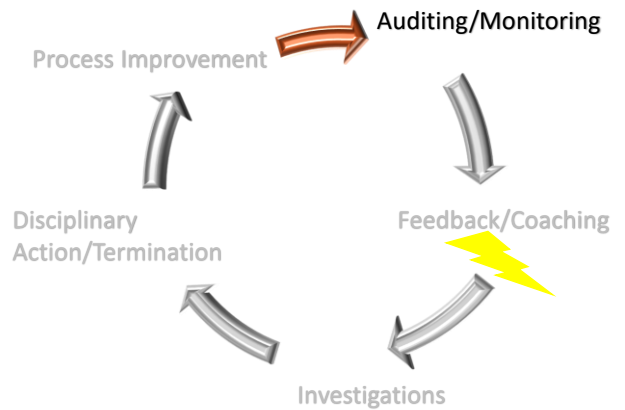


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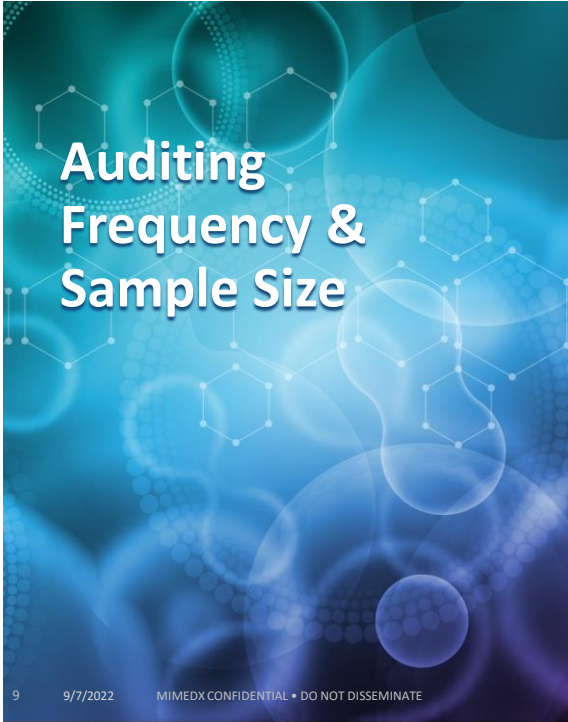


Randomized

Vs.

Outliers identified through statistical analysis





Frequency

- Monthly
- Quarterly
- Annually
- Semi-annually
- For cause
- As needed

Sample Size

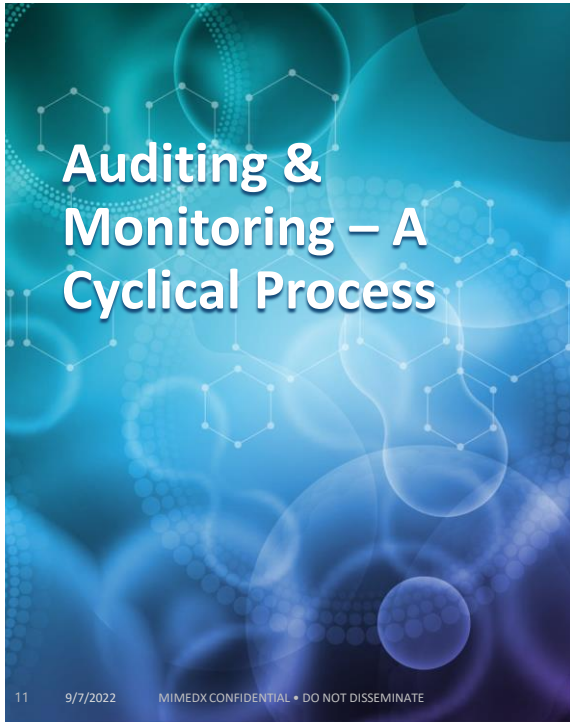
- 10% of the total population or a minimum of 5



Audit Template

Business Meals with Attendees Audit		
July	1	2
Report Name		
Report ID		
HCP Name & NPI#		
Is the HCP a Federal Employee?		
Monitoring Date		
Concur Amount?		
Spend Date		
HCP Amount/per Person Amount		
MiMedx Rep(s) on Account		
Meals with Attendees (HCPs)		
Was the sign-in sheet appropriately completed?		
Number of Individuals on Concur meeting summary		
# of Covered Receipts		
# MiMedx Rep(s) (Attendees)		
Actual number of signatures on sign-in sheet?		
Receipt Amount		
In-office/Out-of-office?		
Type of Meal		
Venue Name		
Was an itemized receipt provided and appropriate?		
Does the Invoice/Receipt match the amount reported in Expense		
Meal amount within meal limit as set		

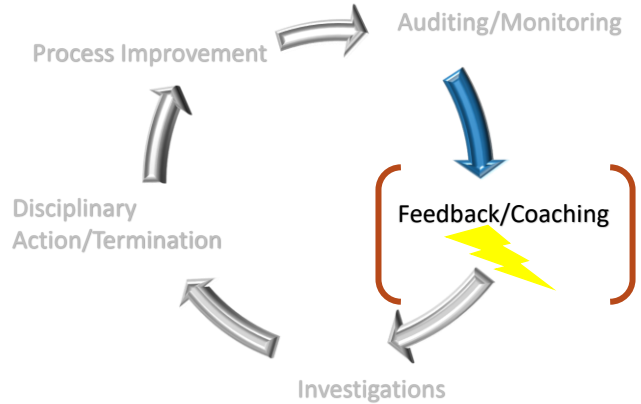




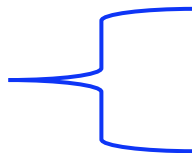
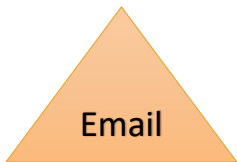
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BREAKING THE CYCLE

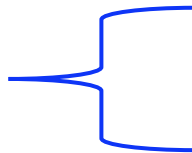
Provide coaching, feedback and guidance to prevent future warnings, corrective action plans or termination



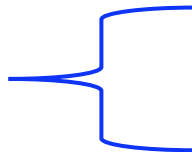
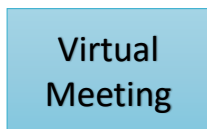
Feedback/Coaching



- Creates a record that the communication took place
- Specific examples and screenshots are enabled
- Ability to copy managers, HR, etc.
- Recipient can view at their leisure



- Personal touch
- Can establish rapport
- Build trust
- Tone is easily expressed



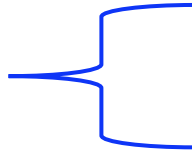
- Personal touch
- Can establish rapport
- Build trust
- Tone is easily expressed
- Screen sharing



12

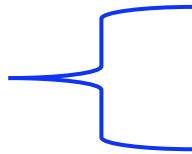
Training

Annual Compliance Training



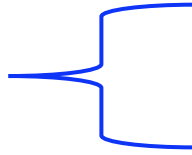
-Continuously train on Compliance policies, procedures, etc.

Request for Guidance

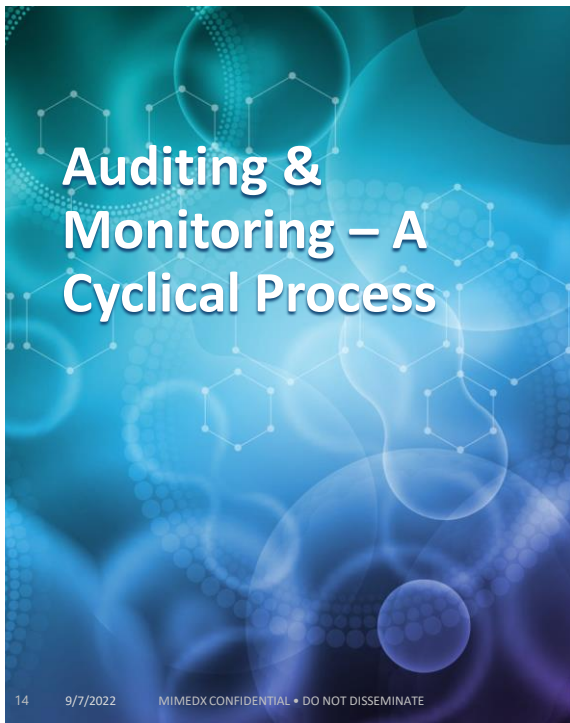


-Personal touch
-Can establish rapport
-Tone is easily expressed

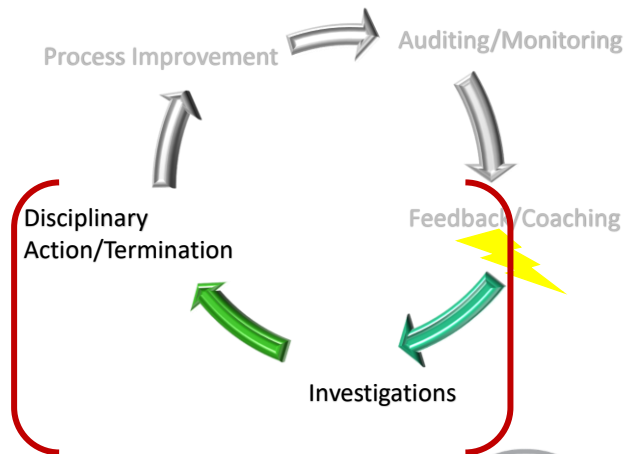
Threshold Based Training

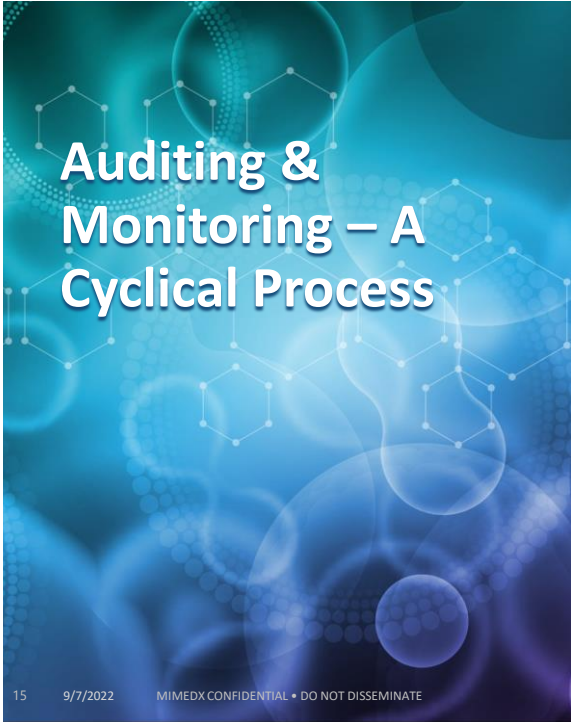


-Personal touch
-Can establish rapport
-Tone is easily expressed
-Screen sharing

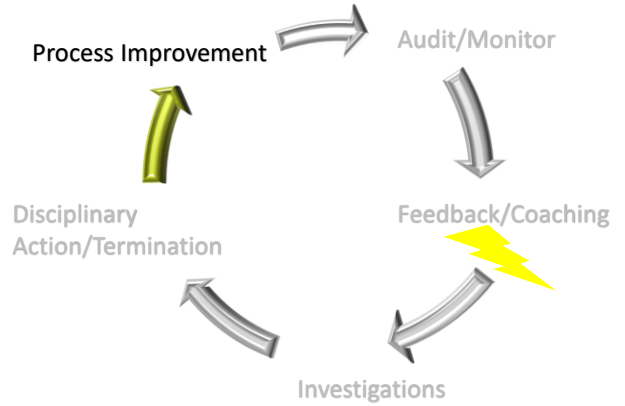


THE A&M CYCLE



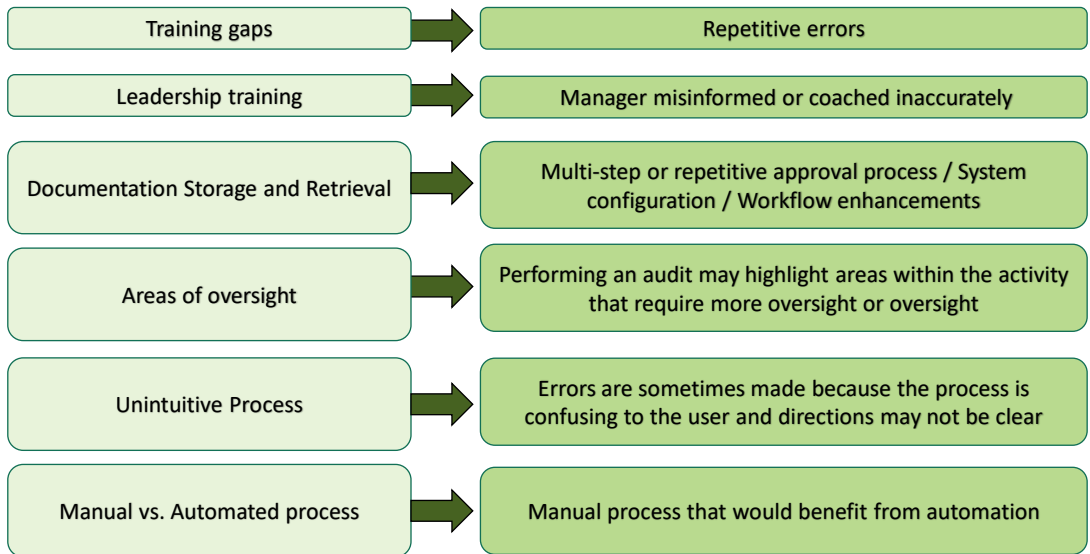


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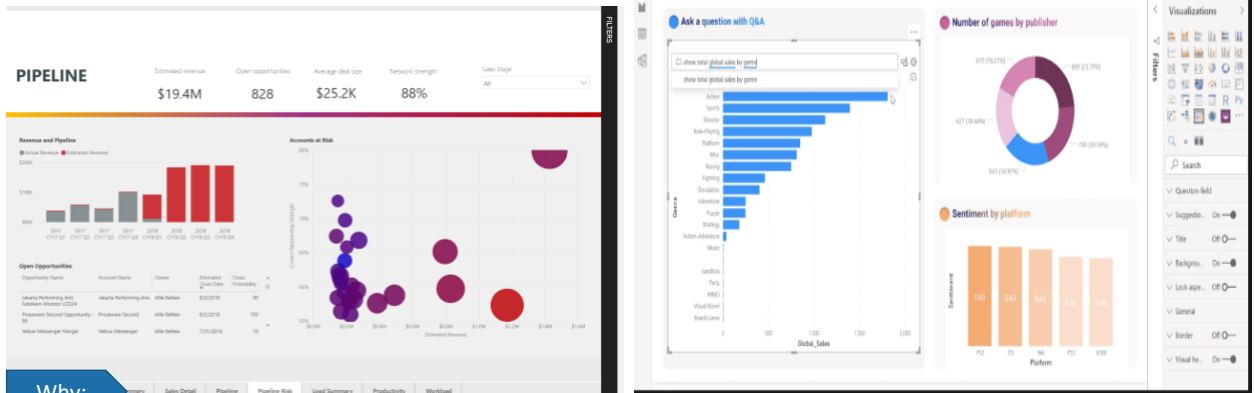
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Process Improvement Opportunities



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Dashboards



Why:

- Track activities in real time
- Provide a visual representation of data
- Connect multiple data points together on one platform

Types:

- Power BI
- Tableau

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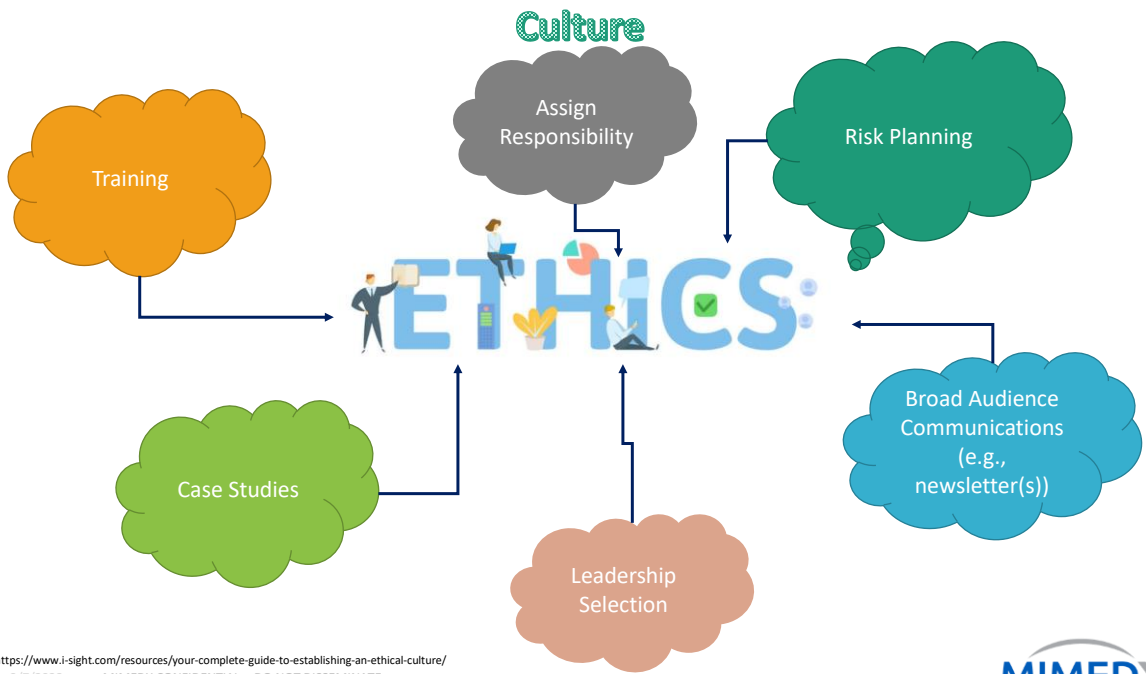
Who do I hire for auditing, monitoring & analytics?

"Quick! Somebody find me a data scientist!"



- A degree in Business Administration, Analytics, Accounting or Engineering
- Background in data mining
- Utilizes statistical methodologies to guide business decision making
- Advanced Excel skills(e.g., VLOOKUP, SUMIF, Regression models, etc.)
- Understanding of data quality
- Experience with Power BI, Tableau or other dash boarding platforms
- Experience with auditing and monitoring is helpful but not required
- Detail orientated
- Previous analytical roles/titles
- Experienced with project management or a certified PMP





<https://www.i-sight.com/resources/your-complete-guide-to-establishing-an-ethical-culture/>

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A robust internal auditing program shows its presence both at the beginning and end of continual improvement projects. In the beginning, internal audits identify opportunities for improvement, at the end, internal audits provide a mechanism for monitoring the implemented improvement in order to sustain its benefits for the long term.

~ John Novak

morefamousquotes.com

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