



## **PLAUSIBLE DENIABILITY**

You’ve all seen the movies. Our Commander-in-Chief is stunned to learn that there are aliens in formaldehyde at Area 54. Or the CIA has replaced a world leader with a look-alike actor. Or the Pentagon has a spare space shuttle known but to a few. When the President asks “Why wasn’t I told?”, the answer is “plausible deniability.”

Well-meaning Presidential aides think they are protecting their leader by shielding POTUS from the truth.

Such melodramatic moments don’t cut it in the real world. If something happens on your watch, it won’t matter whether it ever made it to your in-basket. Print and media journalists will vivisect your administration gleefully. Advocacy groups and partisan politicians will vilify you. Small dogs will nip at your ankles. Maitre-d’s will lose your reservations.

Maybe this doesn’t matter to you. You’ve got 37 ½ years of State service under your belt, and Florida has no extradition treaty regarding incompetent bureaucrats. If so, read no further.

But if you care about your reputation, your career, or better yet, the people of New York, then you will want more than plausible deniability to support your administration. That is where two magic words come in:

# **Reasonable Assurance**

Reasonable assurance is not a “get out of jail free” card, nor is it a money-back guarantee that things can’t go wrong. It is the recognition that you have taken appropriate steps to minimize the likelihood of significant fraud, waste or mismanagement. You have internal controls (management controls) in place that are

proportionate to the risks identified. You have considered both the likelihood and magnitude of such risks – be it life-threatening, financially compromising, or disruptive to your program.

Reasonable assurance depends on a number of things – like recognition of legitimate risk (no Hollywood meteor disasters or white sharks, please), and open, honest communications involving management and line staff (no buried Morton Thiokol memos about Space Shuttle O-rings). But most of all it depends on people – your people.

Article 54, S 950 of the **Internal Control Act** defines “internal control” as

“a process that integrates the activities, plans, attitudes, policies, systems, resources and efforts of the people of an organization working together, and that is designed to provide reasonable assurance that the organization will achieve its objectives and mission. The objectives of an internal control system include, but are not limited to: the safeguarding of assets; checking the accuracy and reliability of accounting data and financial reporting; promoting the effectiveness and efficiency of operations; ensuring compliance with applicable laws and regulations; and encouraging adherence to prescribed managerial policies. Internal control review processes are used periodically to evaluate the ongoing internal control system and to assess and monitor the implementation of necessary corrective actions.”

Yes, that is a mouthful. But all these goals can be met with smart administration.

## **Work smarter, not harder**

This vicious phrase, as beloved as “knowledge is power” and “the check is in the mail” is usually uttered by an unimaginative executive or a long-suffering budget analyst, when resources are not adequate to the task at hand. Retirement incentives, reductions in force, or reassignment



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of staff to other responsibilities all conspire to tell you the traditional way of doing things is no longer the answer.

In some instances, you need to take calculated risks – inspecting pushcarts once a year, rather than once a month. Licensing drivers for five years, not three. Sampling 5% of income tax returns over \$80,000, rather than a 10% sample of those over \$60,000.

In other instances, you need to explore new methodologies to collect and analyze data (e.g. scan applications into a computer system, then deep-six tons of paper).

Yes, there are training gurus who will insist the solution is to cross-train all your staff, so that they can be assigned more flexibly to fill arising need. But the weeks of training required to do this will take them away from their current responsibilities.

### Sharing Power

One, often overlooked solution is to share power with your staff. Remember the little Dutch boy? Sure, you can plug a few holes single-handedly, but when you run out of fingers, you need to solicit additional help. I am not recommending a press release or guest spot on Charlie Rose. I am recommending honest two-way communication with your staff. Let them know you have a problem, whether it’s “Louise is out on Worker’s Comp” or “we have another unfunded mandate.”

Get a little brainstorming session going. Gain perspective and insight into the problem. Open the floor to suggestions. Be gentle with the impractical. Look for examples of duplication of effort or waste motion.

If turnaround time is an issue, think like a factory foreman. How does the assembly line flow? Are there bottlenecks in the overall process? Are some units waiting for work, while others are drowning in it?

You will have to take some of the feedback with a **grain of salt** (photo courtesy of Smithsonian Institution).



After all, you’ve probably kept some of your staff walled off into tiny confines and limited functions. People work best when they can see the big picture, put that is probably not the bureau you inherited with your last promotion. Now is your chance to change that.

*We’ve always done it that way*” no longer matters.

Sharing power is a strange thing. In the 20<sup>th</sup> century, we thought there was only so much power to go around, that sharing what we had with others would sacrifice the power we did have. Little did we suspect that sharing power actually creates more power – like a breeder reactor creates more fissionable material to power additional reactors.

Maybe the toxic byproducts of nuclear power make you nervous, but the byproducts of sharing human power are far from toxic. Surf the Internet and you will find “power sharing” under discussion by feminists and theologians, military specialists and accountants, international aid workers and West Wing strategists. Sharing power takes away the *us vs. them* phenomenon - where two opposing sides neutralize one another, and nothing positive is accomplished.



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Right now a major power sharing experiment is underway in Iraq, hoping that Shiia, Sunni and Kurd can work together to establish a rule of law, squelch insurrection, and create a progressive society.

A more esoteric version of power sharing involves the Search for Extra-Terrestrial Intelligence (SETI). Individual PC's scattered across the Internet are invited to participate in a data processing effort (presumably data received by radio-telescopes), that takes advantage of down-time (e.g. when screen savers would kick in) from all participating computers to create a gigantic, virtual machine.



Of course we are still searching for **terrestrial** intelligence. And that's where you come in. If you are not tapping into all the mental resources at your disposal, you are wasting time, money, and staff talents.

### Be Ruthless

Every thing you and your staff do must contribute to meeting your goal. Or else it is just contributing to your administrative overhead. Sure, there are lawyers and accountants looking over your shoulder, to make sure everything is legitimate and accountable. But you are your staff are the arbiters of the procedures you employ. Is there data on a form, or a required field on your input screen which add nothing to the process? The U.S. Census likes to ask lots of questions every ten years, though only a handful relate to its original purpose (determining representation in Congress).

If you are ordering shoes from L.L. Bean, they don't ask you for your hat size. Take a close look at the data you process, and weed out the inconsequential.

Remember too, there is a big difference between **efficiency** and **effectiveness**. You may be producing buggy whips with incredible efficiency – holding down labor costs, minimizing scrap, recycling tanning chemicals, but sales outside of Lancaster, Pennsylvania are less than brisk.

You are a leader, not a follower. When you identify useless appendages, vestigial regulations, counter-productive procedures and fossilized forms, you have a responsibility to confront such situations, and communicate up the line to change things.

The Internal Control Act insists that you encourage “adherence to prescribed managerial policies.” It is easier to do that when the policies make sense.