

DRAFT AUDIT PROPOSAL

Kansas Creative Arts Industries Commission: Measuring its Economic Impact in Kansas

SOURCE

This audit proposal was requested by Representative Stogsdill.

BACKGROUND

The Kansas Creative Arts Industries Commission (CAIC) is one of two commissions housed in the Department of Commerce and created by statute. CAIC merges the former Kansas Film Commission and Kansas Arts Commission into a new designated state arts agency designed to capitalize on the immense potential for the creative sector to drive economic growth in Kansas. The Commission is dedicated to measuring, promoting, supporting and expanding the creative industries to grow the state's economy and generate creative industry-related jobs. The Commission is funded through Economic Development Initiatives Fund monies and grants from the federal National Endowment for the Arts.

In fiscal year 2018, CAIC administered several programs through its partnership with the National Endowment for the Arts. Under two grant programs, CAIC has administered 147 grants to arts organizations in communities across Kansas totaling approximately \$792,332. According to the Commission, of every \$1 invested by the CAIC, \$3 in private dollars and \$1 in volunteer services were leveraged. CAIC also conducted several roundtables which engaged approximately 50 stakeholders from across the state in conversation with national experts.

Legislators have expressed interest in the current and potential economic impact of the arts industry in Kansas.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below represent the questions that we would answer through our audit work. The proposed steps for each objective are intended to convey the type of work we would do, but are subject to change as we learn more about the audit issues and are able to refine our methodology.

Objective 1: What are the current and potential economic effects generated by the Kansas Arts Industries Commission efforts? Our tentative methodology would include the following:

- Work with Commissioners and staff to develop and understanding of the Commission's mission, the grant application and approval process, and any monitoring, measuring, reporting or following up on grant recipients.
- Review literature, other audits or best practices to identify methods to measure arts commissions' impact and success and the most important or significant metrics.

- Work with commission staff to determine those metrics for Kansas and then compare to other states, best practices etc.
- Talk with commission about metrics where Kansas doesn't look good and ask what steps could be taken to improve in the future.

Objective 2: How do Kansas' arts commission impacts compare to that in other similar states? Our tentative methodology would include the following:

- Work with Commission and staff to identify comparable states to compare with.
- Contact those state's arts commissions or equivalents to identify things such as funding sources, expenditures, measured impacts.
- Compare those results with Kansas' information from objective 1. Follow up with Kansas and other state officials to discuss any significant differences.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **4 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).