

AUDIT PROPOSAL

Reviewing Agencies' Implementation of Selected Performance Audit Recommendations

SOURCE

This audit proposal was suggested by LPA staff to satisfy requirements in LPAC Rule 3-4.

BACKGROUND

The Legislative Post Audit Committee's rules includes a process to check on prior audit recommendations. That process, included in LPAC Rule 3-4, has two primary components. First, we follow up with each agency twice a year to update their progress on past recommendations. Second, we prepare this audit proposal each year. It aims to confirm agency's self-reported actions on past audit recommendations.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: To what extent have agencies implemented selected audit recommendations from performance audits issued in recent years? Our tentative methodology would include the following:

- Attachment A lists the audit recommendations we are proposing for follow-up work.
- Review materials provided by agency officials as part of the follow-up process to determine the reported status of each recommendation.
- Interview agency officials and staff, review agency documents, and conduct other work as needed to verify the actual status of each recommendation.
- For any recommendations that do not appear to have been implemented as reported, follow-up with agency officials to determine why not.

ESTIMATED RESOURCES

We estimate this audit would require **1 auditor** for a total of **2 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

ATTACHMENT A

Proposed Recommendations for Follow-Up Audit Work

Medicaid: Evaluating KanCare's Effect on the State's Medicaid Program (R-18-006)

To address issues related to inaccurate Medicaid claims data, KDHE should:

1. Develop a process to periodically query and review reported claims data to ensure the data is accurate, complete, and reliable enough to be used for management and policymaker decisions. (In Progress)
2. Consider allocating additional staff resources and training dedicated to querying and assessing the accuracy of MCO claims data. (In Progress)
3. Consider contractual penalties against the MCOs if they continue to submit inaccurate or inconsistent data. (Implemented)
4. Develop provider capacity requirements, and collect and evaluate provider capacity data. (Implemented)

Community Mental Health: Evaluating Mental Health Services in Local Jails (R-18-004)

Because it could impact Medicaid eligibility, KDHE should collaborate with local sheriffs to develop a plan for providing KDHE with entry and exit notification from jails. If notification requires substantial additional resources or changes to KEES, KDHE should present a final plan to the Legislature during the 2019 legislative session. Otherwise, KDHE and local jails should begin implementing a new notification process by July 1, 2020. (In Progress)

Department of Agriculture: Evaluating the Animal Facilities Inspection Program (R-18-013)

To correct deficiencies noted in the audit program officials should:

1. Update their policy and procedure manual related to consistent inspections and appropriate penalties. (In Progress)
2. Create a process to:
 - a) establish annual performance goals for inspectors. (In Progress)
 - b) monitor that all inspections and penalties are timely and appropriate. (In Progress)
3. Work with Kansas State University to provide the statutorily required training. (In Progress)
4. Consider requesting an investigative inspector position. (In Progress)