

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 include 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

Evaluating the Department of Agriculture's Price Verification Inspection Process (November 2020)

1. KDA should use program data to develop a more effective inspection strategy instead of having scale inspections direct their inspection strategy. For example, KDA could focus on inspecting businesses that meet certain criteria, such as the severity of pricing issues, location, or type of business. KDA's strategy should account for how many follow-up inspections KDA can do. (Implemented)
2. KDA should do a staffing analysis to estimate the cost of implementing its desired inspection strategy. KDA should use that analysis to inform its future budget requests and discussions with the Legislature. (In Progress)
3. KDA should develop and document a strategy for issuing legal orders timely and consistently instead of issuing them when staff have time. KDA's strategy should clearly identify when KDA will issue legal orders (instead of when it may do so). KDA's strategy should also reflect the extent to which KDA has sufficient resources to issue legal orders. KDA management should then regularly review program data to ensure staff issue legal orders in accordance with KDA's strategy. (Implemented)

Angel Investor Tax Credit Program (November 2020)

1. The Department of Commerce should proactively enforce statute's requirement that participating businesses remain in Kansas for 10 years. Or for whatever time frame the Legislature decides is appropriate if it amends current state law. (Implemented)

K-12 Education: Evaluating At-Risk Student Counts, Weights, and Expenditures (December 2019)

1. The department should ensure that any guidance they provide to the districts reflects current state law. (Implemented)
2. The department should establish a process to determine that any identified programs and practices are evidence-based and for at-risk students. (Implemented)
3. The board should more thoroughly oversee the process for identifying at-risk programs and practices. (Implemented)