

Cabinet and Governor Appointed Agencies' Performance Audit Action Item(s) & Status

## Improving Cannabis Risk Management Tools Using Business Transaction Data

(See also [cabinet agency response](#) for full context to Washington State Auditor's Office (SAO) [report](#), August, 2018)

The Liquor and Cannabis Board were included for this performance audit.

SAO Recommendations summary (Rec):

1. LCB should complete its plans to develop reasonable ranges for data at the higher-risk transactions of the cannabis production, processing and retail processes.
2. LCB should complete its plans to establish automatic notifications in its new tracking system that will alert staff when data at those higher-risk transactions fall outside established ranges, indicating potential data entry errors or product diversion
3. To the state's Office of Cyber Security: Continue to develop and provide that additional clarity or guidance to state agencies.

The table below shows the current status of action items the agency initiated to address issues identified in the performance audit report. Please see the [cabinet agency response](#) for additional context and any additional steps already taken.

For an explanation of the columns below, [see the legend](#).

Issue/ Rec	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
Rec. 1	Deferred	<ul style="list-style-type: none"> <li>Analyze research and information to inform our methodology for range establishment.</li> <li>Review and ensure alignment of thresholds with Washington state policy.</li> <li>Review and confirm information with agency division subject-matter experts.</li> <li>Align final data policies (including reasonable ranges) with traceability system functionality and confirm with IT and product vendor.</li> </ul>	LCB	<del>10/18</del> 12/19	Project budget has been expended.	New funding would be required to complete the recommendation.	None	The State Auditor's Office recommendations were provided in 2018 after a review of the first Washington State Traceability system hosted by BioTrack THC. At the time recommendations were received, the second system iteration, hosted by MJ Freeway, had launched. During that time, WSLCB was working on system deficiencies and remaining code requirements to provide all contracted system functions. After multiple contract amendments with MJ Freeway it was decided in December 2019 that future code deliverables would be suspended. This decision was made due to risk experienced with prior code releases, staff resources and budget.

Issue/ Rec	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
								<p>As a result, the future code in which the function to meet the recommendation was to be built, will not be delivered and all other solutions will take separate funding that is not available.</p> <p>This work has been deferred/suspended. We will take the recommendations under advisement for any future action related to the systems related to marijuana.</p>
Rec. 2	Deferred	Contingent upon evaluation of the data needed and plan created in response to Recommendation 1, the LCB will implement automatic notifications in the traceability system	LCB	<del>12/18</del> 12/19	Project budget has been expended.	New funding would be required to complete the recommendation.	None	<p>After multiple contract amendments with MJ Freeway it was decided in December 2019 that future code deliverables would be suspended. This decision was made due to risk experienced with prior code releases, staff resources and budget.</p> <p>As a result, the future code, in which the function to meet the recommendation was to be built, will not be delivered and all other solutions will take separate funding that is not available.</p> <p>This work has been deferred/suspended. We will take the recommendations under advisement for any future action related to the systems related to marijuana.</p>