

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	In progress	<ul style="list-style-type: none"> • Analyze research and information to inform our methodology for range establishment. • Review and ensure alignment of thresholds with Washington state policy. • Review and confirm information with agency division subject-matter experts. • Align final data policies (including reasonable ranges) with traceability system functionality and confirm with IT and product vendor. 	LCB	10/18 12/19	Resources for this work are currently funded through the agency resources and the traceability project budget.	None currently	None	<p>LCB convened an internal workgroup consisting of subject matter experts to develop the list of alerts required to meet our regulatory needs.</p> <p>The list was grounded in the base rules and policy that shape the cannabis regulatory framework. The list was prioritized based on need and presented to the product vendor prior to 10/31/2018.</p> <p>The product vendor proposed creating the needed alerts through the QLIK business intelligence tool. This proposal was accepted by LCB. The product vendor will be required to develop and configure the bulk of the alerts and train LCB staff on how to configure and create alerts.</p>

Issue/ Rec	Status	Action Steps	Lead Agency	Due Date	Current Resources?	Budget Impact?	Legislation Required?	Notes
								LCB staff have partnered with the product vendor to develop the requirements necessary to build the alert function.
Rec. 2	In progress	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	12/18 12/19	Resources for this work are currently funded through the agency resources and the traceability project budget.	None currently	None	<p>The planned implementation of 12/31/2018 was tied to the release scheduled as part of an August 2018 contract amendment and schedule modification.</p> <p>The release planned for the end of December 2018 has been delayed. As such the alert function has not yet been deployed. The updated schedule anticipates that alerts will be live by 12/31/2019 as part of the amendment project schedule.</p> <p>The alert function is contingent on the release of the code scheduled as part of release 1.40.0.</p>