

## Sjoberg Evashenk Consulting's comments on the Board's response

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The Joint Legislative Audit Committee requires all agencies to respond to whether they agree with the findings and plan to implement the recommendations. We appreciate the Board's response, including its agreement to implement all recommendations. However, the Board has included certain statements in its response that necessitate the following clarification.

- In its response to the audit finding that the Board could not demonstrate that it verified that some applicants possessed a valid fingerprint clearance card or fingerprint-based criminal history records check, the Board stated that the Board verifies that all applicants possess valid fingerprint clearance cards and the Board maintains that information in its licensing system, and that the Board experienced significant data losses when it transitioned from its old licensing system to a new system. The Board states that it experienced data loss as a direct result of the implementation of the new licensing system and that this was corroborated by the audit. This statement is inaccurate. Although auditors informed the Board that they had found evidence that some licensee information, such as contact information, was recorded in and subsequently deleted from the Board's IT system, auditors could not verify whether any information related to the Board's verification of fingerprint clearance cards had been recorded and subsequently deleted.

Additionally, although the transition to a new IT system may have contributed to the problem, the audit identified 3 main factors that contributed to the specific issues identified in the audit. Two of these 3 factors were present both before and after the Board's transition to its new IT system, and include both licensing systems lacking fields necessary to capture information for both fingerprint clearance cards or state-level fingerprint-based criminal history records checks and the Board not retaining adequate documentation. The third factor we identified, staff not always following Board guidance, occurred after the Board completed its transition to its new IT system.

- In its response to the audit finding that the Board did not timely take measures available to it to protect the public when considering 1 renewal application with child sex trafficking charges, the Board stated that although statute authorizes the Board to deny a renewal application for unprofessional conduct, the Board's temporary assistant attorney general representative advised the Board to instead enter into an interim consent agreement with the licensee for the voluntary suspension of their license until the charges could be substantiated. This response is misleading because it disregards the fact that the Board took 187 days, or more than 6 months, after learning that the licensee had been accused of child sex trafficking to suspend the licensee's license—during which time the licensee remained able to practice without restriction.
- In its response to the audit finding that the Board did not collect all license fees, the Board stated that its current licensing system previously allowed applicants to initially waive their own fees, but that the Board reconciles all waivers to ensure that fees are collected or are properly waived. Although the Board was aware that deficiencies in its licensing system existed and reported identifying and correcting some of these few waiver instances through a manual review process, this audit identified an

instance in which an applicant did not pay the full license fee that the Board's reconciliation process did not identify.

- In its response to the audit finding that the Board lacked a special disclosure file as required by statute, the Board stated that upon secondary review, staff demonstrated to auditors the location of a special file that contained all conflict-of-interest disclosures as required by statute. This statement is misleading because it wasn't until May 2025, after auditors informed the Board of this finding, that the Board provided evidence that it had established a single special disclosure file. During the audit, the Board kept Board member disclosures made during Board meetings with its Board meeting minutes and materials, which were stored in a separate file from employee and Board member disclosure forms, contrary to statute.