

**ALASKA STATE LEGISLATURE  
LEGISLATIVE BUDGET AND AUDIT COMMITTEE**

July 29, 2021  
2:01 p.m.

**DRAFT**

**MEMBERS PRESENT**

Senator Natasha von Imhof, Chair  
Senator Peter Micciche  
Senator Lora Reinbold  
Senator Bert Stedman  
Senator Click Bishop (alternate)

Representative Ivy Spohnholz  
Representative Andy Josephson  
Representative Neal Foster  
Representative James Kaufman  
Representative Dan Ortiz (alternate)

**MEMBERS ABSENT**

Senator Lyman Hoffman  
Representative Chris Tuck, Vice Chair

**COMMITTEE CALENDAR**

APPROVAL OF MINUTES  
EXECUTIVE SESSION  
FINAL AND PRELIMINARY AUDIT RELEASES  
OTHER COMMITTEE BUSINESS

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

KRIS CURTIS, Legislative Auditor  
Legislative Audit Division  
Juneau, Alaska

**POSITION STATEMENT:** Offered information on audit follow-through during the committee's discussion of other business.

**ACTION NARRATIVE**

[2:01:54 PM](#)

**CHAIR NATASHA VON IMHOF** called the Legislative Budget and Audit Committee meeting to order at [2:01] p.m. Representatives Spohnholz, Kaufman, Josephson (via teleconference), Foster (via teleconference), and Ortiz (alternate, via teleconference) and Senators Micciche, Stedman, Bishop (alternate), Reinbold, and von Imhof were present at the call to order. Also present was Representative Hopkins (via teleconference).

#### **APPROVAL OF MINUTES**

[2:03:03 PM](#)

CHAIR VON IMHOF announced that the first order of business would be the approval of minutes.

[2:03:10 PM](#)

SENATOR STEDMAN moved that the Legislative Budget and Audit Committee approve the minutes of the June 3, 2021, meeting as presented. There being no objection, the minutes of the June 3, 2021, meeting were approved.

#### **EXECUTIVE SESSION**

[2:03:32 PM](#)

CHAIR VON IMHOF announced that the next order of business would be an executive session to consider the final audit report for the State Physical Therapy and Occupational Therapy Board; and the preliminary audit report for the Alaska Mental Health Trust Authority and the Board of Examiners in Optometry.

[2:03:51 PM](#)

SENATOR STEDMAN moved that the Legislative Budget and Audit Committee go into executive session under Uniform Rule 22(b)(3) for the discussion of matters that may, by law, be required to be confidential.

[2:03:59 PM](#)

REPRESENTATIVE HOPKINS interjected during the motion that he would like to take part in the executive session.

[2:04:15 PM](#)

SENATOR STEDMAN restated the motion to go into executive session and asked that the following persons remain in the room or online: the legislative auditor and necessary staff of the auditor; any legislators not on the committee; and staff for legislators who are members of the committee. There being no objection, it was so ordered.

[2:05:03 PM](#)

The committee took an at-ease from 2:05 p.m. to 3:43 p.m. for the purpose of executive session.

[3:43:51 PM](#)

CHAIR VON IMHOF called the Legislative Budget and Audit Committee back to order at 3:44 p.m. Present at the call back to order were Representatives Spohnholz, Kaufman, Foster (via teleconference), and Ortiz (alternate, via teleconference) and Senators Micciche, Stedman, Bishop (alternate), and von Imhof. Also present was Representative Hopkins (via teleconference).

#### **FINAL AND PRELIMINARY AUDIT RELEASES**

[3:44:03 PM](#)

CHAIR VON IMHOF announced that the next order of business would be final and preliminary audit releases.

[3:44:14 PM](#)

SENATOR STEDMAN moved that the Legislative Budget and Audit Committee release the final audit report for the State Physical Therapy and Occupational Therapy Board.

[3:44:32 PM](#)

SENATOR STEDMAN moved that the Legislative Budget and Audit Committee release the following preliminary audit report to the agencies for response: Alaska Mental Health Trust Authority, statutes of select asset management issues; Board of Examiners in Optometry, sunset audit. There being no objection, the preliminary audits were released to the agencies for response.

#### **OTHER COMMITTEE BUSINESS**

[3:44:56 PM](#)

CHAIR VON IMHOF discussed the possibility of the next Legislative Budget and Audit Committee meeting occurring either August 27 or 28, 2021, and let committee members know they would be polled to determine a consensus.

[3:45:19 PM](#)

CHAIR VON IMHOF next invited Representative Kaufman to speak on the subject of audit follow-through.

[3:45:29 PM](#)

REPRESENTATIVE KAUFMAN stated that both the committee and the public have observed that the Legislative Budget and Audit Committee is not working off findings, and they are significant findings with both fiscal and societal impact. He shared his familiarity with the problem comes from his background in quality management, having worked with audits. He proposed a protective action tracking mode on the most critical items. He said he has spoken with Kris Curtis and others about doing a criticality rating and "drive closure" and "drive resolution."

[3:47:57 PM](#)

CHAIR VON IMHOF asked Representative Kaufman what his vision is for the committee's involvement.

REPRESENTATIVE KAUFMAN suggested Kris Curtis may have some input. He said he spoke with Ms. Curtis about finding the top ten issues and doing a risk ranking on them.

[3:48:36 PM](#)

KRIS CURTIS, Legislative Auditor, Legislative Audit Division, said in the past there has been discussion about bringing executive branch department heads forward to discuss findings regarding holding the executive branch accountable. Those actions themselves might lead to more resolutions across the board, she said. She talked about presentations of prior audit findings over the last three years to the budget subcommittees, which invited the departments to report their progress related to the findings. She said there are formal and other options to consider. She indicated that she thinks addressing this issue is a good idea.

REPRESENTATIVE KAUFMAN said he has found often "it takes multiple directions to solve a problem." Sometimes a different question needs to be asked. He talked about holding people accountable and improving communication to find resolutions. He said the problem is that the audit findings are accruing, and the opportunity is that there could be a breakthrough in problem solving with collaborative effort.

[3:52:14 PM](#)

CHAIR VON IMHOF agreed that audits are increasing and "we should probably start breaking them apart into pieces and start addressing them ... in chunks or by department or by whatever other criteria."

[3:52:35 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at [3:53] p.m.