

TOP TEN AUDIT FINDINGS /ISSUES

PRIORITY	PRIORITY NAME	ASSOCIATED FINDINGS	LEGISLATIVE AUDIT POSITION	ADMIN POSITION	NEXT ACTION
1a	ACFR Opinion Modification	2020-019, 2020-68	Taxes and Royalties received as a result of FERC decisions regarding TAPS transportation costs must be deposited in the CBR in accordance with the constitution.	Attorney General disagrees.	In Progress with executive branch and LB&A. Will have a more detailed discussion dedicated to 1a and 1b at a later LB&A meeting
1b	ACFR Opinion Modification	2020-067	In addition, all mineral lease revenues identified in AS 37.13.010 are validly dedicated per the permanent fund amendment to the constitution and must be deposited in the Alaska Permanent Fund.	Attorney General disagrees.	In Progress with executive branch and LB&A. Will have a more detailed discussion dedicated to 1a and 1b at a later LB&A meeting
2	State Financial Statement Errors and Timeliness	2020-001, 2020-006, 2020-007, 2020-008, 2020-009, 2020-011, 2020-015, 2020-025, 2020-057, 2020-067, 2020-068, 2020-070, 2020-078	Financial Statements provided for audit 5 weeks late.	Agrees. Corrective action added two additional CPA positions, management working to reduce turnover, improved accounting reports, and expanded training.	Ensure funding for the two CPA positions are included in the budget and the division has adequate funding for training and supplies (accounting standards).
3	Medicaid Eligibility Determinations	2020-045, 2020-046	Significant errors in accuracy and timeliness of eligibility determinations.	Agrees. Corrective action includes strengthening business processes, developing refresher trainings, new case management system, adding new asset verification system and implementing a statewide case review team. Also developing RFP for automating eligibility renewals.	Check for closure in FY21 Audit
4	Medicaid Eligibility System - ARIES	2020-044	Material weaknesses in system controls.	Agrees. Hired a contractor to oversee the operations and maintenance of ARIES effective July 1, 2021. Contractor is addressing known system defects . Pandemic and cyberattack has delayed corrective action.	Check for closure in FY21 Audit
5	Medicaid Claims Reprocessing Errors	2020-043	Cumbersome process for analyzing claims outside Medicaid system is prone to errors and results in questioned costs that may need to be repaid to federal government.	Agrees. Strengthened internal processes to reduce risk of errors occurring during reclaiming. New processes include data validation for queries, reclassing a position to monitor accuracy, and developing a desk manual that outlines review process.	Check for closure in FY21 Audit
6	Medicaid Dental Overutilization	2020-040	Likely overutilization of dental services by individuals under 21.	Agrees. New regulations expected to be issued March 2022 to improve controls. While pursuing regulation changes, department implemented post payment reviews of medical necessity, recouped overpayments and made referrals to compliance entities.	Request a letter with a copy of new regulations from the Department
7	Medicaid SURS Program	2020-050	DHSS has not implemented an effective statewide surveillance and utilization control program to safeguard against unnecessary or inappropriate use of Medicaid services. This type of program is a federal requirement.	Agrees. Corrective action includes strengthening policies and procedures and developing a case sampling plan that includes target case counts and referral criteria. Provided training to review team.	Check for closure in FY21 Audit
8	TANF Eligibility	2020-033, 2020-037	Material weakness and material noncompliance over eligibility and special tests and provisions	Agrees. Implemented a new system to verify income and a new case management system. Evaluating changes to quality assurance processes to improve review of a monthly target of cases.	Check for closure in FY21 Audit
9	UI Subsystem	2020-060	New UI subsystem was not programmed to cross-match with DOC or outside source data resulting in inmates receiving unemployment.	Agrees. Cross match fully implemented April 2021 and established overpayments.	Actions already completed
10	DOR Investment Oversight	Audit Control Number 04-30093-20; Recommendation No. 4	The DOR commissioner's decision to loan up to \$22.5 million to MOC 1 under the authority of the department's investment statutes was not reasonable or prudent.	Agrees. Investment policies were updated to include a new investment advisory council for commissioner's funds. The group is made up of three independent advisors selected by the Alaska Retirement Management Board. The advisory group has agreed to be available to evaluate non-traditional investments. Instituted a robust vetting process for all non-routine investments.	Actions already completed.