

FY 24 TOP AUDIT ISSUES – CORRECTIVE ACTION		
AUDIT ISSUE	CORRECTIVE ACTION STATUS ACCORDING TO AUDITEE	NEXT ACTION
Disclaimer of Opinion on Alaska International Airports System (AIAS)	DOTPF: This finding has been resolved. The FY 23 audit was issued July 31, 2024. For the FY 23 audit multiple issues contributed to delayed completion, including staff vacancies, difficulty with implementation of GASB 87 - Leases and GASB 96 SBITAs, a defect in the leasing software program for calculating deferred inflows, and significant delays in receiving requested sample documentation for payroll sampling from the Division of Finance. The department has taken steps to resolve these issues by creating an additional position to assist with AIAS's accounting and reporting requirements and recruiting efforts are in progress. The department has also contracted with an outside vendor to assist AIAS with GASB 87 and GASB 96 compliance.	Referral to the Finance Transportation Budget Subcommittees as well as the House and Senate Finance Committees for their consideration regarding, in general, the ability of AIA to prepare their FY 24 financial statements and obtain an audit in a timely manner.
No FY 23 Financial Info for Alaska Aerospace Corporation (AAC)	Resolved. AAC's FY 24 audit was completed timely.	None
Late Audit and Disclaimed Opinion - AK National Guard & Naval Militia Retirement System	<p>DOA: Once an active national guard member leaves their post in Alaska, obtaining the necessary census information to validate actuarial valuation data files/records is not possible. Division of Retirement and Benefits has changed processes to obtain the supporting documentation from active members prior to their departure from the state. The impact of the change should be seen for the FY 25 audit report. The FY 24 report continued to have a disclaimed opinion, but was issued timely.</p> <p>DMVA: DMVA created a memorandum of agreement with Division of Retirement and Benefits to define the responsibilities assigned to each for the actuarial valuation report, confirmation of data submitted for audit purposes, and the timely payment of pension benefits. They both are collaboratively acting upon the responsibilities identified in the agreement.</p>	None. Will be reviewed by Legislative Audit as part of the FY 24 financial audit.

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Financial Statement Errors	<p>DOA: Updated procedures. Hopeful that the new procedures will resolve the finding.</p> <p>DOH: Due to the receivables' original dates and the complexity of the reconciliation, the original process is not practicable. DOH anticipates resolving the finding in FY 25. Will improve coordination to ensure adequate recording, monitoring, and maintenance of capital assets. Training and procedures are in process. Anticipate completion in FY 25.</p> <p>DOTPF: The department worked with the Division of Finance to enter all adjustments regarding errors identified during the audit. The department's finance staff conducted reviews of capital projects data and fixed asset analysis to ensure that all adjusting entries were done prior to August 31, 2024.</p>	None. Will be reviewed by Legislative Audit as part of FY 24 financial audit.
Division of Public Assistance Federal Program Findings	DOH did not agree with all findings. However, the department did describe steps to improve internal controls, including creating a working group and implementing a quality improvement plan to coordinate and facilitate resolution of audit findings. Administrative staff have been increased with the intention of restoring the Supplemental Nutrition Assistance Program EBT recon process. Training will also be increased. A contractor has been hired to fix programming to generate accurate eligibility system reporting. Monitoring will be enhanced to improve earmarking compliance. Training on the ACF-204 report and Low-Income Heating Assistance Program reconciliation will also occur.	Referral to the Health and Social Services Budget Subcommittees as well as the House and Senate Finance Committees for their consideration regarding progress in addressing findings.

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<p>Shortfalls</p> <p>Audit Control Number: 02-40024-24</p> <p>Findings: 2023-017, 2023-029, 2023-052</p>	<p>LAW: BFY2020 and BFY2022 items for the Civil Division and Administration and Support were included in the FY 2024 Supplemental Budget Amendments transmitted on April 9, 2024, and passed with HB268. The corrective actions for the remaining shortfall amount in BFY2023 for the Civil Division related to the 08-CED/AIDEA RSA disputed charges against outside counsel contract will be completed and submitted on or before January 6, 2025, to OMB for the FY 25 Supplemental, FY 26 Governor Amended & Ratifications budget changes.</p> <p>DOH: Appropriation groups H247 and 11519 were ratified in the FY25 budget. The department is working with Alaska Housing Finance Corporation to collect revenues associated with appropriation groups H535 and H536. The department resolved the department-split resulting shortfall on appropriation group H027 with the assistance of the IRIS team. Aligning with department split, appropriation group HUBC was repealed from the Office of the Governor and reappropriated to DOH, who will collaborate with the Department of Administration to resolve. DOH revenue staff are working through a reconciliation process to address the remaining appropriation groups. DOH anticipates the finding will be resolved in FY 25</p> <p>DNR: DNR budget team intends to seek ratification during the 2025 legislative session for all shortfalls. This should be resolved by June 30, 2025. The shortfalls related to the Unbudgeted RSAs were billed timely and DNR is waiting for final approvals of the billings from other State agencies.</p>	<p>Referral to the appropriate budget subcommittees for consideration.</p>
<p>Technical & Vocation Education Program (TVEP)</p>	<p>An additional payment to the seven TVEP training providers will not be distributed in FY2025 as funding was not authorized in the budget for this purpose. Awards for FY2025 are based on the appropriations made in Chapter 7, SLA 2024 and authorized under AS 23.15.835(d). DLWD's Administrative Services Division is reviewing aged procedures in both AWIB and Management Services to develop a cohesive department-level TVEP distribution procedure, expected to be completed by December 31, 2024.</p>	<p>None</p>

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Marijuana Control Board	<p>1) The new Admin Officer hired October 2024 has been tasked with developing a process to properly maintain confidential documents for handler permits. Implementation will align with the new online marijuana licensing system that is currently in development. The new handler database system has a projected completion date of January 2025.</p> <p>2) AMCO launched its new licensing system September 2023. The new system is aiding AMCO in continuing to prepare the industry for the new regulatory structure of endorsements applying to alcoholic beverage licensees, and out-of-state businesses shipping alcoholic beverages to Alaska. AMCO reduced the time to review license applications and is working hard to address the backlog. With the new license system, wait times should continue to be reduced in 2025 and 2026.</p>	Referral to House and Senate Labor and Commerce committees for their consideration regarding status of new licensing system.