

Report Highlights

Why DLA Performed This Audit

The audit was performed to determine if there is a continued need for the board and if its termination date should be extended. The board is set to sunset on June 30, 2025, and will have one year from that date to conclude its administrative operations.

What the Legislative Auditor Recommends

1. The Division of Corporations, Business and Professional Licensing director should create procedures to ensure the final draft of regulations is provided to occupational boards for review and approval before regulations are filed and made effective.
2. The Boards and Commissions director should work with the board to identify potential applicants to fill board seats in a timely manner.
3. DCCED's commissioner should work with policymakers to improve the recruitment and retention of investigators.

A Sunset Review of the Department of Commerce, Community, and Economic Development (DCCED), Board of Veterinary Examiners (board)

April 24, 2024

Audit Control Number 08-20142-24

REPORT CONCLUSIONS

The audit concluded that the board served the public's interest by conducting meetings in an effective manner; actively amending regulations to address statutory changes, protect the public, and improve the licensing process; and effectively licensing veterinary professionals. The audit also concluded that board related cases were not consistently investigated in a timely manner, two board positions had expired terms, and as of January 31, 2024, one board position had been vacant for 31 months. Additionally, the audit found that the final version of regulation changes published in 2023 was not reviewed or approved by the board.

In accordance with AS 08.03.010(c)(22), the board is scheduled to terminate on June 30, 2025. We recommend that the legislature extend the board's termination date six years to June 30, 2031, which is two years less than the maximum allowed by statute. The reduced extension reflects the need for more routine oversight of the board in light of the audit findings.

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ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



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May 14, 2024

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Department of Commerce, Community, and Economic Development, Board of Veterinary Examiners and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
BOARD OF VETERINARY EXAMINERS
SUNSET REVIEW

April 24, 2024

Audit Control Number
08-20142-24

The audit was conducted as required by AS 44.66.050(a). Per AS 08.03.010(c)(22), the board is scheduled to terminate on June 30, 2025. We recommend the legislature extend the board's termination date six years to June 30, 2031.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

A handwritten signature in blue ink, appearing to read "Kris Curtis".

Kris Curtis, CPA, CISA
Legislative Auditor

ABBREVIATIONS

AAC	Alaska Administrative Code
ACN	Audit Control Number
AS	Alaska Statute
board	Board of Veterinary Examiners
CISA	Certified Information Systems Auditor
CPA	Certified Public Accountant
DCBPL	Division of Corporations, Business and Professional Licensing
DCCED	Department of Commerce, Community, and Economic Development
DLA	Division of Legislative Audit
FY	Fiscal Year
HB	House Bill
PDMP	Prescription Drug Monitoring Program

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ORGANIZATION AND FUNCTION

Board of Veterinary Examiners (board)

The board was established for the purpose of regulating the practice of veterinary medicine in Alaska under AS 08.98.010. The board is made up of five members. State law requires four of the five board seats be filled by licensed veterinarians that have been engaged in the practice of veterinary medicine in the state for at least five years prior to appointment. Exhibit 1 lists board members as of January 31, 2024.

The board regulates the profession of veterinary care in the state. Specifically, per AS 08.98.050, the duties of the board include:

1. Establishing examination requirements and conducting examinations.
2. Establishing practice standards for veterinary medicine.
3. Conducting disciplinary proceedings.
4. Adopting regulations for proof of continued competency.

The board may issue licenses to veterinarians or veterinary technicians. Additionally, the board may issue courtesy licenses to veterinarians licensed in other states or countries to perform limited veterinarian functions under the supervision of State-licensed veterinarians at special events, such as the Iditarod.

Exhibit 1

Board of Veterinary Examiners Members as of January 31, 2024

Rachel Berngartt, DVM, JD
Chair

Denise Albert, DVM
Veterinarian

Ciara Vollaro
Veterinarian

Vacant
Veterinarian

Hal Geiger
Public Member

Source: Office of the Governor, Boards and Commissions website.

**Department
of Commerce,
Community,
and Economic
Development's Division
of Corporations,
Business and
Professional Licensing
(DCBPL)**

DCBPL provides administrative and investigative assistance to the board. Administrative assistance includes budgetary services and functions such as collecting fees, maintaining files, receiving application forms, publishing notices for meetings and exams, and assisting with board regulations.

Alaska Statute 08.01.087 gives DCBPL authority to act on its own initiative or in response to a complaint. DCBPL may:

1. Conduct an investigation to determine whether a person has violated a law.
2. Bring an action in Superior Court to enjoin the act.
3. Examine or have examined the books and records of a person whose business activities require a business license or licensure by a board listed in AS 08.01.010, or whose occupation is listed in AS 08.01.010.
4. Issue subpoenas for the attendance of witnesses and records.

Alaska Statute 08.01.065 requires the department to adopt regulations that establish the amount and manner of payment of application, examination, reporting, and license fees.

REPORT CONCLUSIONS

In developing our conclusion regarding whether the Board of Veterinary Examiners' (board) termination date should be extended, its operations were evaluated using the 11 factors set out in AS 44.66.050(c), which are included as Appendix A to this report. Under the State's "sunset" law these factors are to be considered in assessing whether an entity has demonstrated a public policy need for continuing operations.

The audit concluded that the board served the public's interest by conducting meetings in an effective manner; actively amending regulations to address statutory changes, protect the public, and improve the licensing process; and effectively licensing veterinary professionals. The audit also concluded that board related cases were not consistently investigated in a timely manner, two board positions had expired terms, and as of January 31, 2024, one board position had been vacant for 31 months. Additionally, the audit found that the final version of regulation changes published in 2023 was not reviewed or approved by the board.

In accordance with AS 08.03.010(c)(22), the board is scheduled to terminate on June 30, 2025. We recommend that the legislature extend the board's termination date six years to June 30, 2031, which is two years less than the maximum allowed by statute. The reduced extension reflects the need for more routine oversight of the board in light of the audit findings.

Detailed report conclusions are as follows.

The board generally conducted its meetings effectively and did not duplicate the efforts of other entities.

The board met 20 times from July 2020 through January 2024, which exceeded the minimum three meetings per year required by statute. A review of 12 board meetings found that meetings were appropriately publicly noticed, allowed time for public comment, and a quorum was consistently met.

The board actively amended regulations.

As the only entity authorized to license and regulate veterinary professionals, the board does not duplicate the activities of another agency.

During the audit period the board recommended passage of House Bill 56.¹ House Bill 56 exempted veterinarians from the statutory requirement to participate in the Prescription Drug Monitoring Program (PDMP), which tracks the dispensing of controlled substances by medical providers in Alaska. According to the board chair, veterinarian participation in the PDMP was unnecessary and created privacy concerns regarding the medical history of pet owners.

House Bill 56 also amended veterinarian education requirements to recognize certain certifications of veterinary education and authorized the board to approve such certifications as an alternative to graduating from an accredited veterinary school. According to the board chair, the certification alternative is expected to increase the number of qualified applicants for licensure.

The board issued and amended regulations to implement statutory changes and improve the licensing process. Significant changes included regulations that:

- established an electronic format option for the written veterinarian examination. This change expedited the examination process.
- extended the deadline for submitting an application for the veterinary license examination. This change improved the licensing process.
- authorized electronic disposal of medical records. This change conformed regulations to the prevailing practice of maintaining records in electronic format.

¹ House Bill 56 passed during 2023.

-
- established a temporary military courtesy license to allow active duty military members and spouses to practice as a veterinarian or veterinary technician. This change expedited the license process for military members and their spouses.
 - defined “veterinary facility” to exclude clients' premises, a research facility, or a US armed forces premises. This change helped ensure that services are provided in appropriate locations.
 - established standards for creating a veterinarian-client-patient relationship through which an Alaska-licensed veterinarian can provide telehealth services for up to 12 months following an in-person visit. The final version of this regulation project omitted changes that the board intended to be enacted and the board was not given the opportunity to review the final version prior to enactment. (See Recommendation 1)

One board seat was vacant for an extended period and two seats had expired terms.

One of the veterinarian board seats has been vacant since July 2021, which equated to a vacancy of 31 months as of January 31, 2024. In addition, two board members had each served two consecutive four-year terms as of March 1, 2024, which is the max allowed per statute. Both members with expired terms agreed to stay on until successors were appointed to ensure the board could continue to operate effectively. (See Recommendation 2)

Board related investigations were not always conducted in a timely manner.

A total of 119 board related cases were open or opened from July 2020 through January 2024. The audit identified that 29 of the cases were open for over 180 days during the audit period. Five of the 29 cases were open more than 1,000 days.

Auditors reviewed nine of the 29 cases that were open for over 180 days and identified four cases with unjustified periods of inactivity ranging from 59 to 225 days. Two cases had multiple periods of unjustified inactivity totaling 380 and 695 days, respectively. (See Recommendation 3)

The board issued licenses in compliance with statutes and regulations.

Exhibit 2 shows that from FY 21 through January 2024, the board issued 463 new licenses and permits. Furthermore, as of January 2024, there was a total of 716 active licenses and permits, representing an overall increase of seven percent when compared to the prior 2016 sunset audit. The increase was made up of, in large part, a 23 percent increase in licensed veterinarians offset, by a 15 percent decrease in licensed veterinarian technicians.²

Auditors tested a sample of 15 new and 10 renewal licenses and permits issued during the audit period and found all were issued in compliance with statutes and regulations.

² Based on the prior sunset audit license counts as of February 15, 2016, per sunset audit ACN 08-20094-16.

Exhibit 2

Board of Veterinary Examiners Licensing Activity FY 21 through January 31, 2024					
	————— Newly Issued —————				
	FY 21	FY 22	FY 23	July 1, 2023 through January 31, 2024	Total Active as of January 31, 2024
Veterinarian	26	30	40	14	451
Veterinarian Courtesy License	53	76	54	14	7
Veterinarian Student Permit	1	16	30	18	4
Veterinarian Temporary License	0	0	1	4	2
Veterinarian Temporary Permit	8	9	11	4	1
Veterinarian Technician	14	11	15	14	251
Total	102	142	151	68	716

Source: Compiled from the Division of Corporations, Business and Professional Licensing's database.

License and permit fees were not sufficient to cover board operations; however, general fund allocations prevented a board deficit.

The board's schedule of revenues and expenditures for FY 21 through January 2024 is shown in Exhibit 3 on the following page. The board receives its revenue from licensure and renewal fees. Renewals are conducted on a biennial basis, creating a two-year cycle in board revenues. The board had a \$82,611 deficit at the end of FY 22, the second year of its biennial licensure period. During the audit period, the board was allocated \$252,343 of general funds to replace revenue lost due to the license fee freeze mandated by the governor to help mitigate the financial impact of the Coronavirus Disease 2019 pandemic. As shown in Exhibit 3, as of January 2024, the board had a cumulative surplus of \$202,253. The board's schedule of fees from FY 21 through January 2024 is shown in Exhibit 4 on page 9.

Exhibit 3

Board of Veterinary Examiners Schedule of Revenues and Expenditures FY 21 through January 31, 2024 (Unaudited)

	FY 21	FY 22	FY 23	July 1, 2023- January 31, 2024
Revenues				
Licensing/Permit Fees	\$295,030	\$69,880	\$332,215	\$24,135
General Funds Received	-	19,480	252,343	-
Other Sources	-	-	2,871	1,737
Total Revenues	<u>295,030</u>	<u>89,360</u>	<u>587,429</u>	<u>25,872</u>
Direct Expenditures				
Personal Services	125,193	121,325	141,621	60,500
Travel	-	-	10,622	2,537
Services	13,379	2,454	3,452	3,225
Commodities	-	-	-	-
Total Direct Expenditures	<u>138,572</u>	<u>123,779</u>	<u>155,695</u>	<u>66,262</u>
Indirect Expenditures	<u>70,255</u>	<u>62,800</u>	<u>70,986</u>	<u>35,494*</u>
Total Expenditures	<u>208,827</u>	<u>186,579</u>	<u>226,681</u>	<u>101,756</u>
Annual Surplus (Deficit)	86,203	(97,219)	360,748	(75,884)
Beginning Cumulative Surplus (Deficit)	<u>(71,595)</u>	<u>14,608</u>	<u>(82,611)</u>	<u>278,137</u>
Ending Cumulative Surplus (Deficit)	<u>\$14,608</u>	<u>(\$82,611)</u>	<u>\$278,137</u>	<u>\$202,253</u>

Source: Division of Corporations, Business and Professional Licensing management.

*Estimated based on the indirect allocation for July 1, 2023 through December 31, 2023.

Exhibit 4

**Board of Veterinary Examiners
License and Permit Fees
FY 21 through January 31, 2024****FY 21 –
January 31, 2024**

Nonrefundable application fee for:	
Initial veterinarian license by examination	\$200
Initial veterinary technician license	100
Courtesy license	125
Student permit	125
State written examination fee for veterinarians	200
License fee for veterinarians for all or part of the initial biennial license period	600
Biennial license renewal fee for veterinarians	600
Temporary license or permit fee	125
Registration fee for veterinary technicians for all or part of the initial biennial registration period	100
Biennial registration renewal fee for veterinary technicians	100
Courtesy license fee	125
Nonrefundable application and investigation fee for veterinarian license by credentials under AS 08.98.184	200
Delayed renewal penalty fee for veterinarian license that has lapsed more than 60 days and for each year the license has been lapsed	150
Delayed renewal penalty fee for veterinary technician license that has lapsed more than 60 days and for each year the license has been lapsed	75

Source: 12 AAC 02.350.

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FINDINGS AND RECOMMENDATIONS

The prior 2016 sunset audit made one recommendation:

- The Board of Veterinary Examiners (board) chair should review the annual report for accuracy and completeness before final submission to the Department of Commerce, Community, and Economic Development (DCCED).

This prior sunset audit recommendation has been resolved. Auditors reviewed the annual reports for FY 21 through FY 23 and did not identify inaccurate information.

This sunset audit makes three new recommendations.

Recommendation 1

DCBPL's director should create procedures to ensure the final draft of regulations are provided to occupational boards for review and approval before regulations are filed and made effective.

The final veterinarian-client-patient-relationship regulations omitted language that the board intended to be enacted. The discrepancies were caused, in part, by technical changes made by Department of Law attorneys that were intended to be inconsequential. Division of Corporations, Business and Professional Licensing (DCBPL) management lacked procedures to ensure the final version of regulations were provided to the board for review and adoption. As a result, regulations were enacted that conflicted with board intentions.

Alaska Statute 08.98.050(a)(4) states that the board must establish standards for the practice of veterinary medicine by regulation. Furthermore, AS 08.98.050(b)(2) states that the board may adopt regulations or do any act necessary to carry out its duties.

We recommend that the DCBPL director create procedures to ensure the final draft of regulations are provided to occupational boards for review and approval before regulations are filed and made effective.

Recommendation 2

The Boards and Commissions director should work with the board to identify potential applicants to fill board seats in a timely manner.

As of January 31, 2024, one of the veterinarian board seats had been vacant for 31 months. Additionally, as of March 1, 2024, there were two board members with expired terms. As such, three of the five board seats needed to be filled. The audit noted that the two members with expired terms agreed to continue to serve on the board until successors were appointed.

Per AS 08.98.010, the board is composed of five members appointed by the governor and approved by the legislature. The Office of the Governor, Boards and Commissions director is responsible for actively recruiting, interviewing, and vetting board applicants. According to the director, the positions were not filled due to a lack of qualified applicants. Vacant board positions may limit the board from efficiently conducting business with sufficient input and perspective.

We recommend the Boards and Commissions director work with the board to identify potential applicants to fill board seats in a timely manner.

Recommendation 3

DCCED's commissioner should work with policymakers to improve the recruitment and retention of investigators.

Auditors reviewed nine board related cases open for over 180 days during the audit period and found four with the following periods of unjustified inactivity:

- Case 1: 380 days (four periods of 99, 137, 61, and 83 days)
- Case 2: 695 days (six periods of 111, 59, 191, 112, 96, and 126 days)
- Case 3: 225 days (one period)
- Case 4: 111 days (one period)

According to DCBPL management, an extended absence by the primary board related investigator, other investigator vacancies, and competing priorities contributed to the periods of inactivity.

Per AS 08.01.050(a)(19), DCBPL is responsible for providing investigative services to occupational boards. Investigations and complaints that sit idle for extended periods increase the risk to public safety.

As recruitment and retention of workers is a challenge across State government, we recommend DCCED's commissioner work with policymakers to improve the recruitment and retention of investigators.

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities of the Board of Veterinary Examiners (board) to determine if there is a demonstrated public need for its continued existence.

As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the board should be reestablished. Currently, under AS 08.03.010(c)(22), the board will terminate on June 30, 2025, and will have one year from that date to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are to determine:

1. If the termination date of the board should be extended.
2. If the board is operating in the public's interest.
3. The status of recommendations made in the prior sunset audit.

Scope

The assessment of board operations and performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board. We reviewed the board's activities from July 1, 2020, through January 31, 2024. Financial information is presented, unaudited, from July 1, 2020 through January 31, 2024.

Methodology

During the course of our audit we reviewed and evaluated the following:

- The prior sunset audit report (ACN 08-20094-16) to identify issues affecting the board and to identify prior sunset audit recommendations.

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- Applicable statutes and regulations to identify board functions and responsibilities, determine whether statutory or regulatory changes enhanced or impeded board activities, and help ascertain if the board operated in the public interest.
 - Board meeting minutes and annual reports to gain an understanding of board proceedings and activities, the nature and extent of public input, whether a quorum was maintained, and whether board vacancies impeded operations.
 - The State's Online Public Notices System to verify board meetings were adequately public noticed in compliance with state law.
 - Expenditures, revenues, and fee levels for the board to determine whether fee levels covered the costs of operations.
 - Various Alaska news websites to identify complaints against the board or other board related concerns.
 - Various websites containing information for potential duplication of board activities.
 - Board investigation data for cases open or opened from July 1, 2020, through January 31, 2024, to assess the efficiency of the investigative process.

Internal controls over the licensing and investigative processes were assessed to determine if controls were properly designed and implemented. Additionally, to identify and evaluate board activities, we conducted interviews with State agency staff and the board chair. Specific areas of inquiry included: board operations, statutory duties, regulations, duplication of efforts, fee levels, and complaints against the board.

The audit utilized the following samples:

- A judgmental sample of 12 of 20 board meetings held from July 1, 2020 through January 31, 2024, was reviewed to gain an

understanding of board proceedings and activities, the nature and extent of public input, whether a quorum was maintained, whether the meetings were public noticed, and whether board vacancies impeded operations. Test results were not projected to the population.

- There were 119 investigation, complaint, and probation cases that were open or opened between July 1, 2020 through January 31, 2024. Of these cases, 48 were related to the Prescription Drug Monitoring Program (PDMP) and excluded from testing due to the passage of House Bill 56 (exempting veterinarians from the PDMP). Of the 71 remaining cases, 29 cases were open for over 180 days, and five cases were open for over 1,000 days. Auditors selected the five 1,000-day cases and randomly selected an additional four of the remaining 24 cases to determine if the board had operated in the public interest by efficiently processing and resolving investigations and complaints. Test results were not projected to the population.
- Samples of 15 of 167 new licenses and 10 of 716 renewal applications received from July 1, 2020 through January 31, 2024, were selected to assess internal controls and compliance with statutes and regulations. Four of the 25 licenses were judgmentally selected. The remaining 11 licenses were randomly selected. The sample size was based on low control risk, low inherent risk, and moderate/high audit risk. Test results were not projected to the population.

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APPENDIX SUMMARY

Appendix A: This appendix provides the sunset criteria used in developing the conclusions regarding whether the Board of Veterinary Examiners' termination date should be extended.

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APPENDIX A

Analysis of Public Need Criteria AS 44.66.050(c)

A determination as to whether a board or commission has demonstrated a public need for its continued existence must take into consideration the following factors:

1. the extent to which the board or commission has operated in the public interest;
2. the extent to which the operation of the board or commission has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters;
3. the extent to which the board or commission has recommended statutory changes that are generally of benefit to the public interest;
4. the extent to which the board or commission has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided;
5. the extent to which the board or commission has encouraged public participation in the making of its regulations and decisions;
6. the efficiency with which public inquiries or complaints regarding the activities of the board or commission filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved;
7. the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public;

APPENDIX A (Continued)

8. the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board or commission in its own activities and in the area of activity or interest;
9. the extent to which statutory, regulatory, budgetary, or other changes are necessary to enable the board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection;
10. the extent to which the board or commission has effectively attained its objectives and purposes and the efficiency with which the board or commission has operated; and
11. the extent to which the board or commission duplicates the activities of another governmental agency or the private sector.

Agency Response from the Department of Commerce, Community, and Economic Development



THE STATE
of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce,
Community, and Economic
Development

OFFICE OF THE COMMISSIONER
Julie Sande, Commissioner

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Juneau, Alaska 99811-0800
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November 8, 2024

Kris Curtis
Legislative Auditor
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

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NOV 14 2024

LEGISLATIVE AUDIT

Dear Ms. Curtis:

Thank you for the October 24, 2024, Confidential Preliminary Report, Department of Commerce, Community, and Economic Development (DCCED), Board of Veterinary Examiners (board) Sunset Review. I concur with all conclusions of the report and have the following comments regarding the recommendations:

Recommendation #1: DCBPL's director should create procedures to ensure the final draft of regulations are provided to occupational boards for review and approval before regulations are filed and made effective.

The division believes this issue has been resolved by a change in the Department of Law's regulation process. When the regulations in question were adopted, the process involved the proposed regulation changes going out for public comment prior to being reviewed by the Dept. of Law. This process led to more suggested changes from the Dept. of Law after public comments had been received as well as after board input.

The new, and we feel improved, process sees proposed regulations changes being reviewed by the Dept. of Law prior to the public comment period. This allows this board (and others) to review and sign off on suggested changes proposed by the Dept. of Law. This is an improvement for the board, the public, and the division.

Recommendation #2: The Boards and Commissions director should work with the board to identify potential applicants to full board seats in a timely manner.

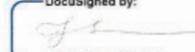
The department will continue to support the governor's office in filling vacant board seats, as appropriate.

Recommendation #3: DCCED's commissioner should work with policy makers to improve the recruitment and retention of investigators.

The department concurs that recruitment and retention challenges exist throughout state government and will continue to engage with the Office of the Governor, Department of Administration, the Legislature, and other stakeholders to identify holistic solutions.

Again, thank you for the opportunity for the department to provide input on this matter. If you have any questions, please feel free to contact me.

Sincerely,

DocuSigned by:

584E8FAAFD47472...

Julie Sande
Commissioner

cc: Sylvan Robb, Director, Division of Corporations, Business and Professional Licensing, DCCED
Lizzie Kubitz, Legislative Liaison, DCCED

Agency Response from the Office of the Governor



OFFICE OF THE GOVERNOR
Governor Mike Dunleavy
STATE OF ALASKA

November 14, 2024

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NOV 14 2024

Ms. Kris Curtis
Legislative Auditor
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

LEGISLATIVE AUDIT

RE: Management Letter 1, Department of Commerce, Community, and Economic Development (DCCED), Board of Veterinary Examiners (Board)

Dear Ms. Curtis,

Recommendation 2: The Boards and Commissions Director should work with the Board to identify potential applicants to all board seats in a timely manner.

The Office of the Governor appreciates the opportunity to review and provide a response to audit recommendation two below.

The Office of the Governor agrees with this recommendation. The Director of Boards and Commissions continues to work with the Board of Veterinary Examiners to seek new ways to identify qualified candidates, to recruit those candidates and to appoint a candidate that is willing and able to commit to serving on this Board.

Sincerely,

A handwritten signature in black ink, appearing to read "Jordan Shilling".

Jordan Shilling
Director of Boards and Commissions

cc: Cheri Lowenstein, Administrative Director, Office of the Governor

550 West 7th Avenue, Suite 1700, Anchorage, AK 99501

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Legislative Auditor's Additional Comments

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



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November 22, 2024

Members of the Legislative Budget
and Audit Committee:

The chair of the Board of Veterinary Examiners, Rachel K. Bergartt, D.V.M., J.D., provided her views via email regarding this audit's conclusions, findings and recommendations, and planned corrective actions. Her comments are listed below:

With regards to the REPORT CONCLUSIONS:

- 1) *The audit concluded that the board served the public's interest by conducting meetings in an effective matter; actively amending regulations to address statutory changes, protect the public, and improve the licensing process; and effectively licensing veterinary professionals. **CONCUR.***
- 2) *The audit also concluded that the board related cases were not consistently investigated in a timely manner. **CONCUR.** (Note: investigations has been understaffed and the delay in handling cases was not necessarily anything that the Board members have the authority to control.)*
- 3) *The audit also concluded that two board positions had expired terms. **CONCUR** (Note: the Board members do not have the authority to appoint new members, and as such, that duty falls to the Executive Office. Further, consistently at meetings Board members on record actively sought information as to the status of applications and encouraged our Board Liaison (Sara Chambers) to impress upon the Executive Office the importance of timely handling applications of interested parties.)*
- 4) *The audit also concluded that as of January 31, 2024, one board position had been vacant for 31 months. **CONCUR.** (Same Note as above.)*
- 5) *The audit found that the final version of regulation changes published in 2023 was not reviewed or approved by the board. **CONCUR.** (Note: The final version of the regulation changes that Dept. of Law published contained substantial revisions contrary to the Board's approved regulations and on-the-record discussions surrounding this change.)*
- 6) *We recommend that the legislature extend the board's termination date six years to June 30, 2031. **CONCUR.***

Members of the Legislative
Audit and Budget Committee

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November 22, 2024

With regards to FINDINGS AND RECOMMENDATIONS:

- 1) DCBPL's director should create procedures to ensure final draft of regulations are provided to occupational boards for review and approval before regulations are filed and made effective. **CONCUR.** (Note: procedures are now in place to hopefully prevent this type of issue into the future).
- 2) The Boards and Commissions director should work with the board to identify potential applicants to fill board seats in a timely manner. **CONCUR.**
- a. Finding: According to the director, the positions were not filled due to a lack of qualified applicants. This may be true, however I can neither concur nor disagree with this finding as I do not necessarily have the information that the Director has regarding "quality" of applications. It is my distinct impression from discussion on the record that there were applicants for seats, however the Board of Veterinary Examiners was a low-priority for the Executive Office and therefore applications were not being timely processed. No discussion of a lack of "qualified" applicants occurred on the record.
- 3) DCCED's commissioner should work with policymakers to improve the recruitment and retention of investigators. **CONCUR.**

Sincerely,



Kris Curtis, CPA, CISA
Legislative Auditor