

# 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, 2024, 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's director should improve oversight procedures to ensure required licensure documentation is obtained and reviewed.
2. The board should consider whether two private landholder board seats continue to be necessary for effective regulation.

# A Sunset Review of the Department of Commerce, Community, and Economic Development, Big Game Commercial Services Board (board)

June 22, 2023

**Audit Control Number 08-20136-23**

## REPORT CONCLUSIONS

Overall, the audit concludes that the board operated in the public's interest by conducting its meetings in an effective manner, supporting statutory changes when deemed necessary, and actively amending regulations. The audit also concludes that board licenses were not consistently supported by adequate documentation and two private landholder board seats were vacant or had absences for extended periods.

In accordance with AS 08.03.010(c)(9), the board is scheduled to terminate on June 30, 2024. We recommend that the legislature extend the board's termination date six years to June 30, 2030, which is two years less than the eight-year statutory maximum. The reduced extension recommendation reflects the need for more timely oversight in recognition of the audit findings.

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# ALASKA STATE LEGISLATURE

## LEGISLATIVE BUDGET AND AUDIT COMMITTEE

### Division of Legislative Audit



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July 24, 2023

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 Big Game Commercial Services Board and the attached report is submitted for your review.

#### DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT BIG GAME COMMERCIAL SERVICES BOARD SUNSET REVIEW

June 22, 2023

Audit Control Number  
08-20136-23

The audit was conducted as required by AS 44.66.050(a). Per AS 08.03.010(c)(9), the board is scheduled to terminate on June 30, 2024. We recommend the legislature extend the board's termination date to June 30, 2030.

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

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AAC	Alaska Administrative Code
ACN	Audit Control Number
AS	Alaska Statute
CISA	Certified Information Systems Auditor
COVID-19	Coronavirus Disease 2019
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
GMU	Game Management Unit
SB	Senate Bill
USCG	United States Coast Guard



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ORGANIZATION  
AND FUNCTION

Big Game Commercial  
Services Board (board)

The board is comprised of nine members who are appointed by the governor to serve staggered four-year terms. The board consists of two licensed registered guide-outfitters, two licensed transporters, two public members, two private landholders<sup>1</sup> affected by guided hunting activities or transportation services, and one member of the Board of Game.<sup>2</sup> Board members, as of February 2023, are listed in Exhibit 1.

The board was created for the purpose of licensing and regulating the activities of providers of commercial services to big game hunters in the interest of the State’s wildlife resources. Providers of commercial services include guide-outfitters and transporters. Guiding and outfitting involves providing services, equipment, or facilities to a big game hunter in the field. Transporting, which can be provided by a guide-outfitter or a separately licensed transporter, is the delivery of big game hunters, equipment, or harvested animals to, from, or in the field.

Exhibit 1

Big Game Commercial Services Board Members as of February 28, 2023
Jason Bunch, Chair Registered Guide-Outfitter
Aaron Bloomquist Registered Guide-Outfitter
Martin Boniek Transporter
Michael Flores Transporter
Clay Nordlum Private Landholder
Vacant Private Landholder
Peter Buist Public
Larry Kunder Public
Jerry Burnett Board of Game Member

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

Per AS 08.54.600, the duties of the board include:

- preparing and grading a qualification examination that requires registered guide-outfitter licensee candidates to demonstrate that the applicants are qualified to provide guided and outfitted hunts, as well as possess sufficient knowledge of fishing, hunting, and guiding laws and regulations;

<sup>1</sup> Private landholder members may not hold a license issued by the board.  
<sup>2</sup> The Board of Game member is chosen by the Board of Game and may not hold a guide-outfitter or transporter license.

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- preparing and grading a certification examination for each game management unit (GMU) in which the registered guide-outfitter intends to provide big game hunting services. The exam requires guide-outfitters to demonstrate that they possess knowledge of the terrain, transportation problems, game, and other characteristics of the GMUs;
  - providing for the administration of registered guide-outfitter examinations at least twice each year. If requested at the time of application for the license, the board shall provide for administration of an oral examination for a registered guide-outfitter or GMU certification;
  - authorizing the issuance of registered guide-outfitter, master guide-outfitter, class-A assistant guide, assistant guide, and transporter licenses. Prior to receiving a new or renewed license, applicants must certify that their right to obtain or exercise the privileges granted by a hunting, guiding, outfitting, or transportation services license is not revoked or suspended in Alaska, another state, or Canada;
  - imposing appropriate disciplinary sanctions on a licensee;
  - regularly disseminating information regarding examinations and other qualifications for all classes of guide licenses to residents of the State's rural areas; and
  - adopting procedural and substantive regulations.

Additionally, the board may adopt regulations that establish a code of ethics for professionals regulated by the board, establish requirements for the contents of written contracts for board-regulated services, and authorize the department to request a copy of a big game hunting services or transportation services contract entered into by a person licensed by the board.

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

DCBPL provides administrative and investigative assistance to the board. Administrative assistance includes budgetary services, collecting fees, maintaining files, receiving application forms, publishing notices for meetings and exams, data entry of hunt records and activity reports, and assisting with board regulations. DCCED is required by AS 08.01.065 to adopt regulations that establish the fee amount and manner of payment for applications, examinations, investigations, and licenses.

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

- conduct an investigation to determine whether a person has violated a law;
- issue an order directing a person to stop an act or practice;
- bring an action in Superior Court to enjoin the act;
- 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; and
- issue subpoenas for the attendance of witnesses and the production of records.

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# REPORT CONCLUSIONS

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In developing conclusions regarding whether the Big Game Commercial Services Board's (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 of 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.

Overall, the audit concluded that the board operated in the public's interest by conducting its meetings in an effective manner, supporting statutory changes when deemed necessary, and actively amending regulations. The audit also concluded that board licenses were not consistently supported by adequate documentation, two private landholder board seats were vacant or had absences for extended periods, and the board had a budget surplus totaling approximately \$850,000 as of February 2023.

In accordance with AS 08.03.010(c)(9), the board is scheduled to terminate on June 30, 2024. We recommend that the legislature extend the board's termination date six years to June 30, 2030, which is two years less than the eight-year statutory maximum. The reduced extension recommendation reflects the need for more timely oversight in recognition of the audit findings.

Detailed report conclusions are as follows.

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

The board met 15 times between FY 20 and February 2023. A review of eight board meetings found meetings were appropriately public noticed, allotted time for public comment, and a quorum was consistently achieved.

During the audit period, the two private landholder board seats had significant vacancies and absences. Between FY 20 and February 2023, one private landholder seat was vacant for 12 months and had unexcused absences for an additional seven months. The other private landholder seat was vacant for 31 months. According

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**The board supported statutory changes and actively amended regulations.**

to board members interviewed during the audit, the two private landholder positions were difficult to fill due to a limited pool of qualified candidates. Only large private landholders are typically affected by private land guided hunting or transportation activities, which reduced the candidate pool. (See Recommendation 2)

As the only entity authorized to license and regulate guide-outfitters, transporters, and assistant guides in Alaska, the board did not duplicate the activities of other entities.

During the audit period, the board supported passage of Senate Bill (SB) 43 and SB 134. Senate Bill 43, passed in 2019, increased the years of experience, minimum number of clients, and favorable evaluations required to become a licensed master guide-outfitter in Alaska, and imposed limitations based on prior convictions. Additionally, SB 43 clarified that the board could revoke any active license if a licensee is convicted of certain offenses. Senate Bill 134, passed in 2021, modified the timeframe for considering convictions and added criteria for applying if a related professional license had been suspended or revoked.

The board amended regulations to implement statutory changes, clarify existing regulations, introduce a statutory and regulatory knowledge assessment, and respond to the COVID-19 pandemic. Significant regulation changes during the audit period are listed below.

- The following regulations were clarified to increase efficiency and licensee understanding: (1) areas in which unique verification codes are necessary; (2) equipment a transporter may provide to clients; (3) hunting, guiding, and practical experience requirements; (4) timeframe to submit a transporter activity report; (5) the necessity of a transporter activity report and contract requirements for specific portions of a hunt.



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- The following regulations were removed or added: (1) species-specific licensing for caribou was removed to improve efficiency and reduce unnecessary requirements; (2) a statutory and regulatory knowledge assessment was created for initial licensing of assistant guides and transporters to better protect the public and increase licensee understanding; (3) guide-outfitters whose brown bear hunts were canceled due to COVID-19 in spring of 2020 were allowed to register for the spring 2021 hunting season to reduce the economic impact of the COVID-19 pandemic; (4) requirements were increased for guide use area registration and amended to allow contracts between guide-outfitters and clients to be revised during a hunt to better protect the public and improve the client experience.

**Delays in board investigations appear justified.**

A total of 409 cases were open or opened from FY 20 through February 2023. Seventy of the cases were open for over 180 days. The audit reviewed 22 of the 70 cases and found no unjustified periods of inactivity. Of the cases reviewed, delays were primarily the result of awaiting a report from the Alaska Wildlife Troopers or resolution of a court case.

**Board licenses were not consistently supported by adequate documentation.**

Testing a sample of 25 new and 15 renewed licenses concluded that Division of Corporations, Business and Professional Licensing (DCBPL) staff did not consistently obtain or retain certain documentation as required by licensing statutes and regulations. Auditors found the licensing file for one new assistant guide applicant lacked a required fish and game wildlife report, and the file for one new transporter applicant lacked a copy of the required U.S. Coast Guard (USCG) license. Auditors also noted that applicants renewing assistant guide licenses or class-A assistant guide licenses were not consistently required to submit the names of the guide-outfitters that employed the applicants during the concluding licensing period. Further, applicants renewing transporter licenses were not required to submit copies of the related USCG licenses. (See Recommendation 1)

As shown in Exhibit 2, the board issued 350 new licenses from FY 20 through FY 22. As of January 2023, there were 1,438 active licenses, representing an 18 percent increase when compared to the prior 2018 sunset audit.<sup>3</sup> The increase was mainly due to a 33 percent increase in the number of assistant guides and a 37 percent increase in transporters.<sup>4</sup> Based on discussions with board members, the increase in transporter licenses was primarily due to vessel owners becoming licensed to allow for a secondary source of income. The cause of the increase in assistant guide licenses was unclear; however, the 2023 total was similar to the number reported in the 2015 sunset audit.<sup>5</sup>

## Exhibit 2

<b>Big Game Commercial Services Board Licensing Activity FY 20 through January 31, 2023</b>				
	<b>New Licenses Issued (Exclusive of Renewals)</b>			<b>Active Licenses as of</b>
	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>January 31, 2023</b>
Assistant Guide	71	88	101	776
Class-A Assistant Guide	8	3	8	96
Master Guide-Outfitter	-	-	-	105
Registered Guide-Outfitter	15	11	9	319
Transporter	10	9	17	123
Retired Assistant Guide	-	-	-	3
Retired Guide-Outfitter	-	-	-	13
Retired Master Guide-Outfitter	-	-	-	3
<b>Totals</b>	<b>104</b>	<b>111</b>	<b>135</b>	<b>1,438</b>

<sup>3</sup> The prior sunset audit (ACN 08-20114-19) reported 1,219 total active licenses as of May 2018.

<sup>4</sup> The prior sunset audit reported 583 assistant guide licenses and 90 transporter licenses as of May 2018.

<sup>5</sup> The 2015 sunset audit (ACN 08-20093-15) reported 742 assistant guide licenses as of April 2015.

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**The board planned to reduce its license fees to address its budgetary surplus.**

The board primarily receives its revenue from initial licensure, renewals, and report filing fees. Renewals are conducted on a biennial basis, creating a two-year cycle in board revenues. The board's schedule of revenues and expenditures for FY 20 through February 2023 is shown in Exhibit 3 on the following page. As of February 2023, the board had a surplus of \$850,754.

During the March 2023 board meeting, the board, in consultation with DCBPL management, decided to remove the annual report filing fee, reduce resident assistant guide license fees by \$100, and non-resident fees by \$200. The fee reductions were to be effective for the December 2023 biannual renewal. Fee reductions, increased personal services, and anticipated investigative costs were expected to reduce the surplus. Board related fees for the period FY 20 through January 31, 2023, are shown in Exhibit 4.

**Exhibit 3**

**Big Game Commercial Services Board  
Schedule of Revenues and Expenditures  
FY 20 through February 28, 2023  
(Unaudited)**

	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>	<b>July 1, 2022- February 28, 2023</b>
Revenues				
Licensing Fees	\$1,061,930	\$458,520	\$1,193,160	\$198,170
Other Sources	-	-	27,909	-
Total Revenues	<u>1,061,930</u>	<u>458,520</u>	<u>1,221,069</u>	<u>198,170</u>
Direct Expenditures				
Personal Services	266,575	276,562	357,457	170,708
Travel	10,427	3,751	12,731	366
Services	119,052	124,591	37,065	7,734
Supplies	90	465	2,337	2,108
Total Direct Expenditures	<u>396,144</u>	<u>405,369</u>	<u>409,590</u>	<u>180,916</u>
Indirect Expenditures	<u>145,029</u>	<u>134,630</u>	<u>160,039</u>	<u>106,695*</u>
Total Expenditures	<u>541,173</u>	<u>539,999</u>	<u>569,629</u>	<u>287,611</u>
Annual Surplus (Deficit)	520,757	(81,479)	651,440	(89,441)
Beginning Cumulative Surplus (Deficit)	<u>(150,523)</u>	<u>370,234</u>	<u>288,755</u>	<u>940,195</u>
Ending Cumulative Surplus (Deficit)	370,234	288,755	940,195	850,754

Source: DCBPL management.

\* Estimated based on the indirect allocation for July 1, 2022 through December 31, 2022.

**Exhibit 4**

**Big Game Commercial Services Board  
License and Other Fee Types  
FY 20 through January 31, 2023**

	<b>FY 20 through January 31, 2023</b>
Application Fee – All license types	\$200
Guide Exam	125
Game Management Unit Exam	400
Additional Game Management Unit	400
Registered Guide Exam Packet	100
Guide Use Area Registration	100
Initial license fee for all or part of biennial license period and biennial license renewal fee:	
Master Guide License	
Resident	850
Non Resident	1,700
Registered Guide License	
Resident	850
Non Resident	1,700
Class-A Assistant Guide License	
Resident	410
Non Resident	820
Assistant Guide License	
Resident	410
Non Resident	820
Transporter License	
Resident	850
Non Resident	1,700
Retired License	
Master Guides	300
Registered Guides	300
Class-A Assistant Guides	175
Assistant Guides	175
Report Filing (municipality request)	
Hunt Record	500
Transporter Activity Report	500
Report Filing (annual)	
Hunt Record	300
Transporter Activity Report	300

Source: DCBPL regulations.

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# FINDINGS AND RECOMMENDATIONS

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The prior 2018 sunset audit made three recommendations:

- The Division of Corporations, Business and Professional Licensing's (DCBPL) director should improve management oversight procedures to ensure required documentation is obtained, reviewed, and retained to support licensure.
- DCBPL's chief investigator should increase oversight to improve the timeliness of investigations
- The Office of the Governor, Boards and Commissions director should work with the Big Game Commercial Services Board (board) to identify potential applicants in a timely manner.

The prior audit recommendation regarding licensure was not resolved and is reiterated as part of Recommendation 1. The prior audit recommendation regarding the timeliness of investigations was resolved. No unjustified periods of inactivity were noted during this audit. The prior audit recommendation regarding board appointments was not resolved and is reiterated as part of Recommendation 2.

## **Recommendation 1:**

**DCBPL's director should improve oversight procedures to ensure required licensure documentation is obtained and reviewed.**

Testing of 25 newly issued licenses found two licenses were not fully supported. Specific documentation missing from the license files included a fish and wildlife report for one assistant guide and a United States Coast Guard (USCG) license for one transporter. According to DCBPL management, turnover in licensing staff contributed to the deficiencies. The board chair noted the lack of an automated application processing system increased the risk of errors and contributed to an inefficient licensing process.

Testing of 15 license renewals determined that DCBPL staff did not require licensees to submit all documentation necessary to comply with regulations. Specifically, assistant guides were not required to submit the names of guide-outfitter employers in the renewal application. Instead, DCBPL staff relied on hunt records submitted

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by the guide-outfitters. Auditors also determined that transporter license renewal applicants were only required to list their license number on the renewal application rather than submit a copy of the license as required by regulation.

Per 12 AAC 75.130(a)(7), assistant guide applicants must submit a complete report of fish and wildlife violations. Additionally, per 12 AAC 75.900(e)(6), copies of Federal Aviation Administration and USCG licenses applicable to a transporter's operations are required to be submitted when renewing a transporter license. Furthermore, 12 AAC 75.900(f)(3) requires an applicant renewing an assistant guide or class-A assistant guide license to submit the names of the guide-outfitters that employed the applicant during the concluding licensing period. Not licensing assistant guides and transporters in accordance with regulations increases the risk to public safety.

We recommend DCBPL's director improve oversight procedures to ensure licensure documentation is appropriately obtained and reviewed to support licensure.

## **Recommendation 2:**

**The board should consider whether two private landholder board seats continue to be necessary for effective regulation.**

From FY 20 through February 2023, one private landholder board seat was vacant for 12 months and had unexcused absences for seven months. The second seat was vacant for 31 months. As a result, the two private landholder board seats lacked participation in 10 of 14 meetings and 12 of 14 meetings, respectively. A similar finding was reported in the 2018 sunset audit.

Per AS 08.54.591(b), the board is statutorily required to consist of nine members covering specific areas of expertise and experience, including two members that represent private landholders affected by guided hunting activities or transportation services. The extended period of vacancies and lack of meeting participation limited the input of private landholders in board decisions. However, the board has not identified the lack of input as a problem.



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Based on discussions with board members and DCBPL staff, the two private landholder positions are difficult to fill due to a limited pool of qualified candidates (private land affected by guided hunting or transportation activities is often owned by large private landholders).

We recommend the board consider whether the two private landholder board seats are necessary for regulating the profession. If the board determines both positions are not needed, the board should support statutory changes.

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# OBJECTIVES, SCOPE, AND METHODOLOGY

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In accordance with Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities of the Big Game Commercial Services Board (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)(9), the board will terminate on June 30, 2024, and will have one year from that date to conclude its administrative operations.

## Objectives

The three central, interrelated objectives of the audit are to:

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

## Scope

The assessment of operations and performance of the board 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, 2019 through February 28, 2023. Financial information is presented, unaudited, from July 1, 2019 through February 28, 2023. Licensing data is presented from July 1, 2019 through January 31, 2023.

## Methodology

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

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- The prior sunset audit report (ACN 08-20114-19) to identify issues affecting the board and to identify prior sunset audit recommendations.
  - 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 the board meetings were adequately public noticed.
  - Board expenditures, revenues, and fee levels to determine whether fees covered the costs of operations.
  - Various websites to identify complaints against the board or other board related concerns.
  - Board investigation data to assess the efficiency of the investigative process.
  - Various websites containing information for potential duplication of board activities.

Internal controls over the licensing database and the investigation process were assessed to determine if controls were properly designed and implemented. Additionally, interviews with State agency staff and board members were conducted to identify and evaluate board activities. Specific areas of inquiry included: board operations, regulations, duplication of effort, fee levels, board and staff vacancies, and complaints against the board.

The audit utilized the following samples:

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- Eight of the 15 board meetings held from July 1, 2019 through February 28, 2023, were 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.
  - Twenty-two of the 70 board related cases open six months or longer from July 1, 2019 through February 28, 2023, were reviewed for unjustified periods of inactivity. Thirteen of the cases were randomly selected and nine were judgmentally selected. Test results were not projected to the population.
  - A random sample of 40 license applications was tested. Twenty-five new applications were selected from the 410 new licenses issued between July 1, 2019 and January 31, 2023. Fifteen renewal applications were selected from the 1,024 licensees issued before July 1, 2019 and subject to the December 31, 2021 renewal period. The 25 new and 15 renewal applications were assessed for statutory and regulatory compliance. The sample size was based on low to moderate control risk, moderate inherent risk, and moderate audit risk. Test results were not projected to the population.

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## APPENDIX SUMMARY

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Appendix A provides the sunset criteria used in developing the conclusions regarding whether the Big Game Commercial Services Board's termination date should be extended.

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## APPENDIX A

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### **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;

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## APPENDIX A

### (Continued)

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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 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

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September 15, 2023  
Kris Curtis  
Legislative Auditor  
Division of Legislative Audit  
P.O. Box 113300  
Juneau, AK 99811-3830

**RECEIVED**

**SEP 22 2023**

**LEGISLATIVE AUDIT**

Dear Ms. Curtis:

Thank you for the August 30, 2023, *Confidential Preliminary Report*, regarding the Big Game Commercial Services Board (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 improve oversight procedures to ensure required licensure documentation is obtained and reviewed.**

It is the intent and policy of this agency to ensure that all documentation required by statute and regulation to obtain a license from the board be reviewed and retained in the system of record. Portions of the audit period were extremely tumultuous for the agency with vacancy rates reaching 35% at times. The high vacancy rate contributed to less robust training for new staff than the agency normally offers. Staffing has returned to normal levels and with it, the division's ability to train staff. New staff attend a training "boot camp" and new and existing staff receive ongoing training every two weeks.

**Recommendation #2: The board should consider whether two private landholder board seats continue to be necessary for effective regulation.**

While the Division of Corporations, Business and Professional Licensing works with the board and provides advice and guidance, the board is not under the purview of the department. The board will determine how it wishes to proceed regarding its membership.

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,

A handwritten signature in blue ink, appearing to read "Julie Sande".

Julie Sande  
Commissioner

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# Agency Response from the Big Game Commercial Services Board

Mr. Kris Curtis  
Legislative Auditor  
Division of Legislative Audit  
PO Box 113300  
Juneau, AK 99811

RECEIVED  
NOV 30 2023  
LEGISLATIVE AUDIT

Dear Mr. Curtis,

The Big Game Commercial Services Board (BGCSB) would like to thank the Legislative Audit Team for their diligence and understanding throughout the audit process. Please accept this as my written response to the two recommendations found in the audit report as requested.

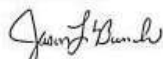
*"The Division of Corporations, Business and Professional Licensing (DCBPL) director should improve management oversight procedures to ensure required documentation is obtained, reviewed and retained to support licensure."*

Since the 2018 audit, DCBPL BGCSB administrative staff has experienced a high degree of turn over and staff shortage compromising administrative responsibilities. Understanding this, DCBPL leadership worked diligently to restaff the position of Deputy Director and restructured the administrative team from one lower-level Licensing Examiner position to one Licensing Examiner and one higher level Executive Administrator position (shared with the marine pilot board). The restructure has supported the need for increased training, professional growth and retention. DCBPL continues to strengthen this licensing program by seeking establishment of a full time Executive Administrator position which is currently underway. In addition, DCBPL is working diligently with the board and staff to make administrative responsibilities more efficient through development of online self-services and improved internal processes. DCBPL administrative efforts have consistently been improving over the last 3 years. This audit should acknowledge these efforts and recommend continued oversight versus improved oversight.

*"The board should consider whether two private landholder board seats continue to be necessary for effective regulation."*

The composition of this board is established so that all shareholders of the natural resources its licensees provide services for are represented. This board does not have difficulty gathering a quorum or participation from the occupied board seats (2 guides, 2 transporters, 2 public members, 1 Board of Game liaison, 1 private landowner). We currently have one private land owner seat vacant and one filled who is very engaged and productive. The private landowner seat(s) in question must continue to be included on this board and maintain the option to participate in the regulation of this industry. This board, DCBPL and Office of Commissions must do better in communicating the opportunity of the position and seeking interested candidates. A change to this boards' composition should also be public, transparent and vetted with caution.

Sincerely,



Jason Bunch  
BGCSB Chair

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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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December 1, 2023

Members of the Legislative Budget  
and Audit Committee:

I have reviewed management's response to this audit. Nothing contained in the response causes me to revise or reconsider the report conclusions and recommendations.

Sincerely,

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

Kris Curtis, CPA, CISA  
Legislative Auditor