

FY 25 TOP AUDIT ISSUES - STATUS OF CORRECTIVE ACTION			
	AUDIT ISSUE	CORRECTIVE ACTION ACCORDING TO AUDITEE	NEXT ACTION
1	Commercial Passenger Vessel Environmental Compliance (CPVEC)	<p>DOA: No corrective action- Division of Finance (DOF) disagreed.</p> <p>GOV: No corrective action - Office of Management and Budget (OMB) disagreed with this finding. Based on the advice of the Department of Law, OMB has maintained that CPVEC discharge permit fees collected under AS 46.03.480(b) are not federally restricted and therefore are subject to the constitutional sweep.</p>	None. Will be reviewed by Legislative Audit as part of the FY 25 audit.
2	Disclaimed Opinion - Lack of Evidence for Medicaid System	DOH - Anticipated to be fully resolved by the FY 25 single audit. MMIS Fiscal Agent contractor had a SOC 1 type 2 report.	None. Will be reviewed by Legislative Audit as part of the FY 25 audit.
3	Department of Health (DOH) Accounts Receivable Unsupported	DOH - Resolved the oldest and most significant outstanding receivable totaling \$18.4 million in FY 25 through a combination of ratification and reconciliation. Department expects to address the remaining \$8.2 million during FY 26.	None. Will be reviewed by Legislative Audit as part of the FY 25 audit.
4	Opioid Settlement Revenue	<p>DOA: Division of Finance (DOF) updated procedures in August 2025 to correct this issue going forward. Once a new fund is created, DOA will be able to better account, track, and report these funds.</p> <p>GOV: Per OMB - establishing a new fund is up to the legislature. The OMB is available to work with the legislature to create a separate fund to account, track, and manage opioid settlement resources. It is anticipated this work can occur during the second regular session of the 34th Legislature.</p>	None. Will be reviewed by Legislative Audit as part of the FY 25 audit.
5	High Error Rate - Procurement Testing	DOA - Office of Procurement and Property Management (OPPM) provided targeted training to the lead procurement officer at each Executive Branch agency on May 13, 2025. The course focused on each deficiency identified in the audit. Further, OPPM has modified all ongoing recertification training courses for statewide procurement officers to highlight procurement requirements which were found to be deficient in the audit. Lastly, OPPM is developing new courses with target audiences such as directors, operation managers, appointed officials, and project and program managers to ensure proper procurement and contract management processes are supported. The new courses should be ready by the end of 2026.	None resolved.
6	Not Billing Federal Government for Approximately \$279.8 Million Related to FEMA Disaster Grants	DOH - anticipates finding to be resolved by the end of FY 25.	Recommend referring the finding to DMVA and DOH budget subcommittees for continued follow-up.
7	Department of Corrections (DOC) Overspent FY 24 Budget	<p>DOC has been working with OMB and DOF to properly record all FY24 expenditures and revenues to the correct appropriation structures. DOC has strengthened internal controls over revenue recognition and expenditure monitoring, with particular emphasis on personal services, which represent the largest portion of the DOC budget.</p> <p>DOC meets regularly with OMB to review appropriation structures, projections, and spending trends to ensure expenditures remain within legislative authorization. DOC will continue coordinating with OMB and DOF to identify and address potential funding deficiencies in a timely manner. The DOC is also working with OMB to determine whether a ratification, a supplemental appropriation, or combination thereof is the appropriate corrective action during the upcoming legislative session.</p> <p>The DOC anticipates this matter will be resolved by June 30, 2026.</p>	Recommend referring the finding to DOC budget subcommittees for continued follow-up.

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8	Unaddressed Shortfalls	<p>LAW - new processes have been put into place to better monitor available balances, bill timely, and properly restrict appropriations when revenues are lower than anticipated. A ratification request is included in the supplemental budget.</p> <p>DNR - DID NOT RESPOND</p> <p>DOH - Department continues to address the shortfalls with the necessary parties. Such actions could include ratification, billing, and reconciliation. Anticipates finding to be resolved in FY 26.</p>	Recommend referring findings to appropriate budget subcommittees for continued follow-up.
9	AIA's FY 24 Audit Was Not Completed Timely for Inclusion in the State's Financial Statements	To complete ACFR reporting in a timely manner and to streamline the year-end process, AIAS has added staff and implemented weekly planning meetings. These meetings focus on resolving issues promptly and ensuring deadlines are met. The department anticipates inclusion of the FY25 AIAS financial information in the FY25 ACFR and expects to fully resolve this finding by June 30, 2026.	Recommend referring the finding to DOTPF budget subcommittees for continued follow-up.
10	Division of Public Assistance (DPA) Federal Program Findings	DPA reported that it has expanded administrative staff capacity, implemented reconciliations, and is collaborating with federal partners to resolve audit findings. SNAP interview requirements and verification procedures have been reinstated. Staff training resources and protocols have been improved and implemented. Automated eligibility renewals for Medicaid and CHIP have been expanded. DPA continues to work with contractors to facilitate workload management strategies and timeliness solutions. Audit findings were mainly expected to be resolved by the end of FY 26.	Recommend referring findings to DOH budget subcommittees for continued follow-up.
11	Parole Board Sunset Audit Recommendation Nos. 1 - 3: Ensure all hearings are conducted in a confidential manner, regulations are updated timely, and fiscal notes for pending legislation reflect decreases as appropriate.	DOC addressed training deficiencies and physical space limitations that had impeded confidentiality and implemented corrective measures to ensure offenders are provided confidential parole hearings. DOC designated a liaison to coordinate and track regulatory updates and statutory requirements to prevent delays. DOC agrees that pending legislation should accurately reflect all fiscal impacts to the department and implemented an enhanced review process.	None resolved.
12	Office of Children's Services (OCS) Compliance with Foster Care Reform Part III - Performance Audit Recommendation Nos. 1 - 6:	DFCS's acting commissioner reported that all but one recommendation was addressed and the other was partially addressed. Significant improvements includes enhancing staff tracking system, providing staff report preparation training, updating report preparation procedures, and working with the Talent Acquisition team to improve recruitment and retention through various initiatives. Further, the OCS recruitment and retention plan is updated regularly to reflect current priorities and future demands.	Recommend referring the finding to Health and Social Services committees for consideration.