

# Report Highlights

## Why DLA Performed This Audit

This 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, 2026, and will have one year from that date to conclude its administrative operations.

## What the Legislative Auditor Recommends

1. The Office of the Governor, Boards and Commissions director should take steps to ensure board seats are filled in a timely manner.
2. The Division of Administrative Services director should establish procedures to ensure fee requests are submitted timely for review and approval.

# A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Professional Counselors (board)

April 16, 2025

Audit Control Number 08-20144-25

## REPORT CONCLUSIONS

The board served the public's interest by generally conducting meetings in an effective manner, actively amending regulations, and effectively licensing professional counselors. The audit also concluded that one board position had been vacant for an extended period and license fees were not sufficient to cover the profession's regulatory cost.

In accordance with AS 08.03.010(c)(6), the board is scheduled to terminate on June 30, 2026. We recommend that the legislature extend the board's termination date six years to June 30, 2032, which is two years less than the maximum allowed by statute. The reduced extension reflects the need for more timely legislative oversight in light of the audit conclusions and recommendations.

# 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, 2026, and will have one year from that date to conclude its administrative operations.

## What the Legislative Auditor Recommends

1. The Office of the Governor, Boards and Commissions director should work with the board to identify potential applicants to fill the public member board seats in a timely manner.
2. The board should ensure the renewal licensing application form is sufficient to monitor compliance with teletherapy-related continuing education requirements.

# A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Marital and Family Therapy (board)

May 9, 2025

**Audit Control Number 08-20143-25**

## REPORT CONCLUSIONS

The audit concluded that the board served the public's interest by conducting meetings in an effective manner, amending regulations as needed, and generally licensing marital and family therapists in compliance with state law. The audit also found that a public board member seat had been vacant for 32 months as of March 2025.

In accordance with AS 08.03.010(c)(11), the board is scheduled to terminate on June 30, 2026. We recommend the legislature extend the board's termination date eight years, to June 30, 2034.

# Report Highlights

## Why this audit was performed

This 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, 2026, and will have one year from that date to conclude its administrative operations.

## What the Legislative Auditor Recommends

1. The Office of the Governor, Boards and Commissions director should work with the board to identify potential applicants to fill board vacancies and take steps to ensure qualified applicants are appointed in a timely manner.
2. The board chair and the Division of Corporations, Business and Professional Licensing's (DCBPL) director should work together to ensure renewal applicants comply with continuing education regulations or seek a regulatory change if deemed necessary.
3. Board members should review investigative cases in a timely manner.

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# A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Psychologist and Psychological Associate Examiners (board)

June 5, 2025

Audit Control Number 08-20147-25

## REPORT CONCLUSIONS

The audit concluded that the board served the public's interest by conducting meetings in an effective manner, actively amending regulations, and generally issuing new licenses in compliance with statutes and regulations.

The audit also found areas for improvement. Renewal licenses were not consistently issued in compliance with state law. Courtesy licensees did not routinely comply with monthly reporting requirements. Board related investigations were not conducted in a timely manner and fees did not cover the cost of regulating the profession. Additionally, board vacancies were not filled in a timely manner.

In accordance with AS 08.03.010(c)(18), the board is scheduled to terminate on June 30, 2026. We recommend that the legislature extend the board's termination date five years to June 30, 2031, which is less than the eight-year maximum allowed by statute. The reduced extension reflects the need for more routine oversight to ensure corrective action is taken to address deficiencies.

# Report Highlights

## Why DLA Performed This Audit

The audit was performed to determine if there is a continued need for the commission and if its termination date should be extended. The commission is set to sunset on June 30, 2026, 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 (DCBPL) director should provide training and update written procedures to ensure minutes are prepared for all commission meetings as required by law.
2. The commission chair should ensure commission regulations and forms are updated to include independent contractors.
3. DCCED's commissioner should work with policy makers to improve the recruitment and retention of investigators, and DCBPL management should consider ways to assist the commission in clearing its investigative backlog.

# A Sunset Review of the Department of Commerce, Community, and Economic Development (DCCED), Real Estate Commission (commission)

April 17, 2025

Audit Control Number 08-20146-25

## REPORT CONCLUSIONS

The commission served the public's interest by effectively conducting its meetings, actively amending regulations, and effectively licensing real estate professionals.

The audit also found areas for improvement. The commission did not consistently keep minutes for subcommittee meetings and did not update its regulations and forms to include licensees who are independent contractors. Commission related investigations were not conducted in a timely manner, and the Real Estate Recovery Fund appeared to no longer be necessary. Further, the commission did not monitor compliance with insurance coverage requirements.

In accordance with AS 08.03.010(c)(19), the commission is scheduled to terminate on June 30, 2026. We recommend that the legislature extend the commission's termination date four years to June 30, 2030, which is half of the eight year maximum allowed by statute. The reduced extension reflects the need for more routine oversight to ensure timely corrective action.

# 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, 2026, and will have one year from that date to conclude its administrative operations.

## What the Legislative Auditor Recommends

1. The Office of the Governor, Boards and Commissions director should continue to work with the board to identify potential applicants to fill board seats in a timely manner.
2. The board should continue to seek a statutory change to address the Appraisal Subcommittee findings.
3. DCCED's commissioner should work with policy makers to improve the recruitment and retention of investigators.

# A Sunset Review of the Department of Commerce, Community, and Economic Development (DCCED), Board of Certified Real Estate Appraisers (board)

April 14, 2025

Audit Control Number 08-20148-25

## REPORT CONCLUSIONS

The board served the public's interest by conducting meetings in an effective manner, actively amending regulations, and effectively licensing real estate appraisers and registering appraisal management companies. The audit also concluded that one board position had been vacant for 56 months as of January 2025, statute changes may be necessary to address federal oversight findings, and board related investigations were not consistently conducted in a timely manner.

In accordance with AS 08.03.010(c)(20), the board is scheduled to terminate on June 30, 2026. We recommend that the legislature extend the board's termination date six years to June 30, 2032, which is two years less than the maximum allowed by statute. The extension recommendation takes into consideration the audit findings and the fact that the board is also subject to federal oversight.

# Report Highlights

## Why DLA Performed This Audit

This 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 June 30, 2026, and will have one year from that date to conclude its administrative operations.

## What the Legislative Auditor Recommends

1. The Office of the Governor, Boards and Commissions director should take steps to ensure board seats are filled in a timely manner.
2. The board chair and Division of Corporations, Business and Professional Licensing's director should work together to ensure renewal applicants comply with continuing education regulations or seek a change to regulations as deemed necessary.

# A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Social Work Examiners (board)

April 17, 2025

**Audit Control Number 08-20145-25**

## REPORT CONCLUSIONS

The board served the public's interest by generally conducting meetings in an effective manner and actively amending regulations. Licenses were found to be issued in compliance with state law except for licenses renewed through the online portal, which lacked adequate documentation. The audit also found one board position had been vacant for an extended period.

In accordance with AS 08.03.010(c)(21), the board is scheduled to terminate on June 30, 2026. We recommend that the legislature extend the board's termination date eight years to June 30, 2034.