

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE



Division of Legislative Audit

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MEMORANDUM

TO: Members of the Legislative Budget
and Audit Committee

FROM: Kris Curtis, CPA, CISA *KC*
Legislative Auditor

DATE: October 21, 2014

RE: RE: Request to Amend the Approval for an Audit of the New Medicaid
Information System

On February 25, 2014, the Legislative Budget and Audit Committee approved a request to solicit and award a contract for a performance audit of the new Medicaid system for an amount not to exceed \$150,000. An audit of the new system has not been possible due to a lack of system controls. The system deficiencies were so severe, a performance audit could not be performed. However, in support of the *Comprehensive Annual Financial Report* audit, the Division of Legislative Audit requires the expertise of a contractor to test certain aspects of the new Medicaid system. For this reason, we are requesting the Legislative Budget and Audit Committee amend the previous approval for a full audit of the Medicaid system to include a smaller scope of Medicaid system testing for an amount not to exceed \$100,000.

I would appreciate your support of this request. If you have any questions, please contact me at (907) 465-3830.