

**ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET AND AUDIT COMMITTEE**

Anchorage, Alaska

October 29, 2014

8:09 a.m.

MEMBERS PRESENT

Senator Anna Fairclough, Chair
Representative Mike Hawker, Vice Chair
Senator Click Bishop
Senator Kevin Meyer
Senator Cathy Giessel
Representative Bob Herron
Representative Kurt Olson
Representative Andy Josephson

MEMBERS ABSENT

Senator Donald Olson
Representative Alan Austerman
Senator Mike Dunleavy
Representative Scott Kawasaki
Representative Bill Stoltze

COMMITTEE CALENDAR

EXECUTIVE SESSION
RELEASE OF AUDITS
OTHER BUSINESS

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

LAURA PIERRE, Staff
Senator Fairclough
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Provided clarifications regarding the special audit request for the state travel policy.

KRIS CURTIS, Legislative Auditor
Division of Legislative Audit
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Provided information on the special audit request for the state travel policy.

ACTION NARRATIVE

[8:09:20 AM](#)

CHAIR ANNA FAIRCLOUGH reconvened the Legislative Budget and Audit Committee meeting at 8:09 a.m. Senators Giessel, Meyer, and Fairclough and Representatives Hawker, Herron (via teleconference), Olson, and Josephson were present at the call to order. Representative Bishop (via teleconference) arrived as the meeting was in progress. [This is a continuation of the October 28, 2014, meeting.]

EXECUTIVE SESSION

[8:10:15 AM](#)

CHAIR FAIRCLOUGH announced that the committee would move into Executive Session.

[8:10:19 AM](#)

REPRESENTATIVE HAWKER made a motion to move to Executive Session for the purpose of discussing confidential audit reports under AS 24.20.301. There being no objection, the committee went into Executive Session at 8:10 a.m.

[9:45:09 AM](#)

CHAIR FAIRCLOUGH reconvened the committee at 9:45 a.m. Senators Meyer, Giessel, and Fairclough and Representatives Herron (via teleconference), Josephson, Olson, and Hawker were present at the call to order.

RELEASE OF AUDITS

[9:46:03 AM](#)

REPRESENTATIVE HAWKER made a motion for the following final audits: Department of Revenue, Oil and Gas Tax Audit Process; Department of Revenue, Alaska Film Production Incentive Program; and Department of Commerce, Community & Economic Development, Certified Direct-Entry Midwives Sunset Review to be released to

the public for response. There being no objection, those audits were released.

OTHER BUSINESS

9:46:39 AM

CHAIR FAIRCLOUGH announced that the next order of business would be her special audit request to review the efficiency and effectiveness of the state travel office in handling and providing the state with an economic use of its travel dollars. She informed the committee that on one occasion she could have booked travel herself and received a cheaper fare than going through the state travel office.

REPRESENTATIVE OLSON mentioned the ability to change the ticket without going back to the [state travel office].

CHAIR FAIRCLOUGH related an incident with another travel office in which she needed to change a ticket to avoid a predicted hurricane but could not do so quickly enough. She also related an incident in which a fellow legislator couldn't reach the state travel office personnel on a Saturday to change a ticket in order to leave on an earlier flight when there were seats available. Therefore, she expressed the need for a review to ensure that the State of Alaska is getting the best value for its money. Chair Fairclough said she has discussed this possible audit with Ms. Curtis in order to identify savings and evaluate and determine the relevance and reliability of the state travel office.

9:50:01 AM

LAURA PIERRE, Staff, Senator Fairclough, Alaska State Legislature, pointed out that this would include the University of Alaska's travel as they don't fall under the state travel office under the Department of Administration. She then noted that the legislature doesn't fall under the state travel office, although it may experience similar difficulties such as the inability for the traveler to change his/her ticket. Ms. Pierre clarified that this special audit request is for the state travel office within the Department of Administration and the travel policy for the University of Alaska.

9:51:34 AM

KRIS CURTIS, Legislative Auditor, Division of Legislative Audit, Alaska State Legislature, in response to Chair Fairclough, explained that the plan would be to conduct a sample over the course of many months to evaluate the cost of tickets procured through the state travel office versus what an individual could purchase on that same day. Although such an approach will take quite a bit of time to determine whether the state is getting what it believes it's procuring through the process, it won't take a lot of resources. Ms. Curtis estimated that it would take an entire year to [sample] different seasons and months in order to really understand what the state is receiving. Therefore, a staff member would be assigned to collect this information. She then related that the University of Alaska's travel may be approached separately such that the overall audit is a multi-part audit. The travel audit would likely begin soon, while the University of Alaska's travel audit probably wouldn't be started until the late spring or early summer of 2015. She estimated that the release date would be in 2016.

CHAIR FAIRCLOUGH noted her agreement that two audits would probably be a better approach, particularly since the University of Alaska has already moved forward in an attempt to rectify some of the difficulties.

[9:53:41 AM](#)

REPRESENTATIVE HAWKER made a motion that the committee approve audits of the state travel office and the University of Alaska's travel procurement and procedures. There being no objection, the motion was approved.

[9:54:27 AM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 9:54 a.m.