

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

June 3, 2021
11:05 a.m.

DRAFT

MEMBERS PRESENT

Senator Natasha von Imhof, Chair
Senator Peter Micciche
Senator Lora Reinbold
Senator Bert Stedman (via teleconference)
Senator Lyman Hoffman (via teleconference)
Senator Click Bishop (alternate) (via teleconference)

Representative Chris Tuck, Vice Chair
Representative Ivy Spohnholz
Representative Andy Josephson
Representative Neal Foster (via teleconference)
Representative James Kaufman (via teleconference)
Representative Dan Ortiz (alternate) (via teleconference)

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Senator David Wilson (via teleconference)
Senator Jesse Kiehl (via teleconference)
Representative DeLena Johnson (via teleconference)

COMMITTEE CALENDAR

APPROVAL OF MINUTES
EXECUTIVE SESSION
SINGLE AND PRELIMINARY AUDIT RELEASES
LEGISLATIVE AUDIT IT PROCUREMENT

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

KRIS CURTIS, State Auditor

Legislative Audit Division
Juneau, Alaska

POSITION STATEMENT: Requested a Legislative Audit IT Procurement.

ACTION NARRATIVE

[11:05:26 AM](#)

CHAIR NATASHA VON IMHOF called the Legislative Budget and Audit Committee meeting to order at 11:05 a.m. Representatives Kaufman (via teleconference), Foster (via teleconference), Spohnholz, Josephson, and Tuck and Senators Micciche, Reinbold, Bishop (alternate, via teleconference), Stedman (via teleconference), Hoffman (via teleconference), and von Imhof were present at the call to order. Representative Ortiz (alternate, via teleconference) arrived as the meeting was in progress. Also present were Representative Johnson (via teleconference), Senator Wilson (via teleconference), and Senator Kiehl (via teleconference).

APPROVAL OF MINUTES

[11:06:53 AM](#)

CHAIR VON IMHOF announced that the first order of business would be the approval of minutes.

[11:06:59 AM](#)

REPRESENTATIVE TUCK moved that the Legislative Budget and Audit Committee approve the minutes of the April 30, 2021, meeting as presented. There being no objection, the minutes from the April 30, 2021, meeting were approved as presented.

EXECUTIVE SESSION

[11:07:20 AM](#)

CHAIR VON IMHOF announced that the next order of business would be an executive session to consider the final statewide single audit for the fiscal year that ended June 30, 2020, and the preliminary audit report for the State Physical Therapy and Occupational Therapy Board sunset.

[11:07:41 AM](#)

REPRESENTATIVE TUCK moved that the Legislative Budget and Audit Committee go into executive session under Uniform Rule 22(b)(3) for discussion of matters that may, by law, be required to be confidential. He asked that the following persons remain in the room or on line: the legislative auditor and necessary staff to the auditor; any legislators not on the committee; and staff to legislators who are members of the committee. There being no objection, it was so ordered.

[11:08:18 AM](#)

The committee took an at-ease from 11:08 a.m. to 12:33 p.m. for the purpose of executive session.

[12:33:40 PM](#)

CHAIR VON IMHOF called the Legislative Budget and Audit Committee back to order at [12:33] p.m. Present at the call back to order were Representatives Josephson, Tuck, Spohnholz, Kaufman (via teleconference), Foster (via teleconference), and Ortiz (alternate, via teleconference) and Senators Reinbold, Micciche, Stedman (via teleconference), Hoffman (via teleconference), Bishop (alternate, via teleconference), and von Imhof. Also present were Representative Johnson (via teleconference), Senator Wilson (via teleconference), and Senator Kiehl (via teleconference).

SINGLE AND PRELIMINARY AUDIT RELEASES

[12:34:09 PM](#)

CHAIR VON IMHOF announced that the next order of business would be the single and preliminary audit releases.

[12:34:29 PM](#)

REPRESENTATIVE TUCK moved that Legislative Budget and Audit Committee release the statewide single audit for fiscal year ended June 30, 2020, as a final audit report. There being no objection, it was so ordered.

[12:34:48 PM](#)

REPRESENTATIVE TUCK moved that the Legislative Budget and Audit Committee release the following preliminary audit to the agency for response: Department of Commerce, Community & Economic

Development State Physical Therapy and Occupational Therapy Board Sunset. There being no objection, it was so ordered.

LEGISLATIVE AUDIT IT PROCUREMENT

[12:35:09 PM](#)

CHAIR VON IMHOF announced that the final order of business would be a request for Information Technology (IT) equipment by Kris Curtis, State Auditor.

[12:35:23 PM](#)

KRIS CURTIS, State Auditor, Legislative Audit Division, said the committee had received an IT procurement memorandum in the prior week asking for approval to procure a new server for an amount not to exceed \$12,000 and seven laptops for an amount not to exceed \$12,500. She explained that she has procurement authority up to \$35,000 but has already spent funds for a server and laptops this year, and this requested purchase would exceed that procurement threshold.

[12:36:05 PM](#)

SENATOR MICCICHE asked for a general description of the reason behind the purchase.

MS. CURTIS explained that the equipment had come to the end of its useful life.

[12:36:46 PM](#)

REPRESENTATIVE KAUFMAN asked about the service life of the items in general.

MS. CURTIS offered her understanding that each laptop lasts five to seven years. She said she does not know the lifespan of a server; however, she indicated that the one in question was "at least one year past due." She shared that the head of IT for the Legislative Audit Division had retired last year following 25 years with the division, and before his departure, she had ensured that the division was able "to have business continuity," meaning the ability to "bring up our services from our Anchorage office." She explained this would allow the division to offer its services from either location in the event of some kind of disaster. An additional server was necessary to provide this security in services.

CHAIR VON IMHOF ascertained there were no further questions.

[12:38:11 PM](#)

REPRESENTATIVE TUCK moved that the Legislative Budget and Audit Committee authorize the purchase of a new server and seven laptops for the Legislative Audit Division as outlined in the provided memorandum and described by the legislative auditor. There being no objection, the IT procurement request was approved.

[12:38:37 PM](#)

REPRESENTATIVE TUCK commended the auditing team and thanked them for the level of detail and clarity they provide.

[12:39:14 PM](#)

SENATOR REINBOLD echoed the comments by Representative Tuck. She suggested reducing the budget by auditing departments - the Department of Health and Social Services in particular.

[12:40:03 PM](#)

SENATOR MICCICHE recommended that the auditors offer suggestions as they identify issues.

[12:40:47 PM](#)

CHAIR VON IMHOF provided closing remarks.

[12:41:11 PM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at [12:41] p.m.