

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

March 27, 2003

4:15 p.m.

MEMBERS PRESENT

Representative Ralph Samuels, Chair
Representative Mike Hawker
Representative Jim Whitaker
Representative Beth Kerttula

Senator Gene Therriault, Vice Chair
Senator Ben Stevens
Senator Con Bunde
Senator Gary Wilken
Senator Lyda Green, alternate

MEMBERS ABSENT

Representative Vic Kohring
Representative Reggie Joule, alternate
Representative Bill Williams, alternate

Senator Lyman Hoffman

COMMITTEE CALENDAR

APPROVAL OF MINUTES
EXECUTIVE SESSION
AUDIT REPORTS
OTHER COMMITTEE BUSINESS

WITNESS REGISTER

PAT DAVIDSON, Legislative Auditor
Division of Legislative Audit
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Spoke on behalf of the Division of
Legislative Audit.

ACTION NARRATIVE

TAPE 03-2, SIDE A
Number 0001

CHAIR RALPH SAMUELS called the Joint Committee on Legislative Budget and Audit meeting to order at 4:15 p.m. Members present at the call to order were Representatives Samuels, Hawker, Kerttula, and Whitaker, and Senators Bunde and Wilken. Senators Green, Stevens, and Therriault arrived shortly thereafter.

APPROVAL OF MINUTES

Number 0045

REPRESENTATIVE HAWKER made a motion to approve the minutes of February 19, 2003.

CHAIR SAMUELS asked whether there were any objections. There being none, the minutes from the meeting of February 19, 2003, were approved as read.

EXECUTIVE SESSION

Number 0090

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 4:20 p.m.

CHAIR SAMUELS brought the committee back to regular, open session at 5:05 p.m.

AUDIT REPORTS

Number 0102

SENATOR THERRIAULT made a motion to release the following two final audit reports to the public [for response]: 1) the Department of Health & Social Services, Division of Medical Assistance, Internal Control Over Medicaid Payments, and 2) the sunset for the Department of Revenue, Alcoholic Beverage Control Board.

CHAIR SAMUELS asked whether there were any objections. There being none, the audits were released to the public for response.

Number 0123

SENATOR THERRIAULT made a motion to release the following two preliminary audits to the appropriate agencies [for response]:

1) Department of Community & Economic Development Commercial Fisheries Revolving Loan Fund, and 2) Department of Health & Social Services, Division of Family & Youth Services, Selected Travel Issues.

CHAIR SAMUELS asked whether there were any objections. There being none, the audits were released to the appropriate agencies for response.

OTHER COMMITTEE BUSINESS

Number 0207

PAT DAVIDSON, Legislative Auditor, Division of Legislative Audit, Alaska State Legislature, requested approval by the committee to amend a [professional services] contract. Ms. Davidson explained that the Division of Legislative Audit and three staff, including herself, were named as defendants in the Robert Hammond v. State of Alaska lawsuit. The lawsuit involves an audit pertaining to the Homer Gravel Roads project in which there were various allegations and counter-allegations.

Number 0302

MS. DAVIDSON continued that the committee had previously approved the contract for an amount not to exceed \$35,000. She reported that Tamara Cook, Director of Legislative Legal and Research Services, had indicated her staff was unable to provide the defense; therefore, the law firm of Gross and Burke was hired to provide legal defense. She said that Judge Reese signed an order stating that activities and reports issued by the Division of Legislative Audit are covered by legislative immunity.

Number 0339

MS. DAVIDSON requested approval from the committee that the contract amount be increased by \$2,750 to provide for the "final motions to wrap this up." She said that if the individual were to file an appeal, a re-evaluation process would take place to determine if Legislative Legal and Research Services could provide additional services. She testified that "this amount [\$2,750] would just final it out for us."

SENATOR WILKEN moved to approve [increasing the contract amount by \$2,750].

CHAIR SAMUELS asked whether there were any objections. There being none, it was so ordered.

ADJOURNMENT

There being no further business before the committee, Chair Samuels adjourned the Joint Committee on Legislative Budget and Audit meeting at approximately 5:10 p.m.