

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

March 29, 2011

8:04 a.m.

MEMBERS PRESENT

Representative Mike Hawker, Chair

Representative Kurt Olson

Representative Bill Thomas

Representative Mike Doogan

Representative Scott Kawasaki (alternate)

Senator Bert Stedman, Vice Chair

Senator Hollis French

Senator Lyman Hoffman

Senator Linda Menard

Senator Thomas Wagoner

Senator Kevin Meyer (alternate)

MEMBERS ABSENT

Representative Mark Neuman

Representative Bill Stoltze (alternate)

COMMITTEE CALENDAR

EXECUTIVE SESSION

RELEASE OF AUDITS

APPROVAL OF MINUTES

OTHER COMMITTEE BUSINESS

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

PAT DAVIDSON

Legislative Auditor

Legislative Audit Division
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented a request for audit services.

ACTION NARRATIVE

[8:04:09 AM](#)

CHAIR MIKE HAWKER called the Legislative Budget and Audit Committee meeting to order at 8:04 a.m. Representatives Hawker, Olson, Thomas, Doogan, and Kawasaki (alternate), and Senators French, Menard, Wagoner, Meyer, and Stedman were present at the call to order. Senator Hoffman arrived as the meeting was in progress.

Executive Session

[8:05:07 AM](#)

CHAIR HAWKER announced that the first order of business would be to move to the Executive Session.

[8:06:07 AM](#)

REPRESENTATIVE THOMAS 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 8:06 a.m.

[9:33:24 AM](#)

CHAIR HAWKER brought the committee back to order at 9:33 a.m.

Release of Audits

[9:33:31 AM](#)

REPRESENTATIVE THOMAS made a motion for the final audit for the FY 10 Statewide Single Audit to be released to the public for response. There being no objection, it was so ordered.

Approval of Minutes

[9:34:00 AM](#)

CHAIR HAWKER announced that the next order of business would be the approval of the minutes.

[9:34:13 AM](#)

REPRESENTATIVE THOMAS made a motion to approve the minutes of February 28, 2011. There being no objection, the minutes from the meeting of February 28, 2011 were approved.

Other Committee Business

[9:34:33 AM](#)

CHAIR HAWKER, in reference to the request from Senators Giessel and Paskvan and Representative Gruenberg for an audit of the Division of Corporations, Business, and Professional Licensing in the Department of Commerce, Community & Economic Development, pointed out that the request had been limited to FY 11, and he asked that the scope of the audit be extended beyond FY 11 "as it is appropriate and relevant to the work." There being no objection, it was so ordered.

[9:35:36 AM](#)

CHAIR HAWKER announced that the final order of business would be a request for audit services.

[9:35:57 AM](#)

PAT DAVIDSON, Legislative Auditor, Legislative Audit Division, Alaska State Legislature, requested that, should funds be available at the end of the fiscal year, those funds be utilized to contract for audit services for assistance with the FY 11 statewide single audit. She proposed to limit the amount to \$50,000 which would allow for a "less formal bid procedure." She reported that a request for quotations had been sent to

three potential bidders, and she expected to receive bids no later than April 4, with audit service to commence in early May.

[9:37:36 AM](#)

CHAIR HAWKER asked if this was in accordance with the state procurement code.

[9:37:49 AM](#)

MS. DAVIDSON replied that it was in accordance, and that she had contacted three CPA firms in Alaska.

CHAIR HAWKER noted that this procedure had been done previously.

[9:38:19 AM](#)

REPRESENTATIVE THOMAS moved to authorize Pat Davidson, Legislative Auditor, to enter into a contract for audit services in an amount not to exceed \$50,000. There being no objection, it was so ordered.

[9:38:58 AM](#)

SENATOR WAGONER suggested outsourcing for other items, as "some of this is pretty scathing."

CHAIR HAWKER clarified that this was in reference to the findings within the FY 10 Statewide Single Audit report. He declared that he would be receptive to further discussion.

[9:39:38 AM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 9:39 a.m.