

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

April 8, 2022

7:47 a.m.

MEMBERS PRESENT

Senator Natasha von Imhof, Chair
Representative Chris Tuck, Vice Chair
Senator Peter Micciche
Senator Lora Reinbold
Senator Bert Stedman
Representative Andy Josephson
Representative James Kaufman
Senator Click Bishop (alternate)

MEMBERS ABSENT

Senator Lyman Hoffman
Representative Ivy Spohnholz
Representative Neal Foster
Representative Dan Ortiz (alternate)

OTHER LEGISLATORS PRESENT

Representative Ken McCarty
Representative Bart LeBon

COMMITTEE CALENDAR

EXECUTIVE SESSION: PROCUREMENT AND STRATEGIC PLAN

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

KRIS CURTIS, Legislative Auditor
Legislative Audit Division
Legislative Agencies and Offices
Juneau, Alaska

POSITION STATEMENT: Provided information on the procurement request.

ACTION NARRATIVE

[7:47:03 AM](#)

CHAIR NATASHA VON IMHOF called the Legislative Budget and Audit Committee meeting to order at 7:47 a.m. Representatives Josephson, Kaufman, and Tuck and Senators Reinbold, Stedman, Bishop, and von Imhof were present at the call to order.

Executive Session: Procurement and Strategic Plan

[7:47:47 AM](#)

CHAIR VON IMHOF announced that the first order of business would be Executive Session to consider the legislative audit's procurement memo and strategic plan.

[7:47:58 AM](#)

REPRESENTATIVE TUCK moved that the Legislative Budget and Audit Committee go into Executive Session under Uniform Rule 22(b)(3) for the discussion of matters that may, by law, be required to be confidential. He asked that the following persons remain in the room or online: the legislative auditor and necessary staff for the auditor, any legislators not on the committee, and staff for legislators who are members of the committee.

[7:48:28 AM](#)

The committee took an at-ease from 7:48 a.m. to 8:34 a.m. for the purpose of executive session.

[8:34:22 AM](#)

CHAIR VON IMHOF called the Legislative Budget and Audit Committee meeting back to order at 8:34 a.m. Present at the call back to order were Representatives Josephson, Kaufman, and Tuck and Senators Reinbold, Micciche, Stedman, and von Imhof.

[8:35:03 AM](#)

REPRESENTATIVE TUCK moved that the Legislative Budget and Audit Committee authorize the legislative auditor to solicit for the outside federal compliance audit of no more than five fiscal year 2023 (FY 23) and FY 24 major federal programs.

[8:35:28 AM](#)

KRIS CURTIS, Legislative Auditor, Legislative Audit Division, Legislative Agencies and Offices, explained that she had requested to solicit for the outside audit of five major federal programs for FY 23 and FY24. She stated that the "great resignation" had impacted the Legislative Audit Division and during the previous nine months the staff had been reduced by eight positions, four of which were upper-level, experienced auditors and four of which were lower-level auditors. She stated that, in order to meet statutory audit deadlines, and considering anticipated staff retirements, the agency needs to recruit and train new auditors. She recalled that, in 2015, when the new state accounting system was implemented, the agency had taken a similar approach to manage a skyrocketing workload and the Legislative Budget and Audit Committee had supported the hiring of an outside auditor of the Department of Health and Social Services major federal programs for FYs 16-18.

CHAIR VON IMHOF sought any objection from members of the committee. There being none, the motion passed.

[8:36:48 AM](#)

REPRESENTATIVE TUCK moved that the Legislative Budget and Audit Committee authorize the legislative auditor to amend the contract for the examination of FY 21 Alaska's Resource for Integrated Eligibility Services (ARIES) information technology (IT) general controls and application controls to include an examination of FY 22 controls, not to exceed a total contract amount of \$138,000.

CHAIR VON IMHOF objected.

[8:37:20 AM](#)

MS. CURTIS referred to a memorandum dated April 5, 2022, requesting approval for a procurement to examine the IT and general application controls for the state's new Medicaid control system, also known as ARIES. She recalled that the committee had approved the procurement for FY 21 audit activities and explained the request is for approval to continue activities for FY 22. She noted that the estimated cost [for FY 22 contract continuation] was \$80,000 and that the request was being made not to exceed \$85,000 for FY 22 so that further approval from the committee would not be required should the contract scope expand and the amount exceed the estimated

\$80,000. She noted that the entire contract [for FY 21 and FY22] is not to exceed \$138,000.

[8:38:18 AM](#)

CHAIR VON IMHOF removed her objection and sought any objection from members of the committee. There being none, the motion passed.

[8:38:27 AM](#)

REPRESENTATIVE TUCK moved that any remote, full-time employment of non-residents would be limited to two within the department.

CHAIR VON IMHOF objected.

[8:38:43 AM](#)

MS. CURTIS stated that the loss of staff that she had mentioned earlier was the reason for the potential offering of remote work limited to no more than two employees and that the recruitment involved that of very specialized skillsets needed to meet the agency's mission.

[8:39:17 AM](#)

CHAIR VON IMHOF removed her objection and sought any objection from members of the committee. There being none, the motion passed.

[8:39:33 AM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 8:39 a.m.