

TO: Board of Directors
FROM: Becky Monagle, Finance Director
DATE: May 5, 2015
SUBJECT: Independent Audit Report

Last fall, ASMI initiated an audit of the financial transactions for FY14 which was completed by Altman, Rogers & Co. There is a copy of the audit findings along with your board packet. A summary of the recommendations and the steps that we are currently pursuing are as follows:

1. Develop written procurement policy recommended to be approved by State of Alaska (SOA) Chief Procurement Officer at the Department of Administration. *It had not been determined if the existing procurement policies and procedures (P&P) was ever approved by the Board of Directors. In your board packet, there is a current P&P pending board approval. It is not necessary for the SOA Chief Procurement Officer to approve being that ASMI is exempt per 36.30, it is up to the Board to set policy and procedures.*
2. All expenditures need to be fully supported. *This changed immediately with my hire as the Finance Director and my subsequent hires for fiscal staff when turnover occurred. All expenditures are fully supported and compliant with the requirements of the Alaska Administrative Manual (AAM). All documents are certified by the Department of Commerce, Community and Economic Development and they have final authority for ensuring that the document is fully supported.*
3. Travel should be supported by applicable approvals. *Again, there were immediate changes to the travel forms/process upon my hire. I implemented a Travel Authorization log to track travel documents, ASMI started to use the State of Alaska travel form which is required for all SOA travelers. This allows for all of the appropriate information to be captured and be consistent with State procedures and requirements per the AAM. Guidance was sent out to all committee and board members as to travel rules and policies which will allow a streamlined process and timely reimbursements.*
4. Vendor bidding documentation should be in the purchase packet to show due diligence in the procurement process. *In February, ASMI hired Jeanne Mungle who has a wealth of procurement knowledge with years of experience in State of Alaska procurement. She has instituted a process for following the correct procurement processes and ensuring that documentation is organized both in electronic format as well as maintaining hard copy files. We continue to improve in this area of the fiscal section as we move through the hundreds of contracts and procurements that ASMI initiates.*
5. Ensuring that the hosting policy is followed for purchase of alcoholic beverages. *We are adhering to this currently. Anytime alcohol is purchased, a copy of the hosting policy that identifies this authority is attached to any document needing to be certified and processed as supporting backup.*

Other minor changes have occurred in the fiscal section to maintain efficiencies in our processes as well as providing the guidance to staff, committee and board members as to why we are requiring certain information. The fiscal section will strive to continue this process in the upcoming months/years as we face challenges in the budget climate as well as the implementation of a new state accounting system.