

State Board of Internal Control Minutes

Date: June 30th, 2020

Location: Room 414
State Capitol Building (4th floor)
500 E. Capitol Ave.
Pierre, SD

Time: 11:00-11:39 AM

1. Roll Call of Board Members –

- A. Liza Clark called the meeting to order at 11:00 AM
 - i. Clark Introduced Chris Petersen, GFP, as a newly appointed member of the board

B. Allysen Kerr called the roll

Members present:

- i. Kellie Beck – DOT
- ii. Liza Clark – BFM
- iii. Heather Forney – BOR
- iv. Aaron Olson – UJS
- v. Rich Sattgast – State Auditor
- vi. Chris Petersen - GFP
 - 1. Quorum is present

2. Approval of Agenda

A. Motion to approve agenda

- i. IT WAS MOVED by Kellie Beck, seconded by Rich Sattgast
- ii. The motion carried with unanimous voice vote.

3. Approval of Minutes

A. Motion to approve minutes from March 24th, 2020

- i. IT WAS MOVED by Heather Forney, seconded by Kellie Beck
- ii. The motion carried with unanimous voice vote

4. Recurring Discussion Items

A. Sub-recipient Audit Notifications from DLA (SDCL 1-56-9)

i. Department of Social Services

- 1. Laurie Mikkonen – DSS presented on the finding relating to subrecipient Lutheran Social Services.

2. Clark- Mentioned that LSS has had audit findings for several years and asked about directing Allysen Kerr to research when we would bring the subrecipient before the board.
3. Forney- As a former auditor, seeing repeat findings like this is concerning. I am encouraged by the plan to hire a compliance coordinator but still am concerned so I agree with that suggestion.

ii. Department of Transportation

1. Jack Dokken – DOT presented on the finding relating to subrecipient West River Transit Authority Inc. dba Prairie Hills Transit.

iii. Department of Public Safety

1. Cora Olson – DPS presented on the finding related to subrecipient Children’s Home Society.
2. Forney- You said you are reviewing time sheets, is that a new process or something you were doing prior to this report?
 - a. Olson- That is new, our new online reporting system allows us to do that.
3. Forney- So since you have 2 years of the same finding, do you think you would have caught these errors with the new system?
 - a. We have transitioned from DSS to DPS since that time, I am not aware of the process before DPS but since we have moved yes.

B. GOAC Update –

- i. Clark- Provided a brief review of the last GOAC meeting

5. Internal Control Quarterly Report

A. Statewide

i. GRC Technology Demo

1. Allysen Kerr presented a demonstration of the new GRC technology software used by the Internal Control Program
2. Chris Petersen- The new system using Microsoft sign in system they can do that anywhere and not be just in the central finance office?
 - a. Allysen Kerr- That is correct, it is an online tool so can be accessed anywhere

B. Agency

i. Bureau of Finance and Management

1. Steven Kohler presented on the BFM report
2. Chris Petersen- When you are doing your attestations when are you doing that? Summer and Fall? What is working for you?
 - a. It is every 6 months, so about a month before we come to this meeting.

ii. Department of Revenue

1. Toni Richardson presented on the DOR report

6. Framework Project Update

A. FY2021 Work Plan

- i. Allysen Kerr - Reviewed the proposed work plan. Announced that the Department of Agriculture would be conducting the next implementation starting in July.

7. Other Discussion Items

A. Sub-Recipient Grant Agreement Template Adoption

- i. Allysen Kerr and Ann Holzhauser presented on a change to the template. This was necessary due to Executive Order 2020-01.
- ii. Motion to Adopt by Rich Sattgast, seconded by Kellie Beck.
 - 1. Kellie Beck – Aye
 - 2. Liza Clark – Aye
 - 3. Heather Forney – Aye
 - 4. Aaron Olson – Aye
 - 5. Chris Petersen – Aye
 - 6. Rich Sattgast – Aye
- iii. All present vote aye – motion carries

8. Agenda Items for Next Meeting-

- A. Clark Requested Items for the next meeting
 - i. None

9. Public Comment-

- A. Clark Requested if anyone from the public would like to testify
 - i. None

10. Adjourn-

- A. Motion to Adjourn by Aaron Olson, Seconded by Chris Petersen
 - i. ii. The motion carried with unanimous voice vote.