

# State Board of Internal Control Minutes

**Date:** December 17<sup>th</sup>, 2020

**Location:** Zoom Meeting:  
<https://state-sd.zoom.us/j/95875552634?pwd=R3BJQnkxY25tT2R0TmRqZWc4cjZGdz09>  
or call in using the following credentials: 1-346-248-7799, Meeting ID: 958 7555 2634, Passcode: 326259

Room 413  
State Capitol Building (4th floor)  
500 E. Capitol Ave.  
Pierre, SD

**Time:** 10:00 AM

## 1. Roll Call of Board Members

A. Liza Clark called the meeting to order at 10:01 AM

B. Allysen Kerr called the roll

Members present:

- i. Kellie Beck – DOT
- ii. Liza Clark – BFM
- iii. Heather Forney – BOR
- iv. Greg Sattizahn – UJS
- v. Brenda Tidball-Zeltinger – DSS
- vi. Chris Petersen – GFP/SDDA
- vii. Rich Sattgast – State Auditor
  - a. Quorum is present

## 2. Approval of Agenda

A. Motion to approve agenda

- i. IT WAS MOVED by SATTGAST, seconded by BECK
- ii. The motion carried with a roll call vote.

## 3. Approval of Minutes

A. Motion to approve minutes from August 26<sup>th</sup>, 2020

- i. IT WAS MOVED by FORNEY, seconded by PETERSEN
- ii. The motion carried with a roll call vote.

## 4. Recurring Discussion Items

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

i. Department of Education

1. Cody Stoesser – Finance Officer for DOE discussed the finding for the YMCA of Rapid City, regarding payroll testing errors.

The auditor recommended all payroll be reviewed. DOE discussed a plan of action with YMCA Rapid City plan going forward. DOE is happy with the action plan and confident it solves the issue.

2. Cody Stoeser gave an overview of how some grant funds are awarded through DOE, how they're monitored, and what happens if there is a finding during an audit of one of these grants.

## **ii. Department of Human Services**

1. Greg Evans – Western South Dakota Senior Services had an audit finding from their 2019 audit, related to preparation of financial statements and notes around financial statements. This issue is common in other organizations. A footnote template has been formed to prevent future findings. Greg Evans will send the template to Allysen Kerr to distribute to other state agencies.

## **B. GOAC Update**

- i. Liza Clark indicated that GOAC met five times since our last SBIC meeting: July 23<sup>rd</sup>, August 26<sup>th</sup>, September 23<sup>rd</sup> and 24<sup>th</sup>, and November 19<sup>th</sup>. She reviewed the committee meetings.

## **5. Internal Control Quarterly Report**

### **A. Statewide**

- i. Allysen Kerr provided an update on the successful framework rollout to three agencies – BFM, DOR, SDDA – and provided other updates.

### **B. Agency**

#### **i. Bureau of Finance and Management**

1. Steven Kohler, Director at BFM, complimented the new online platform and updated the board of BFM's 187 documented risks, 14% are rated high or critical. BFM is reporting a 100% response rate in control owner assessments and no independent audit issues.

#### **ii. Department of Revenue**

1. Toni Richardson, Director at DOR, complimented the new internal control software and noted that it was helpful for reviewing their risks and controls during the past 6 months. She also updated the board of DOR's 298 identified risks, 38% of which are considered high or critical.
2. DOR identified 3 control issues during this reporting cycle – 1 high and 2 critical. They plan to have these remediated before the next attestation cycle in June, and also plan to continue to review all DOR risks and controls.

### **iii. Department of Agriculture**

1. Chris Petersen, Finance Officer at GFP & SDDA, updated the board of the SDDA's 375 risks. 100% of their control attestations were completed on time which identified 24 control issues.
2. Chris mentioned working with DENR staff on beginning the Internal Control process.

### **iv. Merging of DENR & AG**

1. Allysen Kerr gave an update on the merger of DENR & Ag into DANR, effective April if the Governor's Executive Order is approved. The Internal Control process will be put on hold until after the merger of the two agencies.

## **6. Framework Project Update**

### **A. Department of Game, Fish and Parks**

- i. Allysen Kerr provided an update on the completion of the rollout in GFP. Allysen also complimented GFP on their dedication to seeing this project through.
- ii. Allysen gave an overview of the 7-week implementation process each agency will go through during implementation.
- iii. Chris Petersen told what the process looked like for GFP's implementation process.

### **B. Department of Tourism, Department of Tribal Relations**

- i. Allysen Kerr is in the process of training the internal control officer for DTR and TOUR; the rest of their work will resume the week of January 4.

## **7. Other Discussion Items**

A. N/A

## **8. Agenda Items for Next Meeting**

A. N/A

## **9. Public Comment**

A. N/A

## **10. Adjourn**

### **A. Motion to Adjourn**

- i. IT WAS MOVED by BECK, seconded by SATTGAST
- ii. The motion carried with a roll call vote.

Note: This meeting is being held in a physically accessible location. Individuals with disabilities who require a reasonable accommodation in order to participate in the meeting should contact the Bureau of Finance and Management at 605-773-3411. Please request the accommodation at least 2 business days prior to the meeting.