

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.