

State Board of Internal Control (SBIC)
State Capitol Building 4th Floor Room 414
September 24th, 2018
10:00 am to 10:24 am (CST)

1. Roll Call of Board Members

- A. Clark called the meeting to order
- B. Mark Quasney called the roll. Members present:
 - i. Steve Barnett – State Auditor
 - ii. Brenda Tidball-Zeltinger – DSS
 - iii. Monte Kramer – BOR
 - iv. Greg Sattizahn – UJS
 - v. Kellie Beck – DOT
 - vi. Kari Williams – DOH
 - vii. Liza Clark – BFM
 - a. Quorum is present

2. Approval of Agenda

- A. Motion to approve agenda
 - i. IT WAS MOVED by Kramer, seconded by Beck
 - ii. The motion carried with unanimous voice vote.

3. Approval of Minutes

- A. Motion to approve minutes
 - i. IT WAS MOVED by Beck, seconded by Barnett.
 - ii. The motion carried with unanimous voice vote.

4. Recurring Discussion Items

- A. Sub-recipient Audit Notifications from DLA (SDCL 1-56-9)
 - i. Denice Houlette, with the Office of Budget and Finance within the Department of Human Services, discusses the notification received. This is not a repeat of a finding. The recommendation is for managers to verify all check approvals before signing and that all checks have two signatures. Ms. Houlette further discussed the corrective action plan handout. The corrective plan was implemented immediately, and DHS has been in contact with Disability Rights to ensure this change has been completed and added to their policy. The DHS audit staff will be reviewing transactions to make sure the corrective measures were put in place and are being followed.
- B. GOAC Update (07/24/2018 & 08/28/2018)
 - i. Chair Clark discussed the two GOAC meetings since the last SBIC meeting. A lot of time during these meetings focused on performance management indicators. GOAC also discussed DOC's juvenile corrections report, space management within BOA, direct benefit from a contract information with DLA and BHR, the SBIC annual work plan, SDHDA annual report, grant outcomes and how they could measure them, and information related to the technical institutes. The biggest item they have been discussing is the performance measurements within agencies.

5. SBIC FY19 Work Plan

- A. Mr. Quasney discussed the work plan for the coming year and reviewed the specific tasks to be completed or reported on during the next several meetings.

6. Internal Control Framework Update

- A. Mr. Quasney discussed the pilot with BFM and beginning the pilot with DOR. The framework draft is around 50 pages in length. The framework deals with how we operationalize the COSO principles within South Dakota. Chair Clark stated the board will spend most of their time during the December meeting looking at the framework.
- B. Mr. Kramer asked if it is only BFM working with the vendor, or if there are other agencies working on this, as well? Mr. Quasney stated there were several representatives from other agencies that make up the steering committee. The plan is to allow the steering committee to provide feedback on the framework.
- C. Chair Clark discussed how the vendor is working with DOR, and how Mr. Quasney is taking a more active role with BFM, as well as going forward as we implement this framework in other agencies. Also, having the agencies who have gone through the process be involved with other agency implementations will be helpful.

7. Other Discussion Items

- A. None.

8. Agenda Items for Next Meeting

- A. Chair Clark stated the work plan and framework will be recurring items.
- B. Ms. Tidball-Zeltinger stated it would be helpful to have the agencies who were involved with the pilot to discuss lessons learned with the Board.

9. Public Comment

- A. None.

10. Adjourn

- A. IT WAS MOVED by Beck, seconded by Williams.
- B. The motion carried by unanimous voice vote.