

**State Board of Internal Control (SBIC)**  
State Capitol Building 4<sup>th</sup> Floor Room 413  
January 3rd, 2019  
10:00 am to 10:24 am (CST)

## **1. Roll Call of Board Members**

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

## **2. Approval of Agenda**

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

## **3. Approval of Minutes**

- A. Motion to approve minutes from 9/24/18 and 11/05/18
  - i. IT WAS MOVED by Monte Kramer, seconded by Greg Sattizahn
  - 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 Public Safety (Tyler Steen)
    - a. Tyler Steen discussed the audit finding relating to duplicate costs submitted for reimbursement through a FEMA grant. Claimant self-identified the issue to DPS prior to the audit finding. DPS issued the management decision in November 2018. After the federal government shutdown is over, DPS is hoping to resolve this issue.
    - b. DPS will discuss again at a future board meeting since the incorrect audit report was attached to the agenda.
- B. GOAC Update
  - i. Liza Clark discussed the GOAC meeting on September 25, 2018. Among the agenda items was discussion from DLA on federal programs, draft risk evaluations forms for federal programs, and authority for rule making; BOA performance management indicators; UJS debt collection process before turning it over to the Obligation Recovery Center (ORC); South Dakota High School Activities Association provided information on its financial statements; DOE

annual report of the Workforce Education Fund and update on work done to develop the dyslexia programs; GOED annual report of Building South Dakota programs; and DPS annual report from the 911 coordination board.

- ii. Liza Clark discussed the most recent GOAC meeting on October 25, 2018. Among the agenda items was discussion from DPS in Executive Session on terrorism preparedness and security for the pipeline project; DSS child support collection process; SD Board of Technical Education revised annual accountability report for the technical institutes; DLA trend information for Other Funds and draft GOAC annual report, DOC performance revised performance indicators, and DOT update on railroad issues.

## 5. Internal Control Framework Adoption

### A. Mark Quasney

- i. Introduced framework at last board meeting. The framework was posted online for comments and discussed with internal control officers. Most questions were how implementation would work and staffing and resource concerns. Overall, the comments were positive. No substantive changes were made to the proposed framework.
- ii. IT WAS MOVED by Brenda Tidball-Zeltinger, "to adopt the State of South Dakota Statewide Internal Control Framework as the guidelines for a system of internal control established by the Board pursuant to SDCL § 1-56-6." Seconded by Kellie Beck
- iii. Mark Quasney called the roll
  - a. Kellie Beck - aye
  - b. Liza Clark - aye
  - c. Monte Kramer - aye
  - d. Greg Sattizahn - aye
  - e. Brenda Tidball-Zeltinger - aye
  - f. Kari Williams- aye
  - g. Steve Barnet - excused
  - h. Motion passed
- iv. Brenda Tidball-Zeltinger asked if there was anything agencies can do now to prepare for implementation?
  - a. Mark Quasney recommended looking at strategic planning documents and communicate to agency staff. Liza Clark indicated BFM will be in touch for formal process closer to implementation.
- v. Monte Kramer asked if the universities would be implemented separately or together?
  - a. Mark Quasney responded we have been taking a division-based approach. We would need to look at capacity to implement and discuss further to determine the best approach.

## 6. Ongoing Risk Assessment

### A. Mark Quasney provided an update on Process

- i. There have been good discussions and finding one solution is difficult. A lot of agencies are doing good things in this area.
- ii. Discussed the need to educate agencies on the monitoring guide.
  - a. Proposal to add section D to number 1.
  - b. Board will look at adopting at next meeting.

- iii. Working on creating a SharePoint site where agencies can upload and share documents amongst each other

## **7. Other Discussion Items**

- A. Brenda Tidball-Zeltinger asked for explanation of the process and timing for bringing to the Board subrecipient audit findings.
  - i. Mark Quasney indicated he is notified at same time as agency. The agency has 6 months to issue a management decision on the audit findings. He hopes to bring the agency before the board within the 6 months.

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

- A. Sub-recipient Audit Findings
  - i. Any new ones and readdress Public Safety's sub-recipient audit finding.
- B. RFP technology options
- C. Update on BFM and DOR for framework implementation
- D. On-going risk assessment vote

## **9. Public Comment**

- A. None.

## **10. Adjourn**

- A. IT WAS MOVED by Kellie Beck, seconded by Greg Sattizahn
- B. The motion carried with unanimous voice vote.