State of South Dakota

Self-assessment and internal control report

Date: September 29, 2022

FY 2023 **QTR** 1

Agencies under review this reporting period:

- Department of Game, Fish, and Parks
- Department of the Military
- Department of Public Safety

Executive Summary

The State of South Dakota Internal Control Framework has been successfully rolled out to eleven agencies: the Bureau of Finance & Management, the Department of Revenue, the Department of Agriculture, the Department of Game, Fish & Parks, the Department of Tribal Relations, the Department of Tourism, the Department of Corrections, the Department of the Military, School and Public Lands, the Office of the State Auditor, and the Department of Public Safety. These agencies have documented their objectives, risks and controls which are subject to periodic revision.

Due to a merger between the Department of Agriculture and the Department of Environment and Natural Resources, work done at the Department of Agriculture is temporarily suppressed. We will resume this work as well as refresh it to reflect the new agency when the framework is rolled out to Department of Agriculture and Natural Resources.

The Framework provides for the need to monitor, test and report control deficiencies as part of the first line of defense activities. This report details the results and findings as part of the self-assessments performed by the control owners in each division. The following activities were performed as part of the self-assessment:

- Control owners and Agency Internal Control Officers completed a review of their objectives, risks, and controls to ensure their matrix was up to date. This includes changing risks, risk ratings, objectives, and prioritizations where necessary;
- Control owners completed a self-assessment/attestation for their respective controls validating control effectiveness;
- Control owners are documenting remediation plans for control deficiencies where applicable;
- Control owners received training on attestation completion;
- The Statewide Internal Control Officer reviewed the key information reported by all relevant parties and provided guidance where necessary.

Overall, we had a 100% response rate on the control owner attestations this quarter.

Statewide Self-Assessment Results

Agencies represented in this report:

- Finance and Management
- Revenue
- Game, Fish & Parks
- Tribal Relations
- Tourism
- Corrections
- Military
- School and Public Lands
- Office of the State Auditor
- Public Safety

Statewide

Metric	Details	Quarter 1, FY 23		Quarter 4, FY 22		Quarter 3, FY 22		Quarter 2, FY 22	
Risk by Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Public Perception	191	10.0%	167	10.0%	164	10.7%	162	11.2%
	Technology	70	3.7%	60	3.6%	51	3.3%	51	3.5%
	Operational	1151	60.5%	1031	61.8%	940	61.5%	883	61.0%
	Compliance	277	14.5%	216	12.9%	188	12.3%	168	11.6%
	Financial	215	11.3%	195	11.7%	186	12.2%	184	12.7%
	Fraud	0	0.0%	0	0.0%	0	0.0%	0	0.0%
		1904	**100%**	**1669**	**100%**	**1529**	**100%**	**1448**	**100%**
Risk by Priority	Low	575	30.2%	522	31.3%	474	31.0%	438	30.2%
	Medium	1033	54.3%	888	53.2%	812	53.1%	771	53.2%
	High	194	10.2%	166	9.9%	162	10.6%	158	10.9%
	Critical	102	5.4%	93	5.6%	81	5.3%	81	5.6%
		1904	**100%**	**1669**	**100%**	**1529**	**100%**	**1448**	**100%**
Control Owner Self-Assessments	Completed On-time	100%		98.1%		91.8%		100%	
Critical / High Priority Risks with an Identified Control Issue	High	10	5.2%	7	3.6%	13	6.7%	10	5.2%
	Critical	1	1%	5	4.9%	1	1%	1	1%
		11	**3.7%**	**12**	**4.1%**	**14**	**4.7%**	**11**	**3.7%**
Past Due Remediation Actions		0		0		0		0	
Risks with Priority Changes		0		0		0		0	
New Control Issues by Risk Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Public Perception	2	22.2%	0	0.0%	0	0.0%	1	10.0%
	Technology	0	0.0%	1	8.3%	0	0.0%	1	10.0%
	Operational	5	55.6%	10	83.3%	11	84.6%	3	30.0%
	Compliance	1	11.1%	1	8.3%	1	7.7%	2	20.0%
	Financial	1	11.1%	0	0.0%	1	7.7%	3	30.0%
	Fraud	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Open Control Issues		3		3		1		1	
Preventive vs. Detective Controls		43% vs. 57%		40.5% vs. 59.5%		39.1% vs. 60.9%		39.8% vs. 60.2%	
Controls by Frequency	Ad-Hoc	199	44.5%	179	43.4%	167	42.2%	160	41.1%
	Daily	57	12.8%	55	13.3%	54	13.6%	54	13.9%
	Weekly	11	2.5%	10	2.4%	10	2.5%	10	2.6%
	Bi-Weekly	6	1.3%	6	1.5%	5	1.3%	5	1.3%
	Monthly	66	14.8%	62	15.0%	62	15.7%	62	15.9%
	Bi-Monthly	3	0.7%	3	0.7%	3	0.8%	3	0.8%
	Quarterly	16	3.6%	13	3.2%	12	3.0%	12	3.1%
	Semi-Annually	9	2.0%	7	1.7%	7	1.8%	7	1.8%
	Annually	80	17.9%	77	18.7%	76	19.2%	76	19.5%
		447	**100%**	**412**	**100%**	**396**	**100%**	**389**	**100%**

Department of Game, Fish & Parks

Agency Internal Control Officer
Chris Petersen

Director/ Finance Officer

Last review period:
March 31, 2022

Date of review:
September 29, 2022

Department of Game, Fish & Parks

Metric	Details	Quarter 1, FY 23		Quarter 3, FY 22		Quarter 1, FY22		Quarter 3, FY21	
Risk by Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Public Perception	61	16.2%	61	16.2%	61	16.2%	61	16.2%
	Technology	14	3.7%	14	3.7%	14	3.7%	14	3.7%
	Operational	256	68.1%	256	68.1%	256	68.1%	256	68.1%
	Compliance	16	4.3%	16	4.3%	16	4.3%	16	4.3%
	Financial	29	7.7%	29	7.7%	29	7.7%	29	7.7%
	Fraud	0	0.0%	0	0.0%	0	0.0%	0	0.0%
		376	**100%**	**376**	**100%**	**376**	**100%**	**376**	**100%**
Risk by Priority	Low	83	22.1%	83	22.1%	83	22.1%	83	22.1%
	Medium	230	61.2%	230	61.2%	230	61.2%	230	61.2%
	High	46	12.2%	46	12.2%	46	12.2%	46	12.2%
	Critical	17	4.5%	17	4.5%	17	4.5%	17	4.5%
		376	**100%**	**376**	**100%**	**376**	**100%**	**376**	**100%**
Control Owner Self-Assessments	Completed On-time	100%		91%		73.8%		94.3%	
Critical / High Priority Risks with an Identified Control Issue	High	4	8.7%	12	26.1%	8	17.4%	11	23.9%
	Critical	1	5.9%	1	5.9%	0	0%	5	29.4%
		5	**7.9%**	**13**	**20.6%**	**8**	**12.7%**	**16**	**25.4%**
Past Due Remediation Actions		0		0		0		0	
Risks with Priority Changes		0		0		0		0	
New Control Issues by Risk Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Public Perception	0	0.0%	0	0.0%	0	0.0%	2	12.5%
	Technology	0	0.0%	1	7.7%	0	0.0%	0	0.0%
	Operational	4	80.0%	11	84.6%	7	87.5%	14	87.5%
	Compliance	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	Financial	1	20.0%	1	7.7%	1	12.5%	0	0.0%
	Fraud	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Open Control Issues		0		0		0		0	
Control Issues by Division	GFP Administration	2	40.0%	8	61.5%	2	25.0%	2	14.3%
	GFP Cap Development & Fed Aid	1	20.0%	1	7.7%	0	0.0%	1	7.1%
	GFP Communications & Marketing	0	0.0%	2	15.4%	1	12.5%	0	0.0%
	GFP Education	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	GFP Habitat Access	1	20.0%	0	0.0%	2	25.0%	1	7.1%
	GFP Law Enforcement	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	GFP Parks Operations	1	20.0%	0	0.0%	0	0.0%	3	21.4%
	GFP WDM	0	0.0%	0	0.0%	0	0.0%	4	28.6%
	GFP Wildlife & Fisheries Mgmt.	0	0.0%	2	15.4%	3	37.5%	3	21.4%
Controls with Independent Audit Issues		**0**		**0**		**0**		**0**	
Controls with Repeat Issues		**0**		**0**		**0**		**0**	
Preventive vs. Detective Controls		16.7% vs. 83.3%		16.7% vs. 83.3%		16.7% vs. 83.3%		16.9% vs. 83.1%	
Controls by Frequency	Ad-Hoc	34	47.2%	34	47.2%	34	47.2%	33	46.5%
	Daily	2	2.8%	2	2.8%	2	2.8%	2	2.8%
	Weekly	1	1.4%	1	1.4%	1	1.4%	1	1.4%
	Bi-Weekly	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	Monthly	4	5.6%	4	5.6%	4	5.6%	4	5.6%
	Bi-Monthly	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	Quarterly	2	2.8%	2	2.8%	2	2.8%	2	2.8%
	Semi-Annually	1	1.4%	1	1.4%	1	1.4%	1	1.4%
	Annually	28	38.9%	28	38.9%	28	38.9%	28	39.4%
		72	**100%**	**72**	**100%**	**72**	**100%**	**71**	**100%**

Department of the Military

Agency Internal Control Officer
Connie Hohn, Deputy Secretary

Last review period:
March 31, 2022

Date of review:
September 29, 2022

Department of the Military

Metric	Details	Quarter 1, FY 23		Quarter 3, FY 22		Quarter 1, FY22		Quarter 3, FY21	
Risk by Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Public Perception	2	2.5%	2	2.5%	0	0%	0	0%
	Technology	0	0.0%	0	0.0%	0	0%	0	0%
	Operational	57	70.4%	57	70.4%	0	0%	0	0%
	Compliance	20	24.7%	20	24.7%	0	0%	0	0%
	Financial	2	2.5%	2	2.5%	0	0%	0	0%
	Fraud	0	0.0%	0	0.0%	0	0%	0	0%
		81	**100%**	**81**	**100%**	**0**	**0%**	**0**	**0%**
Risk by Priority	Low	36	44.4%	36	44.4%	0	0%	0	0%
	Medium	41	50.6%	41	50.6%	0	0%	0	0%
	High	4	4.9%	4	4.9%	0	0%	0	0%
	Critical	0	0.0%	0	0.0%	0	0%	0	0%
		81	**100%**	**81**	**100%**	**0**	**0%**	**0**	**0%**
Control Owner Self-Assessments	Completed On-time	100%		100%		0%		0%	
Critical / High Priority Risks with an Identified Control Issue	High	1	25%	1	25%	0	0%	0	0%
	Critical	0	0%	0	0%	0	0%	0	0%
		1	**25%**	**1**	**25%**	**0**	**0%**	**0**	**0%**
Past Due Remediation Actions		0		0		0		0	
Risks with Priority Changes		0		0		0		0	
New Control Issues by Risk Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Public Perception	0	0.0%	0	0.0%	0	0%	0	0%
	Technology	0	0.0%	0	0.0%	0	0%	0	0%
	Operational	0	0.0%	0	0.0%	0	0%	0	0%
	Compliance	1	100.0%	1	100.0%	0	0%	0	0%
	Financial	0	0.0%	0	0.0%	0	0%	0	0%
	Fraud	0	0.0%	0	0.0%	0	0%	0	0%
Total Open Control Issues		0		0		0		0	
Control Issues by Division	DOM Adjutant General	1	100.0%	1	100.0%	0	0%	0	0%
	DOM Air Guard	0	0.0%	0	0.0%	0	0%	0	0%
	DOM Army Guard	0	0.0%	0	0.0%	0	0%	0	0%
Controls with Independent Audit Issues		**0**		**0**		**0**		**0**	
Controls with Repeat Issues		**0**		**0**		**0**		**0**	
Preventive vs. Detective Controls		0% vs. 100%		0% vs. 100%		0% vs. 0%		0% vs. 0%	
Controls by Frequency	Ad-Hoc	7	100.0%	7	100.0%	0	0%	0	0%
	Daily	0	0.0%	0	0.0%	0	0%	0	0%
	Weekly	0	0.0%	0	0.0%	0	0%	0	0%
	Bi-Weekly	0	0.0%	0	0.0%	0	0%	0	0%
	Monthly	0	0.0%	0	0.0%	0	0%	0	0%
	Bi-Monthly	0	0.0%	0	0.0%	0	0%	0	0%
	Quarterly	0	0.0%	0	0.0%	0	0%	0	0%
	Semi-Annually	0	0.0%	0	0.0%	0	0%	0	0%
	Annually	0	0.0%	0	0.0%	0	0%	0	0%
		7	**100%**	**7**	**100%**	**0**	**0%**	**0**	**0%**

Department of Public Safety

Agency Internal Control Officer Kimberly Blair, Internal Control/ Grant Specialist

Last review period: N/A

Date of review: September 29, 2022

Department of Public Safety

Metric	Details	Quarter 1, FY 23		Quarter 3, FY 22		Quarter 1, FY22		Quarter 3, FY21	
Risk by Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Public Perception	24	10.2%	0	0%	0	0%	0	0%
	Technology	10	4.3%	0	0%	0	0%	0	0%
	Operational	120	51.1%	0	0%	0	0%	0	0%
	Compliance	61	26.0%	0	0%	0	0%	0	0%
	Financial	20	8.5%	0	0%	0	0%	0	0%
	Fraud	0	0.0%	0	0%	0	0%	0	0%
		235	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
Risk by Priority	Low	53	22.6%	0	0%	0	0%	0	0%
	Medium	145	61.7%	0	0%	0	0%	0	0%
	High	28	11.9%	0	0%	0	0%	0	0%
	Critical	9	3.8%	0	0%	0	0%	0	0%
		235	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
Control Owner Self-Assessments	Completed On-time	100%		0%		0%		100%	
Critical / High Priority Risks with an Identified Control Issue	High	2	7.1%	0	0%	0	0%	0	0%
	Critical	0	0%	0	0%	0	0%	0	0%
		2	**5.4%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
Past Due Remediation Actions		0		0		0		0	
Risks with Priority Changes		0		0		0		0	
New Control Issues by Risk Type		Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Public Perception	2	66.7%	0	0%	0	0%	0	0%
	Technology	0	0.0%	0	0%	0	0%	0	0%
	Operational	1	33.3%	0	0%	0	0%	0	0%
	Compliance	0	0.0%	0	0%	0	0%	0	0%
	Financial	0	0.0%	0	0%	0	0%	0	0%
	Fraud	0	0.0%	0	0%	0	0%	0	0%
Total Open Control Issues		0		0		0		0	
Control Issues by Division	DPS Administration	1	50.0%	0	0%	0	0%	0	0.0%
	DPS Criminal Justice Services	1	50.0%	0	0%	0	0%	0	0.0%
	DPS Emergency Services	0	0.0%	0	0%	0	0%	0	0.0%
	DPS Highway Patrol	0	0.0%	0	0%	0	0%	0	0.0%
	DPS Wildland Fire	0	0.0%	0	0%	0	0%	1	100.0%
Controls with Independent Audit Issues		**0**		**0**		**0**		**0**	
Controls with Repeat Issues		**0**		**0**		**0**		**0**	
Preventive vs. Detective Controls		67.6% vs. 32.4%		0% vs. 100%		0% vs. 100%		0% vs. 100%	
Controls by Frequency	Ad-Hoc	20	52.6%	0	0.0%	0	0.0%	0	0.0%
	Daily	2	5.3%	0	0.0%	0	0.0%	0	0.0%
	Weekly	1	2.6%	0	0.0%	0	0.0%	0	0.0%
	Bi-Weekly	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	Monthly	4	10.5%	0	0.0%	0	0.0%	0	0.0%
	Bi-Monthly	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	Quarterly	3	7.9%	0	0.0%	0	0.0%	0	0.0%
	Semi-Annually	2	5.3%	0	0.0%	0	0.0%	0	0.0%
	Annually	6	15.8%	3	100.0%	3	100.0%	3	100.0%
		38	**100%**	**3**	**100%**	**3**	**100%**	**3**	**100%**

Framework Project Update

Complete

- Internal Control Framework drafted and adopted
- Implementation training material developed and updated
- GRC Technology implemented
- Extended INRY contract for ServiceNow GRC administrative support
- Extended PwC consulting contract extension
- Rolled out to eleven agencies (BFM, DOR, SDDA, GFP, DTR, TOUR, DOC, DOM, SPL, OSA, and DPS)
- Presented Annual Work Plan to GOAC in August 2022

In progress

- Implementation wrap-up at Department of Social Services
- Implementation work at Department of Health is underway
- Planning for future implementations

Not started

- Implementation at Department of Education