# INTERNAL CONTROL QUARTERLY REPORT

## PREPARED FOR THE STATE BOARD OF INTERNAL CONTROL

PREPARED BY

Allysen Kerr | Statewide Internal Control Officer

# Executive Summary

## Introduction

The State of South Dakota Internal Control Framework has been successfully rolled out to thirteen 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, the Department of Public Safety, the Department of Social Services, and the Department of Health. 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.

## Our Intent

The Statewide Internal Control Framework enables the State and its individual Agencies to implement an adaptive, effective internal control system with the intent to continually improve accountability in achieving Agency and State objectives. The Framework consists of a set of Standards which provide guidance for establishing, maintaining, assessing, and reporting effective internal controls across the State.

# Strategy & Implementation

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.

## Control Attestation Summary

Overall, we had a 94.1% response rate on the control owner attestations this quarter.

94.1%
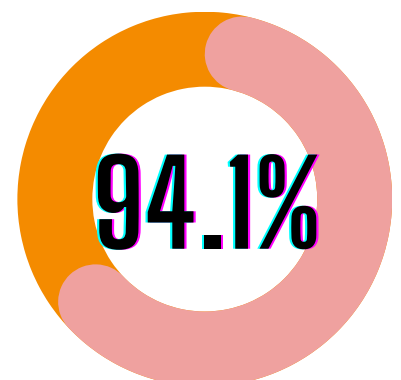
# STATEWIDE SUMMARY

**Allysen Kerr**, Statewide Internal Control Officer
**Last review period:** September 29, 2022 | **Date of review:** March 29, 2023

## Statewide

| Metric | Details | Quarter 3, FY 23 | | Quarter 2, FY 23 | | Quarter 1, FY 23 | | Quarter 4, FY 22 | |
|---|---|---|---|---|---|---|---|---|---|
| Risk by Type | | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| | Public Perception | 275 | 9.6% | 186 | 9.9% | 186 | 9.9% | 162 | 9.8% |
| | Technology | 132 | 4.6% | 73 | 3.9% | 73 | 3.9% | 63 | 3.8% |
| | Operational | 1667 | 58.3% | 1146 | 60.8% | 1146 | 60.8% | 1026 | 62.2% |
| | Compliance | 467 | 16.3% | 273 | 14.5% | 273 | 14.5% | 212 | 12.8% |
| | Financial | 305 | 10.7% | 204 | 10.8% | 204 | 10.8% | 184 | 11.2% |
| | Fraud | 12 | 0.4% | 3 | 0.2% | 3 | 0.2% | 3 | 0.2% |
| | | 2858 | 100% | 1885 | 100% | 1885 | 100% | 1650 | 100% |
| Risk by Priority | Low | 775 | 27.1% | 583 | 30.9% | 583 | 30.9% | 530 | 32.1% |
| | Medium | 1666 | 58.3% | 1045 | 55.4% | 1045 | 55.4% | 900 | 54.5% |
| | High | 299 | 10.5% | 180 | 9.5% | 180 | 9.5% | 152 | 9.2% |
| | Critical | 118 | 4.1% | 77 | 4.1% | 77 | 4.1% | 68 | 4.1% |
| | | 2858 | 100% | 1885 | 100% | 1885 | 100% | 1650 | 100% |
| Control Owner Self-Assessments | Completed On-time | 94.1% | | 100% | | 100% | | 98.1% | |
| Critical / High Priority Risks with an Identified Control Issue | High | 16 | 5.4% | 5 | 1.7% | 7 | 2.3% | 6 | 2% |
| | Critical | 6 | 5.1% | 2 | 1.7% | 1 | 0.8% | 5 | 4.2% |
| | | 22 | 5.3% | 7 | 1.7% | 8 | 1.9% | 11 | 2.6% |
| Past Due Remediation Actions | | 0 | | 0 | | 0 | | 0 | |
| Risks with Priority Changes | | 0 | | 0 | | 0 | | 0 | |
| Open Control Issues by Risk Type | | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| | Public Perception | 3 | 18.8% | 0 | 0.0% | 2 | 22.2% | 0 | 0.0% |
| | Technology | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 1 | 8.3% |
| | Operational | 10 | 62.5% | 5 | 71.4% | 5 | 55.6% | 10 | 83.3% |
| | Compliance | 2 | 12.5% | 2 | 28.6% | 1 | 11.1% | 1 | 8.3% |
| | Financial | 1 | 6.3% | 0 | 0.0% | 1 | 11.1% | 0 | 0.0% |
| | Fraud | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Total Open Control Issues | | 9 | | 6 | | 0 | | 0 | |
| Preventive vs. Detective Controls | | 50.9% vs. 49.1% | | 43.1% vs. 56.9% | | 43.1% vs. 56.9% | | 40.7% vs. 59.3% | |
| Controls by Frequency | Ad-Hoc | 314 | 48.0% | 201 | 44.7% | 199 | 44.7% | 179 | 43.7% |
| | Daily | 85 | 13.0% | 57 | 12.7% | 57 | 12.8% | 55 | 13.4% |
| | Weekly | 20 | 3.1% | 11 | 2.4% | 11 | 2.5% | 10 | 2.4% |
| | Bi-Weekly | 6 | 0.9% | 6 | 1.3% | 6 | 1.3% | 6 | 1.5% |
| | Monthly | 90 | 13.8% | 65 | 14.4% | 65 | 14.6% | 61 | 14.9% |
| | Bi-Monthly | 6 | 0.9% | 3 | 0.7% | 3 | 0.7% | 3 | 0.7% |
| | Quarterly | 21 | 3.2% | 16 | 3.6% | 16 | 3.6% | 13 | 3.2% |
| | Semi-Annually | 11 | 1.7% | 10 | 2.2% | 9 | 2.0% | 7 | 1.7% |
| | Annually | 101 | 15.4% | 81 | 18.0% | 79 | 17.8% | 76 | 18.5% |
| | | 654 | 100% | 450 | 100% | 445 | 100% | 410 | 100% |

# GAME, FISH & PARKS

**Chris Petersen:** Finance Officer and SBIC Board Member
**Last review period:** September 29, 2022 | **Date of review:** March 29, 2023

## Department of Game, Fish & Parks

| Metric | Details | Quarter 3, FY 23 | | Quarter 1, FY 23 | | Quarter 3, FY22 | | Quarter 1, FY22 | |
|---|---|---|---|---|---|---|---|---|---|
| Risk by Type | | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| | Public Perception | 61 | 16.3% | 61 | 16.3% | 61 | 16.3% | 61 | 16.3% |
| | Technology | 14 | 3.7% | 14 | 3.7% | 14 | 3.7% | 14 | 3.7% |
| | Operational | 255 | 68.0% | 255 | 68.0% | 255 | 68.0% | 255 | 68.0% |
| | 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% |
| | | 375 | 100% | 375 | 100% | 375 | 100% | 375 | 100% |
| Risk by Priority | Low | 83 | 22.1% | 83 | 22.1% | 83 | 22.1% | 83 | 22.1% |
| | Medium | 230 | 61.3% | 230 | 61.3% | 230 | 61.3% | 230 | 61.3% |
| | High | 45 | 12.0% | 45 | 12.0% | 45 | 12.0% | 45 | 12.0% |
| | Critical | 17 | 4.5% | 17 | 4.5% | 17 | 4.5% | 17 | 4.5% |
| | | 375 | 100% | 375 | 100% | 375 | 100% | 375 | 100% |
| Control Owner Self-Assessments | Completed On-time | 82.4% | | 100% | | 91% | | 73.8% | |
| Critical / High Priority Risks with an Identified Control Issue | High | 3 | 6.7% | 4 | 8.9% | 11 | 24.4% | 8 | 17.8% |
| | Critical | 0 | 0% | 1 | 5.9% | 1 | 5.9% | 0 | 0% |
| | | 3 | 4.8% | 5 | 8.1% | 12 | 19.4% | 8 | 12.9% |
| Past Due Remediation Actions | | 0 | | 0 | | 0 | | 0 | |
| Risks with Priority Changes | | 0 | | 0 | | 0 | | 0 | |
| Open 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 | 0.0% |
| | Technology | 0 | 0.0% | 0 | 0.0% | 1 | 8.3% | 0 | 0.0% |
| | Operational | 3 | 100.0% | 4 | 80.0% | 10 | 83.3% | 7 | 87.5% |
| | Compliance | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| | Financial | 0 | 0.0% | 1 | 20.0% | 1 | 8.3% | 1 | 12.5% |
| | 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 | 66.7% | 2 | 40.0% | 8 | 66.7% | 2 | 25.0% |
| | GFP Cap Development & Fed Aid | 0 | 0.0% | 1 | 20.0% | 1 | 8.3% | 0 | 0.0% |
| | GFP Communications & Marketing | 0 | 0.0% | 0 | 0.0% | 2 | 16.7% | 1 | 12.5% |
| | GFP Education | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| | GFP Habitat Access | 0 | 0.0% | 1 | 20.0% | 0 | 0.0% | 2 | 25.0% |
| | GFP Law Enforcement | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| | GFP Parks Operations | 0 | 0.0% | 1 | 20.0% | 0 | 0.0% | 0 | 0.0% |
| | GFP WDM | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| | GFP Wildlife & Fisheries Mgmt. | 1 | 33.3% | 0 | 0.0% | 1 | 8.3% | 3 | 37.5% |
| Controls with Repeat Issues | | 0 | | 0 | | 0 | | 0 | |
| Preventive vs. Detective Controls | | 16.9% vs. 83.1% | | 16.9% vs. 83.1% | | 16.9% vs. 83.1% | | 16.9% vs. 83.1% | |
| Controls by Frequency | Ad-Hoc | 34 | 47.9% | 34 | 47.9% | 34 | 47.9% | 34 | 47.9% |
| | 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 | 27 | 38.0% | 27 | 38.0% | 27 | 38.0% | 27 | 38.0% |
| | | 71 | 100% | 71 | 100% | 71 | 100% | 71 | 100% |

## Department of the Military

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

# PUBLIC SAFETY

**Kimberly Blair:** Internal Control/Grant Specialist
**Last review period:** September 29, 2022 | **Date of review:** March 29, 2023

## Department of Public Safety

| Metric | Details | Quarter 3, FY 23 Number | Percent | Quarter 1, FY 23 Number | Percent | Quarter 3, FY22 Number | Percent | Quarter 1, FY22 Number | Percent |
|---|---|---|---|---|---|---|---|---|---|
| Risk by Type | | | | | | | | | |
| | Public Perception | 24 | 10.2% | 24 | 10.2% | 0 | 0% | 0 | 0% |
| | Technology | 10 | 4.3% | 10 | 4.3% | 0 | 0% | 0 | 0% |
| | Operational | 120 | 51.1% | 120 | 51.1% | 0 | 0% | 0 | 0% |
| | Compliance | 61 | 26.0% | 61 | 26.0% | 0 | 0% | 0 | 0% |
| | Financial | 20 | 8.5% | 20 | 8.5% | 0 | 0% | 0 | 0% |
| | Fraud | 0 | 0.0% | 0 | 0.0% | 0 | 0% | 0 | 0% |
| | | 235 | 100% | 235 | 100% | 0 | 0% | 0 | 0% |
| Risk by Priority | Low | 53 | 22.6% | 53 | 22.6% | 0 | 0% | 0 | 0% |
| | Medium | 145 | 61.7% | 145 | 61.7% | 0 | 0% | 0 | 0% |
| | High | 28 | 11.9% | 28 | 11.9% | 0 | 0% | 0 | 0% |
| | Critical | 9 | 3.8% | 9 | 3.8% | 0 | 0% | 0 | 0% |
| | | 235 | 100% | 235 | 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 | 0 | 0% | 2 | 7.1% | 0 | 0% | 0 | 0% |
| | Critical | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | | 0 | 0% | 2 | 5.4% | 0 | 0% | 0 | 0% |
| Past Due Remediation Actions | | 0 | | 0 | | 0 | | 0 | |
| Risks with Priority Changes | | 0 | | 0 | | 0 | | 0 | |
| Open Control Issues by Risk Type | | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| | Public Perception | 0 | 0% | 2 | 66.7% | 0 | 0% | 0 | 0% |
| | Technology | 0 | 0% | 0 | 0.0% | 0 | 0% | 0 | 0% |
| | Operational | 0 | 0% | 1 | 33.3% | 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 | 0 | 0% | 1 | 50.0% | 0 | 0% | 0 | 0% |
| | DPS Criminal Justice Services | 0 | 0% | 1 | 50.0% | 0 | 0% | 0 | 0% |
| | DPS Emergency Services | 0 | 0% | 0 | 0.0% | 0 | 0% | 0 | 0% |
| | DPS Highway Patrol | 0 | 0% | 0 | 0.0% | 0 | 0% | 0 | 0% |
| | DPS Wildland Fire | 0 | 0% | 0 | 0.0% | 0 | 0% | 0 | 0% |
| Controls with Repeat Issues | | 0 | | 0 | | 0 | | 0 | |
| Preventive vs. Detective Controls | | 65.8% vs. 34.2% | | 65.8% vs. 34.2% | | 0% vs. 100% | | 0% vs. 100% | |
| Controls by Frequency | Ad-Hoc | 20 | 52.6% | 20 | 52.6% | 0 | 0.0% | 0 | 0.0% |
| | Daily | 2 | 5.3% | 2 | 5.3% | 0 | 0.0% | 0 | 0.0% |
| | Weekly | 1 | 2.6% | 1 | 2.6% | 0 | 0.0% | 0 | 0.0% |
| | Bi-Weekly | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| | Monthly | 4 | 10.5% | 4 | 10.5% | 0 | 0.0% | 0 | 0.0% |
| | Bi-Monthly | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| | Quarterly | 3 | 7.9% | 3 | 7.9% | 0 | 0.0% | 0 | 0.0% |
| | Semi-Annually | 2 | 5.3% | 2 | 5.3% | 0 | 0.0% | 0 | 0.0% |
| | Annually | 6 | 15.8% | 6 | 15.8% | 3 | 100.0% | 3 | 100.0% |
| | | 38 | 100% | 38 | 100% | 3 | 100% | 3 | 100% |

## Department of Social Services

| Metric | Details | Quarter 3, FY 23 | | Quarter 1, FY 23 | | Quarter 3, FY22 | | Quarter 1, FY22 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Risk by Type | Public Perception | 49 | 9.3% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Technology | 35 | 6.7% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Operational | 260 | 49.5% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Compliance | 104 | 19.8% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Financial | 70 | 13.3% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Fraud | 7 | 1.3% | 0 | 0% | 0 | 0% | 0 | 0% |
| | | 525 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Risk by Priority | Low | 68 | 13.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Medium | 382 | 72.8% | 0 | 0% | 0 | 0% | 0 | 0% |
| | High | 59 | 11.2% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Critical | 16 | 3.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | | 525 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| Control Owner Self-Assessments | Completed On-time | 100% | | 0% | | 0% | | 0% | |
| Critical / High Priority Risks with an Identified Control Issue | High | 2 | 3.4% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Critical | 1 | 6.3% | 0 | 0% | 0 | 0% | 0 | 0% |
| | | 3 | 4% | 0 | 0% | 0 | 0% | 0 | 0% |
| Past Due Remediation Actions | | 0 | | 0 | | 0 | | 0 | |
| Risks with Priority Changes | | 0 | | 0 | | 0 | | 0 | |
| Open Control Issues by Risk Type | | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| | Public Perception | 1 | 33.3% | 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 | 1 | 33.3% | 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 | | 1 | | 0 | | 0 | | 0 | |
| Control Issues by Division | DSS Administration & Finance | 2 | 66.7% | 0 | 0% | 0 | 0% | 0 | 0% |
| | DSS Child Protective Services | 0 | 0.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | DSS Child Support | 0 | 0.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | DSS Community Behavioral Health | 0 | 0.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | DSS Economic Assistance | 0 | 0.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | DSS Human Services Center | 0 | 0.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | DSS Medical Services | 1 | 33.3% | 0 | 0% | 0 | 0% | 0 | 0% |
| Controls with Repeat Issues | | 0 | | 0 | | 0 | | 0 | |
| Preventive vs. Detective Controls | | 67.4% vs. 32.6% | | 0% vs. 0% | | 0% vs. 0% | | 0% vs. 0% | |
| Controls by Frequency | Ad-Hoc | 49 | 51.6% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Daily | 13 | 13.7% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Weekly | 2 | 2.1% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Bi-Weekly | 0 | 0.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Monthly | 12 | 12.6% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Bi-Monthly | 2 | 2.1% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Quarterly | 3 | 3.2% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Semi-Annually | 1 | 1.1% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Annually | 13 | 13.7% | 0 | 0% | 0 | 0% | 0 | 0% |
| | | 95 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |

## Department of Health

| Metric | Details | Quarter 3, FY 23 | | Quarter 1, FY 23 | | Quarter 3, FY22 | | Quarter 1, FY22 | |
|---|---|---|---|---|---|---|---|---|---|
| **Risk by Type** | | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| | Public Perception | 37 | 8.5% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Technology | 24 | 5.5% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Operational | 255 | 58.4% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Compliance | 88 | 20.1% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Financial | 31 | 7.1% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Fraud | 2 | 0.5% | 0 | 0% | 0 | 0% | 0 | 0% |
| | | 437 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| **Risk by Priority** | Low | 124 | 28.4% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Medium | 239 | 54.7% | 0 | 0% | 0 | 0% | 0 | 0% |
| | High | 54 | 12.4% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Critical | 20 | 4.6% | 0 | 0% | 0 | 0% | 0 | 0% |
| | | 437 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |
| **Control Owner Self-Assessments** | Completed On-time | 97.9% | | 0% | | 0% | | 0% | |
| **Critical / High Priority Risks with an Identified Control Issue** | High | 7 | 13% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Critical | 3 | 15% | 0 | 0% | 0 | 0% | 0 | 0% |
| | | 10 | 13.5% | 0 | 0% | 0 | 0% | 0 | 0% |
| **Past Due Remediation Actions** | | 0 | | 0 | | 0 | | 0 | |
| **Risks with Priority Changes** | | 0 | | 0 | | 0 | | 0 | |
| **Open Control Issues by Risk Type** | | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| | Public Perception | 2 | 20.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Technology | 0 | 0.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Operational | 6 | 60.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Compliance | 1 | 10.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Financial | 1 | 10.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Fraud | 0 | 0.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| **Total Open Control Issues** | | 2 | | 0 | | 0 | | 0 | |
| **Control Issues by Division** | DOH Epidemiology | 1 | 10.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | DOH Family & Community Health | 3 | 30.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | DOH Finance & Operations | 1 | 10.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | DOH Healthcare Access | 1 | 10.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | DOH Licensure & Accreditation | 3 | 30.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | DOH Public Health Lab | 1 | 10.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| **Controls with Repeat Issues** | | 0 | | 0 | | 0 | | 0 | |
| **Preventive vs. Detective Controls** | | 69.8% vs. 30.2% | | 0% vs. 0% | | 0% vs. 0% | | 0% vs. 0% | |
| **Controls by Frequency** | Ad-Hoc | 56 | 58.3% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Daily | 14 | 14.6% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Weekly | 6 | 6.3% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Bi-Weekly | 0 | 0.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Monthly | 10 | 10.4% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Bi-Monthly | 1 | 1.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Quarterly | 2 | 2.1% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Semi-Annually | 0 | 0.0% | 0 | 0% | 0 | 0% | 0 | 0% |
| | Annually | 7 | 7.3% | 0 | 0% | 0 | 0% | 0 | 0% |
| | | 96 | 100% | 0 | 0% | 0 | 0% | 0 | 0% |

# 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, DPS, DSS, and DOH)
- Presented Annual Work Plan to GOAC in August 2022

## IN PROGRESS

- Implementation finalization at the State Treasurer's Office
- Implementation at Department of Education
- Next Stage of the Internal Control Program

## NOT STARTED

- Implementation at the Board of Regents starting this summer

# INTERNAL CONTROL PROGRAM
## NEXT STEPS



## Risk Ranking Approach

**Quantities:**
- Higher revenue spend
- Higher transaction counts
- Significant budget impacts

**People**
- Metrics for key personnel
  - Experience level
  - Years of employment or institutional knowledge
- Areas where employee turnover has been higher

**Historical Background**
- Errors/fraud have occurred in the past
- Higher amount of recent changes to the area (i.e., new regulations, processes, legislation, etc.)



## Control Walkthroughs

**What is it?:**
- An end-to-end illustration by management of a process and the key control points within the process that mitigate the key risks identified to assess the design of the controls.

**Purpose:**
- Assess if the design of controls appropriately mitigates the associated risk.
- Determine whether controls are operating consistently as designed to mitigate the associated risk.

# OVERALL GOAL = CONTROL ACCOUNTABILITY