

FINANCE AND AUDIT COMMITTEE AGENDA

Commission of the South Carolina Department of Disabilities and Special Needs
3440 Harden Street Extension
Conference Room 180 (TEAMS)
Columbia, South Carolina

July 6, 2022

3:30 p.m.

In attendance: Robin Blackwood, Chair; Barry Malphrus; Michelle Woodhead; Stephanie Rawlinson; Michelle Fry; Courtney Crosby; Lori Manos; Janet Priest; Candis Golston; Greg Meetze; Debbie Punzirudu; Nancy Rumbaugh; Preston Southern; Andrew Tharin; and Kimberly Cochran.

1. Call to Order *Robin Blackwood, Committee Chair*

The meeting was called to order at 3:30 p.m.

2. Statement of Announcement *Robin Blackwood, Committee Chair*

Commissioner Blackwood read a statement of announcement about the meeting that was distributed to the appropriate media, interested persons, and posted at the Central Office and on the website in accordance with the Freedom of Information Act.

3. Invocation *Robin Blackwood, Committee Chair*

Commissioner Blackwood gave the invocation.

4. Adoption of the Agenda

Brief Summary: Agenda was presented for approval.

Committee Member(s) Guidance (if any): None

Committee Vote(s) (if any): Commissioner Malphrus made a motion to approve the agenda as written, seconded by Commissioner Woodhead and unanimously approved by the committee.

5. Review Minutes of the June 6, 2022 Meeting

Brief Summary: The June 6, 2022 minutes were presented to the committee for approval.

Committee Member(s) Guidance (if any): None

Committee Vote(s) (if any): Commissioner Malphrus made a motion to approve the minutes as written, seconded by Commissioner Woodhead and unanimously approved by the committee.

6. Financial Approval & Threshold Report
Lawn Care Service for Central Office

Candis Golston

Brief Summary: Ms. Golston presented an Invitation for Bid (IFB) that was issued on April 29, 2022 for Ground Maintenance Services for Central Office. The bid opening on May 27, 2022. Three (3) bids were received with the lowest bid in the amount of \$255, 060 over a five (5) year period with a one-time fee for the vendor to perform a clean-up service around the generator. Ms. Golston pointed out that there is a convenience clause to terminate at the end of each year (one-year contract with four renewals). The total potential contract award with the one-time service is \$257,010. This is a routine solicitation and does not require a formal vote from the commission; only approval from the committee.

Committee Member(s) Guidance (if any): Chairman Rawlinson announced that a part of the commission's legislative agenda for next year is to work closely with our providers to allow our consumers to do some of this type work. Dr. Fry stated that Ms. Golston has been working the State Materials Management Office (MMO) to assist with employing our consumers to fulfill this type of work for the agency. Commissioner Malphrus asked someone to make a note to see if entities such as SC Vocational Rehabilitation are able to provide work for our consumers.

Committee Vote(s) (if any): Commissioner Malphrus made a motion to approve the IFB, seconded by Commissioner Woodhead and unanimously approved by the committee.

7. Annual Report of all Non-Service Expenditures by Vendor
Over \$200,00

Nancy Rumbaugh

Ms. Rumbaugh presented on the FY 22 vendors with purchase orders over \$200,000. Ms. Rumbaugh suggested that in the future the committee wait until the month of August to view the data to ensure that the information presented will be show information for the full year.

Commissioner Blackwood requested that the completed report be sent to the committee once it has been finalized.

8. Financial Update

Nancy Rumbaugh

Ms. Rumbaugh presented the spending plan vs. actual expenditures as of June 29, 2022. To date, the agency is 4.57% under budget.

Commissioner Rawlinson requested that a comparison of the data from last year and the current year be presented at the next Commission meeting.

9. Sale of Property Update
York County Property on Diane Road – 1.6 acres

Andrew Tharin

Mr. Tharin provided an update on the DDSN owned property in York County on Diane Road. At last month's committee meeting, the committee requested an updated appraisal of the property. In April 2019 the property was appraised at \$20,000. The appraisal obtained on June 21, 2022 shows the market value of the property as \$35,000. Once the lots are fully approved as surplus property by all involved parties, DDSN will move forward through the Division of Real Property Services, State Fiscal Accountability Authority's (SFAA) to list the property with the state contracted realtor (CBRE) for marketing and selling the property. The property has to be sold on the open market at or above the appraised value. Proceeds from the sale will be split between DDSN and the State after reimbursing DDSN for its outlay for the appraisal.

Commissioner Blackwood requested that Mr. Tharin contact the real estate company to discuss an appropriate listing price and report those findings at the next committee meeting.

Mr. Tharin thanked Ms. Vicki Wilkes for all her hard work gathering information on the property.

Commissioner Malphrus made a motion to have Mr. Tharin contact the state-contracted real estate agent to discuss the appropriate listing price for the property. Mr. Tharin will update on the committee with that information at the next meeting. After reviewing the information from the real estate agent, the committee will decide on the sale of the property. The motion was approved by Commissioner Blackwood.

10. Consideration of Bids for Coastal 110 Roof Replacement

Andrew Tharin

Mr. Tharin presented the data on the roof replacement for the Highlands 110 dormitory building at the Coastal Center. The building's roof was last replaced in 2001. This project was approved by the Commission on May 20, 2021 as part of the five-year Capital Permanent Improvement Plan (CPIP). At that time the project was budgeted at \$285,000 and was based on previous projects of a similar size and nature. The project was advertised through the South Carolina Business Opportunities (SCBO). The bidding process closed on May 25, 2022, with two (2) bids received, and the lowest bid at \$382, 836. Mr. Tharin stated that the significant increase in the estimated cost to complete the job is an industry-wide norm due to ongoing labor and supply chain issues from the Covid-19 pandemic. If approved, construction would begin in approximately three (3) months.

Commissioner Malphrus made a motion to move forward with the lowest bid. The motion was approved by Commissioner Blackwood.

11. Internal Audit (IA) Update

Courtney Crosby

Ms. Crosby began with the Agreed-Upon Procedures (AUP) Report; IA has completed the review of 34 of the 40 reports. There are six (6) reports in process. The review is complete for seven (7) of the nine (9) private providers with a year-end of June 30th. There are two (2) reports in process. There are three (3) private providers with a year-end of September 30th. Two (2) of the AUP reports have been reviewed and completed; IA has not received the third report. Reports were due on April 30th for 32 private providers with a year-end of December 31st. IA has received 31 of these reports; 23 are complete and reviews for eight (8) are in process. Contract reductions for 2021 are currently \$42,500. This total includes late audit reports, late agreed-upon procedures and late Corrective Action Plans (CAPs). IA has completed field work on all but two (2) engagements (one (1) audit and one (1) Technical Assistance Visit (TAV)) included in the audit plan for FY 22. Both of these engagements were management requests that were added to the plan. We will account for the hours needed to complete these engagements in the FY 23 audit plan. There are several engagements in the workpapers review/reporting state and should have final engagement communications issued shortly.

IA is continuing to work on the FY 23 audit plan. Additional work is still needed on the risk assessment. It is anticipated that the FY 23 audit plan will be complete by the August Finance and Audit and Commission meeting. The final FY 23 audit plan will be presented for approval once it is complete. The FY 23 audit plan includes the two (2) carry-forward engagements from the FY 22 audit plan along with the follow-up procedures on CAPs, which will be our focus until the FY 23 audit plan is presented for approval.

IA has completed several follow-up procedures since the June Finance and Audit committee meeting. IA is working to finalize the memos they issue to management once a follow-up is complete and will update the tracking report to include those results. Ms. Crosby will email a copy of the updated tracking report to the committee in advance of the July Commission meeting.

12. Chief Financial Update

Nancy Rumbaugh

Ms. Rumbaugh began by stating that the FY 21 cost reports were uploaded to the Department of Health and Human Services (HHS) on June 28, 2022. Cost reports for FY 20 are in progress and are on schedule for completion. FY 20 reports are due HHS on August 14, 2022. The State Auditor's Agreed-Upon Procedure (AUP) audit is on schedule for completion. DDSN expects to receive communication on the findings this week. The Department of Transportation (DOT) grant for the ADA van was submitted on time.

Ms. Rumbaugh reminded the committee that for FY 23 DDSN received \$10,034,000 in new State funding which included \$8.9 million for DDSN's priority 1 and priority 2. With Fee-for-Service (FFS), that \$8.9 million will be transferred to HHS for the current year and also built into the FY 24 Budget Request as a permanent transfer for HHS.

13. Next Meeting Date and Time: TBD

14. Adjournment

There being no further business, at 4:14 p.m. on a motion by Commissioner Malphrus and seconded by Commissioner Woodhead, the meeting was adjourned.