

## FINANCE AND AUDIT COMMITTEE AGENDA

Commission of the South Carolina Department of Disabilities and Special Needs  
3440 Harden Street Extension  
Conference Room 251 (TEAMS)  
Columbia, South Carolina

November 9, 2022

3:30 p.m.

In attendance: Robin Blackwood, Chair; Ed Miller; Michelle Woodhead; Michelle Fry; Lori Manos; Nancy Rumbaugh; Courtney Crosby; Harley Davis; Greg Meetze; Carolyn Benzon; Andrew Tharin; Quincy Swygert; Virginia Goodson; Valerie Duncan; Preston Southern; 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.

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

Committee Vote(s) (if any): Commissioner Miller made a motion to approve the agenda as written; seconded by Commissioner Woodhead. The agenda was unanimously approved by the Committee.

5. Review Minutes from the October 2022 Meeting

Brief Summary: The minutes from the October 9, 2022 meeting were presented to the committee for approval.

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

Committee Vote(s) (if any): Commissioner Miller made a motion to approve the minutes as written; seconded by Commissioner Woodhead. The minutes were unanimously approved by the Committee.

6. Financial Approval & Threshold Report – Cooperative Grants

*Quincy Swygert*

Brief Summary: Mr. Swygert requested to increase the threshold of Cooperative Training Grants from \$400,000 to \$1M in the FY 23 Spending Plan. The grants are still in the planning phase but the Agency has recognized that \$400,000 will not be sufficient to sustain the new initiative in addition to the multi-year approach that the Agency is seeking. These grant programs are designed to facilitate a cooperative approach to meet the current staffing and training challenges for providers and to encourage the development of sharing full-time staff that are hired by the cooperative entity for common administrative functions which require professional staff but for which one provider, alone, may not have full-time work. The aim of the shared training grant is to encourage and support staff training needs that are shared by Providers but are also not appropriate for DDSN staff to provide. DDSN is optimistic that these grant opportunities will encourage and support innovative and financially viable approaches to Provider's needs in these areas.

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

Committee Vote(s) (if any): Commissioner Miller made a motion to approve the request to increase the threshold for the Cooperative Training Grants from \$400,000 to \$1M in the FY23 Spending Plan, seconded by commissioner Woodhead. The request will go to the full Commission for approval at the November 17, 2022 meeting.

7. 275-05-DD: General Duties of the Internal Audit Division

*Courtney Crosby*

Brief Summary: Ms. Crosby presented on the proposed revisions for directive 275-05-DD. The directive was posted for external review. One comment was received and that comment was addressed by adding some clarifying language. Ms. Crosby requested approval from the committee to send the directive and the proposed changes to the full Commission for approval.

Committee Member(s) Guidance (if any): The committee approved the final revision of the directive.

Committee Vote(s) (if any): Commissioner Miller made a motion to approve the final revision of the directive, seconded by Commissioner Woodhead and unanimously approved by the Committee. The final revision of the directive will go to the full Commission for approval at the November 17, 2022 meeting.

8. Internal Audit Update

*Courtney Crosby*

Brief Summary: The IA department is continuing to receive and review agreed-upon procedure reports (RoAPP) and corrective action plans. In accordance with the audit directives, when an audit report, RoApp, or the management letter identifies a material weakness, deficiency, finding or a question that causes concern, the provider is required to submit a corrective action plan to address any problems identified by the CPA or the

audit firm. The provider also has the option to submit a statement of reason explaining why no corrective action plan would be necessary. Ms. Crosby reminded the providers that it is recommended that they submit a corrective action plan with their audit report or RoApp should any problems be identified. The corrective action plan is due within ten (10) days after issuance of the report.

Ms. Crosby provided an update on the FY23 Audit Plan. The field work for the audit of the Williamsburg DSN board is near completion. After the completion of the field work, IA will begin the reporting stage of the Audit Plan. An allocation of hours has been included in the FY23 Audit Plan for follow-up procedures as IA works with providers to determine the status of any outstanding corrective action plans. The quarterly Internal Audit Observation Tracking Report will be updated as those procedures are completed. There are currently seven (7) reviews in process with one (1) scheduled to begin next week.

9. **Financial Update** *Quincy Swygert*

**October 2022 Spending Plan vs. Actuals Update**

Mr. Swygert presented the FY23 Spending plan vs Actual Expenditures as of October 31, 2022. To date, the Agency has expended \$308 million, which is 32.82% of the Agency's approved spending plan of \$938.5 million. The Agency is 0.51% under budget. There have been \$104.5 in cash expenditures. There have been \$203.5 million in direct Fee-For-Service Medicaid billing expenditures. The agency is on target with the projections. On October 20, the agency's budget staff began validating the paid claims data from the monthly Medicaid reports. The findings thus far appear to be accurate. The validation process is still ongoing. Mr. Swygert will provide an update at the January Commission meeting.

**FY 2023 Contractual Agreement Update**

Mr. Swygert presented the FY23 Contractual Agreement data. The format of the spreadsheet was updated to include a column for contract amendments to show any changes to the initial contract and the amendment value. A year-to-date (YTD) expenditures column was added to show YTD standing. This spreadsheet will be helpful to staff as they track the budget versus the actuals for each contract. This tool will also assist the staff as they work with providers and contract owners should any variances arise.

10. **Chief Financial Update - Recap of Budget Hearing, Next Steps** *Quincy Swygert*

Mr. Swygert gave an update on the agency's budget submission. The Agency's budget submission was presented 2-weeks ago by Dr. Fry. Mr. Swygert stated that the budget hearing went well. Mr. Swygert is hopeful that that things will go just as well when the Governor releases the Executive Budget in January. The next step for the Agency is to prepare for the House Ways and Means Subcommittee Hearing in January, followed by the Senate Finance Subcommittee hearing in March. Mr. Swygert will continue to update the Commission as necessary.

11. Next Meeting Date and Time: TBD

12. Adjournment

There being no further business, at 3:50 p.m. the meeting was adjourned.