

State of South Dakota

NINETY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 2018

891Z0078

SENATE APPROPRIATIONS ENGROSSED NO. **SB 100** - 2/8/2018

Introduced by: Senators Peters, Bolin, Cammack, Cronin, Curd, Ewing, Greenfield (Brock), Haverly, Heinert, Klumb, Kolbeck, Langer, Maher, Monroe, Novstrup, Otten (Ernie), Partridge, Soholt, Solano, Stalzer, Sutton, Tidemann, Wiik, and Youngberg and Representatives Schoenfish, Bartels, Barthel, Brunner, Carson, Conzet, Diedrich, Duvall, Greenfield (Lana), Holmes, Hunhoff, Johns, Lake, Lust, Otten (Herman), Peterson (Kent), Qualm, Reed, Rhoden, Rounds, Rozum, Steinhauer, Turbiville, Willadsen, and Wismer

1 FOR AN ACT ENTITLED, An Act to establish certain provisions related to grant monitoring
2 and review and to revise certain record retention policies.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 4-11-7.2 be amended to read:

5 4-11-7.2. Not less than ten days after the date of filing the audit reports, the Department of
6 Legislative Audit or the private auditing firm, whichever performed the audit, shall publish for
7 two issues in each of the official papers of the school district a brief statement of the fact that
8 the audit was made, where the audit may be found on file for public inspection, and a brief
9 recital of the substantial items of error, irregularity, or loss which were discovered, but with
10 enough detail so that the public is informed of the important findings of the audit. The
11 Department of Legislative Audit or the private auditing firm, whichever made the audit, shall
12 furnish a copy of the report of the audit to the person designated by the school board to receive



1 the report. The designated person shall furnish a copy of the report of the audit to each member
2 of the school board. The expense of the publication shall be paid at the legal rate by the school
3 district.

4 Section 2. That § 4-11-12 be amended to read:

5 4-11-12. Not less than ten days after the date of filing the reports on audit in any public
6 office the auditor-general shall cause to be published for two issues in each of the official papers
7 of any municipality, school district or county, the audit of which has been completed, a brief
8 statement of the fact that he has made the audit and where the same may be found on file for
9 public inspection and also a brief recital of the substantial items of error, irregularity, or loss
10 which he has discovered but with sufficient detail so that the public may be informed of the
11 important findings of the audit. Expense of such publication is to be paid at legal rate by the said
12 municipality, school district, or county. Any county, city, or school district who receives an
13 independent audit shall make the audit report available on the entity's website.

14 Section 3. That § 1-56-10 be amended to read:

15 1-56-10. The grant agreement for each grant, pass-through grant, or any other award granted
16 by a state agency to a nonstate agency after July 1, 2016, shall be displayed on the website
17 created pursuant to § 1-27-45.

18 Each grant agreement shall include an attestation by the award recipient or sub-recipient
19 that:

- 20 (1) A conflict of interest policy is enforced within the recipient's or sub-recipient's
21 organization;
- 22 (2) The Internal Revenue Service Form 990 has been filed, if applicable, in compliance
23 with federal law, and is displayed immediately after filing on the recipient's or sub-
24 recipient's website;

1 (3) An effective internal control system is employed by the recipient's or sub-recipient's
2 organization; and

3 (4) If applicable, the recipient or sub-recipient is in compliance with the federal Single
4 Audit Act, in compliance with § 4-11-2.1, and audits are displayed on the recipient's
5 or sub-recipient's website.

6 Any sub-recipient evaluation report or program evaluation report completed by a state
7 agency for the federal government for a grant where a state agency serves as a pass-through
8 entity to a nonstate agency shall be posted on the website created pursuant to 1-27-45. Any
9 information in the report that would be exempt from public disclosure under chapter 1-27 may
10 be redacted prior to posting.

11 Any conflict of interest as outlined in the organization's conflict of interest policy as required
12 by § 1-56-10 within the recipient or sub-recipient's organization to which § 1-56-10 applies shall
13 be disclosed to the state agency and displayed on the website created pursuant to § 1-27-45 with
14 its corresponding grant agreement.

15 Section 4. That chapter 5-18A be amended by adding a NEW SECTION to read:

16 No person involved in the determination of the recipient of a grant or contract from a state
17 agency may be awarded the grant or contract. No recipient or sub-recipient of a grant or contract
18 from a state agency may conduct any external evaluation of the performance of the grant or
19 contract.

20 Section 5. That chapter 5-18A be amended by adding a NEW SECTION to read:

21 Any person holding a statewide office as defined in § 12-27-1, and any head of an agency
22 in the executive branch, shall annually sign a form, as created by the Bureau of Human
23 Resources, acknowledging that the person has reviewed the state conflict of interest policy and
24 disclosing any conflicts that have not previously been disclosed. The Bureau of Human

1 Resources shall compile the forms and present them annually for review by the Government
2 Operations and Audit Committee.

3 Section 6. That § 1-27-46 be amended to read:

4 1-27-46. The state shall display on the searchable internet website created pursuant to § 1-
5 27-45 copies of each written contract for supplies, services, or professional services of ten
6 thousand dollars or more, each written contract filed with the state auditor pursuant to § 1-24A-
7 1, and each written contract filed with the attorney general pursuant to § 1-11-15. Each contract
8 shall be displayed electronically not less than sixty days after commencement of the contract
9 term and for not less than ~~one year following the end of the contract term~~ the retention period
10 prescribed by § 1-27-4.1.

11 Section 7. That § 1-56-10 be amended to read:

12 1-56-10. The grant agreement for each grant, pass-through grant, or any other award granted
13 by a state agency to a nonstate agency after July 1, 2016, shall be displayed on the website
14 created pursuant to § 1-27-45 for not less than the retention period prescribed by § 1-27-4.1.

15 Each grant agreement shall include an attestation by the award recipient or sub-recipient
16 that:

- 17 (1) A conflict of interest policy is enforced within the recipient's or sub-recipient's
18 organization;
- 19 (2) The Internal Revenue Service Form 990 has been filed, if applicable, in compliance
20 with federal law, and is displayed immediately after filing on the recipient's or sub-
21 recipient's website;
- 22 (3) An effective internal control system is employed by the recipient's or sub-recipient's
23 organization; and
- 24 (4) If applicable, the recipient or sub-recipient is in compliance with the federal Single

1 Audit Act, in compliance with § 4-11-2.1, and audits are displayed on the recipient's
2 or sub-recipient's website.

3 Section 8. That § 1-27-13 be amended to read:

4 1-27-13. The head of each agency shall submit to the commissioner of administration, in
5 accordance with the rules, standards, and procedures established by the commission, schedules
6 proposing the length of time each state record series warrants retention for administrative, legal,
7 or fiscal purposes after it has been received by the agency. However, original invoices and
8 vouchers submitted to the state auditor for payment shall be retained for at least seven years.