

AN ACT

ENTITLED, An Act to establish certain provisions related to grant monitoring and review and to revise certain record retention policies.

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

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

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

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

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

report available on the entity's website.

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

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

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

- (1) A conflict of interest policy is enforced within the recipient's or sub-recipient's organization;
- (2) The Internal Revenue Service Form 990 has been filed, if applicable, in compliance with federal law, and is displayed immediately after filing on the recipient's or sub-recipient's website;
- (3) An effective internal control system is employed by the recipient's or sub-recipient's organization; and
- (4) If applicable, the recipient or sub-recipient is in compliance with the federal Single Audit Act, in compliance with § 4-11-2.1, and audits are displayed on the recipient's or sub-recipient's website.

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

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

corresponding grant agreement.

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

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

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

Any person holding a statewide office as defined in § 12-27-1, and any head of an agency in the executive branch, shall annually sign a form, as created by the Bureau of Human Resources, acknowledging that the person has reviewed the state conflict of interest policy and disclosing any conflicts that have not previously been disclosed. The Bureau of Human Resources shall compile the forms and present them annually for review by the Government Operations and Audit Committee.

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

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

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

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

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

- (1) A conflict of interest policy is enforced within the recipient's or sub-recipient's organization;
- (2) The Internal Revenue Service Form 990 has been filed, if applicable, in compliance with federal law, and is displayed immediately after filing on the recipient's or sub-recipient's website;
- (3) An effective internal control system is employed by the recipient's or sub-recipient's organization; and
- (4) If applicable, the recipient or sub-recipient is in compliance with the federal Single Audit Act, in compliance with § 4-11-2.1, and audits are displayed on the recipient's or sub-recipient's website.

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

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

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I certify that the attached Act originated in the

SENATE as Bill No. 100

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 100
File No. _____
Chapter No. _____

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Received at this Executive Office this ____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____ , 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State