

From: [Linguard, Christie](#)
Subject: Meeting Notice: The Commission of the SCDDSN - Finance and Audit Meeting - February 12, 2024
Date: Friday, February 9, 2024 9:43:18 AM
Attachments: [Finance and Audit Committee Meeting Packet - February 12 2024.pdf](#)

Good Morning,

The South Carolina Commission on Disabilities and Special Needs will hold an in-person Finance and Audit Committee meeting on Monday, February 12, 2024, at 3:30 p.m. The Committee Meetings are held at the SC Department of Disabilities and Special Needs Central Administrative Office, 3440 Harden Street Extension, Columbia, SC. This meeting can also be viewed via a live audio stream at <https://ddsn.sc.gov>.

Please see the attached meeting material for the Finance and Audit Committee Meeting.

For further information or assistance, contact (803) 898-9769 or (803) 898-9600.

Thank you.

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**

February 12, 2024

3:30 p.m.

1. Call to Order *Michelle Woodhead, Committee Chair*
2. Statement of Announcement *Michelle Woodhead, Committee Chair*
3. Invocation *Michelle Woodhead, Committee Chair*
4. Adoption of the Agenda
5. Approval of F&A Committee Meeting Minutes from the September 13, 2023 **Pages 2-4**
6. Financial Approval & Threshold Report **Pages 5-8** *Quincy Swygert*
7. Chief Financial Update(s) *Quincy Swygert*
 - FY24 YTD Spending Plan Budget vs. Actual Expenditures – Thru January 2024 **Page 9**
8. 800-07-CP – SC Commission on Disabilities and Special Needs Committee Procedures *Courtney Crosby*
 - Attachment A – Finance and Audit Committee Procedures **Pages 10-12**
9. Internal Audit Update *Courtney Crosby*
10. Next Meeting Date –April 10, 2024 @ 3:30 PM
11. Adjournment

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

September 13, 2023

3:30 p.m.

In attendance: Michelle Woodhead, Chair; Ed Miller; Gary Kocher, MD; Courtney Crosby; Quincy Swygert; Jana Brown and Kimberly Cochran.

1. Call to Order *Michelle Woodhead, Committee Chair*

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

2. Statement of Announcement *Michelle Woodhead, Committee Chair*

Commissioner Woodhead 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 *Michelle Woodhead, Committee Chair*

Commissioner Woodhead 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 Kocher made a motion to approve the agenda as written; seconded by Commissioner Miller. The agenda was unanimously approved by the Committee.

5. Review Minutes from the February 8, 2023, Meeting

Brief Summary: The minutes from the February 8, 2023 meeting were presented to the committee for approval.

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

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

6. 800-07-CP – SC Commission Disabilities and Special Needs Committee Procedures
Attachment A – Finance and Audit Committee Procedures *Quincy Swygert*

Brief Summary: Commissioner Kocher asked that this agenda item be tabled as it aligns with the Policy Committees Procedures that were not approved at their meeting yesterday.

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

Committee Vote(s) (if any): Commissioner Miller seconded Commissioner Kocher's motion to table this agenda item and approved by the Committee.

7. Chief Financial Update *Quincy Swygert*

FY24 YTD Spending Plan Budget vs. Actual Expenditures

Brief Summary: Mr. Swygert presented the FY24 Spending Plan Budget vs Actual Expenditures through August 31, 2023. To date, the Agency has expended \$50.4 million, which is 15.40% of the Agency's proposed spending plan of \$327.7 million with 84.60% of the spending plan remaining. The Agency is 1.27% under budget.

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

Committee Vote(s) (if any): None

FY25 Budget Request

Brief Summary: Mr. Swygert presented the FY25 Budget Request. He indicated that the figures listed in the handout may not be final figures that will be presented to the Commission at the upcoming monthly meeting as the Finance department is still reviewing the data required to justify the Agency's request. The FY25 budget request is due to the Executive Budget Office on September 22, 2023. The agency is requesting a total of \$5,673,360. These funds will help fund supported living assistance, stated funded residential services, and financial management services.

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

Committee Vote(s) (if any): Commissioner Kocher made a motion to approve the FY25 Budget Request as presented; seconded by Commissioner Miller and unanimously approved by the Committee.

FY24 Contract Report

Brief Summary: The data on the FY24 Contractual Agreements was presented by Mr. Swygert. The initial amount of the FY24 contracts was \$96.6 million with an amount change of \$87, 395, bringing the current FY24 contract amount to \$96.7 million.

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

Committee Vote(s) (if any): None

8. Internal Audit Update

Courtney Crosby

Brief Summary: Ms. Crosby provided an update on the Internal Audit (IA) Division 2023 Audit Plan. In June, letters were sent to 52 providers requesting supporting documentation. These letters were sent as part of an amendment to the IA Divisions' Audit Plan and their efforts to evaluate compliance with financial eligibility rules under Medicaid and determine whether residential providers have managed individuals' funds in a manner that will not jeopardize Medicaid eligibility. IA staff is currently reviewing the documents that have been submitted. Once complete, the final engagement communication will be sent directly to the provider. At the conclusion of the project, a summary report will be sent to the Commission and the State Director.

The IA staff continues to work with several providers to determine the status of outstanding corrective action plans. A quarterly IA Observation Tracking Report will be issued in October with the results of the follow-up procedures.

IA has begun to receive 2023 Agreed-Upon Procedures Reports (RoAAPs) from the DSN Boards and Contracted Service Providers. IA staff will begin reviewing these Reports and provide regular status updates at the upcoming meetings. Ms. Crosby indicated that extension requests must be submitted to the IA Division 15 days prior to the due date of the Report.

Ms. Crosby gave an update on recent staffing changes in the IA Division. In June, the IA Division hired two part-time audit managers; and two new staff auditors will join the division on Monday, September 11th.

9. Next Meeting Date and Time: October 11, 2023 @ 3:30 PM

10. Adjournment

There being no further business, at 4:00 PM, Commissioner Miller made a motion to adjourn the meeting; seconded by Commissioner Kocher and unanimously approved by the Committee.

Monthly DDSN Staff Report - Financial Approval & Threshold Reporting for February 2024

The purpose of this monthly report is to ensure staff comprehensively reports on all Executive Limitation Policy (800-CP-03) financial transactions for approval and financial threshold reporting requirements. The Finance and Audit Committee will decide which items require presentation to the Commission for a formal vote, as well as which items need only be reported via this monthly report to the Commission to ensure transparent reporting. After the Finance and Audit Committee’s decisions, this report will highlight item wording in **red to notify Commission this will not need a formal vote** and highlight items in **yellow indicating item will require a formal Commission vote to approve**.

- I. **New Non-Service Contracts \$200,000 or Greater:**
- II. **Existing Service Contracts Increasing \$200,000 or Greater (simple list if based on indiv. choice; detail summary if not):**

Linen Contract for Coastal, Pee Dee and Saleeby is up for renewal and 5-year solicitation has been advertised.

**\$1.5M - \$300K annually for Coastal (\$150K increase over prior year spending plan level)
 \$2M - \$400K annually for Pee Dee & Saleeby (\$150K increase over prior year spending plan level)**

Current Spending Plan approval levels are currently \$935K for all four regional centers.

- III. **\$200,000 or Greater Increase in Personnel Positions for a Program or Division:**

Regional Center Shift Differentials:

Shift Code	Shift Code Text	Hours	Rate	Total Paid	Proposed Rate	Proposed Comparison	Estimated Increase
1212	Weekday (2nd)	173,402.04	\$0.50	\$ 86,701.02	\$ 2.00	\$ 346,804.08	\$ 260,103.06
1213	Weekday (3rd)	227,311.60	\$0.50	\$113,655.80	\$ 2.00	\$ 454,623.20	\$ 340,967.40
1214	Weekend (1st)	70,287.62	\$0.50	\$ 35,143.81	\$ 2.00	\$ 140,575.24	\$ 105,431.43
1222	Weekend (2nd)	44,161.98	\$0.50	\$ 22,080.99	\$ 3.50	\$ 154,566.93	\$ 132,485.94
1221	Weekend (3rd)	74,372.88	\$0.50	\$ 37,186.44	\$ 3.50	\$ 260,305.08	\$ 223,118.64
Totals				\$ 294,768.06		\$ 1,356,874.53	\$ 1,062,106.47

- IV. **New CPIP or Re-Scoping of an Existing CPIP:**

1) Coastal Retherm Equipment Replacement – The scope of this project is to order New Retherm Equipment (Brand Specific to match other regional centers equipment). See attached quote of \$760K. Also, the new equipment will require electrical panel modifications. An electrical engineer (Southern Energy Resources LLC) was hired to assess modifications required to accommodate the new equipment. Results from the assessment identified twelve existing buildings would require modifications. See below estimate of the retherm project:

Equipment - \$760,226.92 (Aladin Temp Rite)
AE Fees - \$29,600 (Southern Energy Resources LLC)
Installation: Electrical Modifications – approx. \$175,000
Installation: Mechanical – approx. \$65,000
DHEC Fees - \$2,000
Special Inspections – approx. \$5,000
Total – approx. 1,036,826.92
Contingency 10% - 103,682.69
ESTIMATED PROJECT TOTAL – 1,140,509.61

- V. **New Consulting Contract:**

- VI. **New Federal Grant:**

(NOTE: In July of each year, a report of all prior FY non-service expenditures by vendor over \$200,000 will be presented as a “post-payment” review. This will add visibility for expenditures from contracts originated in prior FYs and vendors with separate purchases aggregating over \$200,000 in current FY.)



DRAFT

QUOTATION

Customer: Coastal Center
 9995 Jamison Road
 Summerville, SC 29456-6901

Quote #: 001-00-38000922
Quote Date: 12/19/2023
Valid Until: 01/18/2024

Contact: Raymond Gertner
 Director, Nutritional Services

Quoted By: Michael Hills
 North American AMS Manager

Phone: (843) 821-5885

Phone: (615) 406-1440

Email: Raymond.Gertner@ddsn.sc.gov

Email: mhils@aladdin-atr.com

Fax: (843) 821-5879

Fax: (888) 812-9956

Sales Code	Item #	Fr	Description	Quote Cases	Quote Qty	U M	Case Pack	Net Price	Extended Price
Aladdin CR3 Insight 30 Tray Docking System Units for use with 30 Divided Tray Capacity Carts									
CRNDS1000000	13223	+	CR3Insight-SR Docking Station, 26/30, Air Cooled	13	13	EA	1	28,971.00	376,623.00
CR3C30011000	11535	+	CRIII-SR Cart, 30 Meal, Divided Tray, Locking Doors (3.1" TS) w/Auto Therm	13	13	EA	1	16,612.00	215,956.00
SPEC	SPEC	+	Single Docking Station Rail	1	1	EA	1	1,250.00	1,250.00
S900A	94416		Server, CRIII, Divided, Gray	167	2,004	EA	12	46.40	92,985.60
Oliver 3 compartment dish for use on the S900A Trays Hot and Cold Side									
SPEC	SPEC	+	SP5535 1308-N Heat Seal Counter CX, 120/1/60HZ 3A with Carrier -Tray 3C Fiber/ Plastic 1up 1308.	2	2	EA	1	7,597.00	15,194.00
(For the required film roll see SP5541)									
SPEC	SPEC	+	SP5537 51451T Tray 3 compartment Fiber 13.5/6/6oz Turn Flange, 800 trays per case Price is based on a minimum order of 32 cases for film roll see SP5541	32	32	EA	1	411.00	13,152.00
SPEC	SPEC	+	SP5541 62098 Film Roll 8.75" 1461' 50 OCLF, 1 roll covers 2400 trays (for 51451T and 7230-6264T trays)	10	10	EA	1	153.00	1,530.00

Aladdin Temp-Rite LLC - 250 E Main Street, Hendersonville TN, 37075

Email Orders To: orders@aladdin-atr.com

Fax Orders To: (888) 812-9956

Quote Print Date: 12/19/2023



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Email: Raymond.Gertner@ddsn.sc.gov

Email: mhils@aladdin-atr.com

Fax: (843) 821-5879

Fax: (888) 812-9956

Sales Code	Item #	Fr	Description	Quote Cases	Quote Qty	U M	Case Pack	Net Price	Extended Price
			<p>Installation: Includes the removal and disposal of 13 single bay refrigerators and the installation of 13 CR3 self contained air cooled docking stations in the same location. If there are any additional surplus carts and roll-ins that need to be disposed of during the installation there may be an additional charge to dispose of these items dependent upon the quantity.</p> <p>Installation includes training and in servicing on the maintenance of the system as well as start-up support.</p> <p>The facility will be responsible for all utilities to with-in three feet of the disconnect point for the docking stations as well as the installation of the disconnect boxes at each docking station location. The facility will be responsible for the ventilation of the rooms in which the docking stations will be located to address the heat rejection of the docking stations as discussed with the facility to include any site preparation and required permits.</p> <p>A "Scope of Work" document outlining the responsibilities of Aladdin Temp-Rite and the Coastal Center will be provided following the site visit by an Aladdin Project Manager. This document will need to be signed off on by a representative of Aladdin Temp-Rite and the Coastal Center.</p>					37,150.00	37,150.00
			Freight quote MH112023.01 "White glove" shipping with lift gate truck					6,386.32	6,386.32

Order Total: \$760,226.92

Aladdin Temp-Rite LLC - 250 E Main Street, Hendersonville TN, 37075

Email Orders To: orders@aladdin-atr.com

Fax Orders To: (888) 812-9956

Quote Print Date: 12/19/2023



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Sales Code	Item #	Fr	Description	Quote Cases	Quote Qty	U M	Case Pack	Net Price	Extended Price
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Comments: Please see comments under Installation Estimate

Please Note: This order is contingent upon a satisfactory agreement between your company/facility and Aladdin; and your company/facility meeting appropriate credit criteria.

Pricing: Prices do not include applicable sales, use, occupation or excise taxes.

Freight: "+" indicates freight will be prepaid and added to the invoice.

16 Weeks for Shipment: Shipment times may vary by product and should be confirmed and verified with the sales representative.

Terms of Sale:
-Orders greater than \$50,000 require a 20% down payment at time of order with remaining 80% due net 30 from invoice date.
-Orders less than \$50,000 are due net 30 from invoice date.

FY24 SPENDING PLAN BUDGET - APPROVED	\$ 327,752,128
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YTD EXPENDITURES BY CATEGORY	EXPENDITURES THRU 1/31/2024
501000 - PERSONAL SERVICES - PAYROLL	\$ 44,189,163
502000 - CONTRACTUAL SERVICES	\$ 118,451,595
503000 - SUPPLIES AND MATERIALS	\$ 3,873,052
504000 - FIXED CHARGES AND CONTRIBUTIONS (RENT/LEASE)	\$ 2,652,361
505000 - TRAVEL	\$ 239,334
506000 - FIXED ASSETS (CAPITALIZED)	\$ 336,574
507000 - LAND & BUILDINGS	\$ 1,839,275
511000 - PUBLIC ASSISTANCE	\$ 4,431,973
513000 - EMPLOYER CONTRIBUTIONS - FRINGE BENEFITS	\$ 19,701,212
515000 - UTILITIES	\$ 1,082,622
517000 - ALLOCATIONS	\$ -
518000 - AID TO SUBDIVISIONS (STATE AID)	\$ -
520000 - FIXED ASSETS(NON-CAPITALIZED)	\$ 20,495
TOTAL YTD EXPENDITURES	\$ 196,817,656
% OF YTD EXPENDITURES	60.05%
% OF SPENDING PLAN REMAINING	39.95%
% OF FISCAL YEAR REMAINING	41.67%
% DIFFERENCE - OVER (UNDER) BUDGETED EXPENDITURES	1.72%

ITEMS NOT IN SPENDING PLAN (WILL NOT RECEIVE FUNDING UNTIL 9/30/2023)	
561000 - SPECIAL OPERATIONS (LEGISLATIVE PASS THRU)	\$ 12,685,000

DSN Commission Finance and Audit Committee Procedures
Commission Approved ~~August 18, 2022~~ XXXX, 2024

This document sets forth the procedure to be used by the Finance and Audit Committee (the Committee) of the South Carolina Commission on Disabilities and Special Needs (the Commission).

I. SCOPE:

The Committee provides assistance to the Commission in fulfilling its oversight responsibilities relating to budgeting, accounting and financial reporting processes, and the performance of the internal audit function. The Committee will oversee South Carolina Department of Disabilities and Special Needs (DDSN) management processes and activities relating to:

- a. Maintaining the reliability and integrity of DDSN’s accounting policies, financial reporting practices, and internal controls;
- b. Review significant accounting and reporting developments and issues;
- c. The performance and work plan of the internal audit function in accordance with DDSN Directive 275-05-DD: General Duties of the DDSN Internal Audit Division;
- d. Compliance with applicable laws, regulations, and DDSN directives;
- e. Review and approval of the annual operating and capital budgets, as well as any amendments;
- f. Analyzing financings and capital transactions being considered by DDSN and the adequacy of its capital structure; and
- ~~g. Review of DDSN fiscal related directives; and~~
- ~~h.g.~~ g. Review of DDSN fiscal regulatory and oversight reports.

The Committee also provides an open avenue of communication between DDSN management, Internal Audit, and the Commission.

Consistent with the annual audit plan, the Committee has the authority to ~~conduct or~~ authorize investigations into any matters within its scope of responsibility. Inquiry and briefings on all significant financial matters along with related presentations and motions for full Commission approval originate from the Committee.

II. COMMITTEE MEMBERSHIP:

The Chair of the Commission will appoint members to the Committee. The Committee will consist of at least three (3) members of the Commission. Members will be sought that have relevant experience and/or fiscal expertise, but this is not a limiting factor related to Committee Membership. The members of the Committee will be appointed and may be removed by the Chair.

III. MEETING FREQUENCY:

The Committee will meet ~~monthly~~ quarterly or as determined by the Committee Chairperson based on the workflow of DDSN. Meetings of the Committee may be called by or at the request of the Commission, any member of the Committee, or the Chair of the Commission. Meetings will be held at the time and place designated in the meeting notice. The Chief Financial Officer, in coordination with other members of Executive Management, will prepare a suggested committee meeting agenda and share with the Committee Chair at least five days in advance of the scheduled meeting. Notice of the time, place, and agenda of the meetings will be posted as prescribed by the By-Laws and the South Carolina Freedom of Information Act. A majority of the appointed Committee members will represent a quorum and the actions of a quorum of the Committee shall be the act of the Committee. The Committee will retain minutes of each meeting.

IV. PROCEDURE:

A. Financial Reports/Budgets/Spending Plans

The Committee will consult with management concerning annual spending plans and budget processes, review budgets, projections of future financial performance, analysis of the financial effect of proposed transactions, borrowings, and capital structure. The Committee will review financial information with management in most cases before the information is presented to the Commission. The Committee will assist the Commission in analyzing financial information that is presented to them for review. The Committee will advise the Commission of finance matters that it believes require Commission attention.

Routine Committee business includes review and approval of staff prepared budgets, projects, and financial plans for general reasonableness of the underlying assumptions. The Committee will provide recommendations of approval or modification to the Commission.

~~B. Directives~~

~~The Committee shall receive fiscal related directives for review and revision as referred by the DSN Commission Policy Committee or as referred by the Commission Chairman. Review and approval of directives follows Section III. A. of the Policy Committee Procedures: Committee Undertakes a Review of a Directive or Standards, listed below as adapted to conform to the Finance and Audit Committee.~~

~~“The Directive/Standard is reviewed by staff who will make revision recommendations regarding the document. A draft version, including staff recommendations, will be posted to the website and the public will have 10 business days to review and submit comments (see Directive 100-01-DD: Electronic Communications System).”~~

~~It is DDSN’s intent to solicit feedback/input from all entities affected by the directives/standards; however, in rare cases the 10 business day period may not occur due to extenuating circumstances.~~

~~Committee members will be given a copy of the suggested staff changes prior to posting for public comment. This effort will provide the Committee members a chance to give their input prior to the Directive being posted so that changes can be made prior to posting for public comment.~~

~~After the 10 business day public review period, staff will consider and respond to each comment; make additional changes to the Directive or Standards; and present the Directive or Standards to the Finance and Audit Committee at a scheduled meeting. The Committee members may request additional changes and will determine which changes will be accepted based on the comments as well as staff recommendations.~~

~~When a consensus is reached by the Finance and Audit Committee, a version representing this consensus will be created for presentation to the DSN Commission for approval. Following approval, the document will be posted on the DDSN website under “Current DDSN Directives” or “Current DDSN Standards.”~~