

## FINANCE AND AUDIT COMMITTEE AGENDA

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

June 1, 2021

3:00 p.m.

In attendance: Robin Blackwood, Chair; Barry Malphrus; Ed Miller (joined the meeting late); Pat Maley; Candis Golston; Debra Leopard; Brian Nanney; Debbie Wilson; Ken Parks; and Christie Linguard

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

[The meeting was called to order at 3:03 pm.](#)

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. Adoption of the Agenda

[Brief Summary:](#) Agenda was presented.

[Committee Member\(s\) Guidance \(if any\):](#) None

[Committee Vote\(s\) \(if any\):](#) Commissioners Blackwood and Malphrus approved the agenda as presented.

4. Review Minutes of the May 4, 2021 Meeting

[Brief Summary:](#) The May 4, 2021 minutes were presented to the committee for approval.

[Committee Member\(s\) Guidance \(if any\):](#) None

[Committee Vote\(s\) \(if any\):](#) Commissioners Blackwood and Malphrus approved the agenda as written.

5. Contracts over \$200,000 *Pat Maley*

[Brief Summary:](#) Mr. Maley presented three (3) solicitations for new non-service contracts \$200,000 or greater for approval. The first is for Direct Support Professionals' five year contract with a contract ceiling value of \$250,000; the second is the Family Support Network contract whose purpose is to strengthen and expand statewide consumer/family support networks

relevant to DDSN's mission; and lastly, the linen services contract for Whitten and Midlands Regional Centers. Discussion was held on the Wellpath existing contract with four high needs individuals who will be moving to a CTH II next month. These four individuals will have a higher quality of life living in the community while generating substantial savings to the state of more than \$500,000. This discussion was received as information only.

Commissioner Malphrus would like to see the new procedures for contracts over \$200,000 be taken to the Policy Committee.

Committee Member(s) Guidance (if any):

Committee Vote(s) (if any): Commissioner Malphrus made a motion to send the Family Support Network solicitation to the full commission for approval and to approve the Direct Support Professionals and the linen services solicitations/contracts at the sub-committee level, seconded by Commissioner Miller, and unanimously approved by the committee.

6. Directives

*Pat Maley*

- a. 275-04-DD: Procedures for Implementation of DDSN Audit Policy for DSN Boards
- b. 275-05-DD: Procedures for Implementation of DDSN Audit Policy for Contracted Service Providers

Brief Summary: Mr. Maley presented both directives with the recommended changes. He then briefed the committee on all concerns, including the fact that the 10% sampling was excessive and not needed for Medicaid billings tested in the RoAAP. Other changes included align the cost report, RoAAP and audit reports to be due 120 days after the close of the FY; removing GASB 84 out of RoAAP; and the removal of extensive chart completion in RoAAP regarding each residential settings approach to manage client funds. Mr. Maley suggested that the agency not remove room and board schedule from Financial Statements as recommended because it is high risk and there is a need to maintain high visibility and to tie to Financial Statements and cost reports.

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

Committee Vote(s) (if any): Commissioner Malphrus made a motion to approved directives 275-04-DD and 275-05-DD with the recommended changes and to submit to the full commission in June for final approval. This motion was seconded by Commissioner Miller and approved unanimously by the sub-committee.

7. Cost Reports Update

*Pat Maley*

Brief Summary: Mr. Maley noted that FY 2013 and 2014 are completed. FY2015 cost report should be completed in mid-June and FY2019 may be sooner than mid-June. He also presented the Cost Settlement example spreadsheet draft for FY2013 and 2014.

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

Committee Vote(s) (if any): None.

8. SC Human Service Providers Association Gap Funding Request *Pat Maley*

Brief Summary: Mr. Maley informed the sub-committee that Mr. Tyler Rex of Thrive Upstate asked that the Human Service Providers Association's recommendations for gap funding be placed on the agenda.

Committee Member(s) Guidance (if any): Commission members asked questions about waiver slots and residential issues. Mr. Maley explained that the only way we can get match would be to add new services. Commissioner Blackwood noted that the commission welcomes all providers to reach out to them for any recommended funding for the 10% FMAP monies.

Committee Vote(s) (if any): None.

9. Internal Audit Report *Brian Nanney*

Brief Summary: Mr. Nanney noted that 32 of the 40 RoAAP Reports from boards have been completed with the other eight in-process. So far, the assessment fees incurred amount to \$14,700; and there is the possibility of adding an additional fee of \$2500 to bring the total to \$17,200.00. Current audits include Environmental Modifications regarding the HASCI project; Interpreter Services; Information Technology; and Regional Centers Banking System.

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

Committee Vote(s) (if any): None.

10. Chief Financial Officer Report *Pat Maley*

Mr. Maley noted that he is now looking at the Capital Grants Directive and will bring to this sub-committee soon. The agency has not used Capital Grants since FY2018.

11. Next Meeting Date

The next committee meeting will take place on Tuesday, July 6, 2021 at 3:00 PM.

12. Adjournment

At 4:08 PM on a motion by Commissioner Miller and seconded by Commissioner Malphrus to adjourn the meeting.