

DSN Commission Finance and Audit Committee Procedures
Commission Approved February 15, 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 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 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 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.