



# MINUTES

## GOVERNMENT OPERATIONS AND AUDIT COMMITTEE

**Fifth Meeting  
2011 Interim  
January 9, 2012**

**Room 413  
State Capitol  
Pierre, South Dakota**

The fifth meeting of the 2011 Interim Government Operations and Audit Committee was called to order by Chair Haverly at 2:00 p.m., January 9, 2012, in LRC Room 413, State Capitol Building, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Jeff Haverly, Deb Peters, Larry Tidemann, and Jean Hunhoff; Representatives Lance Carson, Charles Turbiville, Paul Dennert, Dan Dryden, and Kim Vanneman. Senator Jim Hundstad was excused.

Staff members present were Mr. Martin Guindon, Auditor General, Mr. Bob Christianson and Mr. Tim Flannery, State Government Audit Managers for the Department of Legislative Audit (DLA).

### **Approval of Minutes**

*Representative Turbiville moved, seconded by Representative Dryden, the minutes of the December 7, 2011 meeting be approved. Motion prevailed unanimously on a voice vote. (Doc.1)*

### **Department of Transportation – Contract Weed Spraying/Attorney General’s Opinion (Docs. 2, 3 & 8)**

Mr. Marty Jackley, Attorney General and Mr. Darin Bergquist, Secretary for the Department of Transportation were present to address the Committee. Mr. Jackley first addressed the Committee regarding Official Opinion No. 11-04 Joint Powers Agreement for Weed Control (Doc. 8) which outlined the Attorney General’s opinion on individual counties right to contract with other government agencies instead of private contractors for weed control. The Committee had previously heard testimony from Secretary Bergquist regarding this topic with concern about weed control in state highway right of ways, and was present again to explain how the Department of Transportation got involved. Mr. Bergquist stated that weed control has historically been awarded on competitive bid to private and county applicators. Due to several complaints from private contractors, the Attorney General’s office was asked to rule, which resulted in Official Opinion No. 11-04. There was no further discussion.

### **Department of Revenue – Collection of Contractor’s Excise Tax and Payment to the Department of Environment and Natural Resources – (Docs. 4, 5, 6, & 9)**

Mr. Andy Gerlach, Secretary for the Department of Revenue was present to address the Committee. Mr. Gerlach handed out Document 9 which explained SDCL 10-46B-17-Allocation of certain revenue to water and environment fund, the discrepancies in reporting the excise tax

during fiscal years 2008, 2009, and 2010, and the underreported funds that were not credited to the Water and Environment Fund in fiscal years 2008 and 2009. Mr. Gerlach also explained the procedures and internal controls the Department of Revenue has in place to prevent this error from being repeated. Mr. Gerlach answered numerous Committee questions regarding this oversight. There was no further discussion.

### **Department of Social Services – Update of the Status of the Medicaid Management Information System (MMIS) (Docs. 7 & 10)**

Ms. Kim Malsam-Rysdon, Secretary for the Department of Social Services and Ms. Brenda Tidball-Zeltinger, Finance Officer for the Department of Social Services were present to address the Committee. Mr. Tim Flannery, Department of Legislative Audit first gave the Committee some background on the MMIS, the need for updating the system and the cost involved in updating the system. Ms. Malsam-Rysdon handed out Document 10, which outlined the history of the MMIS, federal funding for replacing outdated MMIS systems, and the current status of the replacement system. Although the public website portion of the system was successfully implemented in March 2010, Ms. Malsam-Rysdon stated that concerns with quality and timeliness of the project vendor caused the Department of Social Services to terminate its contract in October 2010. The Department of Social Services is in the process of mediation with the vendor to complete the project. Some Committee questions followed. This topic will be revisited in the future.

#### **Future Items for Discussion**

- Other fund information by agency (Blue Book)
- Flooding Loans/Repayment of Loans

#### **Future Meeting Date**

The Committee plans to meet sometime during Session – no specific date was set.

*Representative Turbiville moved, seconded by Representative Tidemann to adjourn the meeting. Motion prevailed unanimously on a voice vote.*

The Committee adjourned the meeting at 3:05 p.m.



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