



OFFICE OF THE SECRETARY

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April 20, 2009

The Honorable Deb Peters, Chair
Government Operations and Audit Committee (GOAC)
Department of Legislative Audit
427 South Chapelle
Pierre, SD 57501

Dear Representative Peters:

Thank you for your April 7, 2009 letter requesting a written response from the Department of Health (Department) regarding 1) the FY08 audit for the Board of Medical and Osteopathic Examiners (BMOE) and 2) training provided to board personnel.

Board of Medical and Osteopathic Examiners:

In the independent auditors report for the BMOE year ending June 30, 2008, Eide Bailly provided comments pertaining to the preparation of financial statements. The report stated that the BMOE does not have an internal control system designed to provide for the preparation of the financial statements being audited. The BMOE responded that it is not cost effective for an organization of their size to have staff prepare audit ready financial statements.

The BMOE made the decision to out-source the preparation of their financial statements and accompanying notes to a public accounting firm. The Department will work with the BMOE to ensure that they are aware of the financial reporting requirements including any appropriate modifications and changes.

Orientation/training for new board personnel:

For new board members once they have been officially appointed:

1. The board executive director meets with a new board member to make formal introduction/welcome and answer any outstanding questions.
2. The executive director provides the new member an orientation packet which describes the board/commission mission and role, SDCL/Administrative Rules that apply, Bureau of Personnel (BOP) information, standing board/commission members, current staff and their roles and an orientation web page which has a PowerPoint presentation. This 38 slide PowerPoint presentation includes information from describing open meeting laws to day to day workings of the board to travel reimbursement.

For newly hired executive directors:

1. After the interview/hiring process is complete the individual meets with Deputy Secretary Laurie Gill to review department policy, respective SDCL/Administrative Rules, introduction to key department personnel and who the current board/commission members are.

2. Ms. Gill defines what their roles and responsibilities are and completes a checklist of their duties. This checklist includes:
 - a. Staff they supervise, who they are and in some of the board/commission instances, where they are located (a few of the boards/commission have inspectors located throughout the state).
 - b. Various agency (BOP, BFM, BOA) policies, which would include travel, personnel, procurement and contracts.
 - c. Financial reporting and responsibility (department fiscal staff are included in this orientation).
 - d. Mission of the board and respective roles and responsibilities of the appointed members.
 - e. Any outstanding issues.

In addition to the above, DOH also holds an annual summer meeting with all executive directors to discuss legislative, fiscal and personnel issues and to encourage improved communication among the boards.

Please feel free to contact me if there are further questions or concerns at 773-3361.

Sincerely,



Doneen B. Hollingsworth
Secretary of Health

cc: Jason Dilges
Neil Fulton