



## 2025 South Dakota Legislature

# Senate Bill 61

*Introduced by: The Chair of the Committee on Judiciary at the request of the Attorney General*

1 **An Act to modify the authority of the Board of Internal Controls.**

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 **Section 1. That § 1-56-3 be AMENDED:**

4 **1-56-3.** The board may promulgate rules, pursuant to chapter 1-26, to implement,  
5 manage, and ensure compliance with a system of internal control in accordance with  
6 internal control standards.

7 **Section 2. That § 1-56-6 be AMENDED:**

8 **1-56-6.** The board shall establish and maintain:

- 9 (1) Guidelines for an effective system of internal control to be implemented and  
10 complied with by state agencies ~~that is,~~ in accordance with internal control  
11 standards, which guidelines the board shall make available to each internal control  
12 officer, as described in § 1-56-8;
- 13 (2) Procedures for conducting a state agency risk review, as required by section 4 of  
14 this Act;
- 15 ~~(2)~~(3) A code of conduct for use by state agencies, excluding the Unified Judicial System;  
16 and
- 17 ~~(3)~~(4) A conflict of interest policy for use by state agencies, excluding the Unified Judicial  
18 System.

19 The Unified Judicial System may implement the code of conduct and conflict of  
20 interest policy in accordance with the code of judicial conduct and employee policies  
21 utilized within the Unified Judicial System.

22 **Section 3. That § 1-56-8 be AMENDED:**

23 **1-56-8.** Each state agency shall designate an internal control officer. ~~The board~~  
24 ~~shall make available to each internal control officer guidelines and standards that the state~~

1 ~~agency shall implement and comply. The board may take other actions as necessary to~~  
2 ~~carry out the purpose and intent of this chapter~~ who is responsible for ensuring compliance  
3 with this chapter. Two or more state agencies may enter into an agreement pursuant to  
4 chapter 1-24 to designate a single individual to serve as the internal control officer for the  
5 agreeing agencies.

6 **Section 4. That a NEW SECTION be added to chapter 1-56:**

7 Each state agency shall conduct a risk review annually and submit results to the  
8 board, at the time and in the manner designated by the board.

9 For purposes of this section, a "risk review" is an examination of a state agency's  
10 risk management processes and summarization of its current risks.