

Control System Assessment – SmART Agencies

Updated: April 10, 2023

This list of requirements from the Control System Assessment Tool (CSAT) below are identified as joint responsibility for both your agency and SmART. In column F of the CSAT, document the controls where SmART assists your agency (outlined in SmART Controls column below) and then document your specific agency controls. Use columns G, H, and I of the CSAT if applicable.

Requirements (Column D) – SmART & Agency Joint Responsibility

Requirement	SmART Controls
<p>1A. All employees know about the Code of Ethics statute. All employees have completed the Code of Ethical Conduct Acknowledgment and Conflict of Interest Disclosure Form.</p>	<p>All new employees receive a "Human Resource Policy Manual" in their new employee orientation. They are required to sign a statement of compliance and understanding as well as take required training in ELM. SmART HR verifies that all necessary employees recertify each year using the training in ELM by electronically completing the acknowledgement and conflicts of interest disclosure.</p>
<p>1B. The agency has a communication mechanism for employees to raise ethical concerns or potential conduct violations. Employees are aware of both internal and external (e.g., agency ethics officers, etc.) resources for seeking guidance on ethical and/ or conduct issues.</p>	<p>SmART HR provides all new employees with related policies; required employees take the Code of Ethics and Conduct training each subsequent year.</p>

Requirement	SmART Controls
<p>1D. The agency tracks completion to ensure all employees complete required enterprise training, which includes:</p> <ul style="list-style-type: none"> • State of MN Security Awareness Training • Prohibition of Harassment and Discrimination Policy Review • Respectful Workplace Training • Code of Ethics and Conduct Training • Sexual Harassment Prohibited Policy Review and Training 	<p>Agencies work in partnership with HR SmART to make sure most of these trainings are completed.</p> <p><i>Note:</i> Agencies are responsible for coordinating the Security Awareness Training.</p>
<p>3A. The agency completed its spend plan and submitted to MMB according to MMB guidance to ensure:</p> <ul style="list-style-type: none"> • The agency has explicit legal authority to collect all planned sources of revenue, make all planned expenditures, and all are recorded in the accounting system. • All legal funding sources are recognized, with accurate direct appropriation amounts and revenue estimates that are reasonable and represent the most likely scenario. • All known obligations are included and adequately reflect how they fit within the scope of available resources. 	<p>SmART prepares the Annual Spending Plan and works in partnership with the agency to review and make corrections. SmART submits final version to MMB.</p>
<p>3B. The agency resolves all negative appropriations in accordance with MMB guidance.</p>	<p>SmART works with agencies to determine why appropriations have gone negative. SmART and the agency discuss corrective action to resolve any issues and SmART will make appropriate correction in SWIFT.</p>
<p>3C. The agency reviews unspent appropriations at the end of the biennium and transfers them back to the fund from which the appropriation was made to the extent required.</p>	<p>SmART conducts budget meetings with agencies to review unspent appropriation amounts. SmART handles appropriations correctly for budgeting or cancelling the funds.</p>
<p>3D. The agency reviews departmental earnings to determine whether they are significantly over or under recovering relative to their costs. Corrective action is taken and documented where necessary.</p>	<p>SmART works with agencies to determine their departmental earnings and submits the report to MMB.</p> <p><i>Note:</i> How departmental earnings are determined, and estimated revenue amounts are the responsibility of the agency.</p>

Requirement	SmART Controls
<p>3E. Management has procedures and reporting mechanisms in place to monitor variances from budgets, spending plans, and dedicated revenue estimates.</p> <p>Management takes corrective action as needed, and reports major changes, uncommon transactions, or issues to the appropriate oversight agency (MMB) and/or the Legislature.</p>	<p>SmART monitors agencies' budgets and provides partners with Monthly Reporting Package that includes a suite of financial reports. SmART also conducts budget meetings with agencies to review information.</p>
<p>3F. Management has procedures in place to track authority to spend federal funds and monitor actual expenditures relative to authorized spending levels.</p>	<p>Agencies work with SmART to monitor federal fund budgets. SmART does federal drawdowns for agencies and supplies monthly reports on expenditures.</p>
<p>4A. The agency makes payments to contractors in accordance with the contract and ensures no more than 90 percent of the amount due under a contract is paid until the final product and/or service has been reviewed. The head of the agency certifies the contractor fulfilled the terms of the contract, unless this provision has been specifically excluded or modified in writing.</p>	<p>Agencies work with SmART FMR to ensure retainage requirements are being followed. Agencies verify that the payments are made in accordance with the contract when sending the approvals to SmART FMR.</p>
<p>4C. The agency has controls in place to ensure goods are not ordered or services rendered prior to encumbrance and contract execution. Agency completes and submits required 16A/ 16C reports to the Department of Administration.</p>	<p>SmART FMR are the agencies ALP Buyers and therefore guide them on appropriate purchasing procedures. SmART FMR advises agencies when a 16A/16C form is needed and tracks those forms for the agency.</p>
<p>4D. The agency follows purchasing rules and requirements for contract purchases. Agency completes and submits required 16A/ 16C reports to the Department of Administration.</p>	<p>SmART FMR are the agencies' ALP Buyers and therefore guide them on appropriate purchasing procedures.</p>

Requirement	SmART Controls
<p>4E. The agency processes credit card and other electronic financial transactions for government services through the contracts negotiated by MMB, unless MMB grants a waiver allowing an agency to negotiate its own contract with an entity.</p>	<p>SmART FMR ensures agencies are using the state contract for credit card processing and other electronic financial transactions.</p>
<p>5A. The agency has up-to-date policies and procedures to ensure receipts are properly safeguarded, deposited, and recorded accurately in the state’s accounting system, Statewide Integrated Financial Tools (SWIFT). The agency’s receipts are deposited in the state treasury daily when receipts total \$1,000 or more, unless MMB authorizes an exception. The agency complies with federal law and regulations and statewide policy regarding the reporting of cash receipts of more than \$10,000 and certain fines, penalties, and other amounts. Separation of duties or compensating controls exist.</p>	<p>SmART FMR processes the transactions in SWIFT, works with agencies to ensure they have an adequate cash receipts process, and makes sure separation of duties or compensating controls are in place.</p>
<p>5B. All cash receipt activity is reconciled between agency systems, bank deposit records, and entries recorded in the state’s accounting system, Statewide Integrated Financial Tools (SWIFT), and exceptions are resolved.</p>	<p>Agencies prepare all bank deposits and SmART FMR works with agencies to reconcile entries in SWIFT. MMB performs state-wide bank reconciliation with the SWIFT system.</p>
<p>5C. When an uncontested debt owed to a state agency becomes 120 days past due, the agency refers the debt to the Department of Revenue for collection unless an exception is granted for the agency to perform collection activities.</p>	<p>SmART FMR would work with agencies to report past due amounts.</p>

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<p>5D. When a debt is determined to be uncollectible, the agency writes off the debt from financial accounting records and it is no longer recognized as a debt for financial reporting purposes. For debts of \$100,000 or greater, the agency notifies the legislative committees with jurisdiction over the agency's budget at the time the debt is determined to be uncollectible.</p>	<p>SmART FMR would work with agencies to determine if debt should be written off.</p>
<p>6B. The agency ensures all payments take advantage of early payment discount periods. If no discount applies, the invoice is paid with 30 days following receipt of the invoice, merchandise, or service, whichever is later.</p>	<p>SmART FMR processes payments for agencies in SWIFT and makes sure invoices are paid within the prompt payment period.</p>
<p>10C. The agency grants access to data and computer systems limited to what each employee needs to perform their duties. Access is reviewed upon changes in user roles, when employees leave their positions, and at least annually for all user accounts. The agency makes access changes promptly.</p>	<p>SmART FMR performs an annual review of SWIFT access to make sure there are no conflicts. If there are, the mitigating controls are documented.</p>
<p>12A. The agency posts for at least 21 days all unlimited classified managerial positions, and temporary unclassified managerial positions anticipated to last more than one year and at a compensation code of 16M or higher.</p>	<p>SmART HR works with agencies to guide them through the hiring process and posts positions appropriately. SmART HR works with MMB if needed.</p>

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<p>12B. The agency posts other unlimited classified and temporary unclassified positions for at least seven calendar days, with 21 calendar days recommended, unless it receives a waiver from MMB. See policy for specifics.</p> <p>The agency posts student worker positions and paid intern positions for at least seven calendar days or unless it receives a waiver from MMB.</p> <p>Reannouncements for the same vacant position are not altered and the agency posts for at least three calendar days.</p> <p>The agency seeks and receives waivers from MMB for any departures from this policy.</p>	<p>SmART HR works with agencies to guide them through the hiring process and posts positions appropriately. SmART HR works with MMB when needed.</p>
<p>12C. The agency conducts structured interviews in the competitive selection process with a diverse panel of at least two members (but ideally three to five members), the interview questions are the same for each candidate, and are job-related.</p> <p>Screening and selection criteria is approved by the agency HR office or the affirmative action officer.</p>	<p>SmART HR advises agencies on best practices for the interview process and will participate if requested.</p>
<p>12D. The agency creates a standardized anchored scale for candidates' interview performance in the competitive selection process. Every interviewee is rated using the same scale, applicants are ranked accordingly, and written justification for the final candidate selection is provided to the agency's human resources office.</p>	<p>SmART HR advises agencies on best practices for the interview process and will participate if requested.</p>

Requirement	SmART Controls
<p>12E. The agency conducts all background checks (including but not limited to employment records, criminal records, driver's license records, education records) according to policy and/ or position requirements.</p>	<p>If applicable, agencies work with HR SmART to conduct background checks for new employees.</p> <p><i>Note:</i> Some agencies will have different process/ responsibilities for background checks for licensees.</p>
<p>13A. The agency maintains complete and accurate documentation of employee hours worked and leave taken, including COVID-19 related leave.</p>	<p>SmART HR processes payroll for the agency. SmART FMR sends the Payroll Posting Audit Trail report biweekly for agencies to review and document.</p> <p><i>Note:</i> Agencies are responsible for tracking leave.</p>
<p>13B. The agency verifies the accuracy of payroll and human resources transactions to ensure that all employees have been appointed as required by law, rules, or administrative procedures and that the salary or compensation is within the applicable compensation plan or collective bargaining agreement or as fixed by law.</p> <p>The agency verifies that any overpayments or underpayments made to employees are corrected promptly, accurately, and in accordance with state laws and statewide policy.</p>	<p>SmART HR works with agencies to ensure these transactions are completed accurately. SmART HR enters the transactions in SEMA4 for agencies. SmART HR works with agencies to correct inaccurate payments.</p>