

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance

AGENDA ITEM: 7 – K

DATE: April 2-4, 2019

SUBJECT

FY18 CAFR Review

CONTROLLING STATUTE, RULE, OR POLICY

[SDCL 4-11-2](#) – Annual Audit of State Accounts

BACKGROUND/DISCUSSION

The FY18 Statewide Comprehensive Annual Financial Report (CAFR) was released in December. The Board of Regents (BOR) is considered a component unit of the state of South Dakota in the CAFR. The Department of Legislative Audit (DLA) is charged with providing an audit opinion on the CAFR and performs an audit of the BOR financial statements to help arrive at this opinion.

DLA does not issue an audit opinion specifically for BOR. The lack of an audit opinion does not change the fact that our financials are looked at extensively. DLA sends auditors to both SDSU and USD. They spend time with the campuses looking at both items specific to those two campuses as well as looking at system procedures and controls. They also use Banner to pull documents and review transactions remotely for the four small campuses and review them for accuracy and appropriateness. Phone interviews are also conducted with the controllers at these campuses. Because of the size of our financial numbers DLA does spend a significant amount of time make sure that our statements are free of material misstatements. For FY18 there were no audit findings or mandatory auditor adjustments for the BOR system.

IMPACT AND RECOMMENDATIONS

The accounting staff at each campus is to be congratulated for the continued commitment to excellence. Listed below are the controllers and board office staff who had a major hand in completing this year’s financial statements.

Brandon Bentley – BHSU
Amy Dockendorf – DSU
Kay Fredrick – NSU
Heather Forney – SDSMT
Deb Rowse – SDSMT
Karen Jastram - SDSU
Jim Rogness – SDSU
Sara Mooney – SDSU
Shelley Brunick – USD

Justin Noehrens - USD
Claudean Hluchy – Special Schools
Michelle Elkin – RIS
Dennis Konkler – RIS
Mary Ellen Garrett – BOR
Nancy Barnes – BOR
Justin Nagel – BOR
Sherri Stahl – BOR
Scott Van Den Hemel – BOR

(Continued)

INFORMATIONAL ITEM

With every audit there are always areas that are identified as places for improvement. The board office will visit with DLA and the controllers and continue to look for ways to improve our internal controls and other processes. We will also review any findings DLA identified that did not meet material reporting thresholds. These smaller findings can be very helpful in identifying procedures and controls that need to be adjusted before they become bigger problems down the line.

The number of mandatory audit adjustments for the last five years, the dollar value associated with those adjustments and their impact on BOR's net position are listed below.

Fiscal Year	# of Audit Adjustments	Dollar Value of Adjustments	Impact on Net Position
2014	11	\$188,588,386.54	0.00%
2015	0	\$0.00	0.00%
2016	0	\$0.00	0.00%
2017	0	\$0.00	0.00%
2018	0	\$0.00	0.00%

ATTACHMENTS

None