

SOUTH DAKOTA BOARD OF REGENTS

Budget and Finance
Consent

AGENDA ITEM: 4 – U
DATE: April 1, 2020

SUBJECT

FY19 CAFR Audit Review

CONTROLLING STATUTE, RULE, OR POLICY

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

BACKGROUND / DISCUSSION

The FY19 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 spends a significant amount of time make sure that our statements are free of material misstatements. For FY19 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 | Justin Noehren – USD |
| Amy Dockendorf – DSU | Claudean Hluchy – Special Schools |
| Kay Fredrick – NSU | Dennis Konkler – RIS |
| Deb Rowse – SD Mines | Mary Ellen Garrett – BOR |
| Karen Jastram – SDSU | Nancy Barnes – BOR |
| Sara Mooney – SDSU | Justin Nagel – BOR |
| Shelley Brunick – USD | 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 to continue looking 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 issues 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
2015	0	\$0.00	0.00%
2016	0	\$0.00	0.00%
2017	0	\$0.00	0.00%
2018	0	\$0.00	0.00%
2019	0	\$0.00	0.00%

ATTACHMENTS

None