

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**  
**Consent**

**AGENDA ITEM: 5 – T**  
**DATE: March 29-30, 2023**

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**SUBJECT**

**FY22 Annual Comprehensive Financial Review (ACFR) Audit**

**CONTROLLING STATUTE, RULE, OR POLICY**

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

**BACKGROUND / DISCUSSION**

The FY22 Statewide Annual Comprehensive Financial Report (ACFR) was released in December 2022. The Board of Regents (BOR) is considered a component unit of the state of South Dakota in the ACFR. The Department of Legislative Audit (DLA) is charged with providing an audit opinion on the ACFR 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 financial information is reviewed extensively. DLA sends auditors to both SDSU and USD where they spend time analyzing items specific to those two campuses in addition to system procedures and controls. The auditors use Banner to pull documents and review transactions remotely for the four small campuses 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 making sure that our statements are free of material misstatements. For FY22 there were no audit findings or mandatory auditor adjustment 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 the FY22 financial statements.

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|-----------------------|-----------------------------------|
| Rob Houdek – BHSU     | Justin Noehren – USD              |
| Amy Dockendorf – DSU  | Claudean Hluchy – Special Schools |
| Kay Fredrick – NSU    | Dennis Konkler – RIS              |
| Deb Rowse – SDSMT     | Shannon Wasilik – BOR             |
| Karen Jastram – SDSU  | Abby Underberg – BOR              |
| Yura Chong – SDSU     | Scott Van Den Hemel – BOR         |
| Shelley Brunick – USD |                                   |

(Continued)

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**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.

<b>Fiscal Year</b>	<b># of Audit Adjustments</b>	<b>Dollar Value of Adjustments</b>	<b>Impact on Net Position</b>
2018	0	\$0.00	0.00%
2019	0	\$0.00	0.00%
2020	5	\$6,645,014.73	0.00%
2021	1	\$11,888,422.00	0.00%
2022	0	\$0.00	0.00%

Each year the Board office assigns a priority code to the audit adjustments. One is a high priority and five is a low priority. There were no mandatory adjustments for FY22.

**ATTACHMENTS**

None