

*Agreed-Upon Procedures:*

**SOUTH DAKOTA BOARD OF ACCOUNTANCY**

Years ended  
June 30, 2017, 2018 and 2019



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INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

South Dakota Board of Accountancy  
Sioux Falls, SD

We have performed the procedures enumerated in Appendix A, which were agreed to by the South Dakota Board of Accountancy (the Board) in connection with performing certain agreed-upon procedures for the fiscal years ended June 30, 2017, 2018 and 2019. The Board is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures on the accompanying pages either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the financial information provided by the Board. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and the State of South Dakota and is not intended to be and should not be used by anyone other than those specified parties.

*Schechter Dokken Kanter  
Andrew S. Selzer, Ltd.*

December 13, 2019

**South Dakota Board of Accountancy  
Agreed-Upon Procedures  
Fiscal Years Ended June 30, 2017, 2018 and 2019**

**Appendix A**

We performed the following procedures for the years ended June 30, 2017, 2018 and 2019:

1. **Procedure:** Inquire of management regarding the internal control procedures as they relate to cash receipts for the revenue process and provide recommendations for improvements to be considered.

**Results:** We inquired of the Executive Director regarding the cash receipts process and noted the following:

- Staff includes Executive Director, Senior Secretary and Secretary.
- Senior Secretary opens all mail, prepares cover sheet of all receipts and forwards to the Executive Director for review/signature.
- Secretary inputs vouchers, non-cash vouchers and cash receipts into QuickBooks (QB Pro Edition 2010) which is reconciled monthly with local bank statements and the "State of South Dakota Cash Center Balances" report. A report is printed from the Board's database entitled, "Receipts List by Payment Method" which tracks all payments by receipt number and in sequential order. The report provides details which tracks any changes/corrections by user, date and time. The Executive Director and Senior Secretary have full administrative rights to the *database*. The Executive Director and Secretary have full administrative rights to *QuickBooks*.
- The Senior Secretary deposits checks within 5 days at local bank.
- No cash is accepted for payment.
- The Board accepts credit/debit card payments including Visa/Mastercard. Authorized.net is the credit card processing provider and receipt is generally posted to bank account within 2-3 days after processing
- Approximately 2-3 days after deposit, amounts are transferred to the State.
- Bank reconciliations are completed by Secretary, reviewed by Executive Director and approved by the Board at their meetings (denoted by approval of monthly financial statements as listed in the meeting minutes).
- The Board also provides copies of the deposit transactions to the State Auditor and State Treasurer which provides another level of oversight in the cash receipts process.

We did not note any recommendations to enhance the existing controls.

2. **Procedure:** Recalculate the annual revenue for the following categories:

- Initial CPA Certificate
- Individual Renewal in Active, Inactive and Retired
- Firm Permit Renewal
- Firm Owners Fee

**Results:** We recalculated the annual revenue for the above referenced categories for fiscal years 2018 and 2019 by reconciling QuickBooks activity to the "Receipts by Category" report noting an aggregate immaterial difference totaling \$190. Due to the Board retiring its database used in 2017 as it was no longer being supported, we agreed annual revenues by comparing the fiscal year 2017 "Receipts by Category" report to QuickBooks noting a difference of \$2,735.

3. **Procedure:** Select two months of the local checking account and compare internal records to the State's report of monthly activity and ending balances. One month must be June, the accountant has the discretion to select any other month during each fiscal year.

**Results:** We selected the following six months and traced all deposits for the respective month to the local checking account and related transfer to the State's report of monthly activity without exception. We also agreed the local bank account reconciliations to QuickBooks noting an ending checking balance of \$384.53 (ending bank balance less outstanding transfer). SDK corroborated with the Executive Director who noted this imprest amount is left in the checking account to cover any bank related charges. We also compared the State report to QuickBooks and agreed ending pooled cash balance without exception.

- July 2016
- June 2017
- August 2017
- June 2018
- January 2019
- June 2019

4. **Procedure:** For the two months selected in step 3, compare all journal entries in QuickBooks for agreement to the State provided reports.

**Results:** For the six months selected in step 3, we compared all journal entries in QuickBooks (primarily includes payroll and non-cash vouchers) to the State provided reports without exception.

5. **Procedure:** Meet with management to review any preliminary findings and/or recommendations. Issue a final report to management and the Board and make access to workpapers, if requested.

**Results:** We did not any identify any recommendations as part of our procedures. A draft report was provided to the Board on December 5, 2019, and a final report was dated December 13, 2019. Access to our workpapers will be provided upon request.