



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Commissioners of the South Dakota Cosmetology Commission,
and to the South Dakota Department of Labor and Regulation
Pierre, South Dakota

We have performed the procedures enumerated below, which were agreed to by the South Dakota Cosmetology Commission, and the South Dakota Department of Labor and Regulation (the specified parties), solely to assist you in evaluating the internal controls over the revenue function of the South Dakota Cosmetology Commission for the year ended June 30, 2017. The South Dakota Cosmetology Commission's management is responsible for the Commission's internal controls over the revenue function. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures were as follows:

- 1) We inquired of management regarding the internal control processes as they relate to cash receipts for the revenue process.
- 2) We selected 30 licensed individuals approved by the Board from the licensee list on the Commission's database. For the licensees selected, we agreed the renewal fee charged with the South Dakota Codified Laws and Administrative Rules in effect for fiscal year June 30, 2017, and with the fees published on the Commission's website. We traced the payment received to the deposit receipt and agreed the information on the receipt to the weekly deposit voucher. We agreed the total from the deposit voucher to the monthly deposit report. We found one exception during our testing. The deposit voucher tested for 09/8/2016 reported a total deposit of \$2,488 but the monthly deposit report spreadsheet showed \$2,448, a difference of \$40. The difference related to \$40 that was erroneously entered into the non-cash portion of the spreadsheet instead of the respective deposit column. Therefore, the total cash was still accounted for – the \$40 was merely placed in the wrong column on the schedule.
- 3) We selected 15 salon licensed businesses approved by the Board from the licensee list on the Commission's database. For the licensees selected, we agreed the renewal fee charged with the South Dakota Codified Laws and Administrative Rules in effect for fiscal year June 30, 2017, and with the fees published on the Commission's website. We traced the payment received to the deposit receipt and agreed the information on the

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receipt to the weekly deposit voucher. We agreed the total from the deposit voucher to the monthly deposit report. There were no exceptions found as a result of applying these procedures.

- 4) We selected 10 examinees from the exam roster. We agreed the fee charged based on our review of the exam fee schedule included in the South Dakota Codified Laws and Administrative Rules in effect for fiscal year June 30, 2017 and with the fees published on the Organization's website. We traced the payment received to the deposit receipt and agreed the information on the receipt to the weekly deposit voucher. We agreed the total from the deposit voucher to the monthly deposit report. There were no exceptions found as a result of applying these procedures.
- 5) We agreed the totals from the monthly deposit report to the confirmation report provided by the Bureau of Financial Management. There were no exceptions found as a result of applying these procedures.

We were not engaged to and did not conduct an audit or a review, the objectives of which would be the expression of an opinion or limited assurance on the internal controls over the revenue function. Accordingly, we do not express such an opinion or limited assurance. 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 South Dakota Cosmetology Commission and the South Dakota Department of Labor and Regulation, and is not intended to be and should not be used by anyone other than these specified parties.

Sampson & Mann, LLP

November 28, 2017