

COUNTY AUDIT SUMMARY

Years Ended December 31, 1996 and 1997

CALENDAR YEAR 1996-97 COUNTY AUDITS

The purpose of this report is to provide an audit summary of the audit of all 66 counties that were performed either with a December 31, 1996 or 1997 cutoff date. Most of the counties receive two year audits with approximately half of the counties receiving audits each year. Because of their size, four counties, Minnehaha, Pennington, Brookings and Brown, receive annual audits. The audits were performed by the Department of Legislative Audit during calendar years 1996 and 1997.

In accordance with state law, all of these audits are filed with the Department of Legislative Audit and are available for public inspection. The contents of these reports have been summarized into the following four categories.

OPINION QUALIFICATIONS

At the conclusion of each audit the auditor renders an opinion as to the fairness of the financial statements. If necessary, an auditor will qualify their opinion because of a restriction in the scope of the audit or because certain financial information was not fairly presented.

A total of 53 of the 66 counties audited had no opinion qualifications. The remaining 16 audits had a total of 18 qualifications reported. In 9 of those 18 opinion qualifications, the principal reason for qualifying was because of inadequate fixed asset records. Each county is required to maintain a detailed listing of their land, buildings and equipment. It is necessary for auditors to qualify their opinions if the fixed asset listings are incomplete or not properly valued.

AUDITOR'S COMMENTS

The material findings of each audit are included in audit reports as auditor's comments. Of the 66 counties audited, 28 contained auditor's comments. A summary of the more common auditor's comments by category have been summarized as follows:

Fixed Assets - A total of 4 findings related to inadequate fixed asset records. The comments recommended that complete and accurate fixed asset listings be established and that capitalization policies should be adopted.

Record Deficiencies in Outlying Departments - Nine findings related to record keeping deficiencies in outlying departments such as the fair, ambulance, sheriff and highway. Controls over financial transactions are important at all levels of government.

Surplus Cash - A total of 8 counties were formally criticized for having General Fund balances in excess of the statutory limit. South Dakota Codified Law 7-21-18.1 limits the unobligated balance of the General Fund to 40% of next year's appropriation.