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RUSSELL A. OLSON
AUDITOR GENERAL

August 16, 2022

Brookings County
520 3rd Street
Brookings, SD 57006

In planning and performing our audit of the financial statements of Brookings County (County) as of December 31, 2020 and for the year then ended, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, we considered County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

Auditing standards generally accepted in the United States of America and *Government Auditing Standards* require that we provide you with this management letter to communicate:

1. Deficiencies Noted in Internal Control:
 - a. Deficiencies in internal control which are material weaknesses or significant deficiencies. Material weaknesses and significant deficiencies will be included in the schedule of current audit findings included in the audit report and are summarized later in this letter.
 - b. Deficiencies noted in internal control which did not rise to the level of being a material weakness or significant deficiency, yet are important enough to merit attention by those charged with governance. These deficiencies are described in detail later in this letter.
2. Violations of laws, rules and regulations and provisions of contracts or grant agreements.

- a. Material violations of laws, rules and regulations and provisions of contracts or grant agreements. Material violations will be included in the schedule of current audit findings included in the audit report and are summarized later in this letter.
 - b. Immaterial violations of laws, rules and regulations and provisions of contracts or grant agreements. These violations are described in detail later in this letter.
3. All unadjusted proposed audit adjustments to the financial statements which were not corrected, including the nature, amount and effect of the uncorrected misstatements. These adjustments have been determined by management to be immaterial, both individually and in the aggregate, to the financial statements, taken as a whole. The lead schedule of potential audit adjustments has been given to and discussed with Jen Beller, Deputy Finance Officer and Lori Schultz, Finance Officer.

Deficiencies Noted in Internal Control Which Are Material Weaknesses Or Significant Deficiencies which are included in the schedule of current audit findings in the audit report:

The preparation of the annual financial reports in accordance with the modified cash basis of accounting resulted in material reporting errors. This is further discussed in Current Audit Finding No 2020-001.

Deficiencies Noted in Internal Control Which Did Not Rise To The Level Of Being A Material Weakness or Significant Deficiency Yet Important Enough To Merit Attention Of Those Charged With Governance:

Lack of internal control over the motor vehicle apportionment process resulted in the motor vehicle fund accumulating a material uncleared balance.

Material Violations of Laws, Rules, and Regulations and Provisions of Contract and Grant Agreements which are included in the schedule of current audit findings in the audit report:

None Disclosed.

Immaterial Violations of Laws, Rules, and Regulations and Provisions of Contract and Grant Agreements

None Disclosed.

We also noted other less significant items through out the course of the audit that were discussed with management.

This communication is intended solely for the information and use of the South Dakota Legislature, state granting agencies, and the governing board and management of Brookings County and is not intended to be and should not be used by anyone other than these specified parties. As required by South Dakota Codified Law 4-11-11, this report is a matter of public record and its distribution is not limited.

If you have any questions, please contact me.

Sincerely,

Jeff Schaefer
Auditor-in-Charge