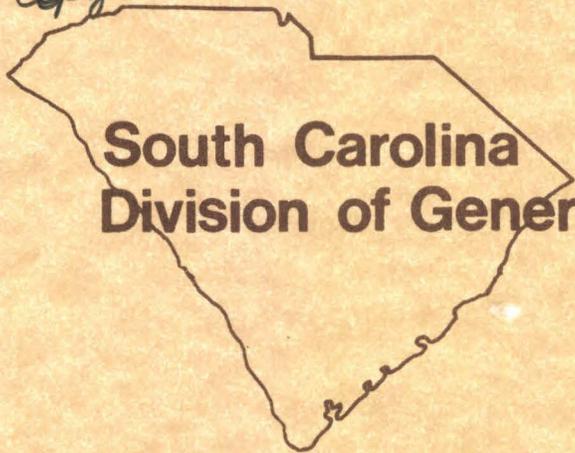


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**South Carolina
Division of General Services**

PROCUREMENT AUDIT AND CERTIFICATION

STATE BOARD FOR TECHNICAL
AND COMPREHENSIVE EDUCATION

AGENCY

JULY 1, 1988 - MARCH 31, 1990

DATE

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STATE OF SOUTH CAROLINA
State Budget and Control Board
DIVISION OF GENERAL SERVICES



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STATE TREASURER

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COMPTROLLER GENERAL

RICHARD W. KELLY
DIVISION DIRECTOR

MATERIALS MANAGEMENT OFFICE
1201 MAIN STREET, SUITE 600
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-0600

JAMES J. FORTH, JR.
ASSISTANT DIVISION DIRECTOR

JAMES M. WADDELL, JR.
CHAIRMAN, SENATE FINANCE COMMITTEE

WILLIAM D. BOAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

September 10, 1990

Mr. Richard W. Kelly
Director
Division of General Services
1201 Main Street, Suite 420
Columbia, South Carolina 29201

Dear Rick:

I have attached the State Board of Technical and Comprehensive Education procurement audit report prepared by the Office of Audit and Certification. Since the State Board did not request certification above the \$2,500 basic limit allowed by the Consolidated Procurement Code, I request that you submit the report to the Budget and Control Board as information.

Sincerely,

A handwritten signature in cursive script that reads "James J. Forth, Jr.".

James J. Forth, Jr.

JJF/jm

Attachment

STATE BOARD FOR TECHNICAL
AND COMPREHENSIVE EDUCATION

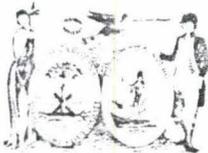
PROCUREMENT AUDIT REPORT

JULY 1, 1988 - MARCH 31, 1990

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STATE OF SOUTH CAROLINA
State Budget and Control Board
DIVISION OF GENERAL SERVICES



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CHAIRMAN, WAYS AND MEANS COMMITTEE

JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

September 6, 1990

Mr. James J. Forth, Jr.
Assistant Division Director
Division of General Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

Dear Jim:

We have examined the procurement policies and procedures of the State Board for Technical and Comprehensive Education for the period July 1, 1988 through March 31, 1990. As a part of our examination, we made a study and evaluation of the system of internal control over procurement transactions to the extent we considered necessary.

The purpose of such evaluation was to establish a basis for reliance upon the system of internal control to assure adherence to the Consolidated Procurement Code and State and Board procurement policy. Additionally, the evaluation was used in determining the nature, timing and extent of other auditing procedures that were necessary for developing an opinion on the adequacy, efficiency and effectiveness of the procurement system.

The administration of the State Board for Technical and Comprehensive Education is responsible for establishing and maintaining a system of internal control over procurement

transactions. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance of the integrity of the procurement process, that affected assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and are recorded properly.

Because of inherent limitations in any system of internal control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal control over procurement transactions as well as our overall examination of procurement policies and procedures were conducted with due professional care. They would not, however, because of the nature of audit testing, necessarily disclose all weaknesses in the system.

We noted no exceptions and found the State Board for Technical and Comprehensive Education to be in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.


R. Voight Shealy, Manager
Audit and Certification

SCOPE

Our audit was performed in accordance with Generally Accepted Auditing Standards as they apply to compliance audits.

Specifically, the examination included but was not limited to review of the following:

- 1) All sole source and emergency procurements (7/1/85 - 3/31/90)
- 2) Property management and fixed asset procedures
- 3) Purchase orders for fiscal years 1988/89 and 1989/90:
 - a) One hundred randomly selected procurement transactions, each exceeding \$500.00
 - b) A block sample review of three hundred twenty-four purchase orders in numerical sequence
- 4) All real property leases
- 5) Minority Business Enterprise Plan
- 6) Information Technology Plan
- 7) Professional development of the procurement staff

RESULTS OF EXAMINATION

The Office of Audit and Certification performed an examination of the internal operating procedures and policies and the related manual of the State Board for Technical and Comprehensive Education for the period July 1, 1988 through March 31, 1990. Our on-site review was conducted May 16, through June 1, 1990 and was made under the authority described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code.

We noted several minor exceptions which the Board has corrected. We did not find any material weaknesses or significant exceptions.

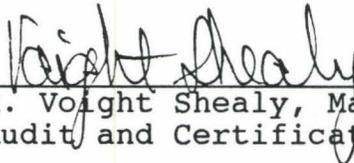
CONCLUSION

In our opinion, the Board of Technical and Comprehensive Education is in compliance with the South Carolina Consolidated Procurement Code.

Since the Board has not requested additional certification, we recommend that they be allowed to procure all goods and services, consultants, construction and information technology up to the basic level of \$2,500.00, as outlined in the Procurement Code.



Marshall B. Williams, Jr., Supervisor
Audit and Certification



R. Voight Shealy, Manager
Audit and Certification



**STATE BOARD FOR TECHNICAL
AND
COMPREHENSIVE EDUCATION**

JAMES R. MORRIS, JR.
EXECUTIVE DIRECTOR

111 EXECUTIVE CENTER DRIVE
COLUMBIA, S. C. 29210

August 28, 1990

Mr. R. Voight Shealy, Manager
Audit and Certification
Materials Management Office
1201 Main Street, Suite 600
Columbia, South Carolina 29201

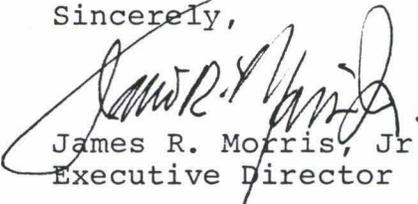
Dear Mr. Shealy:

I have reviewed the Procurement Audit Report for the period July 1, 1988 - March 31, 1990. We are pleased with the findings and the continued support of your office.

The State Board for Technical and Comprehensive Education also concurs in the continuation of the \$2,500.00 procurement authorization level. The current staff configuration would not be able to handle a higher certification.

If there is any additional response required, please let me know.

Sincerely,


James R. Morris, Jr.
Executive Director

DRP/tm:

cc: Donald R. Peterson
Alice Mattison

