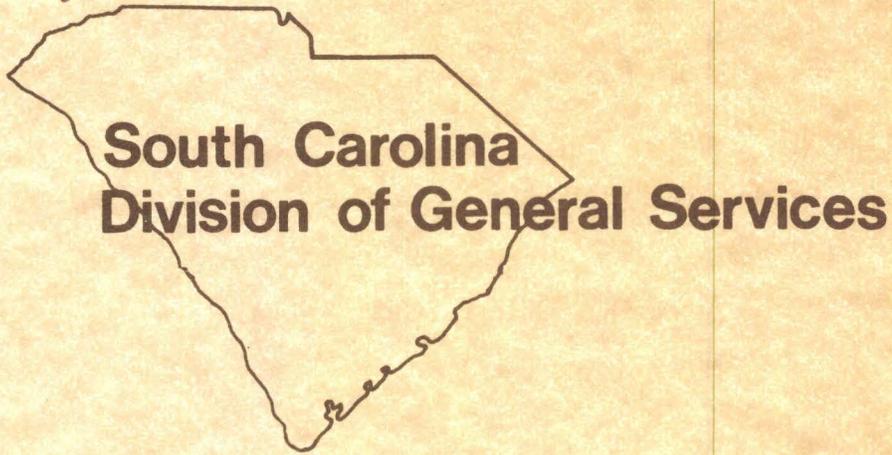


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# PROCUREMENT AUDIT AND CERTIFICATION

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STATE DOCUMENTS

SOUTH CAROLINA BOARD OF  
EXAMINERS IN OPTICIANRY

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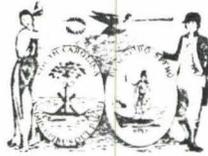
AGENCY

JULY 1, 1988 - MARCH 31, 1990

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DATE

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



CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR

GRADY L. PATTERSON, JR.  
STATE TREASURER

EARLE E. MORRIS, JR.  
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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

ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

August 27, 1990

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

Dear Rick:

Attached is the final Board of Examiners in Opticianry audit report and recommendations made by the Office of Audit and Certification. Since no certification above the \$2,500.00 limit allowed by law was requested, and no action is necessary by the Budget and Control Board, I recommend that this report be presented to them for their information.

Sincerely,

A handwritten signature in dark ink, appearing to read "James J. Forth, Jr.", written over a horizontal line.

James J. Forth, Jr.  
Assistant Division Director

JJF/jm

Attachment

THE SOUTH CAROLINA BOARD OF  
EXAMINERS IN OPTICIANRY  
PROCUREMENT AUDIT REPORT

JULY 1, 1988 - MARCH 31, 1990

TABLE OF CONTENTS

	<u>PAGE</u>
Transmittal Letter.....	1
Results of Examination.....	4
Conclusion.....	5
Boards Response.....	6
Follow-up Review.....	7

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



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1201 MAIN STREET, SUITE 600  
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(803) 737-0600

JAMES J. FORTH, JR.  
ASSISTANT DIVISION DIRECTOR

August 20, 1990

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

ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

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

We have examined the procurement policies and procedures of the South Carolina Board of Examiners in Opticianry for the period July 1, 1988 - 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 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 South Carolina Board of Examiners in Opticianry is responsible for establishing and maintaining a system of internal control over procurement transactions. In

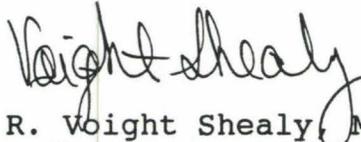
fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance of the integrity of the procurement process, that 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.

The examination did, however, disclose conditions enumerated in this report which we believe to be subject to correction or improvement.

Corrective action based on the recommendations described in these findings will in all material respects place the South Carolina Board of Examiners in Opticianry in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.



R. Voight Shealy, Manager  
Audit and Certification

## RESULTS OF EXAMINATION

The Office of Audit and Certification performed an examination of the internal operating procedures and policies of the South Carolina Board of Examiners in Opticianry, hereinafter referred to as the Board, for the period of July 1, 1988 through March 31, 1990. Our on-site review was conducted on May 8, 1990 and was made under the authority described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code.

Since the Board has a limited number of procurement actions during the audit period, we tested all of them. We found all procurements to be in compliance with the Code. However, we noted one area that the Board needs to address.

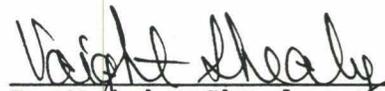
The Board has not prepared an internal procurement procedures manual as required by Consolidated Procurement Code Regulation 19-445.2005. We recommend that the Board file a manual or a letter of intent with the Materials Management Office.

CONCLUSION

As enumerated in our transmittal letter corrective action based on the recommendations described in this report, we believe, will in all material respects place the State Board of Examiners in Opticianry in compliance with the South Carolina Consolidated Procurement Code.

The Board has not requested procurement certification above the basic limit of \$2,500.00 that is allowed by the Procurement Code. Subject to corrective action listed in this report, we recommend that the State Board of Examiners in Opticianry be allowed to continue procuring goods and services, consultant services, construction and information technology up to that level. We will verify completion of this by performing a follow-up review before July 31, 1990.

  
\_\_\_\_\_  
Melissa Rae Thurstin  
Compliance and Certification Analyst

  
\_\_\_\_\_  
R. Voight Shealy, Manager  
Audit and Certification



The South Carolina Board Of Examiners In Opticianry

July 24, 1990

R. Voight Shealy, Manager  
Audit and Certification  
State Budget and Control Board  
1201 Main Street, Suite 600  
Columbia, South Carolina 29201

Dear Mr. Shealy:

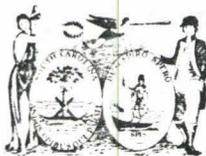
Per your letter dated July 18, 1990, enclosed is documentation for the exception which you found in your report. This copy was located after the visit to Mr. Dan Gosnell in Greenville. I hope this covers your request.

Sincerely,

  
Jack S. Folline  
President

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

August 20, 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 reviewed the response to our audit report of the Board of Examiners in Opticianry covering July 1, 1988 - March 31, 1990. Combined with observations made during our site visit and subsequent correspondence, this review has satisfied the Office of Audit and Certification that the Board has corrected the problem areas found and that internal controls over the procurement system are adequate.

We, therefore, recommend that the Board of Examiners in Opticianry be allowed to continue procuring all goods and services, consultants, information technology and construction up to the basic level of \$2,500 authorized by the Consolidated Procurement Code.

Sincerely,

A handwritten signature in cursive script that reads "Voight Shealy".

R. Voight Shealy, Manager  
Audit and Certification

RVS/jm

