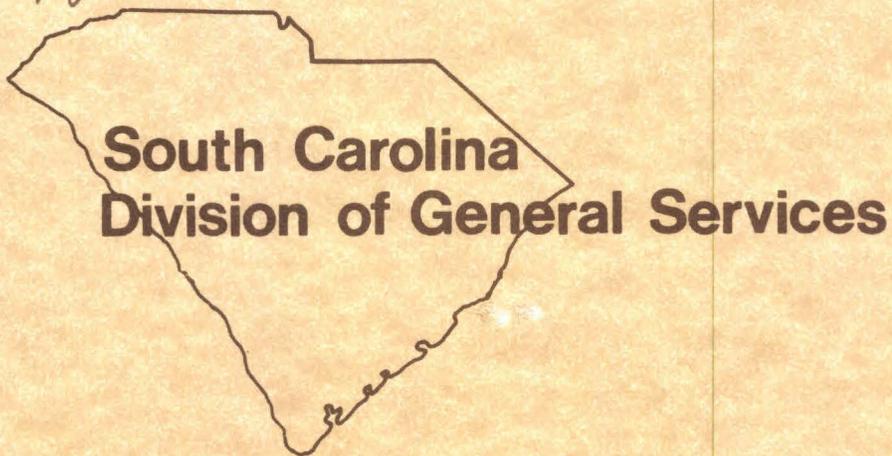


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PROCUREMENT AUDIT AND CERTIFICATION

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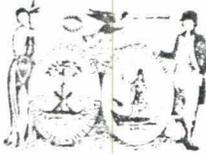
SOUTH CAROLINA
BOARD OF OCCUPATIONAL THERAPY

AGENCY

JULY 1, 1987 - MARCH 31, 1990

DATE

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



CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

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DIVISION DIRECTOR

MATERIALS MANAGEMENT OFFICE
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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 21, 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 procurement audit report of the Board of Occupational Therapy, as prepared by the Office of Audit and Certification. Since the Board did not request certification above the basic \$2,500.00 limit authorized 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, appearing to read "James J. Forth, Jr.".

James J. Forth, Jr.
Assistant Division Director

JJF/jm

Attachment

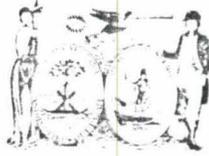
SOUTH CAROLINA BOARD OF
OCCUPATIONAL THERAPY
PROCUREMENT AUDIT REPORT

JULY 1, 1987 - MARCH 31, 1990

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

September 20, 1990

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 Occupational Therapy for the period July 1, 1987 - March 31, 1990. As part of our examination, we studied and evaluated the system of internal control over procurement transactions to the extent we considered necessary.

The 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 necessary for developing an opinion on the adequacy, efficiency and effectiveness of the procurement system.

The administration of the South Carolina Board of Occupational Therapy 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. Because of the nature of audit testing however, they would not necessarily disclose all weaknesses in the system.

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

Corrective action based on the recommendations described in these findings will in all material respects place the State Board of Occupational Therapy 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 Board of Occupational Therapy for the period July 1, 1987 through March 31, 1990. Our review was conducted on May 1, 1990 and was made under the authority described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code (the Code).

Since the Board had a limited number of procurement actions during the audit period, we tested all of them. We found all procurement transactions to be in compliance with the Code. However, we noted two other areas that the Board needs to address.

The Board has not submitted quarterly reports of sole source, emergency and trade-in procurements to the Materials Management Office as required by Section 11-35-2440 and 11-35-3830(3) of the Code. We recommend that this be done in the future.

Also, the Board should prepare a procurement procedures manual or file with this office a letter of intent to comply with the Consolidated Procurement Code and ensuing regulations.

CONCLUSION

As enumerated in our transmittal letter, corrective action based on the recommendations described in this report should place the State Board of Occupational Therapy 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 Occupational Therapists 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.


James M. Stiles, PPB
Audit Manager


R. Voight Shealy, Manager
Audit and Certification

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EXECUTIVE DIRECTOR

September 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 followed up with the Board of Occupational Therapy to ensure that they have accomplished the corrective action that we recommend in the attached procurement audit report. The Board chose not to respond to our report. However, they have filed a statement of intent to comply with the South Carolina Consolidated Procurement Code. This meets our requirements for an agency of this size.

Since the Board has not requested certification above the \$2,500 basic limit authorized by the Code, I recommend that it be allowed to continue making direct procurements up to that level.

Sincerely,

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

R. Voight Shealy, Manager
Audit and Certification

RVS/jm

