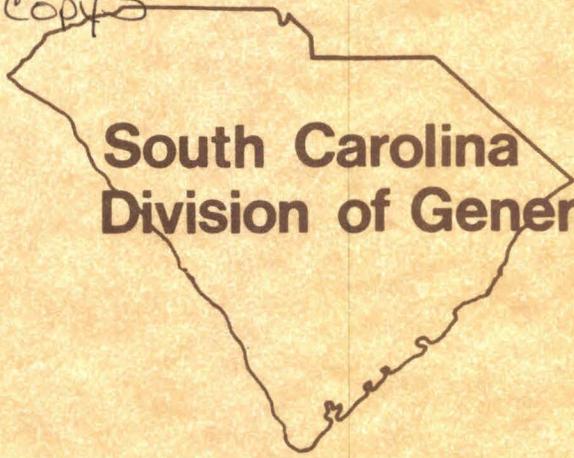


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**South Carolina
Division of General Services**

PROCUREMENT AUDIT AND CERTIFICATION

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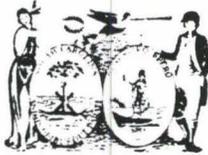
MIDLANDS TECHNICAL COLLEGE

AGENCY

OCTOBER 1, 1988 - DECEMBER 31, 1991

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

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COMPTROLLER GENERAL

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LUTHER F. CARTER
EXECUTIVE DIRECTOR

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

March 13, 1992

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

Dear Rick:

I have attached Midlands Technical College's procurement audit report and recommendations made by the Office of Audit and Certification. I concur and recommend the Budget and Control Board grant the College a three (3) year certification as noted in the audit report.

Sincerely,

A handwritten signature in black ink, appearing to read 'James J. Forth, Jr.'.

James J. Forth, Jr.
Assistant Division Director

JJF/jjm

Attachment

MIDLANDS TECHNICAL COLLEGE
PROCUREMENT AUDIT REPORT

OCTOBER 1, 1988 - JUNE 30, 1991

FOLLOW-UP REVIEW

JULY 1, 1991 - DECEMBER 31, 1991

TABLE OF CONTENTS

	<u>PAGE</u>
Transmittal Letter.....	1
Introduction.....	3
Background.....	4
Scope.....	6
Summary of Audit Findings.....	8
Results of Examination.....	10
Certification Recommendations.....	21
Follow-up Letter.....	22

NOTE: The College's responses to issues noted in this report have been inserted immediately following the issues they refer to.

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



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JAMES J. FORTH, JR.
ASSISTANT DIVISION DIRECTOR

March 13, 1992

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 Midlands Technical College for the period October 1, 1988 - December 31, 1991. 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 internal 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 Midlands Technical College is responsible for establishing and maintaining a system of internal control over procurement transactions. In fulfilling

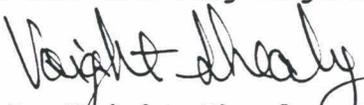
this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance of the integrity of the procurement process, that affected 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 professional care. However, because of the nature of audit testing, 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 Midlands Technical College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.



R. Voight Shealy, CFE, Manager
Audit and Certification

INTRODUCTION

We conducted an examination of the internal procurement operating procedures and policies of Midlands Technical College. Our on-site review was conducted August 14, 1991 through September 5, 1991 and was made under authority as described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code and Regulation 19-445.2020.

The examination was directed principally to determine whether, in all material respects, the procurement system's internal controls were adequate and the procurement procedures, as outlined in the Internal Procurement Operating Procedures Manual, were in compliance with the South Carolina Consolidated Procurement Code and its ensuing regulations.

Additionally our work was directed toward assisting the College in promoting the underlying purposes and policies of the Code as outlined in Section 11-35-20, which include:

- (1) to ensure the fair and equitable treatment of all persons who deal with the procurement system of this State
- (2) to provide increased economy in state procurement activities and to maximize to the fullest extent practicable the purchasing values of funds of the State
- (3) to provide safeguards for the maintenance of a procurement system of quality and integrity with clearly defined rules for ethical behavior on the part of all persons engaged in the public procurement process

BACKGROUND

Section 11-35-1210 of the South Carolina Consolidated Procurement Code states:

The (Budget and Control) Board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The Division of General Services shall review the respective governmental body's internal procurement operation, shall verify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the Board those dollar limits for the respective governmental body's procurement not under term contract.

Most recently, on April 11, 1989, the Budget and Control Board granted Midlands Technical College the following procurement certifications:

<u>Category</u>	<u>Limit</u>
1. Goods and Services (Local Funds Only)	\$10,000 per commitment
2. Information Technology in accordance with the approved Information Technology Plan (Local Funds Only)	\$10,000 per commitment
3. Consultants (Local Funds Only)	\$10,000 per commitment

Since that certification expires April 11, 1992, this audit was performed to determine if recertification is warranted. Additionally, the College requested an increase in certification as follows:

<u>Category</u>	<u>Limit</u>
1. Goods and Services (Local Funds Only)	\$15,000 per commitment
2. Information Technology in accordance with the approved Information Technology Plan (Local Funds Only)	\$15,000 per commitment
3. Consultants (Local Funds Only)	\$15,000 per commitment

SCOPE

We conducted our examination in accordance with Generally Accepted Auditing Standards as they apply to compliance audits. Our examination encompassed a detailed analysis of the internal procurement operating procedures of Midlands Technical College and the related policies and procedures manual to the extent we deemed necessary to formulate an opinion on the adequacy of the system to properly handle procurement transactions. The examination was limited to procurements made with local funds, which include federal funds, local appropriations, contributions and student collections, which is the procurement activity managed by the College. As in all South Carolina technical colleges, state funded procurements are managed by the State Board of Technical and Comprehensive Education.

We selected judgemental samples for the period July 1, 1989 through June 30, 1991, for compliance testing and performed other audit procedures that we considered necessary to formulate this opinion. As specified in the Consolidated Procurement Code (the Code) and related regulations our review of the system included, but was not limited to, the following areas:

- (1) All sole source and emergency procurements and trade-in sales for the period October 1, 1988 - June 30, 1991
- (2) Purchase transactions for the period July 1, 1989 - June 30, 1991, including
 - a) One hundred payments, each exceeding \$500
 - b) A block sample of four hundred sequential purchase orders

- (3) Twelve construction related procurements including eleven for Permanent Improvement Projects
- (4) Property management and fixed asset procedures; traced fifteen equipment purchases to the inventory records
- (5) Minority Business Enterprise reports for October 1, 1988 through June 30, 1991
- (6) Information Technology Plans for fiscal years 1988, 1989, 1990, 1991 and 1992
- (7) Procurement procedures
- (8) Procurement staff and training

SCOPE LIMITATION

Due to a misunderstanding of record retention laws, procurement personnel had disposed of the purchase order files for fiscal year 1989. For that reason, we were unable to determine general compliance for the period of October 1, 1988 - June 30, 1989. However, all sole source and emergency procurements and trade-in sales and minority business reports and information technology plans were available for that year.

FOLLOW-UP SCOPE

We performed a follow-up review to determine the corrective actions taken by the College. During this review, we determined the corrective action for each recommendation that we made in this report. Also, we tested the following additional transactions from the period of July 1, 1991 - December 31, 1991:

- (1) All sole source and emergency procurements and trade-in sales
- (2) Twenty payments exceeding \$500 each from December 1991
- (3) A block sample of one hundred sequential purchase orders

Please see page 23 of this report for our results.

SUMMARY OF AUDIT FINDINGS

Our audit of the Midlands Technical College (the College) produced findings and recommendations in the following areas:

	<u>PAGE</u>
I. <u>Sole Source and Emergency Procurements and Trade-in Sales</u>	
A. <u>Unauthorized Sole Source Procurements</u>	10
The College procured telecommunications services and equipment on forty-two purchase orders without the required approval of the Budget and Control Board Division of Information Resource Management.	
B. <u>Inappropriate Sole Source Procurement</u>	12
The College sole sourced a consultant after reviewing informal proposals from different sources.	
C. <u>Construction-Related Sole Source Procurements</u>	13
The College made fifteen construction-related sole source procurements without reporting them to the Office of the State Engineer.	

D. Construction-Related Emergency Procurement 14

The College made one construction-related emergency procurement without reporting it to the Office of the State Engineer. Further, the work was not approved as a permanent improvement project.

II. Compliance - General

A. Unauthorized Procurements 15

In four cases, the purchase orders were issued after services had been rendered.

B. Procurements Made Without Competition 16

Two procurements were not supported by evidence of compliance with the Code.

C. Minimum Number of Bidders Not Solicited 17

The College solicited one source for armored car services. Three were required.

D. Lease/Purchase of Automobile 18

The College did not follow procedures for establishing a lease/purchase agreement. As a result, the procurement is unauthorized.

E. Split Orders 19

The College split two orders.

RESULTS OF EXAMINATION

I. Sole Source and Emergency Procurements and Trade-in Sales

We reviewed all sole source and emergency procurements and trade-in sales with supporting documentation for the period October 1, 1988 through June 30, 1991. We found these procurements to be in compliance with the South Carolina Consolidated Procurement Code (the Code) and ensuing regulations with the following exceptions.

A. Unauthorized Sole Source Procurements

The College sole sourced various telecommunications equipment and services without the required approvals. The following is a list of purchase orders or requisitions for these sole sources:

	<u>Date</u>	<u>Purchase Order</u>	<u>Amount</u>
1.	10/03/89	S9069	\$114,866.50
2.	10/03/89	S9068	24,129.00
3.	10/03/89	S9070	32,394.03
4.	02/12/90	P002548	29,304.00
5.	05/04/90	P003457	296.25
6.	05/14/90	P003570	5,000.00
7.	07/24/90	F010131	5,000.00
8.	07/25/90	F010443	1,097.50
9.	07/26/90	F010521	2,840.00
10.	08/07/90	P010550	4,490.00
11.	08/30/90	P010866	5,000.00
12.	10/09/90	P011321	5,000.00
13.	10/09/90	P011323	2,325.00
14.	10/26/90	P011577	1,153.50
15.	01/21/91	P012290	5,000.00
16.	01/25/91	P012370	4,650.00
17.	02/06/91	P012484	5,000.00
18.	02/06/91	P012488	28,698.50
19.	02/06/91	P012492	545.51
20.	02/14/91	P012546	715.05
21.	02/15/91	P012563	2,348.00
22.	03/01/91	P012720	5,000.00
23.	02/22/91	P015420	840.00
24.	03/20/91	P012919	30,360.00

25.	04/02/91	P013059	139.30
26.	04/18/91	P013287	5,000.00
27.	04/19/91	P013305	2,705.13
28.	05/08/91	P013479	5,000.00
29.	05/08/91	P013486	4,266.00
30.	05/10/91	P013505	324.00
31.	05/15/91	P013560	3,320.00
32.	05/15/91	P013574	3,792.00
33.	05/29/91	P013686	4,320.00
34.	05/29/91	P013687	3,606.00
35.	06/26/91	P013889	120.00
36.	05/29/91	P013688	2,824.00
37.	06/25/91	P013880	1,389.92
38.	06/05/91	P013715	2,166.75
39.	06/21/91	P013865	2,586.00
40.	06/13/91	P015448	2,429.75
41.	06/21/91	P013864	1,899.23
42.	06/19/91	P013848	10,614.19

Section 1-11-430 of the 1976 South Carolina Code of Laws, as amended, states in part:

The State Budget and Control Board shall secure all telecommunications equipment and services for the state government enterprise under terms it considers suitable and coordinate the supply of the equipment and services for state government use. No entity of state government may enter into an agreement or renew an existing agreement for telecommunications services unless approved by the Board.

All authority for these purchases rests in the State Budget and Control Board, Division of Information Resources Management (DIRM). Since the College did not have authority to purchase these items, they are all unauthorized procurements and must be submitted for ratification in accordance with Regulation 19-445.2015.

We recommend that the College submit ratification requests to the Director, Division of General Services for items 1, 3, 4, 18, and 24 and to the Materials Management Officer for all other procurements. We, also, recommend that the College coordinate

all future telecommunications service and equipment purchases through DIRM.

COLLEGE RESPONSE

We concur with the findings of the procurement auditor. Items 1, 3, 4, 18 and 24 have been sent to the Director of General Services for ratification; all others have been sent to the Materials Management Officer for ratification. We have requested approval from DIRM for our current telecommunications contract, and in the future, we will adhere to Section 1-11-430 of the Procurement Code.

B. Inappropriate Sole Source Procurement

The College procured the services of a consultant to develop a survey on PO 11862 for \$5,000.00. The College requested informal proposals from five vendors, received two responses, then sole sourced its chosen consultant based on these "proposals".

Section 11-35-1530 of the Code allows for the use of competitive sealed proposals. If the College had followed these guidelines, a sole source would have been unnecessary. Additionally, Section 11-35-1560 of the Code limits sole source procurements to services for which only a single supplier exists. Further, it requires that in cases of reasonable doubt, competition must be sought.

Since the College contacted several consultants and received two responses, competition obviously existed.

Therefore, we recommend that in the future, the College follow the requirements of Section 11-35-1530 and avoid sole sourcing services which might be available from more than one supplier.

COLLEGE RESPONSE

We concur with the findings of the procurement auditor that the sole source was inappropriate. Informal proposals were solicited; however, we realize that we should have done a formal request for proposal. In the future, we will follow the requirements of Section 11-35-1530 and avoid sole sourcing services that might be competitive.

C. Construction-Related Sole Source Procurements

The following sole source procurements were not submitted to the Office of the State Engineer (OSE) for review.

	<u>Date</u>	<u>PO#</u>	<u>Amount</u>	<u>Description</u>
1.	06/05/89	22958	\$ 670.00	Connect parking lot lighting
2.	06/05/89	22959	681.00	Install light
3.	06/05/89	22960	5,393.00	Revising storm drainage
4.	06/05/89	22961	1,025.00	Install shelving
5.	06/15/89	23188	868.00	Add lights with dimmer
6.	06/21/89	23187	2,640.00	Install rubber treads
7.	08/17/89	00037	1,715.00	Install lights for campus sign
8.	08/17/89	00038	1,072.00	Install cabinets
9.	08/17/89	00040	5,842.00	Build campus sign
10.	09/12/89	01201	958.65	Install B-bar tray slide
11.	07/13/89	23533	2,135.00	Build, finish & set cabinets
12.	07/13/89	23534	1,357.54	Modify wire mold & service
13.	09/21/89	25240	880.00	Electrical modifications
14.	10/13/89	01527	2,709.28	Electrical modifications
15.	06/08/90	04636	983.33	Install 3 fly fan switches

These procurements were part of a large permanent improvement project (PIP). Toward the end of the project, the College executed sole sources directly with the project subcontractors instead of processing change orders, and thereby avoiding the prime contractor's mark up. However, no evidence exists to show that the OSE was informed of these procurements.

Section 1.10 D.1 of the Manual for Planning and Execution of State Permanent Improvements, Part II requires that sole source procurements made as part of a permanent improvement project (PIP) be submitted to the Office of the State Engineer. Therefore, the College is in violation of the Manual.

Accordingly, we recommend that the College report these transactions to the Office of the State Engineer.

COLLEGE RESPONSE

We concur with the findings of the procurement auditor and these transactions have been reported to the Office of the State Engineer. In the future these type transactions will be reported to OSE as part of the permanent improvement project.

D. Construction-Related Emergency Procurements

The College did not submit an emergency procurement made on purchase order 23530 for \$44,100.00 for modular classrooms. College personnel were not aware that this would be considered construction. However, Section 11-35-2910(2) of the Code defines construction as "the process of building, altering, repairing, remodeling, improving, or demolishing any public structure or building or other public improvements of any kind to any public real property". Since these classrooms are affixed to the ground, they must be considered real property and a permanent improvement project.

Section 1.11 F.1. of the Manual for Planning and Execution of State Permanent Improvements, Part II requires that emergency procurements made as part of a PIP be submitted to the OSE. Therefore, the College is in violation of the Manual.

Accordingly, we recommend that the College report these transactions to the OSE.

Additionally, this procurement was not approved as a permanent improvement project by the Joint Bond Review Committee or the Budget and Control Board. As explained previously, the College was not aware that this procurement would be considered construction.

Section 1.3 of the Manual defines a permanent improvement project as "construction of new facilities and any work on existing facilities including their renovating, repair, maintenance, alteration, addition to or demolition in those instances in which the total cost of all work involved is \$25,000 or more."

We recommend that the College follow this procedure in the future.

COLLEGE RESPONSE

We concur with the findings of the procurement auditor. However, the College's interpretation was that since the modular classrooms were not connected or affixed to the ground, they should be purchased as equipment. After much discussion, we accept the auditor's interpretation that this is real property, and it has been reported to the Manager of Permanent Improvements. In the future, we will follow procedures governing permanent improvement projects.

II. Compliance - General

A. Unauthorized Procurements

In the following cases, the purchase orders were issued after the services had started.

<u>Check Date</u>	<u>Check Number</u>	<u>PO Date</u>	<u>PO Number</u>	<u>PO Amount</u>	<u>Service Date</u>
06/27/91	07-083469	06/18/91	PO13835	\$1,598.01	5/06/91-06/02/91
12/14/90	07-073510	09/18/91	PO11074	1,040.00	9/11/90-12/11/90
11/08/90	07-071558	09/18/91	PO11073	1,200.00	9/10/90-11/15/90
09/06/90	07-058384	09/10/90	PO15152	1,000.00	9/06/90-09/07/90

The College's internal procurement procedures manual vests all authority for procuring goods and services in the Purchasing Office. Since Purchasing was not notified until after the services had begun, these procurements are unauthorized.

Accordingly, we recommend the College request ratification in accordance with Regulation 19-445.2015 from the College President.

COLLEGE RESPONSE

We concur with the findings of the procurement auditor and these procurements have been ratified by the College President.

B. Procurements Made Without Competition

The following procurements were not supported by evidence of competition or sole source or emergency procurement determinations.

	<u>Date</u>	<u>Check Number</u>	<u>PO#</u>	<u>Amount</u>	<u>Description</u>
1.	02/14/90	07-055351	P002469	\$ 590.00	Fence repairs
2.	03/14/90	07-056622	P002836	2,000.00	Honorarium

Item 1 was for fence repairs paid from insurance proceeds. Item 2 was for an honorarium. The College did not realize these items were subject to the Code.

Section 11-35-710 of the Code lists the exemptions and the process of establishing an exemption. Since these items are not exempt from the Code, they must be procured in accordance with it.

Therefore, we recommend that the College seek competition or prepare a sole source or emergency determination for these purchases in the future.

Additionally, the College secured consulting services on PO11336 for \$3,000.00 as a blanket purchase agreement (BPA). No competition was sought under this BPA. Regulation 19-445.2100 C. restricts the use of a BPA to repetitive needs of small quantities too numerous to identify in advance. Where needs can be identified, competition must be solicited.

We recommend that the College seek competition in the future for these services.

COLLEGE RESPONSE

We concur with the findings of the procurement auditor. We did not realize that honorariums and repairs from insurance proceeds were subject to the Code, but we will seek competition for these services in the future.

C. Minimum Number of Bidders Not Solicited

The College procured armored car services on Bid 793-10-29-90-MTC resulting in purchase order 11710 for \$4,500.00. The College only solicited one bidder and advertised in South Carolina Business Opportunities (SCBO).

Regulation 19-445.2015 requires that a minimum of three sources be solicited unless all known vendors have been solicited. In which case, the procurement officer must certify that all known sources have been solicited. While we acknowledge the College's attempt to encourage competition through advertising in SCBO, we point out that this does not satisfy the solicitation requirements.

We recommend that the College comply with this regulation in the future.

COLLEGE RESPONSE

We concur with the findings of the procurement auditor that only one bidder was solicited. The only known source was solicited, but we did not certify this in the bid file. This has been documented, and in the future, we will comply with Regulation 19-445.2015.

D. Lease/Purchase of Automobile

The College solicited a lease/purchase agreement for an automobile on Bid 068-12-12-89-MTC resulting in P000883 for \$9,998.88.

However, on December 20, 1983, the Budget and Control Board restricted the use of lease/purchase agreements to procurements of \$25,000 and above. The College also did not follow the procedures governing lease/purchase agreements as described below:

1. Lease/purchases must be justified to the Materials Management Office (Regulation 19-445.2152)
2. The agreement must have an explicit rate of interest
3. Any financing arrangements must be approved by the State Treasurer's Office

Since the State Treasurer's Office has sole authority over financing agreements and since the College did not have the approval of that Office, the agreement is unauthorized.

Therefore, we recommend that the College request ratification for this agreement from the Materials Management Officer and follow the above procedures in the future.

COLLEGE RESPONSE

We concur with the findings of the procurement auditor and have requested ratification from the Materials Management Officer. In the future, we will follow the procedure for lease/purchase agreements.

E. Split Orders

The following orders were split to avoid the competition requirements.

<u>Date</u>	<u>PO#</u>	<u>Amount</u>	<u>Description</u>
1. 05/15/91	P013598	939.00	Software packages
2. 05/15/91	P013599	962.00	Software packages
3. 05/15/91	P013600	\$1,206.00	Software packages
4. 06/24/91	P013873	403.24	Student supplies
5. 06/24/91	P013874	403.24	Student supplies

Items 1-3 were submitted on two subsequent days (May 14,15) by a department.

Items 4 and 5 were student supplies for two different students funded from Job Training Partnership Act. The College selected the vendor, sent the students to pick up the items and then paid for them. The College did not realize this procurement was subject to the Code.

Section 11-35-1550 of the Code prohibits artificially dividing procurements in order to avoid higher competition requirements. Therefore, the College is in violation of the Code.

Accordingly, we recommend that the College combine like procurements in the future.

COLLEGE RESPONSE

We concur with the findings of the procurement auditor, but these procurements were not split to avoid competition. The buyer solicited quotes on items 1-3, but did not realize that these three procurements should have been combined for a sealed bid. items 4 and 5 were purchased separately for two different JTPA students; the Code was not deliberately violated. In the future we will combine like procurements.

CERTIFICATION RECOMMENDATIONS

As enumerated in our transmittal letter, corrective action based on the recommendations described in this report, we believe, will in all material respects place Midlands Technical College in compliance with the South Carolina Consolidated Procurement Code.

Prior to January 31, 1992, we will perform a follow-up review in accordance with Section 11-35-1230(1) of the Procurement Code to determine if the proposed corrective action has been taken. Based on the follow-up review, and subject to this corrective action, we will recommend that Midlands Technical College be recertified to make direct agency procurements for a period of three (3) years as follows:

<u>Procurement Area</u>	<u>Recommended Certification Limits</u>
1. Goods and Services (Local Funds Only)	*\$15,000 per commitment
2. Information Technology in accordance with the approved Information Technology Plan (Local Funds Only)	*\$15,000 per commitment
3. Consultants (Local Funds Only)	*\$15,000 per commitment

*Total potential purchase commitment whether single year or multi-term contracts are used.

Melissa Rae Thurstin
Melissa Rae Thurstin
Compliance Analyst

R. Voight Shealy
R. Voight Shealy, CFE, Manager
Audit and Certification

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

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CHAIRMAN, SENATE FINANCE COMMITTEE

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CHAIRMAN, WAYS AND MEANS COMMITTEE

LUTHER F. CARTER
EXECUTIVE DIRECTOR

March 13, 1992

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 returned to Midlands Technical College to perform a one-day follow-up audit of procurement activity since the end of our original audit period of October 1, 1988 - June 30, 1991. The follow-up was conducted January 13, 1992 and covered the period July 1, 1991 - December 31, 1991.

The scope of our review included but was not limited to the following:

- 1) All sole source and emergency procurements and trade-in sales for the period July 1, 1991 through December 31, 1991
- 2) Twenty payments exceeding \$500 from December, 1991
- 3) A block sample of one hundred sequential purchase orders

We noted no exceptions during our follow-up review.

Based on our follow-up results, we recommend that the Budget and Control Board grant Midlands Technical College procurement recertification as noted in our report.

Sincerely,

R. Vought Shealy, Manager
Audit and Certification

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