South Carolina Division of General Services

PROCUREMENT AUDIT AND CERTIFICATION

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AIKEN TECHNICAL COLLEGE
AGENCY
JANUARY 1, 1989 - SEPTEMBER 30, 1991
DATE
November 14, 1991

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

Dear Rick:

Attached is the final Aiken Technical College 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 two (2) year certification as outlined in the audit report.

Sincerely,

James J. Forth, Jr.  
Assistant Division Director

JFF/jjm  
Attachment
AIKEN TECHNICAL COLLEGE
 PROCUREMENT AUDIT REPORT

JANUARY 1, 1989 - MARCH 31, 1991

FOLLOW-UP REVIEW

APRIL 1, 1991 - SEPTEMBER 30, 1991
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**NOTE:** The College's responses to issues noted in this report have been inserted immediately following the issues they refer to.
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 Aiken Technical College for the period January 1, 1989 - March 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 College 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 Aiken 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 Aiken Technical College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

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

The Office of Audit and Certification conducted an examination of the internal procurement operating procedures and policies and related manual of Aiken Technical College.

Our on-site review was conducted June 10, 1991 through June 25, 1991, and was made under the authority as described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code and Regulations 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.
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 November 16, 1989, the Budget and Control Board granted Aiken Technical College the following certification:

<table>
<thead>
<tr>
<th>Category</th>
<th>Requested Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods and Services</td>
<td>*$10,000 per commitment</td>
</tr>
<tr>
<td>(Local Funds Only)</td>
<td></td>
</tr>
</tbody>
</table>

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

Our audit was performed primarily to determine if recertification for expenditures of local funds is warranted. Increased certification was not requested.
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 Aiken 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. That 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.

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

(1) Sixty judgementally selected procurement transactions for the period 7/1/89 - 3/31/91

(2) All sole source and emergency procurements 1/1/89 - 3/31/91

(3) All trade in sales 1/1/89 - 3/31/91

(4) Two out of two permanent improvement contracts for approvals and compliance with the Manual for Planning and Execution of State Permanent Improvements

(5) Selection and approval of two architect-engineer contracts

(6) Block sample of five hundred sequentially numbered purchase orders

(7) Evidence of competition and sealed bidding procedures
(8) Purchasing Policy and Procedures Manual
(9) Property Management and fixed asset procedures
(10) Warehousing, inventory and disposition of surplus property procedures
(11) Procurement staff and training
(12) Information Technology Plans
(13) Minority Business Enterprise Plans and quarterly progress reports
(14) Adequate audit trails

FOLLOW-UP SCOPE

We performed a follow-up audit October 29, 1991, during which we verified Aiken Technical College's corrective action for each recommendation that we made in this report. Also, we tested the following additional transactions for the period April 1 - September 30, 1991:

1) All sole source, emergency and trade-in sale procurements for the period April 1, 1991 through September 30, 1991

2) A judgementally selected sample of twenty-five procurement transactions for the period April 1, 1991 through September 30, 1991

3) All sealed bids for the period April 1, 1991 through September 30, 1991

Please see page 23 of this report for the follow-up results.
SUMMARY OF AUDIT FINDINGS

Our audit of the procurement system of Aiken Technical College, hereinafter referred to as the College, produced findings and recommendations in the following areas:

I. Compliance - General
   A. Unauthorized Procurement
      We noted one unauthorized procurement.
   B. Procurements Without Competition
      We noted eight procurements that were made without competition, sole source or emergency procurement determinations.
   C. Procurements That Should Have Been Combined
      We noted five groups of procurements that should have been combined and procured through a different method.
   D. Inappropriate Procurement Methodology
      We noted four procurements where the College used an inappropriate procurement method.
   E. Overpayments
      We noted three payments that exceeded the authorized amounts of the purchase orders.
F. Late Payments

We noted two late payments.

II. Sole Source and Emergency Procurements

A. Sole Source Procurements

1. Inappropriate Sole Source Procurements

We noted two procurements that were inappropriate as sole sources.

2. Information Technology Approvals Not Obtained

We noted two information technology procurements that were not approved by the Information Technology Planning Office of the Research and Statistical Services Division.

3. Unauthorized Procurement

We noted one sole source with after-the-fact approval.

B. Emergency Procurements

We noted five procurements that were inappropriate as emergencies.

III. Lease of Real Property

We noted one unauthorized real property lease.
RESULTS OF EXAMINATION

I. Compliance - General

To test for general compliance with the Consolidated Procurement Code, we selected a sample of sixty transactions as described in the scope of this report. As a result of this testing, we noted the following exceptions:

A. Unauthorized Procurement

On November 30, 1990, the College purchased marketing services for $10,330.00 on purchase order number 11144. Since this procurement exceeded the College's certification of $10,000, it was unauthorized.

The College must submit a request for ratification of this procurement to the State Materials Management Officer in accordance with Regulation 19-445.2015.

We further advise the College to submit all procurements that exceed, or potentially exceed, their certification to the State Materials Management Office for sealed bidding.

COLLEGE RESPONSE

The College has requested ratification of the unauthorized procurement from the State Materials Management Officer. However, the College requested information from MMO before entering into this contract. The marketing firm received no money for services, other than advertising for television space which was paid directly to the television stations in our area. MMO stated: "If the fee is for advertising only, the procurement is exempt." (See attached letter)
B. Procurements Without Competition

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

<table>
<thead>
<tr>
<th>Item</th>
<th>PO#</th>
<th>PO Amount</th>
<th>PO Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>9059</td>
<td>$1,286.80</td>
<td>03/23/90</td>
<td>Clean ceilings</td>
</tr>
<tr>
<td>2</td>
<td>9036</td>
<td>743.00</td>
<td>03/23/90</td>
<td>Clean canteen &amp; lounge</td>
</tr>
<tr>
<td>3</td>
<td>8064</td>
<td>2,089.23</td>
<td>12/05/89</td>
<td>Plumbing supplies for dental lab</td>
</tr>
<tr>
<td>4</td>
<td>7431</td>
<td>4,056.00</td>
<td>08/22/89</td>
<td>Billboard advertising</td>
</tr>
<tr>
<td>5</td>
<td>11280</td>
<td>2,268.00</td>
<td>01/02/91</td>
<td>Smoking and trash recepticles</td>
</tr>
<tr>
<td>6</td>
<td>11862</td>
<td>2,543.10</td>
<td>02/19/91</td>
<td>Smoking panel rock containers &amp; frames</td>
</tr>
<tr>
<td>7</td>
<td>11508</td>
<td>1,779.75</td>
<td>02/04/91</td>
<td>One roll of Poly-Rite</td>
</tr>
<tr>
<td>8</td>
<td>10148</td>
<td>1,393.60</td>
<td>08/09/90</td>
<td>Rental of backhoe</td>
</tr>
</tbody>
</table>

Seven of these procurements were for maintenance related goods or services and were apparently initiated by maintenance personnel.

The Code requires all procurements above $500.00, that are not exempt, sole sources, emergencies, or on term contract, to be competed in accordance with Regulation 19-445.2100 or 19-445.2035.

We recommend that the College adhere to these regulations in the future.

C. Procurements That Should Have Been Combined

The following five groups of procurements should have been combined and purchased with the appropriate procurement method:

1) PO#    PO Amount       PO Date    Description
   8786    $1,889.99       03/05/90  182.74 tons of crushed run
   8842    810.23          03/05/90  78.34 tons of crushed run
   $2,700.22  Total

These items were purchased from the same vendor and supported by the same three telephone quotes. These procurements should have been combined and sealed bid.
<table>
<thead>
<tr>
<th>PO#</th>
<th>Amount</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>9082</td>
<td>$121.00</td>
<td>03/23/90</td>
<td>Clean lights</td>
</tr>
<tr>
<td>9059</td>
<td>1,286.80</td>
<td>03/23/90</td>
<td>Clean ceilings</td>
</tr>
<tr>
<td>9036</td>
<td>743.00</td>
<td>03/23/90</td>
<td>Clean canteen &amp; lounge</td>
</tr>
<tr>
<td></td>
<td><strong>$2,150.80</strong></td>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

These services were purchased from the same vendor and were not supported by evidence of any competition. The College should have combined these procurements and solicited three written quotations.

<table>
<thead>
<tr>
<th>PO#</th>
<th>Amount</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11384</td>
<td>$970.00</td>
<td>01/31/91</td>
<td>Install door frame</td>
</tr>
<tr>
<td>11312</td>
<td>290.00</td>
<td>01/31/91</td>
<td>Construct partition wall</td>
</tr>
<tr>
<td>11319</td>
<td>600.00</td>
<td>01/31/91</td>
<td>Framing and drywall work</td>
</tr>
<tr>
<td></td>
<td><strong>$1,860.00</strong></td>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

These services were purchased from the same vendor and supported by the same three telephone quotes, one quote and two no quotes. The College should have combined these procurements and solicited three written quotations.

<table>
<thead>
<tr>
<th>PO#</th>
<th>Amount</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>11226</td>
<td>$590.00</td>
<td>12/11/90</td>
<td>Electrodes</td>
</tr>
<tr>
<td>11222</td>
<td>1,400.00</td>
<td>12/10/90</td>
<td>Electrodes</td>
</tr>
<tr>
<td></td>
<td><strong>$1,860.00</strong></td>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

These items were purchased from the same vendor and supported by the same three telephone quotes. The College should have combined these procurements and solicited three written quotes.

<table>
<thead>
<tr>
<th>PO#</th>
<th>Amount</th>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10720</td>
<td>$387.00</td>
<td>10/24/90</td>
<td>True bond patch</td>
</tr>
<tr>
<td>10741</td>
<td>384.00</td>
<td>10/23/90</td>
<td>True guard</td>
</tr>
<tr>
<td></td>
<td><strong>$771.00</strong></td>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

These items were purchased from the same vendor and were not supported by evidence of any competition. The College should
have combined these procurements and solicited two telephone quotes.

All of the above procurements were maintenance related and initiated by maintenance personnel.

We recommend, that on all future purchases, the College combine like purchases and consider the total dollar potential of the award before determining the method of source selection.

D. Inappropriate Procurement Methodology

The following four procurements were supported by an inappropriate procurement method:

<table>
<thead>
<tr>
<th>PO#</th>
<th>PO Amount</th>
<th>PO Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$2,823.71</td>
<td>04/10/90</td>
<td>Re-key locks, blank keys and locks</td>
</tr>
<tr>
<td>2</td>
<td>1,780.00</td>
<td>07/17/89</td>
<td>Print brochures</td>
</tr>
<tr>
<td>3</td>
<td>1,980.00</td>
<td>07/18/89</td>
<td>Student handbook</td>
</tr>
<tr>
<td>4</td>
<td>1,531.00</td>
<td>02/20/91</td>
<td>Tool kit &amp; accessories</td>
</tr>
</tbody>
</table>

Item 1 was supported by three telephone quotes. Section 11-35-1520 of the Code requires that all contracts for goods and services of $2,500.00 or more be awarded by competitive sealed bidding.

Item 2 was supported by two written quotations and items 3 and 4 were supported by two telephone quotes. Regulation 19-445.2100 requires the solicitation of three written quotations on purchases from $1,500.00 to $2,499.99.

We recommend that the College adhere to the Code's source selection requirements.
Most of these procurements were initiated by the Maintenance Department. Corrective action has taken place to prevent these problems from reoccurring. Chief of Maintenance has been given extensive training in the requirements of the Code. Blanket purchase orders for repeat items have been established with many local vendors. Maintenance personnel no longer handle large blocks of purchase order numbers and must show proof of documentation to the Procurement Office before any purchase orders are issued.

E. Overpayments

1. Purchase order number 11621 was issued for the purchase of tools in the amount of $1,436.29. The purchase order specified FOB destination, but the College was invoiced and paid an additional $45.00 for freight on check number 70556.

2. Purchase order number 11269 was issued for the purchase of technical manuals in the amount of $1,768.29. The College was invoiced and paid $1,958.00 without explanation.

3. Purchase order number 9627 was issued for the purchase of office furniture from state contract in the amount of $1,040.34. The purchase order indicated a per unit price on chairs of $250.00 and on a file cabinet and hangrail system of $240.80, but the College was invoiced and paid $271.70 and $260.70 respectively. These differences resulted in the payment of an additional $89.25.

We recommend that the College request reimbursements from these vendors and evaluate their control procedures for detecting these differences. Future invoices that exceed authorized amounts should not be paid without approval of the purchasing director.
COLLEGE RESPONSE

(1) On purchase order number 11621, the College has requested reimbursement for freight in the amount of $45.00

(2) Purchase order number 11269 should have had a change order issued to reflect outdated prices on these books ordered for the library.

(3) Purchase order number 9627 was issued with incorrect prices. A change order should have been issued to correct these prices.

The Accounts Payable clerk has been instructed to route all future discrepancies to the Procurement Office before payment is made.

F. Late Payments

The following two payments were not made on a timely basis:

<table>
<thead>
<tr>
<th>Item#</th>
<th>PO#</th>
<th>Invoice Date</th>
<th>Voucher Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>11280</td>
<td>12/31/90</td>
<td>03/07/91</td>
<td>Smoking and trash recepticles</td>
</tr>
<tr>
<td>2</td>
<td>10148</td>
<td>03/22/90</td>
<td>08/22/90</td>
<td>Rental of backhoe</td>
</tr>
</tbody>
</table>

Section 11-35-45 of the Code requires, '...payment within thirty work days after the receipt of the goods (or resulting invoice) whichever is received later...'

We recommend that the College pay invoices in a timely manner.

COLLEGE RESPONSE

The College now has in place a new VAX Computer System. The system came on line in May. Previously the College experienced long delays in the processing of checks, purchase orders and other vital information. With the new system, information is processed up to thirteen times faster. Accounts Payable can now process invoices in a more timely manner.
II. Sole Source and Emergency Procurements

We examined the quarterly reports of sole source and emergency procurements and all available documentation for January 1, 1989 through March 31, 1991. We performed the review to determine the appropriateness of the procurement actions taken and the accuracy of the reports submitted to the Division of General Services.

As a result of this review, we noted the following exceptions:

A. Sole Source Procurements

1. Inappropriate Sole Source Procurements

We take exception to the following procurements made as sole sources:

<table>
<thead>
<tr>
<th>PO#</th>
<th>Date</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0064</td>
<td>06/26/90</td>
<td>$1,722.00</td>
<td>Floor lectern</td>
</tr>
<tr>
<td>10031</td>
<td>09/17/90</td>
<td>8,900.00</td>
<td>Window film</td>
</tr>
</tbody>
</table>

Purchase order 0064 was for an open line product where competition could have been obtained. Purchase order 10031 for window film should have been sealed bid outside the Augusta-Aiken area. We recommend that in the future, the College take more care in determining true sole sources. Competition should be solicited when available.

COLLEGE RESPONSE

Item 1

The Procurement Officer made four local calls and one to a vendor in Columbia in an attempt to find another source for the floor lectern. State procurement had bid this same item for the
College a few months before the need for another lectern surfaced. Institutional Sales and Service was awarded the bid. We assumed we could use sole source justification for another so as to have compatible equipment, i.e. microphones.

Item 2

We agree that there are many brands of window film available. However, we already had some of the same film installed in one area of the College. To install several difference brands throughout the College would cost more money. Different manufacturers required different cleaning procedures for their film. We again assumed that since we had like film already installed that we could use the compatibility clause of Section 19-445.2105 - Subsection B-1 of the Code.

2. Information Technology Approvals Not Obtained

The following sole source procurements for information technology equipment were not approved by the Budget and Control Board's Research and Statistical Services Division.

<table>
<thead>
<tr>
<th>PO#</th>
<th>Date</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5905</td>
<td>02/28/89</td>
<td>$2,716.35</td>
<td>Fax machine</td>
</tr>
<tr>
<td>6182</td>
<td>03/30/89</td>
<td>2,904.30</td>
<td>Cash register</td>
</tr>
</tbody>
</table>

Procurements of information technology equipment must be approved as part of an agency's Information Technology Plan either on the plan itself or through an ad hoc approval. The above approvals were not obtained which is in violation of Section 11-35-1580(g) of the Procurement Code.

We recommend that all future procurements of information technology equipment above $2,500 be approved by the Information Technology Planning office of the Research and Statistical Services Division.
COLLEGE RESPONSE

New IT procedures have been implemented to assure compliance with Section 11-35-1580(g) of the Procurement Code. All IT equipment over $2,5000 must be checked against our current IT Plan by our Information Technology officer. If further approval is needed, a written request to Dr. Ken Kyre at State Tech will be submitted. Dr. Kyre will request approval from the Information Technology Planning Office. Also our new IT Plan has been forwarded to the Information Technology section and a copy is available in the Purchasing Department.

3. Unauthorized Procurement

Purchase order 9965 for $3,345.30, dated August 9, 1990, was for a lift delivered June 11, 1990. The sole source determination was approved July 13, 1990, a month after the contract was in place. Since the sole source determination was not approved by an appropriate official prior to the issuance of a contract, this procurement was unauthorized. It must be submitted to the College President for ratification in accordance with Regulation 19-445.2015.

COLLEGE RESPONSE

A request has been submitted to the College President for ratification. See attached documentation.

B. Emergency Procurements

We take exception to the following procurements made as emergencies:

<table>
<thead>
<tr>
<th>Item</th>
<th>PO#</th>
<th>Date</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5706</td>
<td>01/04/89</td>
<td>$12,706.62</td>
<td>Pick-up truck</td>
</tr>
<tr>
<td>2</td>
<td>7010</td>
<td>06/12/89</td>
<td>15,000.00</td>
<td>Paving of parking lots</td>
</tr>
<tr>
<td>3</td>
<td>7011</td>
<td>06/12/89</td>
<td>2,726.00</td>
<td>Fence for softball field</td>
</tr>
<tr>
<td>4</td>
<td>11466</td>
<td>01/04/91</td>
<td>4,057.07</td>
<td>Supplies for bio lab</td>
</tr>
</tbody>
</table>
Item 1 - According to the State Materials Management Office buyer with the responsibility for State vehicle procurements, a similar truck with basic options was available at that time on state term contract for less than $10,600.00. Use of the contract would have saved the College approximately $1,800.00. Also, we remind the College that the use of state term contracts is mandatory per Section 11-35-310(33) of the Code.

Items 2 - 4 - The justifications for these procurements did not support the use of the emergency method. In our opinion, these procurements should have either been sealed bid or forwarded to the State Materials Management Office, whichever action was appropriate under the requirements of the Code and the College's certification limits.

Section 11-35-1570 of the Code is quite specific as to the criteria for emergency procurements. The section states in part... "the chief procurement officer, the head of a purchasing agency, or a designee of either office may make or authorize others to make emergency procurements only when there exists an immediate threat to public health, welfare, critical economy and efficiency, or safety under emergency conditions as defined in regulations promulgated by the board; and provided, that such emergency procurements shall be made with as much competition as practicable under the circumstances."

We recommend that the College adhere to the provisions of the Code and regulations regarding emergency procurements and the use of State term contracts. Further, the College should better document subsequent justifications for emergency and sole source procurements.
COLLEGE RESPONSE

Item 1

According to the vehicle contract sheets, a vehicle was not available. Those that were available had at the least a 90 day lead time. The College had an immediate need and could not afford the down time in the Maintenance Department.

Item 2

We agree that paving of parking lots should have been a sealed bid, but corrective measures were once again taken to protect against further damage caused by heavy rains.

Item 3

Fence for softball field. The intent was for student funds to purchase the fence instead of the College.

Item 4

Supplies for biology lab. These supplies were part of the original setup of the first year biology class. Time did not permit going through normal procurement procedures. Corrective procedures are now in place to further prevent emergencies. Corrective measures have also been implemented to better document subsequent justifications of emergency and sole source procurements.

III. Lease of Real Property

The College entered into a real property lease without written approval from the Real Property Management Section of the Division of General Services. The term of the lease is three years at an annual sum of $45,738 making this a $137,214 procurement. Section 11-35-1590 of the Procurement Code requires such approvals for all new lease agreements and renewals of existing lease agreements.
Since the College did not seek the required approval, the lease is unauthorized. The College President must request ratification from the Director of General Services in accordance with Regulation 19-445.2015.

COLLEGE RESPONSE

A renewal of a lease for the Continuing Education area was not reported properly. The original lease was reported to MMO but only had a cost of $12,900. With the arrival of Westinghouse into the same building the new lease agreement was not set at $45,738. The College has requested ratification from the Director of General Services. (See attached)
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 Aiken Technical College in compliance with the South Carolina Consolidated Procurement Code.

As a result of the numerous deficiencies noted herein and our concern about the variety of exceptions, we recommend the College take immediate corrective action to ensure compliance with the Code and regulations. We are particularly concerned about the inappropriate emergency procurements initiated by the maintenance personnel. Further, we note that over the audit period, the College did not utilize the certification granted by the Budget and Control Board November 16, 1989. Recertification depends on the College demonstrating corrective action and use of the certification.

Prior to September 30, 1991, the Office of Audit and Certification will perform a follow-up review in accordance with Section 11-35-1230(1) of the Consolidated Procurement Code to determine if the proposed corrective action has been taken. If the follow-up review indicates significant corrective action, we will recommend that Aiken Technical College be recertified to make direct agency procurements for a period of two (2) years as follows:
Procurement Area
Goods and Services (Local Funds Only)

Recommended Certification Limit
* $10,000 per commitment

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

COLLEGE RESPONSE

Action has been taken to correct all deficiencies that have been noted in your draft report. The Director of Purchasing has utilized the certification on three separate occasions and those files are available for inspection. Changes have been made in the reporting of sole source and emergency procurements. We hope the actions taken will enable the College to retain our certification limit of $10,000.

William A. Shealy
Compliance Analyst

R. Voight Shealy, CFBE, Manager
Audit and Certification
November 13, 1991

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 Aiken Technical College to perform a one day follow-up review of its procurement activity since the end of our original audit period of January 1, 1989 through March 31, 1991. The follow-up was conducted October 20, 1991 and covered the period April 1, 1991 through September 30, 1991.

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

1. All sole source, emergency and trade-in sale procurements for the period April 1, 1991 through September 30, 1991
2. A judgementally selected sample of twenty-five procurement transactions for the period April 1, 1991 through September 30, 1991
3. All sealed bids for the period April 1, 1991 through September 30, 1991
4. A review of the recommendations and resulting corrective action outlined in the audit report

The results of our follow-up review indicated that the College has made progress toward implementing our recommendations and that the appropriate corrective action had been taken.

Based on these results, we recommend that the College be granted recertification at the current limits for a period of two (2) years.

Sincerely,

R. Voight Shealy, Manager
Audit and Certification