South Carolina
Division of General Services

PROCUREMENT
AUDIT AND
CERTIFICATION

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YORK TECHNICAL COLLEGE
AGENCY
APRIL 1, 1985 - FEBRUARY 29, 1988
DATE
November 3, 1988

Mr. Richard W. Kelly
Division Director
Division of General Services
1201 Main Street, Suite 400
Columbia, South Carolina 29201

Dear Rick:

Attached is final York Technical College audit report and recommendations made by the Office of Audit and Certification. Since no certification above the $2,500.00 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,

[Signature]
James J. Forth, Jr.
Assistant Division Director

Attachment
YORK TECHNICAL COLLEGE

AUDIT REPORT

APRIL 1, 1985 - FEBRUARY 29, 1988
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We have examined the local fund procurement policies and procedures of York Technical College for the period April 1, 1985 through February 29, 1988. 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 College 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 York 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 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 York Technical College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

R. Voight Shealy, Manager
Audit and Certification
INTRODUCTION

The Office of Audit and Certification conducted an examination of the internal procurement operating procedures and policies of York Technical College. The examination was made under authority as described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code and Section 19-445.2020 of the accompanying regulations.

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 College's Purchasing Policies and Procedures Manual, were in compliance with the South Carolina Consolidated Procurement Code and its ensuing regulations.
SCOPES

Our examination encompassed a detailed analysis of the internal procurement operating procedures of York 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 from local funds, which included federal funds, local contributions and student collections, which is the procurement activity managed completely 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 reviewed all procurement transactions for the period April 1, 1985 - February 29, 1988, for compliance testing and performed other audit procedures that we considered necessary in the circumstances to formulate this opinion. Our review of the system included, but was not limited to, the following areas:

1. adherence to provisions of the South Carolina Consolidated Procurement Code and accompanying regulations;
2. procurement staff and training;
3. adequate audit trails and purchase order registers;
4. evidences of competition;
5. small purchase provisions and purchase order confirmations;
6. emergency and sole source procurements;
7. source selections;
(8) file documentation of procurements;
(9) disposition of surplus property;
(10) economy and efficiency of the procurement process; and
SUMMARY OF AUDIT FINDINGS

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

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

A. Compliance - Sole Source and Emergency Procurements and Trade-ins

We found seven instances where the sole source determinations did not justify the procurements as sole sources. Two emergency procurements were not properly justified as emergencies. And, one trade-in for $2,000.00 was not approved by the Materials Management Officer or reported on the quarterly report to the Division of General Services.
B. Reporting - Sole Source and Emergency Procurements

Three procurements of items exempt from the Code were reported as sole sources. An item purchased off of a state term contract was reported as a sole source. One procurement made by the Materials Management Office was reported as a sole source. One sole source was reported in the wrong quarter. And finally, one emergency procurement properly justified as such was incorrectly reported as a sole source.

II. Compliance - Procurements

A. Insufficient Number of Bids or Quotations Solicited

Twenty-two procurements were made without competition. Three procurements were not supported by the proper number of solicitations. One procurement was split to keep within the College's certification limit. Four procurements were split to circumvent the competitive requirements of the Code. Competition was not solicited. Two
software license agreements were not renewed in compliance with the Code. Also, long distance telephone service was not procured or approved by the Division of Information Resource Management.

B. Unauthorized Procurements

Eight procurements made by the College exceeded their authority. One procurement totalling $9,835.50 was split into five consecutive numbered purchase orders. Competition was not solicited.

C. Internal Control Weaknesses and Violations

Six internal control weaknesses and violations were noted. They are as follows:

1) Freight terms are not specified on purchase orders.

2) Blanket purchase agreements are not in compliance with the Regulations.

3) A state term contract for paint was not utilized.

4) The College made a change on a state purchase order without the Materials Management Office's approval.
5) Items listed on three purchase orders as fixed assets were not recorded on the inventory listing.

6) The College did not adhere to its own change order policy thus costing the College an additional $72.56 on a procurement.


Eight items were noted which require either additions or amendments to the manual.

IV. Professional Development of Procurement Director

The College has selected a new purchasing officer. We recommend continuation and expansion of the training program of the purchasing staff.
RESULTS OF EXAMINATION

I. Sole Source and Emergency Procurements and Trade-ins

We examined the quarterly reports of sole source and emergency procurements and trade-in sales for the period July 1, 1985 through December 31, 1987. This review was performed to determine the appropriateness of the procurement actions taken and the accuracy of the reports submitted to the Division of General Services as required by Section 11-35-2440 of the Consolidated Procurement Code. The following problems were noted.

A. Compliance - Sole Source and Emergency Procurements and Trade-ins

In seven instances, the sole source determinations did not justify the procurements as sole sources. The purchase order numbers for these procurements are as follows:

<table>
<thead>
<tr>
<th>P.O. Number</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) 25675</td>
<td>$2,177.15</td>
<td>Air compressor</td>
</tr>
<tr>
<td>2) 25676</td>
<td>1,898.00</td>
<td>Installation of doors &amp; door frames</td>
</tr>
<tr>
<td>3) 26078</td>
<td>5,535.28</td>
<td>Recruiters</td>
</tr>
<tr>
<td>4) 27178</td>
<td>2,999.28</td>
<td>Biological supplies</td>
</tr>
<tr>
<td>5) 28456</td>
<td>950.00</td>
<td>Consultant services</td>
</tr>
<tr>
<td>6) 29551</td>
<td>2,992.50</td>
<td>Overhead projectors</td>
</tr>
<tr>
<td>7) 29804</td>
<td>712.85</td>
<td>Tools</td>
</tr>
</tbody>
</table>

Regulation 19-445.2105, Subsection B, states, "Sole source procurement is not permissible unless there is only a single supplier." We believe that the procurements noted above are inappropriate as sole sources. They should have been bid accordingly.

In two instances, the emergency procurement determinations did not justify the procurements. The purchase order numbers for these procurements were:
In both instances noted above, the emergency determinations stated simply "time constraints" as the basis for the emergency. There were no explanations of the time constraints however. Regulations 19-445.2110, Subsection B, states in part "An emergency condition is a situation which creates a threat to public health, welfare, or safety... The existence of such conditions must create an immediate and serious need for supplies, services, or construction that cannot be met through normal procurement methods..." We believe that the two emergency procurements noted above are inappropriate. These procurements should have been sent to the Materials Management Office for procurement as they exceed the College's certification.

Purchase order 29027 included a trade-in allowance of $2,000.00. The College failed to obtain the Materials Management Officer's approval of the trade-in and failed to report the trade-in to the Division of General Services.

Regulation 19-445.2150, Subsection E, states, "The trade-in value of such personal property shall not exceed five hundred dollars ($500.00). When the trade-in value exceeds five hundred dollars ($500.00), the governmental body shall refer the matter to the Materials Management Officer for disposition by the office..." Section 11-35-3830(3) of the Procurement Code states, "Governmental bodies shall submit quarterly to the Materials Management Officer a record listing all trade-in sales..."
We recommend that the College comply with these requirements on all future transactions. Also, an amended report should be filed with the Materials Management Office for the quarter ending September 30, 1987 to report this transaction.

B. Reporting - Sole Source and Emergency Procurements

We noted four types of sole source reporting errors. First, the following three procurements were reported as sole sources even though they were for goods or services that are exempt from the Procurement Code.

<table>
<thead>
<tr>
<th>P.O. NUMBER</th>
<th>AMOUNT</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>25974</td>
<td>$730.00</td>
<td>Published books</td>
</tr>
<tr>
<td>26203</td>
<td>1,018.50</td>
<td>Published books</td>
</tr>
<tr>
<td>28160</td>
<td>2,127.77</td>
<td>Copyrighted filmstrips &amp; books</td>
</tr>
</tbody>
</table>

Because these procurements were exempt, they should not have been reported as sole sources. Since these were reported, the applicable quarterly reports have been overstated. Therefore, amendments must be filed with the Materials Management Office to reduce the quarterly reports in question.

Secondly, a procurement of an item from a state term contract was reported as a sole source (Re: P.O. 26244 for $924.00). Since the item was procured from a state term contract, the competition requirements of the Code have already been met. Therefore, the item is not a sole source. An amended report must be filed to correct this error.

A third type of reporting error was a procurement made by the Materials Management Office. The College reported the item as a sole source before the procurement had been made (Re:
requisition 54195 for $5,565.00). As it turned out, the Materials Management Office bid the item successfully. Therefore, the procurement was not a sole source. An amended report must be filed to the Materials Management Office to correct this error.

Finally, a sole source procurement was reported in the wrong quarter. (Re: purchase order 29027 for $29,358.42). The procurement was reported for the quarter ending June 30, 1987 but the procurement action was made on July 10, 1987 which is in the subsequent fiscal year. The recommendation is the same as noted above.

In one instance, the College appropriately justified a procurement as an emergency but erroneously reported the procurement on the sole source quarterly report. This instance occurred on purchase order 26853. Since $4,000.00 was reported, an amended report must be filed to correct the error. Since this instance occurred in a prior fiscal year, the College may file the amended report for the fiscal year without specifying the quarter.

The College must take more care to accurately report sole source and emergency procurement activity to the Division of General Services. Agency reports are combined into a statewide annual report to the Budget and Control Board. Inaccurate reporting distorts the public's impression of sole source and emergency procurements.
II. Compliance - Procurements

A. Insufficient Number of Bids or Quotations Solicited

We noted twenty-two instances where the College made procurements without soliciting competition or preparing sole source or emergency determinations. The purchase order/voucher numbers and amounts were as follows:

<table>
<thead>
<tr>
<th>P.O./Voucher Number</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24053</td>
<td>$1,502.55</td>
<td>Computer workstation</td>
</tr>
<tr>
<td>24065</td>
<td>1,475.25</td>
<td>Tables</td>
</tr>
<tr>
<td>24082</td>
<td>666.65</td>
<td>Paper</td>
</tr>
<tr>
<td>25062</td>
<td>3,958.71</td>
<td>Biological supplies</td>
</tr>
<tr>
<td>25080</td>
<td>1,397.35</td>
<td>Tools</td>
</tr>
<tr>
<td>25430</td>
<td>954.02</td>
<td>Printing of stationary</td>
</tr>
<tr>
<td>25597</td>
<td>745.00</td>
<td>Switches</td>
</tr>
<tr>
<td>27314</td>
<td>1,477.35</td>
<td>Answer sheets</td>
</tr>
<tr>
<td>27350</td>
<td>997.50</td>
<td>Learning aids</td>
</tr>
<tr>
<td>28019</td>
<td>624.75</td>
<td>Brake rotor system</td>
</tr>
<tr>
<td>29797</td>
<td>632.00</td>
<td>Oak panels</td>
</tr>
<tr>
<td>29964</td>
<td>575.00</td>
<td>Repair services</td>
</tr>
<tr>
<td>30050</td>
<td>812.60</td>
<td>Tools</td>
</tr>
<tr>
<td>30092</td>
<td>1,875.00</td>
<td>Software</td>
</tr>
<tr>
<td>30387</td>
<td>2,092.49</td>
<td>Printing of quarterly schedule</td>
</tr>
<tr>
<td>50209 (Voucher)</td>
<td>949.76</td>
<td>Consultant services</td>
</tr>
<tr>
<td>53723 (Voucher)</td>
<td>1,012.00</td>
<td>Repair charges</td>
</tr>
<tr>
<td>56811 (Voucher)</td>
<td>4,975.00</td>
<td>Consultant services</td>
</tr>
<tr>
<td>58292 (Voucher)</td>
<td>3,672.00</td>
<td>Maintenance agreement</td>
</tr>
<tr>
<td>50284 (Voucher)</td>
<td>5,943.00</td>
<td>Equipment maintenance</td>
</tr>
<tr>
<td>52779 (Voucher)</td>
<td>1,127.00</td>
<td>Equipment maintenance</td>
</tr>
<tr>
<td>58375 (Voucher)</td>
<td>1,484.00</td>
<td>Equipment maintenance</td>
</tr>
</tbody>
</table>

Under the Consolidated Procurement Code, every expenditure of funds greater than $500.00 under contract by a governmental body must be supported by solicitations of competition or by a written sole source or emergency procurement determination. These transactions are exceptions to this rule.
We also noted three instances where the College failed to solicit the required number of competitive quotations. In all three cases, quotations were solicited from two sources. However, Regulation 19-445.2100, Subsection B, Item 3, requires solicitation of written quotations from three qualified sources for procurements from $1,500.00 to $2,499.99. These purchase order numbers and amounts were as follows:

<table>
<thead>
<tr>
<th>P.O. Number</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>27845</td>
<td>$1,900.50</td>
<td>Typewriters</td>
</tr>
<tr>
<td>28931</td>
<td>1,625.00</td>
<td>Video system</td>
</tr>
<tr>
<td>29939</td>
<td>1,801.30</td>
<td>Filters</td>
</tr>
</tbody>
</table>

We noted five instances where procurements were artificially split to avoid soliciting competition as required.

<table>
<thead>
<tr>
<th>P.O. Number</th>
<th>Procurement Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24489 - 24493</td>
<td>$9,835.50</td>
<td>Construction supplies</td>
</tr>
<tr>
<td>30077 - 30078</td>
<td>830.05</td>
<td>Film</td>
</tr>
<tr>
<td>30188 - 30189</td>
<td>645.04</td>
<td>Painting services</td>
</tr>
<tr>
<td>30217 - 30218</td>
<td>780.00</td>
<td>Roof repair</td>
</tr>
<tr>
<td>30373 - 30374</td>
<td>726.07</td>
<td>Printing of official transcript</td>
</tr>
</tbody>
</table>

In each of the five instances noted above, the purchase orders were issued on the same day in numerical sequence and to the same vendors.

Section 11-35-1550 of the Procurement Code states:

Any procurement not exceeding the dollar amounts established in regulation ($500.00) and updated periodically by the board may be made by governmental bodies in accordance with small purchase procedures promulgated by the board; provided, however, that purchases shall not be artificially divided by governmental bodies so as to constitute a small purchase under this section. (Emphasis added)
Two instances were noted where the College renewed software licenses inappropriately. The voucher numbers and amounts were as follows:

<table>
<thead>
<tr>
<th>Voucher #</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>53213</td>
<td>$2,200.00</td>
</tr>
<tr>
<td>55106</td>
<td>4,200.00</td>
</tr>
</tbody>
</table>

An exemption granted by the Budget and Control Board on April 22, 1986 exempts this type of procurement only after computer software has been competitively bid as required by the Procurement Code. Since the original procurements of the software noted above were not made in accordance with the Code, the renewals of these software licenses are not exempt.

We recommend that the College either bid the software licenses in accordance with the competitive requirements of the Code or, if appropriate, support the renewals with sole source procurement determinations.

The College has been using a long distance telephone service for some time without a formal agreement. Further, the service has not been approved by the Division of Information Resource Management. An exemption granted by the Budget and Control Board on May 13, 1986 stated:

The acquisition of all local and long-distance telecommunications services for or on behalf of the State of South Carolina from the requirement that they be purchased through the respective chief procurement officer's area of responsibility, and authorized by the Division of Information Resource Management to secure such telecommunications services upon such terms and conditions as are regarded by it to be appropriate.

We recommend that the College immediately contact the Division of Information Resource Management so that the Division
may procure local and long distance telecommunications service for the College or approve the current arrangement.

B. Unauthorized Procurements

The College's certification or procurement authority level is $2,500.00 per purchase commitment. We noted eight instances where the total purchase commitment exceeded the College's certification, meaning each transaction is an unauthorized procurement. Some of these have been mentioned previously. The purchase order/voucher numbers and amounts are as follows:

<table>
<thead>
<tr>
<th>P.O./Voucher Number</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>24489-24493</td>
<td>$9,835.50</td>
<td>Construction supplies</td>
</tr>
<tr>
<td>25062</td>
<td>$3,958.71</td>
<td>Biological supplies</td>
</tr>
<tr>
<td>26219</td>
<td>$8,807.91</td>
<td>Painting services</td>
</tr>
<tr>
<td>30343</td>
<td>$2,673.37</td>
<td>Photographic equipment</td>
</tr>
<tr>
<td>50284 (Voucher)</td>
<td>$5,943.00</td>
<td>Maintenance agreement</td>
</tr>
<tr>
<td>55106 (Voucher)</td>
<td>$4,200.00</td>
<td>Software license renewal</td>
</tr>
<tr>
<td>56811 (Voucher)</td>
<td>$4,975.00</td>
<td>Consultant services</td>
</tr>
<tr>
<td>58292 (Voucher)</td>
<td>$3,672.00</td>
<td>Maintenance agreement</td>
</tr>
</tbody>
</table>

Since the amount of each procurement exceeded the certification level of the College, ratification must be requested from the Materials Management Officer in accordance with Regulation 19-445.2015. This requires that the College President prepare a written determination as to the facts and circumstances surrounding each unauthorized procurement, the corrective action that is being taken to prevent recurrence, action taken against the individual responsible, and documentation that the price paid is fair and reasonable. If the price paid was not fair, the individual may be held pecuniarily liable for the difference.
C. Internal Control Weaknesses and Violations

Our testing revealed four types of internal control weaknesses. These weaknesses were:

1. Freight terms were not specified on purchase orders.
2. Blanket purchase agreements were not in compliance with the Regulations.
3. State term contracts were not utilized for paint.
4. The College made a change on a state purchase order without the Materials Management Office’s involvement.

Each weakness and the corresponding recommendation will be addressed separately.

Most College purchase orders did not specify freight terms. Freight was billed on invoices and paid by the accounts payable section whether they are supposed to or not. Accounts payable had no way of knowing whether or not to pay the freight. So the accounts payable section will know whether or not to pay freight, we recommend that the purchase order specify freight terms.

Blanket purchase orders (BPA’s) were issued monthly by the purchasing department. A letter was sent to each respective vendor specifying in general:

1. Limit of $500.00;
2. No previous back orders to apply;
3. Invoices to be sent to purchasing; and,
4. Individuals authorized to pick up materials.

We recommend that the College follow Regulation 19-445.2100, Subsections C through G. These regulations are very specific on how to use BPA’s. Also, we would like to make the
following recommendations. The College should indicate the extent of each obligation and invoices should be sent to accounts payable and not to purchasing. Also purchase orders should be issued to the vendors at the beginning of the applicable period stating "Not to Exceed..." or "Estimated Amount..."

The College procured paint (PO 25965 for $1,368.00) from a local vendor even though it was offered on state contract. Section 11-35-310(33) of the Code indicates that state term contracts are mandatory.

The College increased a state purchase order (56283) without the approval of the Materials Management Office. Since the Materials Management Office issued the purchase order, changes must be authorized there. We recommend that the College not make any changes on state issued purchase orders without the approval of the Materials Management Office.

We noted two internal control violations in our testing. The first violation is the College failed to record fixed assets which were procured in three instances. The purchase order numbers and amounts for the items are as follows:

<table>
<thead>
<tr>
<th>P.O. Number</th>
<th>Items</th>
<th>Cost of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>25062</td>
<td>3 lab carts</td>
<td>$ 334.06</td>
</tr>
<tr>
<td>27845</td>
<td>2 typewriters</td>
<td>1,900.50</td>
</tr>
<tr>
<td>27383</td>
<td>1 heat pump</td>
<td>1,241.00</td>
</tr>
</tbody>
</table>

We recommend that the College adhere to its own policy and record these and other fixed assets with a cost of $100.00 or more on its inventory system.

The second internal control violation is the College did not adhere to its own change order policy thus costing them an
additional $72.56 on a procurement. This instance occurred on purchase order 28648. The additional charge is for merchandise that replaced an item which was refused due to damage during shipment. The vendor replaced the damaged merchandise but also billed the College for the replacement. The College was not responsible for the damaged merchandise and should not have paid for a replacement. If the accounts payable section had requested a change order to pay the additional $72.56, this would have been discovered.

We understand that the College has requested a refund from the vendor for $72.56 based on our finding. We recommend that the College enforce its own change order policy thus eliminating the type of problem noted above.


A review of the Purchasing Policies and Procedures Manual disclosed the following areas which should be added or amended.

The College has no statement regarding an Information Technology Plan. We recommend that a statement for the requirement of an Information Technology Plan be added to the manual.

The College does not address the commodities exempt from the Procurement Code. We recommend that the exempt commodities list be added to the manual.

The College has no statement on the quarterly reporting of sole sources, emergencies, and trade-ins to the Materials Management Office. We recommend that procedures for quarterly reporting be added to the manual.
Section B1.3 and B1.4 of the manual, which addresses written and telephone quotations should be amended to require that such quotations be documented and retained.

Section B6 should be amended to include a definition of a sole source procurement.

Section B7.5 "Compensation and Honorariums" does not address this type of procurement in excess of $500.00. A statement must be added that states "Compensation and Honorariums" in excess of $500.00 must be made in compliance with the requirements of the Consolidated Procurement Code.

Section C6, paragraph C, which covers the procurement of construction materials, states in part"... bid documents should be prepared by the College or its professional agent. Bids shall be received and awarded by the College per Section 11-35-3020(2) of the Code." Construction materials fall under Article 5 of the Code, not Section 11-35-3020(2). We recommend that the section referenced above be changed to state construction materials must be procured in accordance with Section B of this manual.

Section C8.8 addresses the disposition of property and supplies. We recommend that the College elaborate on the disposal or sale of surplus property and/or refer to the South Carolina State Board for Technical and Comprehensive Education Equipment Manual.

IV. Professional Development of Procurement Director

The College recently selected a new purchasing officer. She has some knowledge of procurement and the South Carolina
Consolidated Procurement Code. But, since she was not a purchasing officer previously, training in these areas should prove beneficial.

We understand that training is underway. We support this effort and recommend implementation of a program promoting professional development of the purchasing staff.
CONCLUSION

The conditions pointed out in this report indicate major deficiencies in the procurement process at York Technical College. The problem areas range from exceeding procurement authority to noncompetitive procurements. Many transactions are not in compliance with the Code and regulations. Immediate attention should be given to the weaknesses indicated herein.

To determine if corrective action is being taken by the College, we will perform an extensive follow-up before August 31. Subject to this corrective action and because additional certification was not requested, we recommend that York Technical College be allowed to continue procuring all goods and services, construction, information technology, and consulting services up to the basic level as outlined in the Procurement Code. Corrective action is the key.

Robert J. Aycock, IV
Audit and Certification Analyst

R. Voight Shealy
Manager
Audit and Certification
August 18, 1988

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

Dear Voight,

This letter is in response to the request of July 22, 1988, regarding the audit findings of our Purchasing Department.

We appreciate your concerns and reservations about our procurement department and the many discrepancies/inconsistencies that were noted in your report. Many of the items presented were a result of omission rather than of commission; such as, items classified as sole source should have been reflected as emergency procurements. We have taken corrective actions to assure that these same errors do not reoccur.

We have encouraged our procurement officer to attend courses that will enhance her understanding of the State procurement code. She has already attended certain courses and is registered for some advanced courses from Research and Training. In addition, she is in close communication with our State procurement officer in Columbia. By working through some of our previous problems, I feel confident that most of our discrepancies will not be repeated.

Our college has taken the necessary steps recommended by your office. We look forward to future cooperative efforts to help make our procurement office one of the best organized operations in the Tech system.

Thank you again for your support.

Sincerely,

[Signature]

Dennis A. Gribenas
Vice President
Business Affairs

DAG/bm(D.118)
November 3, 1988

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 York Technical College to determine the progress made toward implementing the recommendations in our audit report covering the period April 1, 1985 - February 29, 1988. During this visit, we followed up on each recommendation made in the audit report through inquiry, observation and limited testing.

We observed that York Technical College has made substantial progress toward correcting the problem areas found and improving the internal controls over the procurement system. With the changes made, the system's internal controls should be adequate to ensure that procurements are handled in compliance with the Consolidated Procurement Code and ensuing regulations.

Additional certification was not requested, therefore we recommend that the College be allowed to continue procuring all goods and services, construction, information technology and consulting services up to the basic level as outlined in the Procurement Code.

Sincerely,

R. Voight Shealy, Manager
Audit and Certification