PROFESSIONAL COUNSELORS,
ASSOCIATE COUNSELORS AND
MARITAL AND FAMILY THERAPISTS
LICENSURE BOARD

AGENCY

JULY 1, 1987 – JUNE 30, 1989

DATE
January 4, 1990

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

Dear Rick:

Attached is the final Professional Counselors, Associate Counselors and Marital and Family Therapists Licensure Board procurement audit report and recommendations made by the Office of Audit and Certification. Since no certification above the $2,500.00 limit allowed by law was requested, and no action is necessary by the Budget and Control Board, I recommend that this report be presented to them for their information.

Sincerely,

James J. Forth, Jr.
Assistant Division Director

/jlj

Attachment
SOUTH CAROLINA

PROFESSIONAL COUNSELORS, ASSOCIATE COUNSELORS
AND MARITAL AND FAMILY THERAPISTS

LICENSURE BOARD

AUDIT REPORT

JULY 1, 1987 - JUNE 30, 1989
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We have examined the procurement policies and procedures of the Professional Counselors, Associate Counselors, and Marital and Family Therapists Licensure Board for the period July 1, 1987 - June 30, 1989. 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 internal policy. Additionally, the evaluation was used in determining the nature, timing and extent of other auditing procedures that were necessary for developing an opinion on the adequacy, efficiency and effectiveness of the procurement system.

The administration of the Professional Counselors, Associate Counselors and Marital and Family Therapists Licensure Board is responsible for establishing and maintaining a system of internal control over procurement transactions. In fulfilling
this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance of the integrity of the procurement process, that affected assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and are recorded properly.

Because of inherent limitations in any system of internal control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal control over procurement transactions as well as our overall examination of procurement policies and procedures were conducted with due professional care. They would not, however, because of the nature of audit testing, necessarily disclose all weaknesses in the system.

The examination did, however, disclose conditions enumerated in this report which we believe to be subject to correction or improvement.
Corrective action based on the recommendations described in these findings will in all material respects place the Professional Counselors, Associate Counselors, and Marital and Family Therapist Licensure Board in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

R. Voight Shealy, Manager
Audit and Certification
RESULTS OF EXAMINATION

The Office of Audit and Certification performed an examination of the internal procurement operating procedures and policies of the Professional Counselors, Associate Counselors and Marital and Family Therapists Licensure Board (hereinafter referred to as the Board), for the period July 1, 1987 through June 30, 1989. Our on-site review was conducted on August 8, 1989, and was made under the authority described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code.

The Board had a limited number of procurement actions during the audit period so we tested all of them.

In the past, the Board has not reported sole source and emergency procurements, and trade-in sales. A quarterly report is required to be submitted to the Materials Management Office. If no activity occurs in the quarter, the report should state that.

During the review we noted two procurements for consultant services which were not supported by evidence of competition or a written determination of sole source or emergency procurement.

Voucher #139 for $647.49 was payment for a workshop supervisor. Regulation 19-445.2100, Subsection E, Item 2, which covers procurements from $500.01 to $1,499.99 requires "solicitation of verbal or written quotes from a minimum of two qualified sources of supply." However, this was not done.

Voucher #69 for $1,598.37 was for the services of a consultant to write the regulations of the Board. Regulation 19-
445.2100, Subsection B, Item 3, which covers procurements from $1,500.00 to $2,499.99 requires solicitation of written quotations from three qualified sources of supply...

The Board should comply with these regulations and solicit competition accordingly.

Finally, the Board does not have a Minority Business Utilization Plan or an accepted "letter of intent" approved by the Office of Small and Minority Business. This is required by Section 11-35-5240 of the Procurement Code. The Board should contact the Office to determine their requirements.
CONCLUSION

As enumerated in our transmittal letter, corrective action based on the recommendations described in the findings in this report, we believe, will in all material respects place the Professional Counselors, Associate Counselors and Marital and Family Therapists Licensure Board in compliance with the South Carolina Consolidated Procurement Code.

The Board has not requested procurement certification above the $2,500.00 limit authorized by the Code. Subject to the corrective action identified in this report, we recommend that the Board be allowed to continue procuring all goods and services, consultant services, construction and information technology up to this basic limit.

R. Voight Shealy, Manager
Audit and Certification
November 13, 1989

R. Voight Shealy, Manager
Audit and Certification
Division of General Services
1201 Main Street, Suite 600
Columbia, SC 29201

Dear Mr. Shealy:

The Board members and I have reviewed the draft of the procurement audit report done by Mr. Jeff Widdowson for the period of July 1, 1987 through June 30, 1989.

We are pleased that Mr. Widdowson found the Board to be in compliance with most state procurement regulations. In regard to the minor exceptions noted in the report, we intend to comply in the future with all regulations and will certainly be most sensitive to those situations he noted.

We have been in touch with the Minority Business Office and are developing a plan now with the help of that office. We will forward a completed Plan to your office when it is available.

Thank you for your help.

Sincerely,

Kathryn E. Altman, Ph.D.
President
January 2, 1990

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

Dear Jim:

I have reviewed the response of the Professional Counselors, Associate Counselors and Marital and Family Therapists Licensure Board to our audit report covering the period July 1, 1987 - June 30, 1989. Also, my staff has discussed the audit results with Ms. Kathryn E. Altman, Ph.D., President. Through these efforts, we have resolved the few issues raised in the report.

Therefore, since additional certification above the $2,500.00 limit allowed by the Consolidated Procurement Code has not been requested, I recommend that this report be presented to the Budget and Control Board as information.

Sincerely,

R. Dwight Shealy, Manager
Audit and Certification

/jlj