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**South Carolina  
Division of General Services**

# PROCUREMENT AUDIT AND CERTIFICATION

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PATRIOTS POINT DEVELOPMENT AUTHORITY

AGENCY

SEPTEMBER 7, 1983

DATE

STATE OF SOUTH CAROLINA  
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BARBARA A. McMILLAN  
ASSISTANT DIVISION DIRECTOR

September 7, 1983

Mr. Richard J. Campbell  
Materials Management Officer  
800 Dutch Square Boulevard, Suite 150  
Columbia, South Carolina 29201

Dear Richard:

We have examined the procurement policies and procedures of the Patriots Point Development Authority for the period July 31, 1981 - June 30, 1982. This examination was concluded on July 8, 1983. 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 Patriots Point Development Authority 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 Patriots Point is responsible for establishing and maintaining a system of internal control over procurement transactions. In fulfilling this responsibility, estimates and judgments 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.

AGENCY SERVICES

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Mr. Richard J. Campbell  
September 7, 1983  
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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 not disclose any material weaknesses in the system or any other conditions which were not immediately corrected by Authority management. To the contrary, we found the Authority's procurement official and management in general to be conscientiously attempting to apply the spirit of the Procurement Code to all activities under their control.

Based on the above results and because additional certification was not requested, we recommend that the Materials Management Office notify the Patriots Point Development Authority that it is hereby authorized until our next regularly scheduled biennial audit to continue procuring all goods and services, construction, information technology and consulting services up to the small dollar purchase level of \$2,500.00 as outlined in the Procurement Code and as provided for in its internal procurement procedures manual.

Sincerely,



Barbara A. McMillan  
Director of Agency Services

BAM:rms

