

TRIDENT TECHNICAL COLLEGE
ENTERPRISE CAMPUS AUTHORITY
PROCUREMENT AUDIT REPORT
OCTOBER 1, 2010 – MARCH 31, 2016

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August 22, 2016

Mr. John St. C. White
Materials Management Officer
Division of Procurement Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

Dear John:

We have examined the procurement policies and procedures of the Trident Technical College Enterprise Campus Authority for the period October 1, 2010 through March 31, 2016. 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 used to establish a basis for reliance upon the system of internal controls to assure adherence to the Trident Technical College Enterprise Campus Authority 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 the Trident Technical College Enterprise Campus Authority 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 transactions are executed in accordance with management's authorization and recorded properly.

Because of inherent limitations in any system of internal controls, 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 controls 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.

We performed the audit for the period October 1, 2010 through March 31, 2016. Our examination did not disclose any findings.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Aycock IV". The signature is written in a cursive style with a large, prominent initial "R".

Robert J. Aycock IV, Manager
Audit and Certification

INTRODUCTION

We conducted an examination of the internal procurement operating policies and procedures of the Trident Technical College Enterprise Campus Authority (TTCECA). The audit was conducted under authority of Section 1230 of the Trident Technical College Enterprise Campus Authority Procurement Policy, which states in part, “The Materials Management Office in consultation with TTCECA shall develop written plans for the auditing of procurements conducted pursuant to this Procurement Policy. Auditors from the Materials Management Office shall review the adequacy of the TTCECA internal controls in order to ensure compliance with the requirement of this Procurement Policy.”

The TTCECA Procurement Policy is authorized by Section 59-53-480(B) of the South Carolina Code of Laws and applies to all procurements of supplies, services, or construction by TTCECA for matters associated with the Enterprise Campus as that term is defined in Section 59-53-465.

The TTCECA Procurement Policy was originally approved by the State Budget and Control Board¹ on September 19, 2006. TTCECA had its Procurement Policy reauthorized in May 2011. Section 841 of the TTCECA Procurement Policy requires that the Policy shall be resubmitted to the State Budget and Control Board for re-approval during the first quarter of the fifth calendar year following initial approval. The TTCECA Procurement Policy expires at the end of the second quarter of the fifth calendar year following initial approval unless reauthorized by the State Fiscal Accountability Authority.

Our audit was performed primarily to determine if reauthorization of the TTCECA Procurement Policy was warranted.

¹ The South Carolina Restructuring Act 121 of 2014 abolished the Budget and Control Board as of June 30, 2015 and created the State Fiscal Accountability Authority effective July 1, 2015.

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 TTCECA and its procurement policy to the extent we deemed necessary to formulate an opinion on the adequacy of the system to properly handle procurement transactions.

We requested procurement transactions for the period October 1, 2010 through March 31, 2016 for compliance testing and performed other audit procedures that we considered necessary to formulate this opinion. Specifically, the scope of our audit included, but was not limited to a review of the following:

- (1) Sole source and emergency procurements for the period October 1, 2010 through March 31, 2016, for which there were none
- (2) Procurement transactions for the period January 1, 2013 through March 31, 2016 as follows:
 - a) All Payments exceeding \$10,000 for which there were none
 - b) A block sample review testing the use of order splitting and favoring vendors. TTCECA made one purchase during the audit period for which no exceptions were noted
- (3) Minority Business Enterprise (MBE) annual plans and quarterly progress reports for the period October 1, 2010 through March 31, 2016 with no exceptions noted
- (4) Ratification of unauthorized procurements for which there were none
- (5) Review of all Architect and Engineer procurements for which there were none
- (6) Review of all Blanket Purchase Orders for which there were none
- (7) Other tests performed as deemed necessary with no exceptions

RESULTS OF EXAMINATION

Our examination revealed no material findings.


RECOMMENDATION

Section 1230 of the Trident Technical College Enterprise Campus Authority Procurement Policy requires the auditors from the Materials Management Office to review the adequacy of Trident Technical College Enterprise Campus Authority internal controls to ensure compliance with the requirements of this procurement policy. Any noncompliance discovered through audit must be transmitted in management letters to the Trident Technical College Enterprise Campus Authority and the State Fiscal Accountability Authority. The auditors shall provide in writing proposed corrective action to the Trident Technical College Enterprise Campus Authority.

Based on the testing performed, our examination did not reveal any material findings. In our opinion, Trident Technical College Enterprise Campus Authority complies with TTCECA Procurement Policy in all material respects.

Under the authority described in Section 841 of the Trident Technical College Enterprise Campus Authority Procurement Policy, we recommend reauthorization of Trident Technical College Enterprise Campus Authority Procurement Policy for another period of up to five years.


Mary Jefferson
Senior Auditor


Robert J. Aycock, IV, Manager
Audit and Certification



August 24, 2016

Mr. Robert J. Aycock, IV
Manager
Audit and Certification
1201 Main Street, Suite 600
Columbia, SC 29201

Dear Mr. Aycock:

Re: Audit of Trident Technical College Enterprise Campus Authority
Period: 10/01/10 – 03/31/16

We have reviewed your audit draft dated August 22, 2016, for the period October 1, 2010 through March 31, 2016 and concur with the report. We will continue to comply with the Trident Technical College Enterprise Campus Authority Procurement Policy.

We appreciate your recommendation for the reauthorization of the TTCECA Procurement Policy.

Working with Mary on this audit was a pleasure. Even though she was in Columbia, she made us feel as though she was right here on-site with us.

Sincerely,

Carol A. Belcher, C.P.M.
Director, Procurement & Risk Management

Scott Poelker
Vice President, Finance & Administration

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EXECUTIVE DIRECTOR

August 30, 2016

Mr. John St. C. White
Materials Management Officer
Division of Procurement Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

Dear John:

We have reviewed the response from the Trident Technical College Enterprise Campus Authority to our audit report for the period of October 1, 2010 through March 31, 2016. In our opinion, the Authority complies with the South Carolina Consolidated Procurement Code, State regulations, and the Department's procurement policies and procedures in all material respects and the internal procurement operating procedures are adequate to properly handle procurement transactions. Therefore, we recommend the State Fiscal Accountability Authority re-authorize the Trident Technical College Enterprise Campus Authority's procurement policy for five years.

Sincerely,

Robert J. Aycock, IV, Manager
Audit and Certification

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