

**STATE BOARD FOR TECHNICAL AND COMPREHENSIVE
EDUCATION**

PROCUREMENT AUDIT REPORT

JULY 1, 2005 – DECEMBER 31, 2006

TABLE OF CONTENTS

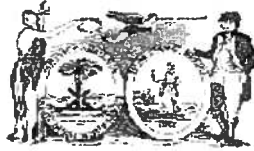
	<u>PAGE</u>
Transmittal Letter	1
Scope.....	3
Result of Examination	4
Conclusion	5

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State Budget and Control Board
PROCUREMENT SERVICES DIVISION

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MATERIALS MANAGEMENT OFFICER

August 1, 2007

Mr. R. Voight Shealy
Materials Management Officer
Office of Procurement Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

Dear Voight:

We have examined the procurement policies and procedures of State Board of Technical and Comprehensive Education for the period July 1, 2005 through December 31, 2006. 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, State regulations and the procurement policy of the State Board. 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 State Board of Technical and Comprehensive Education 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. 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.

Sincerely,



Larry G. Sorrell, Manager
Audit and Certification

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 the State Board and its 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.

We selected samples for the period July 1, 2005 through December 31, 2006 of procurement transactions 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) All sole source, emergency and trade-in sale procurements for the period July 1, 2005 through December 31, 2006
- (2) Procurement transactions for the period July 1, 2005 through December 31, 2006 as follows:
 - a) Forty seven payments each exceeding \$1,500
 - b) Procurement card transactions for October and November of 2006
- (3) Minority Business Enterprise Plans and reports for the audit period
- (4) Information technology plans for the audit period
- (5) Internal procurement procedures manual
- (6) File documentation and evidence of competition
- (7) Surplus property disposal procedures

RESULT OF EXAMINATION

We conducted an examination of the internal procurement operating policies and procedures of the State Board for Technical and Comprehensive Education. Our review was made under Section 11-35-1230 (1) of the South Carolina Consolidated Procurement Code and Regulation 19-445.2020.

We noted no material exceptions.

CONCLUSION

State Board of Technical and Comprehensive Education has not requested increased procurement certification above the basic limits of \$50,000 as allowed per Section 11-35-1550 (1) of the Code. Since no action is required by the State Budget and Control Board, the report is being submitted as information.


Larry G. Sorrell, Manager
Audit and Certification

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