

BOARD AGENDA ITEM

January 28, 2014

SUBJECT:

Procurement Audit Report for the Three Year Period Ended June 30, 2013

BACKGROUND INFORMATION:

Section 11-35-70 of the S.C. Code of Laws requires that any school district whose expenditures exceed \$75 million be subject to a procurement audit every three years.

The audit firm of Elliott Davis, LLC conducted the District's procurement audit for the three year period ended June 30, 2013.

ADMINISTRATIVE CONSIDERATION:

The District's procurement audit has been completed, the results of which will be submitted to the Management Office of the State Budget and Control Board. A copy of the procurement audit report is attached. The District received a clean opinion, with Elliott Davis stating "in our opinion, the District complied, in all material respects, with the aforementioned requirements for the years ended June 30, 2011, 2012, and 2013."

No action is required by the Board as this report is for informational purposes only.

RECOMMENDATION:

Accept as information the procurement audit for the three year period of July 1, 2010 through June 30, 2013.

ATTACHMENT:

Procurement Audit Report

PREPARED BY:

M. O. Traxler III
H. Douglas Atkins



Independent Accountant's Report

Aiken County Board of Education
The Consolidated School District of Aiken County
Aiken, South Carolina

We have examined The Consolidated School District of Aiken County's (the District's) compliance with its procurement operating policies and procedures as of and for the years ended June 30, 2011, 2012 and 2013. This examination was conducted to test the District's compliance with its policies and procedures outlined in the District's Procurement Code. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, including examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary under the circumstances. We believe that our examination provides a reasonable basis for our opinion.

Specifically, the scope of our examination included a review of the following:

CODE COMPLIANCE – GENERAL

We reviewed the District's Minority Business Plan (the Plan) for compliance with the District's procurement code. As part of this Plan, the District is required to report annually, in writing to the Board, the number and dollar value of any contracts and purchase orders awarded to certified South Carolina based Minority Business Entities during the period covered. We noted the District was in compliance with the reporting requirements of the Plan.

We randomly selected fifteen procurement card statements (five for each of the three years) for testing of procurement card purchases for the years ended June 30, 2011, 2012 and 2013 for compliance with the District's procurement code. We noted the following:

We identified that the District did not have receipts for several transactions made with procurement cards.

We selected one month per year to examine purchase orders for splitting of orders, favored vendors and any procurement that appeared unreasonable for the years ended June 30, 2011, 2012 and 2013. We noted no evidence of splitting of orders, favored vendors or unreasonable procurements for the years tested.

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GOODS AND SERVICES PROCUREMENTS

We selected 120 transactions (40 for each year tested) from the District's computerized records of purchases for the years ended June 30, 2011, 2012 and 2013. Our selections were judgmentally made from a custom computer report for each year. We examined these transactions for compliance with the District's general procurement policies using the procedures provided in Section D of the audit program provided to us by the South Carolina Budget and Control Board - Office of General Services. No exceptions were noted.

SOLE SOURCE, EMERGENCY AND TRADE-IN PROCUREMENTS

We obtained a list of all sole source and emergency purchases submitted to the District's Board for the years ended June 30, 2011, 2012 and 2013, totaling \$32,058, \$64,309 and \$9,279, respectively, and examined documentation for all sole source and emergency purchases. We also examined those transactions for compliance with the District's procurement policies related to sole source, emergency and trade-in procurements where applicable, using the procedures provided in Section C of the audit program provided to us by the South Carolina Budget and Control Board - Office of General Services. There were no trade-in procurements noted for the years ended June 30, 2011, 2012 and 2013. No exceptions were noted.

CONSULTING SERVICES PROCUREMENTS

We selected all professional and consulting services procurements identified in the sample selected for goods and services procurements noted above for the years ended June 30, 2011, 2012 2013. These transactions were examined for compliance with the District's procurement policies related to consulting services using the procedures provided in Section D of the audit program provided to us by the South Carolina Budget and Control Board - Office of General Services. The selection included thirty one information technology transactions in total for the years ended June 30, 2011, 2012 and 2013. No exceptions were noted.

CONSTRUCTION AND RELATED SERVICES PROCUREMENTS

We selected all major construction and related services procurements identified in the sample selected for goods and services above for the years ended June 30, 2011, 2012 2013 and examined these transactions for compliance with the District's procurement policies related to major construction using the procedures provided in Section F of the audit program provided to us by the South Carolina Budget and Control Board - Office of General Services. The selection included twelve construction transactions in total and ten architect/engineering and other professional related transactions in total for the years ended June 30, 2011, 2012 and 2013. We noted the following:

We found one exception relating to the advertising for construction and architect/engineering services. This contract was not advertised as required by the District's Procurement Code.

SURPLUS PROPERTY

For the period of July 1, 2010 through June 30, 2013 there were two public sales of School District property. We examined the resulting transactions for compliance with the District's procurement policies related to public sale of School District property as enumerated in Section E of the audit program provided to us by the South Carolina Budget and Control Board - Office of General Services. No exceptions were noted.

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the years ended June 30, 2011, 2012 and 2013.

The report is intended solely for the information and use of members of the Board of Trustees of the District and the South Carolina Budget and Control Board – Office of General Services and is not intended to be and should not be used by anyone other than those specified parties.

Elliott Davis, LLC

Charleston, South Carolina
December 20, 2013