



TRIDENT TECHNICAL COLLEGE

INDEPENDENT PROCUREMENT AUDIT REPORT

APRIL 1, 2013 to JUNE 30, 2017

Office of Audit & Certification
Division of Procurement Services
July 20, 2017

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HENRY MCMASTER, CHAIR
GOVERNOR

CURTIS M. LOFTIS, JR.
STATE TREASURER

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL



THE DIVISION OF PROCUREMENT SERVICES

DELBERT H. SINGLETON, JR.
DIVISION DIRECTOR
(803) 734-8018

JOHN ST. C. WHITE
MATERIALS MANAGEMENT OFFICER
(803) 737-0600
FAX: (803) 737-0639

HUGH K. LEATHERMAN, SR.
CHAIRMAN, SENATE FINANCE COMMITTEE

G. MURRELL SMITH, JR.
CHAIRMAN, HOUSE WAYS AND MEANS COMMITTEE

GRANT GILLESPIE
EXECUTIVE DIRECTOR

February 13, 2019

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

Re: Trident Technical College (TTC)
Procurement Examination
Transmittal Letter

John:

We have examined the internal procurement policies and procedures of TTC for the period April 1, 2013 through June 30, 2017 to determine whether, in all material respects, the internal controls of TTC's procurement system were adequate to ensure compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

The examination did not disclose any conditions which we believe need correction or improvement at this time. In our opinion, TTC was in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations in all material respects.

Sincerely,

D. Crawford Milling, CPA, CGMA
Director, Audit & Certification

INTRODUCTION

We conducted an examination of TTC's internal procurement policies and procedures, as outlined in their Internal Procurement Procedures Manual, under §11-35-1230(1) of the South Carolina Consolidated Procurement Code and Reg. 19-445.2020.

The primary objective of our examination was to determine whether, in all material respects, the internal controls of TTC's procurement system were adequate to ensure compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.

The management of TTC is responsible for the agency's compliance with the South Carolina Consolidated Procurement Code. Those responsibilities include the following:

- Identifying the agency's procurement activities and understanding and complying with the Code
- Establishing and maintaining effective controls over procurement activities that provide reasonable assurance that the agency administers its procurement programs in compliance with the Code
- Evaluating and monitoring the agency's compliance with the SC Consolidated Procurement Code
- Taking corrective action when instances of noncompliance are identified, including corrective action on audit findings of this audit.

Because of inherent limitations in any system of internal controls, errors or irregularities may occur and not be detected. 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 review 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.

INTRODUCTION

Our examination was also performed to determine if recertification under Code §11-35-1210 is warranted.

On August 25, 2015 the State Fiscal Accountability Authority granted Trident Technical College the following procurement certifications:

<u>PROCUREMENT AREAS</u>	<u>CERTIFICATION LIMITS</u>
Supplies and Services	*\$ 500,000 per commitment
Information Technology	*\$ 250,000 per commitment
Consultant Services	*\$ 500,000 per commitment
Construction Contract Change Order	\$ 50,000 per change order
Architect/Engineer Contract Amendment	\$ 10,000 per amendment

During the audit, TTC requested the following certifications:

<u>PROCUREMENT AREAS</u>	<u>CERTIFICATION LIMITS</u>
Supplies and Services	*\$ 750,000 per commitment
Information Technology	*\$ 350,000 per commitment
Consultant Services	*\$ 750,000 per commitment
Construction Contract Award	\$ 100,000 per contract award
Construction Contract Change Order	\$ 100,000 per change order
Architect/Engineer Contract Amendment	\$ 50,000 per amendment

*Total potential purchase commitment whether single year or multi-term contracts are used.

SCOPE

We conducted our examination to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Our examination included testing, on a sample basis, evidence about TTC's compliance with the South Carolina Consolidated Procurement Code, for the period April 1, 2013 through June 30, 2017, the audit period, and performing other procedures that we considered necessary in the circumstances. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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 audit period, with no exceptions
- (2) Procurement transactions for the audit period as follows:
 - a) One hundred and seven payments, each exceeding \$10,000, with no exceptions
 - b) Three hundred sequentially filed purchase orders reviewed for the use of splitting orders or favoring vendors, with no exceptions
 - c) Procurement card purchases for March, April, and May 2017, with no exceptions
- (3) Thirteen Construction Contracts with three being indefinite delivery contracts and six Architect/Engineer and Related Professional Service Contracts for compliance with the Manual for Planning and Execution of State Permanent Improvements, Part II, with no exceptions
- (4) Minority Business Enterprise plans and reports with the following activity reported to the Division of Small and Minority Business Contracting and Certification:

<u>Fiscal Year Ending</u>	<u>Goal</u>	<u>Actual</u>
FY14-15	\$439,044	\$ 69,377
FY15-16	902,330	510,434
FY16-17	700,000	64,384

- (5) The most recent Information Technology Plan, with no exceptions
- (6) Internal procurement procedures manual, with no exceptions
- (7) Surplus property disposal procedures, with no exceptions
- (8) Ratification of unauthorized procurements, with no exceptions

RESULTS OF EXAMINATION

Based on the procedures performed, our examination did not identify any conditions which we believe need to be addressed in this report. In our opinion, the internal controls of Trident Technical College's procurement system are adequate to ensure compliance with the South Carolina Consolidated Procurement Code and ensuing regulations, in all material respects.

CERTIFICATION RECOMMENDATION

Based on the procedures performed, our examination did not identify any conditions which we believe need to be addressed in this report. In our opinion, the internal controls of Trident Technical College's procurement system are adequate to ensure compliance with the South Carolina Consolidated Procurement Code and ensuing regulations in all material respects.

Under the authority provided by SC Code Ann. §11-35-1210, we recommend Trident Technical College be granted increased certification to make direct agency procurements for three years up to the following limits:

<u>PROCUREMENT AREAS</u>	<u>CERTIFICATION LIMITS</u>
Supplies and Services ¹	*\$ 750,000 per commitment
Information Technology ²	*\$ 350,000 per commitment
Construction Contract Award	\$ 100,000 per contract award
Construction Contract Change Order	\$ 100,000 per change order
Architect/Engineer Contract Amendment	\$ 50,000 per amendment

*Total potential purchase commitment whether single year or multi-term contracts are used.

Robin Devette Jacobs, CPA, CGMA

Robin D. Jacobs, CPA, CGMA
Audits Manager

D. Crawford Milling

D. Crawford Milling, CPA, CGMA
Director, Audit & Certification

¹ Supplies and Services includes non-IT consulting services

² Information Technology includes consulting services for any aspect of information technology, systems and networks