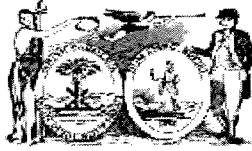


STATE OF SOUTH CAROLINA
State Budget and Control Board
PROCUREMENT SERVICES DIVISION

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R. VOIGHT SHEALY
MATERIALS MANAGEMENT OFFICER

April 25, 2005

Mr. Delbert H. Singleton Jr.
Director
Procurement Services Division
6th Floor-Wade Hampton Building
Columbia, South Carolina 29201

Dear Delbert:

I have attached for Clemson University Procurement Code for Economic Development Infrastructure's procurement audit report and recommendation made by the Office of Audit and Certification. I concur and recommend the report be submitted as information to the Budget and Control Board.

Sincerely,

A handwritten signature in cursive script that reads "Voight Shealy".

R. Voight Shealy
Materials Management Officer

/jl

PROCUREMENT AUDIT REPORT
CLEMSON UNIVERSITY PROCUREMENT CODE FOR
ECONOMIC DEVELOPMENT INFRASTRUCTURE
MAY 4, 2004 TO FEBRUARY 28, 2005

TABLE OF CONTENTS

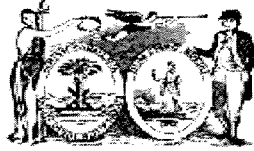
	<u>PAGE</u>
Transmittal Letter.....	1
Results of Examination.....	3
Conclusion.....	4

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R. VOIGHT SHEALY
MATERIALS MANAGEMENT OFFICER

April 5, 2005

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

Dear Voight:

We examined the procurement policies and procedures of the Clemson University Procurement Code for Economic Development Infrastructure for the period May 4, 2004 through February 28, 2005. Our examination was made pursuant to Section 1230 of the Code. 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 Code and regulations that were approved by the State Budget and Control Board on May 4, 2004. 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 Clemson University 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

RESULTS OF EXAMINATION

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 Clemson University 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.

Six procurements greater than \$6,000, the threshold for competition, were issued for the period May 4, 2004 through February 28, 2005. The six procurements were audited for compliance with the Procurement Code for Economic Development Infrastructure and the procurement procedures. Three procurements were construction and three procurements were professional services. Clemson University did not have any sole source or emergency procurements for the audit period.

We noted no material exceptions.

CONCLUSION

We recommend that Clemson University be allowed to continue procuring goods, services, consultants, information technology, and construction in accordance with the Clemson University Procurement Code for Economic Development Infrastructure and Regulations as appropriate



David E. Rawl, CPPB
Senior Auditor



Larry G. Sorrell, Manager
Audit and Certification

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