

RICHLAND SCHOOL DISTRICT TWO
PROCUREMENT AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2022

RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, SOUTH CAROLINA
PROCUREMENT AGREED-UPON PROCEDURES

AGREED-UPON PROCEDURES FINDINGS – ATTACHMENT A
FOR THE YEAR ENDED JUNE 30, 2022

Our agreed-upon procedures engagement has produced the following findings and recommendations with regard to Richland School District Two’s Procurement Code and Regulations (“Procurement Code”):

Finding 2022-1: The School District does not have written approval from the Division of Procurement Services that its procurement code was substantially similar to the Consolidated Procurement Code per SC Code of Laws §11-35-5340.

Recommendation 2022-1: We recommend that the School District adopt the 2021 Model School District Procurement Code or submit the School District’s procurement code to the Division of Procurement Services for a written opinion as required by SC Code of Laws, §11-35-5340.

Finding 2022-2: The School District did not present the Minority Business Enterprise Utilization to the Board on an annual basis.

Recommendation 2022-2: We recommend that the School District present the Minority Business Enterprise Utilization to the Board on an annual basis.

Finding 2022-3: The auditor found multiple Procurement Card transactions for educational supplies and materials that could have been purchased through state and district contracts and documentation was not provided to explain the use of an alternative supplier.

Recommendation 2022-3: We recommend that the School District disallows the purchase of educational supplies and materials using a Procurement Card unless approval has been received from the Procurement Director.

Finding 2022-4: The auditor found multiple Procurement Card transactions for travel expenses which did not have the approved travel request form attached to each corresponding transaction.

Recommendation 2022-4: We recommend that the School District ensure that employees are aware of the requirement for all travel purchases on Procurement Cards to have an approved travel request form attached to each corresponding transaction.

RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, SOUTH CAROLINA
PROCUREMENT AGREED-UPON PROCEDURES

AGREED-UPON PROCEDURES FINDINGS – ATTACHMENT A (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Finding 2022-5: The auditor found multiple Procurement Card transactions for meals over \$500 that did not receive prior approval from the Senior Chief Financial & Operations Officer.

Recommendation 2022-5: We recommend that the School District ensure that employees are aware of the requirement for all meal purchases over \$500 to have prior approval from the Senior Chief Financial & Operations Officer.

Finding 2022-6: The auditor found a single Procurement Card transaction in which items were purchased as gifts for needy families.

Recommendation 2022-6: We recommend that the School District create a standardized form detailing the need to use District funds to assist students, their families, and employees. This form should be signed by all parties involved.

Finding 2022-7: The auditor found multiple Procurement Cards in which departments were listed as the cardholder instead of a current employee which is not in accordance with the School District's purchasing card manual.

Recommendation 2022-7: We recommend that the School District ensure that only current employees are cardholders of Procurement Cards in accordance with the School District's purchasing card manual.

Finding 2022-8: The auditor found multiple Procurement Card transactions for recurring charges exceeding \$2,500 each.

Recommendation 2022-8: We recommend that the School District use Purchase Orders to pay for recurring charges including, but not limited to, phone and utility payments.

Procurement Audit Response

Finding 2022-1: The School District does not have written approval from the Division of Procurement Services that its procurement code was substantially similar to the Consolidated Procurement Code per SC Code of Laws §11-35-5340.

Recommendation 2022-1: We recommend that the School District adopt the 2021 Model School District Procurement Code or submit the School District's procurement code to the Division of Procurement Services for a written opinion as required by SC Code of Laws, §11-35-5340.

Corrective Action: The District was made aware of this finding in the Office of the Inspector General's Report. The District is currently working on editing the 2021 Model School District Procurement Code for the Division of Procurement Services review and approval.

Implementation Timeline: July 1, 2023

Finding 2022-2: The School District did not present the Minority Business Enterprise Utilization to the Board on an annual basis.

Recommendation 2022-2: We recommend that the School District present the Minority Business Enterprise Utilization to the Board on an annual basis.

Corrective Action: The Richland Two Procurement Code requires the District to present the Minority Business Enterprise Utilization to the Board on an annual basis. Procurement will ensure the report is submitted timely.

Implementation Timeline: Effective immediately.

Finding 2022-3: The auditor found multiple Procurement Card transactions for educational supplies and materials that could have been purchased through state and district contracts and documentation was not provided to explain the use of an alternative supplier.

Recommendation 2022-3: We recommend that the School District disallows the purchase of educational supplies and materials using a Procurement Card unless approval has been received from the Procurement Director.

Corrective Action: The district will use state and district contracts as a first option when purchasing educational supplies and materials. The district will update the Purchasing Card and Finance Operations Procedures to allow for the use of the purchasing card for state contracts when practical.

Implementation Timeline: July 1, 2023

Finding 2022-4: The auditor found multiple Procurement Card transactions for travel expenses which did not have the approved travel request form attached to each corresponding transaction.

Recommendation 2022-4: We recommend that the School District ensure that employees are aware of the requirement for all travel purchases on Procurement Cards to have an approved travel request form attached to each corresponding transaction.

Corrective Action: The District will require all travel purchases on the Procurement Cards to have an approved travel request form attached to each corresponding transaction.

Implementation Timeline: Immediately

Finding 2022-5: The auditor found multiple Procurement Card transactions for meals over \$500.00 that did not receive prior approval from the Senior Chief Financial & Operations Officer.

Recommendation 2022-5: We recommend that the School District ensure that employees are aware of the requirement for all meal purchases over \$500.00 to have prior approval from the Senior Chief Financial & Operations Officer.

Corrective Action: The District will require all meal purchases over \$500.00 to have prior approval from the Senior Chief Financial & Operations Officer.

Implementation Timeline: Immediately

Finding 2022-6: The auditor found a single Procurement Card transaction in which items were purchased as gifts for needy families.

Recommendation 2022-6: We recommend that the School District create a standardized form detailing the need to use District funds to assist students, their families, and employees. This form should be signed by all parties involved.

Corrective Action: The District will implement an approval process for schools/departments to participate in assisting needy families.

Implementation Timeline: July 1, 2023

Finding 2022-7: The auditor found multiple Procurement Cards in which departments were listed as the cardholder instead of a current employee which is not in accordance with the School District's purchasing card manual.

Recommendation 2022-7: We recommend that the School District ensure that only current employees are cardholders of Procurement Cards in accordance with the School District's purchasing card manual.

Corrective Action: The District will remove the department names from Procurement Cards and replace with the name(s) of a current employee.

Implementation Timeline: July 1, 2023

Finding 2022-8: The auditor found multiple Procurement Card transactions for recurring charges exceeding \$2,500 each.

Recommendation 2022-8: We recommend that the School District use Purchase Orders to pay for recurring charges including, but not limited to, phone and utility payments.

Corrective Action: The District will consider the use of an electronic payment solution through the credit card provider to pay recurring charges such as utilities and phone services.

Implementation Timeline: July 1, 2023