

CHARLESTON COUNTY SCHOOL DISTRICT
PROCUREMENT EXAMINATION
YEAR ENDED JUNE 30, 2020



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INDEPENDENT ACCOUNTANTS' REPORT

The Board of Trustees
Charleston County School District
Charleston, South Carolina

We have examined Charleston County School District's (School District) compliance with the School District's Procurement Code for the year ended June 30, 2020. The School District's management is responsible for the School District's compliance with the School District's Procurement Code. Our responsibility is to express an opinion on the School District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the School District's compliance with specified requirements.

Our examination disclosed instances of material noncompliance with the School District's Procurement Code applicable to the School District during the year ended June 30, 2020. The instances of material noncompliance are detailed in the attached Schedule of Findings.

In our opinion, except for the material noncompliance described in the preceding paragraph, the School District complied, in all material respects, with the School District's Procurement Code for the year ended June 30, 2020.

The report is intended solely for the information and use of the Board of Trustees and management of the School District, the State Fiscal Accountability Authority, Division of Procurement Services (DPS), Office of Audit & Certification, and their designees and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Charlotte, North Carolina
March 12, 2021

**Charleston County School District
Schedule of Findings
June 30, 2020**

Finding 2020-001:

We reviewed the District's policies to determine that the Internal Audit Department, or some other independent audit group, is required to conduct compliance audits of P-Card usage. We inquired as to when the last P-Card audit was conducted and requested a copy of the report to determine that corrective action plans have been implemented. It was noted that the District has policies in place requiring annual compliance audits of P-Card usage, however, documentation could not be provided to support that such audits were completed and the requisite reports of results were made during the fiscal year ended June 30, 2020 in accordance with their policies and procedures. In response to prior year finding 2019-005, it was noted that a P-Card Forum Team was constructed to perform a review/analysis of P-Card usage during the fiscal year ended June 30, 2020. The report of results for this review was issued in January 2021.

Recommendation:

We recommend that the School District review their internal controls to ensure compliance audits of P-Card usage are performed timely and the required reports of results are documented in accordance with policies/procedures.

Views of responsible officials:

There is no disagreement with the audit finding. See Corrective Action Plan attached.

Finding 2020-002:

We reviewed a sample of 25 procurement card transactions from the May and June 2020 billing statements and requested copies of receipts for testing in accordance with the P-Card Matrix that purchases are being made in compliance with the State and District's P-Card Policies and Procedures. We noted one transaction for which the purchased goods were shipped to the employee's home address.

Recommendation:

We recommend that the School District review their internal controls to ensure procurement card transactions are made in accordance with policies/procedures.

Views of responsible officials:

There is no disagreement with the audit finding. See Corrective Action Plan attached.

**Charleston County School District
Schedule of Findings
June 30, 2020**

Finding 2020-003:

We reviewed surplus property dispositions of the School District during the fiscal year ended June 30, 2020, to determine that they were properly handled in accordance with the School District's Procurement Code. For one of the three surplus property disposition events occurring during the fiscal year ended June 30, 2020, we noted surplus property dispositions were executed by an individual other than the district designee as noted by signature on the auctioneer agreement.

Recommendation:

We recommend that the School District modify their existing controls and procedures to ensure that surplus property dispositions are completed in accordance with the School District's Procurement Code. This includes approval of the disposition by either the School District's Chief Business Officer or Chief Procurement Officer, or their designee as provided by the Superintendent in writing.

Views of responsible officials:

There is no disagreement with the audit finding. See Corrective Action Plan attached.

**CHARLESTON COUNTY SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2020**

South Carolina State Fiscal Accountability Authority Division of Procurement Services (DPS) Office of Audit & Certification

Charleston County School District respectfully submits the following corrective action plan for the year ended June 30, 2020.

Audit period: July 01, 2019 - June 30, 2020

The findings from the schedule of findings are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—SCHOOL DISTRICT PROCUREMENT AUDIT

2020-001 Recommendation: We recommend that the School District review their internal controls to ensure compliance audits of P-Card usage are performed timely and the required reports of results are documented in accordance with policies/procedures.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: School District reviewed their internal controls and determined the requirement for the Internal Audit Department to perform a periodic audit of P-Card purchases cannot be accomplished because the School District terminated the Internal Audit Department. The School District will revise the Procurement Transaction Review Requirements contained in the Procurement Card Cardholder Manual to require the Internal Consulting Department to review monthly a minimum of 20% of P-Card purchases to ensure compliance with School district policies and procedures.

Name(s) of the contact person(s) responsible for corrective action: Wayne Wilcher

Planned completion date for corrective action plan: May 4, 2021

2020-002 Recommendation: We recommend that the School District review their internal controls to ensure procurement card transactions are made in accordance with policies/procedures.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The School District allowed P-Card purchases to be delivered to a home address to ensure work continue during COVID-19. Purchases have not been authorized to be shipped to an address that is not an official School District address since August 2020. School District will not allow purchases to be shipped to an address that is not an official School District address.

Name(s) of the contact person(s) responsible for corrective action: Wayne Wilcher

Planned completion date for corrective action plan: March 31, 2021

2020-003

Recommendation: We recommend that the School District modify their existing controls and procedures to ensure that surplus property dispositions are completed in accordance with the School District's Procurement Code. This includes approval of the disposition by either the School District's Chief Business Officer or Chief Procurement Officer, or their designee as provided by the Superintendent in writing.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: Action taken in response to finding: Facilities Management reviewed their internal controls and implemented on March 5, 2021 a sign off process to tighten their controls. In addition Surplus is a Facilities Management function that is not under the control or responsibility of the Procurement Department. Going forward Facility Management will request a separate external audit of Surplus and submit audit reports to the Audit and Finance Committee and Board of Trustees.

Name(s) of the contact person(s) responsible for corrective action: Ronald Kramps

Planned completion date for corrective action plan: March 5, 2021

If the South Carolina State Fiscal Accountability Authority Division of Procurement Services (DPS) Office of Audit & Certification has questions regarding this plan, please call Wayne Wilcher at (843) 566-8128.