

**CHARLESTON COUNTY SCHOOL DISTRICT  
CHARLESTON, SOUTH CAROLINA**

**PROCUREMENT AGREED-UPON PROCEDURES REPORT**

**YEAR ENDED JUNE 30, 2023**





# Greene Finney Cauley, LLP

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## Independent Accountant’s Report on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below related to the Charleston County School District’s (the “School District”) compliance with its Procurement Code for the year ended June 30, 2023. Management is responsible for the School District’s compliance with those requirements.

The School District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in assessing the School District’s compliance with its Procurement Code. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and the associated findings are as follows:

**Procedure:** We inquired of the School District concerning any transactions between foundations or charitable organizations affiliated with the School District and any gifts or donations between these entities to determine if expenditures of funds received are required to be made in compliance with the School District’s Procurement Code.

**Finding:** No findings noted.

**Procedure:** We obtained an updated organization chart showing the purchasing office’s location in the School District’s overall structure and the internal organization of the purchasing office itself and to establish that procurement authority and responsibility is vested in the procurement department or, if not, that it is clearly defined and logically delegated.

**Finding:** No findings noted.

**Procedure:** We reviewed the Minority Business Enterprise Utilization annual plan (“MBE Plan”) to (1) ensure annual plans were submitted timely and approved by the District, (2) determine that periodic progress reports were filed timely, and (3) compare goals versus results.

**Finding:** Section 5240 of the District’s procurement code states that the MBE plan should be presented to the Board no later than the first Board meeting on or after July 30<sup>th</sup> each year. In addition, the results should be reported within 30 days of period end. The first Board meeting on or after July 30, 2022 was August 8, 2022; however, the FY2023 MBE plan was not submitted to the Board until the September 26, 2022 meeting. The FY2023 results have not yet been prepared at the time of issuance and thus were not submitted within the timeframe required by the District’s procurement code. The percentage of dollars committed to the School District’s MBE Plan for the year ended June 30, 2023 was 10% of \$369,939,518, or \$36,993,952. Actual results are not available.

Procedure: We reviewed the School District's Purchasing Card ("P-Card") Program Policies and Procedures to confirm the establishment of internal controls, including specific roles and responsibilities for cardholders, supervisor/approvers, liaisons, and the P-Card administrator.

Finding: No findings noted.

Procedure: We determined if the School District's Internal Audit Department, or some other independent audit group, is required to conduct compliance audits of P-Card usage. We also determined when the last P-Card audit was conducted and obtained a copy of the report to determine that corrective action plans have been implemented.

Finding: The School District's Finance Department is required to conduct annual compliance audits of P-Card usage. We obtained a copy of the reports for the most recent audits, which were completed in February 2023. We inquired as to the status of the corrective action plans, noting they appear to have been properly implemented. No findings noted.

Procedure: We obtained a listing from the School District's P-Card provider of all P-Cards that were active during the year showing the cardholder, reviewer/approver, liaison, date of issue, single transaction and credit limits, and date of last transaction. We determined that (1) the number of cardholders per liaison provides for adequate monthly review of transaction for compliance with the P-Card policy for allowable transactions and blocked merchant category codes ("MCC"), (2) P-Cards are only issued to qualified full-time employees and that the School District has a training program for new card holders and liaisons, and (3) the District has no unassigned cards, (4) School District employees who have been issued more than one card are considered reasonable, (5) no cards have been inactive for more than six months, and (6) no single transaction limit ("STL") is greater than the competition threshold per the School District's Procurement Code unless supported by appropriate documentation.

Finding: No findings noted.

Procedure: We reviewed a detailed listing of transactions for the period of August and September 2022 and determined that (1) no purchases were made from blocked MCC without appropriate approval, (2) no transactions exceeded the cardholders' STL without written approval of a temporary increase in STL and subsequent reduction to the original level, and (3) for a sample of 25 transactions, we obtained copies and receipts to determine that purchases were made in compliance with the School District's P-Card policies and procedures.

Finding: No findings noted.

Procedure: We obtained a listing of all blanket purchase agreement files and selected 5 to determine that they were in accordance with the State of South Carolina Fiscal Accountability Authority, Division of Procurement Services, Office of Audit and Certification's (the "Office") standard matrix.

Finding: We noted the School District did not use blanket purchase agreements during the year ended June 30, 2023.

Procedure: We reviewed a two month sample of purchase orders from the numerical purchase order file to check for splitting of vendors or favored vendors.

Finding: No findings noted.

Procedure: We reviewed all of the School District's procurements of revenue generating contracts to determine that they were done in accordance with the School District's Procurement Code.

Finding: No findings noted.

Procedure: We obtained a list of unauthorized procurements identified by the School District during the year and determined that ratifications, if approved, were properly documented in written determinations and approved by an appropriate official in accordance with the School District's Procurement Code.

Finding: No findings noted.

Procedure: We reviewed copies of all sole source and emergency procurement determinations and findings and related purchased orders or vouchers for the year ended June 30, 2023 to determine that each procurement transaction was adequately explained and appropriate and properly approved.

Finding: Section 2440 of the District's procurement code requires semi-annual reports to the Superintendent for sole source and emergency procurements with (1) each contractor's name, (2) the amount and type of each contract, and (3) a listing of supplies, services, information technology or construction procured under each contract. We noted one emergency procurement which improperly excluded from the transmittal to the Superintendent in FY23.

Procedure: We reviewed a sample of 5 trade-in files to determine that proper approval was obtained (for the trade-in of assets with original cost greater than \$5,000).

Finding: No findings noted.

Procedure: We selected and tested a sample of 55 procurement transactions related to supplies and services, information technology, and consultants for compliance with the Office's standard matrix.

Finding: The sample of 55 transactions selected for testing included 10 procurements greater than \$500,000, 12 procurements greater than \$100,000, 12 procurements between \$25,000 and \$100,000, 14 procurements between \$25,000 and \$10,000, and 7 procurements less than \$10,000. No findings noted.

Procedure: We selected a sample of 25 (including five of the largest dollar expenditures) direct expenditure vouchers to determine that they were handled in accordance with the School District's Procurement Code.

Finding: No findings noted.

Procedure: We selected 5 disposal transactions to determine that they were handled in accordance with the School District's Procurement Code.

Finding: No findings noted.

Procedure: We selected and tested 3 construction procurements and 2 architectural and engineering procurements for compliance with the Office's Major Construction and A&E and Related Professional Services Matrices, respectively, and the School District's Procurement Code.

Finding: No findings noted.

Procedure: We reviewed construction and A&E procurements ongoing during the current year but tested in previous years to determine any change orders were properly approved in accordance with the School District's Procurement Code.

Finding: No findings noted.

Procedure: We inquired of the School District concerning the use of any alternative construction delivery methods (other than design bid build).

Finding: We noted the School District did not use any alternative construction delivery methods (other than design bid build) during the year ended June 30, 2023.

Procedure: We inquired of the School District concerning the use of indefinite delivery contracts and tested 3 for compliance with the School District's Procurement Code.

Finding: No findings noted.

We were engaged by the School District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The School District's responses to the findings and recommendations described in this report are included in Attachment A.

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

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
September 21, 2023

ATTACHMENT A  
SCHOOL DISTRICT'S RESPONSE TO FINDING  
YEAR ENDED JUNE 30, 2023

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**Finding:** Section 5240 of the District's procurement code states that the Minority Business Enterprise Utilization annual plan ("MBE") plan should be presented to the Board no later than the first Board meeting on or after July 30<sup>th</sup> each year. In addition, the results should be reported within 30 days of period end. The first Board meeting on or after July 30, 2022 was August 8, 2022; however, the FY2023 MBE plan was not submitted to the Board until the September 26, 2022 meeting. The FY2023 results have not yet been prepared at the time of issuance and thus were not submitted within the timeframe required by the District's procurement code. The percentage of dollars committed to the School District's MBE Plan for the year ended June 30, 2023 was 10% of \$369,939,518, or \$36,993,952. Actual results are not available.

**Finding Response:** The Director of Procurement position is currently vacant. As a result, reporting has been delayed.

**Contact Person** – Jacqué Carlen, Interim Chief Financial Officer, Charleston County School District, jacquelyn\_carlen@charleston.k12.sc.us

**Corrective Action** - The District will implement additional procedures to ensure the MBE plans and results are prepared and submitted within the timeframe required by the procurement code.

**Proposed Completion Date** - June 30, 2024

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**Finding:** Section 2440 of the District's procurement code requires semi-annual reports to the Superintendent for sole source and emergency procurements with (1) each contractor's name, (2) the amount and type of each contract, and (3) a listing of supplies, services, information technology or construction procured under each contract. We noted one emergency procurement which was not included in the transmittal to the Superintendent during the year ended June 30, 2023.

**Finding Response:** The School District agrees with the finding and has presented a revised report to the Superintendent for review.

**Contact Person** – Jacqué Carlen, Interim Chief Financial Officer, Charleston County School District, jacquelyn\_carlen@charleston.k12.sc.us

**Corrective Action** - The District has implemented additional procedures to ensure the sole source and emergency reports provided to the Superintendent are complete.

**Proposed Completion Date** - June 30, 2024