RICHLAND SCHOOL DISTRICT TWO

PROCUREMENT AGREED-UPON PROCEDURES

FOR THE YEAR ENDED JUNE 30, 2023

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BURKETT & BURKETT
Certified Public Accountants, P.A.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees
Richland School District Two
Columbia, South Carolina

We have performed the procedures enumerated below on the internal procurement operating policies and procedures of Richland School District Two (the "School District") for the year ended June 30, 2023. The School District's 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 determining whether the procurement procedures were in compliance with the School District's Procurement Code and its ensuing regulations, in all material respects. 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.

The procedures and associated findings are as follows:

1. We obtained answers to the South Carolina State Fiscal Accountability Authority's (the "Authority") questionnaire for evaluating internal control efficiency and effectiveness of the School District's Procurement Operations and evaluated those answers.

2. We inquired of the School District concerning any transactions between Foundations, Eleemosynary or 501(c)(3) groups affiliated with the School District and any gifts between these entities to determine if the transactions were subject to the School District's Procurement Code.

3. We ensured the Minority Business Enterprise Utilization annual plans ("MBE Plans") were submitted to and approved by the Board of Trustees timely and that the periodic progress reports were filed timely.

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4. We reviewed the School District's Purchasing Card Program Policies and Procedures to confirm the establishment of internal controls and cardholder spending limits and ensured that adequate separation of duties exists between cardholder purchases and the review/approval of these purchases prior to payment. We also determined that the School District has a training program for new card holders and liaisons, no School District employee has been issued more than one card, the School District had no unassigned cards other than those permitted by the School District's Purchasing Card Program Policies and Procedures, and no purchases were made from blocked Merchant Category Codes. We reviewed a two-month sample of procurement card purchases for potential splitting, to ensure proper authorization was obtained for purchases greater than $2,500, to ensure proper competition was solicited for purchases greater than $2,500, and to determine if they were being managed in compliance with the School District's Procurement Code and Purchasing Card Program Policies and Procedures.

   The results of this procedures disclosed four (4) instances of noncompliance, which are described in Attachment A.

5. We reviewed a sample of the School District's blanket purchase agreement files during the year ended June 30, 2023.

6. We selected a block sample of two hundred (200) numerical purchase orders to identify any splitting of vendors, favored vendors, and any questionable procurements.

7. We obtained the School District's procurements of revenue generating contracts to determine that they were done in accordance with the School District's Procurement Code. We noted the School District did not have any revenue generating contracts during the year ended June 30, 2023.

8. We obtained a list of unauthorized procurements for the year ended June 30, 2023 to determine that dispositions of unauthorized procurements were properly documented in written determinations and approved by an appropriate official in accordance with the School District's Procurement Code.

9. We obtained copies of all written sole source and emergency procurement written determinations for the year ended June 30, 2023, to determine that each procurement transaction was adequately explained and appropriate, properly approved, and accurately reported.

10. We obtained the School District's trade-in files to determine that proper approval was obtained and that the trade-in was accurately reported. We noted the School District did not have any trade-ins during the year ended June 30, 2023.

11. We selected a sample of five (5) disposals and sales of surplus property to determine that they were handled in accordance with the School District's Procurement Code.

12. We selected and tested a sample of sixty-two (62) procurement transactions for the year ended June 30, 2023. These procurements were tested for compliance with the Authority's attributes in Exhibit A of "Agreed Upon Procedures – School District Procurement System."

13. Five (5) of the procurements selected were tested for compliance with the Authority's Major Construction matrix, and the School District's Procurement Code, and four (4) of the procurements selected were tested for compliance with the Authority's A&E and Related Professional Services matrix.

14. We selected and tested change orders from the applicable construction projects selected for testing.

15. We inquired of the School District concerning the use of Indefinite Delivery Contracts. We noted the School District did not have any Indefinite Delivery Contracts for year ended June 30, 2023.

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 the School District's procurement procedures. 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.

This 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, Office of Audit & Certification, and their designees, and is not intended to be and should not be used by anyone other than those specified parties.

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BURKETT BURKETT & BURKETT
Certified Public Accountants, P.A.
West Columbia, South Carolina
December 1, 2023

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

AGREED-UPON PROCEDURES FINDINGS – ATTACHMENT A
FOR THE YEAR ENDED JUNE 30, 2023

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 2023-1: The School District did 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 as of June 30, 2023.

Recommendation 2023-1: We noted that the School District adopted the 2021 Model School District Procurement Code during the fiscal year ended June 30, 2024. As a result, no further action is required.

Finding 2023-2: 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 2023-2: 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 2023-3: 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 2023-3: 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 2023-4: The auditor found multiple Procurement Card transactions for recurring charges exceeding $2,500 each.

Recommendation 2023-4: We recommend that the School District use Purchase Orders to pay for recurring charges including, but not limited to, phone and utility payments.

RICHLAND SCHOOL DISTRICT TWO
PROCUREMENT AUDIT RESPONSE

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 2023-1: The School District did 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 as of June 30, 2023.

Recommendation 2023-1: We noted that the School District adopted the 2021 Model School District Procurement Code during the fiscal year ended June 30, 2024.
As a result, no further action is required.

Finding 2023-2: 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 2023-2: 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 continue to educate our internal customers on the utilizing the state contract for purchases first. Purchases from alternate suppliers will be approved by the Procurement Director. This will be implemented February 2024.

Finding 2023-3: 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 2023-3: 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:	In the previous audit, January 2023, this finding was noted. The district responded that the removal of departmental cards would be implemented beginning July 1, 2023. The District will have all departmental cards removed by June 30, 2024.
Finding 2023-4:	The auditor found multiple Procurement Card transactions for recurring charges exceeding $2,500 each.
Recommendation 2023-4:	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:	A p-card change form will be issued for the transaction(s) that exceed the STL of $2500.00 in order for the payment(s) to be made.