RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, SOUTH CAROLINA

PROCUREMENT
AGREED-UPON PROCEDURES REPORT

YEAR ENDED JUNE 30, 2025

Independent Accountant's Report on Applying Agreed-Upon Procedures

The Board of Trustees
Richland School District Two
Columbia, South Carolina

We have performed the procedures enumerated below related to the Richland School District Two's (the "District") compliance with its Procurement Code for the year ended June 30, 2025. Management is responsible for the District's compliance with those requirements.

The District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in assessing the 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 District concerning any transactions between foundations or charitable organizations affiliated with the 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 District's Procurement Code.

Finding: No findings noted.

Procedure: We obtained an updated organization chart showing the purchasing office's location in the 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 and (2) determine that periodic progress reports were filed timely.

Finding: We noted that the District's MBE Plan was not approved annually by the Board. We also noted that periodic progress reports were not filed timely. See Attachment A, Finding 1.

Procedure: We reviewed the 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 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: There are no internal or external procurement audits outside of the annual procurement agreed-upon procedures and the District's procurement code does not require any. No findings noted.

Procedure: We obtained a listing from the 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 District has a training program for new card holders and liaisons, (3) the District has no unassigned cards, (4) District employees have not been issued more than one card, (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 District's Procurement Code unless supported by appropriate documentation.

Finding: We noted that the District has 32 P-Cards that have been inactive for more than six months. See Attachment A, Finding 2.

Procedure: We reviewed a detailed listing of P-Card transactions for the period of October and November 2024 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, (3) no transactions were split to circumvent STL, and (4) for a sample of 25 transactions, we obtained copies and receipts to determine that purchases were made in compliance with the District's P-Card policies and procedures.

Finding: During the period of October and November 2024, there were 6 purchases made from blocked MCC without appropriate approval. In the sample of 25 transactions, there were 2 transactions that it appears that someone other than cardholder used the card without a P-Card User Authorization Form and 1 transaction that the Request For Purchasing Card was not completed for the cardholder. See Attachment A, Finding 3.

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") terms and conditions.

Finding: We noted the District did not use blanket purchase agreements during the year ended June 30, 2025. No findings noted.

Procedure: We reviewed a two-month block sample of purchase orders and direct expenditure vouchers to check for splitting of orders or favored vendors.

Finding: No findings noted.

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

Finding: No findings noted.

Procedure: We obtained a list of unauthorized procurements identified by the 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 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, 2025 to determine that each procurement transaction was adequately explained and appropriate and properly approved.

Finding: We noted the District did not have its sole source and emergency listing available for public inspection on an annual basis. See Attachment A, Finding 4.

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

Finding: We noted the District did not have any assets that were traded in for the year ended June 30, 2025.

Procedure: We selected a sample of items greater than $500,000 and a sample of 45 other transactions related to supplies and services, information technology, and consultants for compliance with the Office's standard matrix.

Finding: The sample of 57 transactions selected for testing included 12 transactions greater than $500,000, 5 transactions between $100,000 and $500,000, 21 transactions between $25,000 and $100,000, and 19 transactions between $10,000 and $25,000. No findings noted.

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

Finding: No findings noted.

Procedure: We selected 5 disposal transactions to determine that they were handled in accordance with the 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 District's Procurement Code. If the construction and A&E procurements tested were ongoing during the current year but tested in previous years, we reviewed to determine if any change orders were properly approved in accordance with the District's Procurement Code.

Finding: No findings noted.

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

Finding: We noted the District used Construction Management at Risk method, during the year ended June 30, 2025. No findings noted.

Procedure: We inquired of the District concerning the use of indefinite quantity contracts.

Finding: We noted the District did not use any indefinite quantity contracts during the year ended June 30, 2025.

We were engaged by the 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The 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 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
October 27, 2025

RICHLAND SCHOOL DISTRICT TWO
COLUMBIA, SOUTH CAROLINA

PROCUREMENT AGREED-UPON PROCEDURES REPORT

PROCUREMENT FINDINGS – ATTACHMENT A

YEAR ENDED JUNE 30, 2025

Our performance of the agreed-upon procedures related to the District's compliance with its Procurement Code for the year ended June 30, 2025 produced the following findings and recommendations with regards to the Richland School District Two's Procurement Code:

Finding 1:	We noted that the District's Minority Business Enterprise Utilization annual plan ("MBE Plan") was not approved annually by the Board. We also noted that periodic progress reports were not filed timely.
Recommendation 1:	We recommend that the District have their annual MBE report approved by the Board to ensure compliance with the District's procurement code. We also recommend that the District submit periodic progress reports to the board within 30 days after the end of each six-month fiscal period and include all items listed in the District's procurement code.
District Response 1:	See last page of report

Finding 2:	The District had 32 P-Cards that were inactive/unused for a period of six months or greater during the year ended June 30, 2025.
Recommendation 2:	The District should consider deactivating P-Cards that have not been used in over six months. The State procurement AUP requires us to document any cards that were inactive/unused for a period of six months or greater even though it is not against the District's procurement code.
District Response 2:	See last page of report

Finding 3:	During the period of October and November 2024, there were 6 P-Card purchases made from blocked MCC without appropriate approval. In the sample of 25 P-Card transactions tested, there were 2 transactions that it appears that someone other than cardholder used the card without a P-Card User Authorization Form and 1 transaction that the Request For Purchasing Card was not completed for the cardholder.
Recommendation 3:	We recommend that the District make cardholders aware of blocked MCC codes and have formal approval for MCC codes to be temporarily unblocked when necessary. We recommend that the P-Card User Authorization Form be completed when a cardholder is letting someone else use their card. We recommend that all cardholders have an approved Request for Purchasing Card Form.
District Response 3:	See last page of report

Finding 4:	The District did not have its sole source and emergency listings available for public inspection on an annual basis.
Recommendation 4:	We recommend that the District make its sole source and emergency listings along with the applicable criteria per the District's procurement code available to the public.
District Response 4:	See last page of report

October 27, 2025

Richland School District Two
Columbia, South Carolina
Procurement Agreed-Upon Procedures – Responses to Findings
Year Ended June 30, 2025

Finding 1 Response: The Minority Business Enterprise (MBE) Utilization plan was not submitted for approval by the Board. The Board was provided the MBE plan and report in July 2024. The semi-annual report, which was due in January, was not provided.

Implementation 1 Timeframe: The submission of the Minority Business Enterprise Utilization Plan, for Board review and approval, was implemented in July. The submission of the progress reports will be within 30 days after the end of each six-month fiscal period which will begin in January 2026.

Finding 2 Response: Theses cards are for the activity bus drivers. In past audits, we received findings for having cards in departmental names. After receiving those findings the decision was made to put cards in all the activity driver names. Realizing that these cards would potentially be inactive/unused for a period of six months or greater, internal controls were put in place to address this. This control is to place the card in a $1- No Spend profile until the card is ready to be used.

As acknowledged in the recommendation, the inactive/unused cards are not in violation of our procurement code or purchasing procedures.

Implementation 2 Timeframe: This internal control has been in effect since fiscal year 2024.

Finding 3 Response: The District will conduct a review of the MCC code list to verify that all designated restricted codes are grouped in the system. We will also work with our banking institution to ensure the codes are blocked and/or restricted.

Implementation 3 Timeframe: January 6, 2026

Finding 4 Response: The District will make the sole sources and emergencies procurement publicly available through the Procurement website.

Implementation 4 Timeframe: December 1, 2025
