

LEXINGTON COUNTY SCHOOL DISTRICT ONE
PROCUREMENT AGREED-UPON PROCEDURES
FOR THE YEAR ENDED
JUNE 30, 2022

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Trustees
Lexington County School District One
Lexington, South Carolina

We have performed the procedures enumerated below on the internal procurement operating policies and procedures of Lexington County School District One (the "School District") for the year ended June 30, 2022. 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 reviewed the Minority Business Enterprise Utilization annual plans ("MBE Plans") to determine if they were submitted to and approved by the Board of Trustees timely, that they contained the components required by the School District's Procurement Code, and that the periodic progress reports were filed timely.

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 and the School District had no unassigned cards other than those permitted by the School District's Purchasing Card Program Policies and Procedures. We reviewed a two-month sample of procurement card purchases during the fiscal year for potential splitting, to ensure proper authorization was obtained for purchases greater than \$2,000, 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 procedure disclosed four (4) instances of noncompliance, which are described in Attachment A.

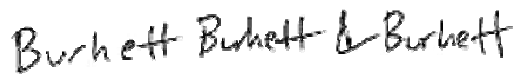
5. The School District did not have any blanket purchase agreement files during the year ended June 30, 2022.
6. We reviewed a block sample of two hundred (200) numerical purchase orders for each fiscal year to check for splitting of vendors, favored vendors, and any questionable procurements.
7. We reviewed all 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, 2022.
8. We reviewed 100% of unauthorized procurements for the year ended June 30, 2022, to determine if they were properly addressed and authorized in accordance with the School District's Procurement Code.
9. We reviewed copies of all sole source and emergency procurements. Determinations and Findings and related purchased orders or vouchers for the year ended June 30, 2022, to determine that each procurement transaction was adequately explained and appropriate, properly approved, and accurately reported.
10. We reviewed all trade-in files to determine that proper approval was obtained and that the trade-in was accurately reported. The School District did not have any trade-ins during the year ended June 30, 2022.
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 (60) procurement transactions for the year ended June 30, 2022. These procurements were tested for compliance with the Authority's standard matrix.
13. Eight (8) of the procurements selected were tested for compliance with the Authority's Major Construction matrix, and the School District's Procurement Code, and zero (0) 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. The School District did not have any Indefinite Delivery Contracts for the year ended June 30, 2022.

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.



Burkett Burkett & Burkett
Certified Public Accountants, P.A.
West Columbia, South Carolina
November 28, 2022

LEXINGTON COUNTY SCHOOL DISTRICT ONE
LEXINGTON, 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 the Lexington County School District One’s Procurement Code and Regulations (“Procurement Code”):

Finding 2022-1: The auditor found multiple Procurement Card transactions for students, their families, and employees in need with no supporting documentation other than the purchase receipts.

Recommendation 2022-1: We recommend that the School District create a standardized form detailing the need to use funds provided by local organizations to assist students, their families, and employees. This form should be signed by all parties involved.

Finding 2022-2: 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 2022-2: 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 2022-3: The auditor found a single Procurement Card transaction in which an item was shipped to an employee’s house instead of the school.

Recommendation 2022-3: We recommend that the School District ensure that employees are aware of the requirement for all Procurement Card purchases to be shipped to the school.

Finding 2022-4: The auditor found a single Procurement Card transaction in which a subscription service with terms and conditions was purchased without CFO approval.

Recommendation 2022-4: We recommend that the School District ensures that employees are aware of the requirement that all software and other agreements with terms and conditions require CFO signature approval.