

**Audit of Sumter County School District's Use of  
Child Early Reading Development and Education  
Program Funds**



**South Carolina Department of Education  
Office of Auditing Services  
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## **Overview**

The South Carolina Department of Education (SCDE) allocated funds to Sumter County School District (Sumter) to provide allowable services under its Child Early Reading Development and Education Program (CDEP). CDEP funds are to be used to provide services that focus on the developmental and learning support that children must have in order to be ready for school and must incorporate parenting education. Funds allocated under the program in FY 2015–16 totaled \$2,897,766 with an additional \$85,000 for supplies. In FY 2016–17, CDEP allocations for Sumter totaled \$2,247,743.85.

An anonymous complaint, dated February 2, 2017, was submitted to the SCDE Office of the Chief Operating Officer (COO), Office of Finance, and the Office of Early Learning & Literacy stating that Sumter’s Early Childhood Director (ECD) and Health Coordinator/School Nurse (HCSN) were both being paid an excessive amount of \$125 per hour to provide training to CDEP teachers. The Office of Auditing Services (OAS) was later notified on April 24, 2017, by Sumter of another complaint received internally stating that Sumter’s ECD purchased several items with CDEP funds that were unallowable and used the items for personal purposes and not for CDEP activities. OAS performed an audit to determine the validity of complaints received. OAS began an onsite limited scope audit of funds expended by Sumter for CDEP on April 4, 2017, regarding the payments made to the ECD and HCSN for training. Subsequent onsite visits were made to the district on May 1–2, 2017, and June 7, 2017, to determine if unallowable items were purchased with CDEP funds and used by the ECD for personal purposes.

## **Objective**

The objective of this limited scope audit was to determine whether Sumter’s use of CDEP funds was allowable, necessary, and reasonable based upon applicable state laws and regulations.

## **Scope and Methodology**

We judgmentally sampled expenditures from the general ledger for the CDEP fund for FY 2015–16 and 2016–17. We requested and reviewed the following items as evidence to support expenditures submitted for reimbursement:

1. Policies and procedures,
2. General ledger,
3. Salary agreements,
4. Invoices and receipts,
5. Travel vouchers,
6. Timesheets,
7. Training rosters, and
8. Labor History Reports.

We also interviewed employees who work with the program and performed an observation test for a sample of items purchased with CDEP funds to determine if the items existed, were necessary for operation of the program, and were being used for allowable purposes.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate

evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## **Results**

### *Supplies and Materials*

Sumter was notified on Friday, April 28, 2017, that OAS would visit the district on Monday, May 1, 2017, to continue our audit of CDEP funds and to view items that appeared to be unallowable. Some of the expenditures in question included purchases of adult tricycles, rugs, large hammocks, foldable hammocks, patio furniture to include benches and a wicker set, canopies and tents, a waterslide, a queen-size anywhere bed, a fan, Gamecock chairs, an adult horseshoe game, vacuum cleaners, household storage organizers, snacks, laundry detergent, bleach, fabric softener, clocks, and small kitchen appliances such as crockpots, fryers, choppers, griddles, blenders, smoothie makers, and coffee pots. Upon meeting with the ECD, we requested to view several items mentioned above. The ECD attempted to explain the purpose of several of the items; however, the explanations provided were inconsistent. The ECD indicated that she did not know the location of the adult tricycles. Per the ECD, the adult tricycles were purchased to transport special needs pre-kindergarten students. When the tricycles arrived, she thought that they would not serve the intended purpose, and she stated that the tricycles were supposed to be returned to the vendor. The ECD also stated that a now-retired warehouse worker stored the tricycles somewhere, and she did not know where they were stored. She also stated that the foldable hammocks were supposed to be used by the students, but she determined that they were unsafe for student use and should be returned. She later stated that the foldable hammocks as well as small kitchen appliances (crock pots, choppers, and blenders) were given away as door prizes during Department of Social Services (DSS) required trainings as an incentive for teachers to attend the trainings. Teachers were then supposed to use the items in the classroom. This statement contradicts the explanation that the foldable hammocks were deemed to be a hazard for the children to use. A teacher and other staff interviewed stated that foldable hammocks and cooking items were not given away as door prizes at any of the trainings they attended.

OAS asked to view several canopies/carports, a fan, vacuum cleaners, household organizers, and small kitchen appliances. The ECD led us to a warehouse in the district office and showed us two canopies that were still in boxes for us to view. She also showed us carports that were located on the playground in three schools. We also requested to see a 30' x 30' carport canopy; however, that item was never shown to OAS. We also noted that a coffeepot and smoothie maker was in use in the office of the ECD, not in a classroom. We also questioned the location of a fan that was listed on an invoice. We were shown a fan that was in the ECD's administrative assistant's office. However, the fan was not the same fan that we were looking for per the picture found on the vendor's website. The ECD stated that there was no other fan purchased by the program. We were able to view a few cooking items in use at Pocalla Elementary School. One teacher interviewed at the school stated that cooking items were stored in the school's CDEP activity storage room and checked out to make smoothies and other food for students. On May 2nd, we observed two crockpots and a blender in the ECD's personal vehicle. She stated that she had located them and brought them to the audit site for us to view. She did not indicate where the items had been located. During our May visit, we also requested to see large hammocks that

appeared to be unreasonable and unnecessary purchases for CDEP. We were told that two of the hammocks were in use in classrooms at Kingsbury Elementary School. We visited two classrooms at the school on May 1st after school hours. Each classroom had a large hammock in its classroom. On May 2nd, we requested to speak with the two teachers whose classrooms had the hammocks in them. We interviewed them concerning the use of the hammocks. They stated that the hammocks were used in the classrooms in the Reading Center to encourage the pre-kindergarten students to read. We inquired of the two teachers as to when the hammocks were received. Neither teacher could tell us when the hammocks were received. One teacher stated that she had taken several pictures of the students in the hammocks and had them in her phone and had printed some of the pictures. When we requested to see the pictures, the teacher then indicated that she did not know where the pictures were and would e-mail them to us later. No pictures were ever received by the OAS. We do not have reasonable assurance that the hammocks were being used in the classroom prior to notification of our onsite audit. The expenditures for the hammocks are unnecessary, unreasonable, and unallowable.

Following the May 1–2 visit, the ECD provided pictures of the foldable hammocks, a fan, and adult tricycles to OAS via e-mail on May 10, 2017. OAS made a subsequent visit to Sumter on June 7, 2017 to verify the existence of the items. We were taken to the district’s Brunhill warehouse where the district’s locksmith met OAS and the ECD to open the warehouse. We noted three boxes that contained one blue foldable hammock each and three boxes that contained one adult tricycle each. The invoice for the adult tricycles, dated April 20, 2016, was for five adult tricycles, but there were only three adult tricycles in the warehouse. We noted that the shipping label had been torn off all of the boxes. OAS questioned if it was proper procedure to tear off the shipping labels from items that had been shipped. We received no response. Upon further observation, we noted that a packing slip from one of the hammocks was still in the box. We reviewed it and noted that the packing slip was dated May 2, 2017, and was delivered to the home address of the ECD. Therefore, the hammocks shown to us were delivered after our visit on May 1, 2017 when we questioned the location of the items and were not the original hammocks purchased. OAS also noted that the shipping label on the fan had a ship date of June 4, 2017. The invoice date for the fan we questioned was May 12, 2016. Therefore, items OAS questioned the existence of during the previous visit, were replaced by new purchases of the same items. The cost of these items is disallowed.

There were other items that we requested to view but were never shown such as iPads, Gamecock chairs, a waterpark, and decorative items for plants. Therefore, we cannot substantiate the existence of these items or conclude that the items were used by Sumter for its CDEP program and not used for personal purposes.

In addition, we were shown items such as vacuum cleaners, crockpots, choppers, coffeepots, and smoothie makers that were stored in a storage area at Crosswell Elementary School and not in use in the classrooms. Spending with CDEP funds was excessive, unnecessary, and unreasonable.

#### *Witness Statements*

As previously stated, Sumter was notified on Friday, April 28, 2017 that OAS was visiting the district on Monday, May 1, 2017 to view questionable items purchased with CDEP funds. We

received a signed statement from a warehouse worker stating that on the morning of May 1, 2017, the ECD delivered two boxes that contained a 10' x 20' caravan canopy car cover and four boxes that contained 7-shelf commercial bin racks to the warehouse and requested that the warehouse workers find a place in the warehouse to store it because auditors were coming. However, the ECD, while leading OAS to the items, made comments indicating the items had been there for a longer period of time. OAS also received a signed statement from the locksmith at the Brunhill warehouse who stated that he helped the ECD unload three boxes of hammocks into the warehouse the morning of our June 7, 2017 visit whereas the ECD indicated that the items were placed in the warehouse by a now retired warehouse worker. The locksmith also stated that the hammocks were placed on top of the boxes that contained the adult tricycles. He noticed the adult tricycles about four days prior to our June 7, 2017 visit to the warehouse but does not know when or how the tricycles were placed there. We also viewed video from teachers at one of the schools where they discussed the benches we were shown on the school's playgrounds. On the video, the teachers indicated that the benches had just been placed on the playground the day of our May 1, 2017 visit whereas the district was invoiced for the benches on April 28, 2016.

#### *Purchased Service - Trainings*

Teachers and instructional assistants participating in CDEP are required to attend at least fifteen hours of approved professional development annually, to include approved training in the following areas:

- A minimum of 5 hours of growth and development;
- A minimum of 5 hours of curriculum; and
- 5 hours in other early childhood areas, which may include the following areas: safety, health, nutrition, guidance, or professional development, and must include blood-borne pathogen training as required by Occupational Safety and Health Administration (OSHA).
- Additional topics required by CDEP legislation include:
  - Topics related to teaching children from poverty, and
  - Strategies and techniques to address the age-appropriate progress of emergent literacy (oral communications, knowledge of print and letters, phonemic and phonological awareness, vocabulary and comprehension development).

All required professional development training hours must be approved through the South Carolina Center for Child Care Career Development (CCCCD). Documentation of each staff member's professional development hours is required to be maintained on-site and is subject to monitoring by the SCDE. Also, per the SCDE guidelines, "Schools/districts are encouraged to consolidate and coordinate professional development activities across regional and district boundaries to reduce costs."

The ECD and HCSN were each paid \$125 per hour to provide CCCCCD required trainings to early childhood teachers and instructional assistants. Not only was the ECD and HCSN compensated \$125 per hour for conducting trainings, the HCSN stated that the district allowed for compensation for time spent preparing agendas for DSS certification. Between FY 2015–16 and FY 2016–17, the ECD received additional compensation of \$96,687.50, more than her

regular annual salary for providing trainings and the HCSN received additional compensation of \$89,562.50. Trainings were provided after work hours, including afterschool and on Saturdays. We also noted where compensation for the trainings on Saturdays did not include a break for lunch. Consequently, both employees were paid for eight to ten hours of extra pay on Saturdays. We also noted several instances in which both employees were compensated \$125 per hour for the same trainings that were held the same day and time. Therefore, Sumter was paying \$250 per hour in many instances for trainings. The ECD and HCSN had to become either a DSS registered trainer or DSS certified trainer to provide the trainings. We asked for documentation from both employees to support that they were registered or certified with DSS to provide the trainings. The ECD stated that DSS did not provide any documents to show that one had been DSS registered or DSS certified. The HCSN provided e-mails from the CCCCD to show acceptance of lesson plans and rosters to support her registered status. We also reviewed several "Request for Child Care Training Registration" forms and noted that the HCSN's name was typed on the form as the trainer, but the ECD's name was handwritten on the form as the trainer.

Furthermore, we requested both the ECD and HCSN to provide OAS with the "South Carolina Child Care Training System Official SCDSS Attendance Rosters." The rosters provided to us for the trainings that both the ECD and HCSN were to have provided together should have been identical, but they were not the same. Some of the rosters appear to be identical as far as dates, training topics, and the signatures of the trainees. However, the rosters were different in that the same signatures were not present on the rosters certifying that the trainings had been provided. On the rosters provided to us by the HCSN, the HCSN's signature was the only signature present on the rosters. On the rosters provided to us by the ECD, the rosters appeared to be a photocopy of the roster provided by the HCSN except both the ECD's signature and the HCSN's signatures were present on the copies. We also noted that in some instances, some employees listed on the roster did not receive credit for the training. Per the HCSN, they did not know initially that teachers could only receive credit for the same training once. Therefore, if DSS noted that a teacher had already taken the same training, the CCCCD did not give the teacher credit for the course completed an additional time. The trainings provided should have been a part of the regular job duties of the ECD as her job function was to oversee the program.

## **Findings**

### **1. Unallowable, Unreasonable, and Unnecessary Costs – Supplies and Materials**

The SCDE CDEP guidelines state, "The CDEP school shall maintain appropriate classroom space, equipment, materials, and supplies." Several expenditures for supplies and materials incurred by Sumter for CDEP were unallowable, unreasonable, and/or unnecessary. Expenditures in question included purchases of adult tricycles, adult hammocks, foldable hammocks, patio furniture, canopies, tents, a waterslide, an anywhere bed, a fan, benches, crockpots, and other small kitchen appliances. Costs also appeared excessive. For instance, we noted 30 vacuum cleaners were purchased with CDEP funds. In addition, we noted that several items purchased were not necessary because the ECD had the items in unopened boxes and stored in the warehouse or storage area and did not put the items into use in a classroom. The ECD stated that she wanted to have items on hand just in case an item was needed. However, the amount of items stored and not used was excessive.

The ECD was also unable to locate several items we requested to view. We do not have reasonable assurance that the adult tricycles, foldable hammocks, a fan, and other items purchased were used to support Sumter's CDEP activities in the district. Therefore, we seek reimbursement for the following unallowable expenditures:

**Vendor Name: Wayfair**

<b>ITEM DESCRIPTION</b>	<b>PER UNIT COST</b>	<b>EXTENDED COST (w/tax)</b>
1 30' x 30' Ultramax carport/canopy	\$1,679.99	\$1,778.10
5 Adult tricycles	\$393.99	\$2,085.00
2 20' x 10' canopy	\$772.75	\$1,635.76
1 Steel storage shed	\$549.00	\$581.06
1 Birch Lane Moby Basket	\$85.00	\$89.96
4 Outdoor 70 gallon storage benches	\$108.95	\$461.25
1 Waterpark	\$752.60	\$796.55
3 Foldable and portable hammocks	\$58.90	\$186.92
2 Byer of Maine Luna Steel Chair Stands	\$166.95	\$353.40
2 KW Hammocks Large Caribbean Hammock Chairs	\$65.95	\$139.60
1 18" Oscillating Pedestal Fan	\$88.90	\$94.09
4 Deep commercial 7 shelf bin rack storage system	\$144.95	\$613.66
<b>TOTAL</b>		<b>\$8,815.35</b>

**Vendor Name: Staples**

<b>ITEM DESCRIPTION</b>	<b>PER UNIT COST</b>	<b>EXTENDED COST (w/ tax)</b>
3 Apple 12.9 Inch iPad Pros	\$899.00	\$2,912.76
1 Apple 12.9 Inch iPad Pros	\$898.00	\$969.84
2 Apple Smart Keyboards	\$149.00	\$321.84
2 Apple Smart Keyboards	\$169.00	\$365.04
1 Ergodyne Backpack	\$44.19	\$47.73
1 Samsill Backpack	\$39.99	\$43.19
1 Swissgear Backpack	\$56.29	\$60.79
1 High Sierra Backpack	\$44.49	\$48.05
1 Dual car charger	\$7.99	\$8.63
<b>TOTAL</b>		<b>\$4,777.87</b>

**Vendor Name: K-mart**

<b>ITEM DESCRIPTION</b>	<b>PER UNIT COST</b>	<b>EXTENDED COST (w/tax)</b>
2 Gamecock chairs	\$19.44	\$41.99
1 Pair Hanes socks	\$8.49	\$9.17
1 Pack Ladies socks	\$7.99	\$8.63
1 Cooler	\$14.99	\$16.19
1 K200 2.0 Coffee Brewer	\$89.24	\$96.38
<b>TOTAL</b>		<b>\$172.36</b>

**Total reimbursement requested for disallowed supplies and materials: \$13,765.58.**

Other questionable purchases were also made at Wayfair and K-mart. Some of these questionable purchases include the following:

**Vendor Name: Wayfair**

<b>ITEM DESCRIPTION</b>	<b>PER UNIT COST</b>	<b>EXTENDED COST (w/tax)</b>
2 18' x 30' Supermax Carports	\$991.49	\$2,098.79
30 Cordless upright stick vacuum cleaners	Various	\$2,285.63
8 14" Deep commercial 7 shelf bin rack storage systems	\$144.95	\$1,227.32
4 SpiceStor Cabinet Organizers	\$20.39	\$86.32
25 Storage Underbed Chests	\$16.41	\$434.21
10 Clear Storage Bags	\$18.75	\$198.45
10 Oblong Storage Bags	\$18.05	\$191.04
1 Weight Bag	\$90.00	\$95.26
2 Horseshoe Game Sets	\$50.14	\$106.14
1 Patio umbrella	\$278.95	\$295.24
1 Porch Swing	\$422.95	\$447.65
2 Patio Umbrellas	\$278.95	\$295.24
2 Bathroom Shelves	\$111.72	\$236.49
6 Closet Hanging Organizers	\$17.96	\$19.01
2 Overdoor Hanging Organizers	\$37.99	\$80.42
2 24-Pocket hanging organizers	\$26.99	\$57.13
10 12-Pocket stocking hanging organizers	\$13.57	\$143.62
3 Hanging organizers	\$41.99	\$133.33
4 All-purpose rolling storage bins	\$68.99	\$292.08
2 14" Deep commercial 7 shelf bin rack storage system	\$144.95	\$306.83
4 Jumbo dress garment bags	\$29.99	\$126.97
1 Townsley 4 piece lounge seating group with cushions	\$424.58	\$449.38
4 Coffeepots	\$100.12	\$423.87
2 Steel trashcans	\$96.95	\$205.22

4 Cuisinart reversible grill pan/griddles	\$153.95	\$651.76
3 Paper towel holders	\$24.96	\$79.25
3 NuWave Pro Plus Ovens	\$166.97	\$530.23
2 Total Chef Rotisserie Ovens	\$148.99	\$315.38
2 2-Slice Toasters	\$45.00	\$95.26
2 Stay or Go 4-quart slow cookers	\$24.51	\$51.88
3 2.5 Quart casserole slow cookers	\$28.18	\$89.48
3 6 Quart Stainless steel slow cookers	\$37.99	\$120.63
3 6 Quart Set and Forget 6-quart slow cookers	\$49.00	\$155.58
3 8-Piece Nutribullet sets	\$79.99	\$253.98
2 Ninja Nutri Auto-iQ Compact System	\$135.97	\$287.82
7 Nuwave Air Fryer	\$139.99	\$1,037.16
3 Hand Mixers	\$57.00	\$180.99
1 Total Chef Rotisserie Oven	\$148.99	\$157.69
3 Stainless Steel Can Openers	\$34.91	\$110.85
3 5 piece utensil sets	\$31.35	\$99.53
5 10 Piece 5 speed hand blender set	\$99.99	\$529.14
3 Ninja Express Chops	\$24.99	\$79.35
3 Choppers	\$18.97	\$60.23
<b>TOTAL</b>		<b>\$15,121.83</b>

**Vendor Name: K-Mart**

<b>ITEM DESCRIPTION</b>	<b>PER UNIT COST</b>	<b>EXTENDED COST (w/ tax)</b>
1 Anywhere bed	\$124.99	\$134.99
31 Gift Bags	\$0.49	\$16.41
1 Coffee pot	\$89.94	\$97.14
1 AG Lounger	\$69.99	\$75.58
3 Sets of 4 pc. tools	\$7.99	\$28.89
2 Nuwave ovens	\$99.99	\$215.98
2 Fryers	\$9.99	\$86.38
1 Red toaster oven	\$49.99	\$49.99
2 Jumbo cookers	\$29.99	\$64.78
1 Nuwave	\$99.99	\$107.99
1 Cooler	\$14.99	\$16.19
1 Slow cooker	\$14.99	\$16.19
1 Hamilton Beach 5 quart cooker	\$29.99	\$32.39
1 Slow cooker	\$32.99	\$35.63
1 Deep fryer	\$59.99	\$64.79
1 Fryer	\$48.99	\$52.91
<b>TOTAL</b>		<b>\$1,096.23</b>

**Total additional questionable costs for supplies and materials: \$16,218.06.**

**2. Unreasonable Costs - Trainings**

The payment rate of \$125 per hour for the trainings conducted was unreasonable. The ECD's regular salary is \$55.57 per hour. Therefore, the rate paid to the ECD for the trainings was more than double her regular pay rate. The HCSN's regular salary is \$21.49 per hour. Therefore, the rate paid to the HCSN for training was more than five times her regular pay rate. Per conversations with teachers who received the training, some of the trainings only consisted of teachers watching a video. The number of trainings was also excessive. Approximately 121 individual training sessions were provided and most of the trainings were repetitive. The ECD was compensated for a total of 773.5 hours of training during FY 2015–16 and FY 2016–17. The HCSN was compensated for a total of 716.5 hours of training. Per CDEP guidelines, teachers and instructional assistants must receive a minimum number of trainings in four different areas. If there was a teacher that needed training in one specific area, then a course was offered again for that one teacher. Therefore, we noted class sizes for 19 trainings had as little as one or two people. Per SCDE guidelines, "Schools/districts are encouraged to consolidate and coordinate professional development activities across regional and district boundaries to reduce costs." There was no evidence that Sumter coordinated with other CDEP providers in the region to determine if teachers could receive the course from a neighboring district when a limited number of teachers needed the course. We also spoke with an early childhood director in another district who stated that all of the DSS credits required in a year can be obtained by attending one or two conferences held annually in the state, the South Carolina Association for the Education of Young Children (SCAEYC) conference and/or the South Carolina Early Childhood Association conference (SCECA). Per our review, we noted that Sumter's ECD's administrative assistant provided a mass e-mail to early childhood staff concerning registration information about those

two conferences so eligible employees could attend. The early childhood director from the other district also stated that trainings conducted by her or other district staff in her district was considered a part of their job duties, and they were not compensated for conducting the trainings.

The HCSN should have been paid a maximum compensation rate of \$32.23 per hour, calculated at time and a half, for conducting the trainings. Therefore, we are disallowing \$92.77 per hour paid to the HCSN for the trainings conducted. She was paid for a total of 716.5 hours. Therefore, the total amount disallowed for her pay is \$66,469.71 due to the unreasonableness of the hourly rate of pay.

Early childhood related trainings conducted by the ECD should have been considered as a part of her regular job duties. Per the ECD, she e-mailed the SCDE to seek approval to pay a stipend to a district employee providing the DSS required training, and approval was granted. However, the e-mail request sent to the SCDE was not specific in stating that the ECD was one of the employees who would provide the service, nor did the request ask for an appropriate rate to be paid. We also question if the ECD provided all of the training services she submitted timesheets for and also question if she was DSS registered or certified at the time she provided some of the trainings. In addition, we noted instances in which the ECD's "Additional Payroll Earnings Summary Sheet" was approved by the Superintendent, but the ECD's timesheets for the trainings were not approved by the Superintendent.

OAS recommends further investigation from the State Law Enforcement Division (SLED) to determine if the ECD provided all of the trainings she was compensated for. We are disallowing the entire amount of \$96,687.50 paid to the Early Childhood Director for the trainings provided.

### **3. Procurement Process**

The ECD was able to make many recurring, unnecessary expenditures because the cost of the transactions was less than \$2,500 and did not require bids and a higher level of approval. The entity also split purchases to avoid receiving quotes. For example, we noted two separate invoices dated November 18, 2016, from Staples. Both of the invoices were for the purchase of two Apple 12.9 inch iPad pros and two Apple smart keyboards. One invoice also included the purchase of five IPM rotary stand cases. One invoice totaled \$2,474.23 and the other totaled \$2,306.88. Therefore, the ECD split the purchases to avoid the procurement process requiring the entity to obtain a higher level of approval and three quotes for purchases exceeding \$2,500. In another instance, the ECD purchased five Amazon Echo headphones from Staples on December 7, 2016, for \$497.97. On the next day, December 8, 2016, the ECD purchased 29 more of the same headphones from the same vendor for \$2,321.68. Again, by splitting the purchases, the ECD avoided following procurement procedures to obtain a higher level of approval and quotes. In addition, Sumter requires approval for purchases of technology items from the district's technology department. There was no documentation of approval from the district's IT department for the purchase of the iPads and headphones. Per the ECD, Sumter's Director of Information Technology was out of the country when the iPads were purchased, so she received approval from the district's Superintendent to purchase the iPads. She stated that she would forward us the e-mail approval from the Superintendent for the purchase. However, no e-mail approval was ever provided to OAS. Per the Superintendent, he did not approve the purchase of

the iPads. In addition, we requested to review the iPads and were told by the ECD that the teachers would have them, and she did not know which teachers had them.

### **Recommendations**

1. We recommend that Sumter reimburses the SCDE for unallowable purchases for the adult tricycles, hammocks, fan, canopies, iPads, benches, and other items amounting to \$13,765.58. We also recommend that the district contacts the applicable authorities to determine the full extent of the ECD's questionable spending to include the additional questioned costs for supplies and materials of at least \$16,218.06.
2. We recommend that Sumter reimburses the SCDE \$163,157.21 for unallowable and unreasonable expenditures charged to CDEP during FY 2015–16 and 2016–17 for training provided by the ECD and the HCSN. We also recommend that Sumter determines if it is more reasonable to partner with other districts and/or encourage employees to attend the SCECA and SCAEYC to ensure the early childhood teachers and instructional assistants receive the required DSS training hours at a more reasonable cost to the district.
3. Internal controls should be strengthened in regards to procurement activities for expenditures less than \$2,500. We recommend that Sumter conducts periodic reviews of purchases under \$2,500 for CDEP and its other programs to determine if offices are purchasing reasonable, necessary, and allowable items for use in programs. Sumter should also periodically review purchases under \$2,500 to ensure that offices are not splitting purchases to avoid obtaining bids or quotes required under the procurement policy.

### **Conclusion**

Based upon our review, we noted several instances where Sumter's use of CDEP funds was unallowable, unnecessary, and unreasonable based upon state laws and regulations. In addition, we found that items purchased with CDEP funds appear to not have been used for CDEP activities and may have been used for personal purposes by the ECD. Therefore, we request Sumter reimburse the SCDE the amount of \$176,922.79 for unallowable, unreasonable, and unnecessary expenditures.