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AUDIT OF THE PINELLAS COUNTY PURCHASING CARD PROGRAM

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June 21, 2019

The Honorable Chairman and Members of the Board of County Commissioners

We have conducted an audit of the Pinellas County Purchasing Card Program based on the results of our annual risk assessment.

Opportunities for Improvement are presented in this report.

We appreciate the cooperation shown by the staff of the Purchasing Department during the course of this review. We commend management for their responses to our recommendations.

Respectfully Submitted

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Inspector General/Chief Audit Executive

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INTRODUCTION

Executive Summary

As a result of our annual risk assessment, we conducted an audit of the Pinellas County (County) Purchasing Card (P-Card) Program. The objectives of the audit were to:

1. Determine the adequacy of internal controls over the administration of the P-Card program.
2. Determine the compliance of cardholders to the P-Card program policies and procedures.
3. Determine the adequacy of, and compliance with, internal controls over the auditing and processing of expense reports.
4. Determine the adequacy of, and compliance with, internal controls over the auditing and processing of invoices when P-Cards are utilized for payment.

Overall, the internal controls and administration over the P-Card program are adequate and effective. However, opportunities for improvement exist for the ongoing review of cardholders, their spending ability, and timeliness of deactivating terminated employees' P-Cards.

Our review of sample P-Card transactions during the audit period identified two occurrences where employees used the P-Cards improperly, but we found no evidence of potential fraud or abusive purchases made by cardholders. We noted there were 26,560 P-card transactions during our review period of 2017; the audit scope and methodology was not designed to verify that 100% of the transactions complied with purchasing policies and procedures.

The internal controls over the continuous auditing and processing of expense reports and monthly reconciliations conducted by the Finance Division (Finance) are efficient, adequate, and effective. However, management should review and approve the policies and procedures that govern the auditing process.

The use of P-Cards as an authorized form of payment for approved contracts is adequate and effective. The ability to use P-Cards rather than purchase orders for frequently purchased items reduces processing time, staff time, and speeds up the efficiency of County operations. Ongoing compliance audits by Finance and verification by staff help ensure the County consistently receives the contracted rate for goods and services.

Background

Pinellas County Code provides that the Director of the Purchasing Department (Purchasing) shall adopt operational procedures for making small purchases of less than $5,000. Those procedures have been developed into what is now the County P-Card program.

The P-Card program was created to establish a more efficient, convenient, and cost-effective method of purchasing and paying for small dollar transactions, and allows the cardholder to purchase approved commodities and services directly from those vendors that accept a credit card as payment. The program was designed as an alternative to the traditional purchasing process of purchase orders and invoicing for supplies, which can be burdensome and time consuming. The program has resulted in a significant reduction in the volume of purchase orders and related documentation including checks. While the program reduces administrative costs over other procurement methods, it also provides a revenue source by way of rebates to further the economic advantage to the program.

The adopted 2019 Budget for the Board of County Commissioners (BCC) states:

> *"The Purchasing Department provides centralized purchasing and contracting services to procure goods and services for all departments under the Board of County Commissioners (BCC), select independent agencies, and select constitutional officers as needed. As a responsible steward of the public's resources, the department ensures that all purchases are made in an open and ethical format in accordance with all public procurement laws and mandates. The department's management of the County Purchasing Card, ePayables, and Construction Vendor Pre-qualification programs supports the effective and efficient delivery of County services and supports obtaining quality products on a timely basis."*

The County's P-Card is a VISA credit card issued by the Bank of America (BOA), Merrill Lynch. BOA provides an online management program called Works Payment Manager, which BCC Purchasing, Clerk's Purchasing, Finance staff, and other authorized individuals use. The system

is used to establish the P-Card program parameters, manage cardholder information, and provide management reports based on selected criteria. The P-Card Administrator can facilitate for P-Card holders access to the BOA Works system so they can view their transactions and select reports.

The P-Card program simplifies the Procure to Pay process. Procurement responsibility is delegated to the ordering department enabling an authorized cardholder to place an order directly with the vendor.

When a supplier requests a purchase authorization at the point of sale, the VISA procurement card system validates the transaction against preset limits established within the P-Card program. All transactions are approved or declined electronically based on the procurement card authorization criteria established. The authorization criteria may be adjusted periodically as needed and may include, but is not limited to, the following:

- Single item purchase limit
- Monthly or daily purchase limit
- Approved vendors (Merchant Category Code)
- Approved commodities (Merchant Category Code Groups)
- Number of transactions allowed per day or per month

The authorization process occurs through the electronic system, BOA Works, which supports the procurement card processing services under the State of Florida Purchasing Card Contract with BOA.

The P-Card program specifies that each P-Card be issued to a named employee (cardholder) with Pinellas County Government clearly shown on the card as the governmental buyer of goods and services. The P-Card program specifies that the P-Cards be used only for authorized County purchases, for small purchases that do not require price quotes and are limited to a single purchase limit of $5,000 or less, or for authorized travel related expenditures for designated employees.

Each cardholder is provided formal training and the written policies associated with the program. The training provided to cardholders focuses on allowable expenses, excluded expenses, and unacceptable practices, such as splitting purchases to avoid the spending limit, backordering purchases, cash advances, and any items for personal use. In addition to the in-person training, cardholders have access to a digital learning environment through the Oracle Learning Management Application.

In 2013, the P-Card program was revised to include the ability to utilize P-Cards to make payments and purchases against select contracts. However, the requirement to perform this function dictates that the contract and vendor are on a designated approval list

and that the prices comply with the contract specifications. The Purchasing Department maintains the list of approved master contracts and updates it periodically as changes are made.

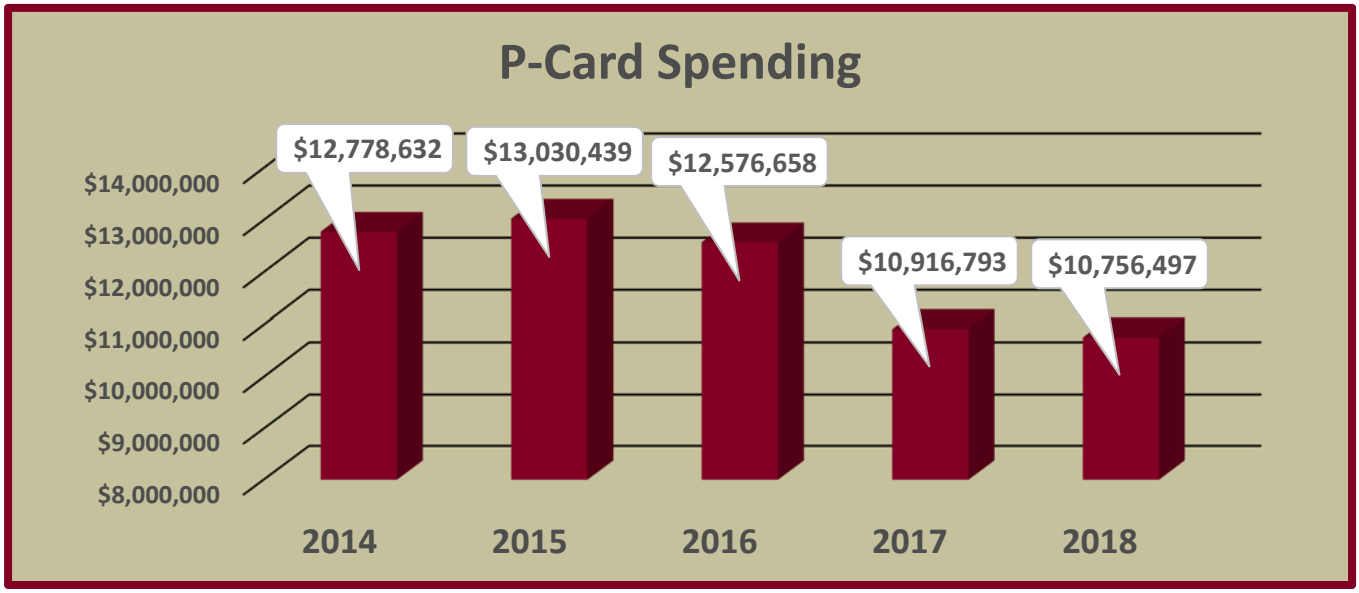
Cardholders are responsible for performing monthly reconciliations on all charges made on their P-Card utilizing the iExpense module within Oracle Project Unified Solution (OPUS). The reconciliation process includes attaching scanned receipts, invoices, and/or shipping statements, verifying usage of the contracted pricing structure, and ensuring sales taxes are applied only when appropriate per the County's Certificate of Exemption. As a governmental entity, the BCC is exempt from sales tax as defined within its Certificate of Exemption. Therefore, the cardholder should dispute all charges reflecting sales taxes that are misapplied and ensure receipt of credits.

Upon completion of the monthly reconciliation by the cardholder, OPUS will electronically forward the cardholder's expense report and attachments to the appropriate reviewer to approve or decline the submission. If declined, the reviewer returns the expense report to the cardholder for correction. Once the reviewer approves the expense report reconciliation, OPUS will electronically transmit the report and attachments to Finance for review, audit, and final processing of the expense record.

Following is an example of a P-Card iExpense reconciliation from OPUS:

As of February 2019, there were 420 active P-Cards assigned within the BCC. During the review period of 2017, there were 26,560 P-Card transactions with a total spending of $10,916,793, and an average spending of approximately $910,000 per month.

The following chart illustrates the total annual P-Card spending form 2014 through 2018:

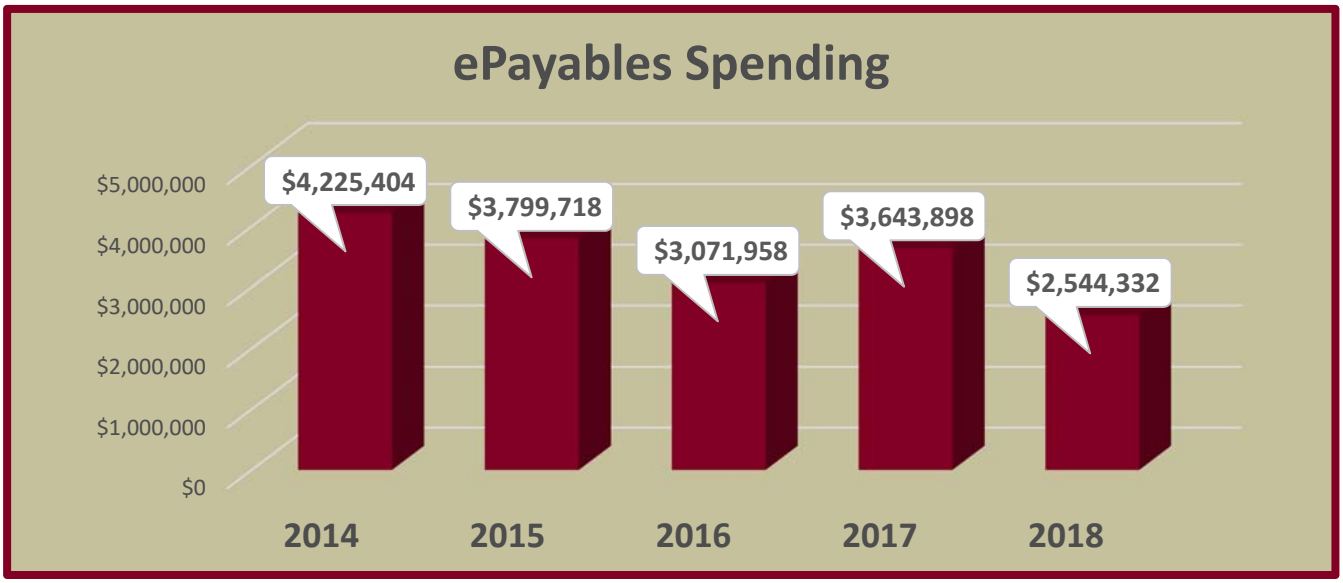


As outlined in the adopted fiscal year (FY) 2019 budget, Purchasing stated the savings attributed to the P-Card program for FY 2017 was $1,316,450, and estimates the savings for FYs 2018 and 2019 would be approximately $1,275,000 for each year. The savings calculation is derived by taking the number of transactions completed through the P-Card program multiplied by $50.

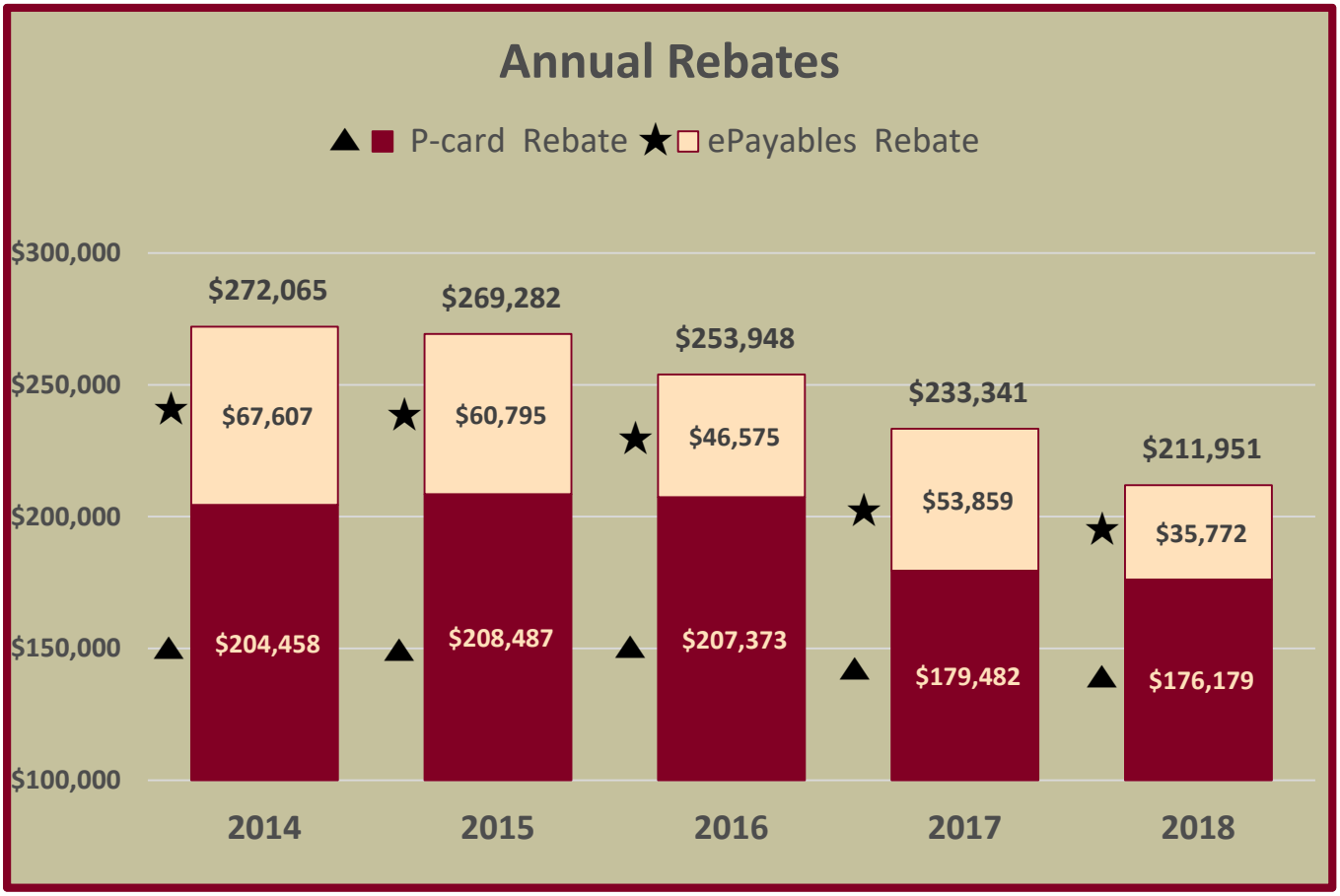
The BCC utilizes the $50 per transaction amount as a conservative estimation on the time and resources required for utilizing purchase orders, invoices, and check payments for these types of transactions. However, the National Association of Purchasing Card Professionals states the utilization of a P-Card process rather than the traditional procure-to-pay process results in efficiency savings between 55%-80%. They further state the typical savings realized from P-Card usage are $63 per transaction.

In addition to the inherent savings realized through the utilization of the P-Card process, rebates are calculated on the total amount spent on P-Card and ePayables purchases for the year. The ePayables function essentially uses virtual cards, with each one assigned to a specific vendor. When the Accounts Payable Department receives and obtains approval to pay a vendor invoice, they send an electronic file to BOA, indicating how much money to add to which virtual card. A remittance advice is sent to the vendor, which then makes funds available on the virtual card for the appropriate amount.

The following chart illustrates the total annual ePayables spending from 2014 through 2018:



Total annual rebates, including a breakdown of rebates from the two transaction types (P-Card purchases and ePayables purchases), from 2014 through 2018, are depicted in the following chart:



BOA provides rebates on a scale for net purchases in excess of $1 million. The total amount spent determines basis points, which dictate the rebate percentage to apply to the total spent. For the review period of 2017, the County received a rebate of $233,341, which is approximately 1.6% of $14,560,691, the total amount spent ($10,916,793 P-Card spending plus $3,643,898 ePayables spending).

SCOPE AND METHODOLOGY

We have conducted an audit of the County P-Card Program. The scope of the audit included an evaluation of internal controls over P-Card administration, P-Card transactions' compliance with purchasing policies, and utilization of P-Cards for processing contract payments.

During the course of the audit, we modified the audit period from January 1, 2013 through December 31, 2015, to January 1, 2017 through December 31, 2017, in order to capture more recent and relevant transactions. However, transactions and processes reviewed were not limited by the audit period and scope.

In order to meet the objectives of the audit, we performed the following:

- Reviewed applicable policies and procedures.
- Interviewed Purchasing management and the P-Card Administrator to obtain an understanding of the processes used to issue, monitor, and terminate P-Cards.
- Interviewed Finance staff to obtain an understanding of the processes used to reconcile monthly P-Card statements and audit P-Card transactions.
- Used data analytics to review P-Card transactions for instances of abuse, misuse, or non-compliance with Purchasing policies and procedures.
- Reviewed the use of P-Cards for processing payments for approved contracts.

We noted there were 26,560 P-card transactions during our review period of 2017; the audit scope and methodology was not designed to verify that 100% of the transactions complied with purchasing policies and procedures.

OBJECTIVES AND OUTCOMES

The objectives of the audit were to:

1. Determine the adequacy of internal controls over the administration of the P-Card program.
2. Determine the compliance of cardholders to the P-Card program policies and procedures.
3. Determine the adequacy of, and compliance with, internal controls over the auditing and processing of expense reports.
4. Determine the adequacy of, and compliance with, internal controls over the auditing and processing of invoices when P-Cards are utilized for payment.

As a result of the audit, we determined:

1. The internal controls over the administration of the P-Card program are adequate and effective. However, improvements are needed to ensure P-Cards for terminated employees are deactivated timely and consistently, cardholder agreements are obtained regularly, and recurring reviews of cardholder spending profiles and account verifications are conducted.

2. Overall, the compliance of cardholders to the P-Card program policies and procedures is adequate.

3. Finance's internal controls over auditing and processing monthly reconciliation reports are efficient and effective. However, management should finalize and approve the drafted policies and procedures that are in effect.

4. The internal controls over the auditing and processing of invoices when P-Cards are utilized for payment are efficient and effective. To promote efficiency and cost saving measures, Purchasing authorized P-Cards to be used as a form of payment for approved contracts. Annual contract audits, performed by Purchasing staff, ensures the County is consistently receiving contracted rates for goods and services.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General*, and accordingly, included such tests of records and other auditing procedures, as we considered necessary in the circumstances.

OPPORTUNITIES FOR IMPROVEMENT

Our audit disclosed certain policies, procedures, and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

1. Active P-Cards Were Associated With Terminated Employees.

A comparison of active P-Cards against a terminated employee listing identified five active P-Cards associated with former County employees. Three of the employees were terminated within the last 6 months, one was terminated 8 months ago, and one was terminated 14 months ago.

As outlined in the Pinellas County Purchasing Card Program Guidelines, Section 15.4(C)(1) Termination or Transfer of Cardholder:

> *"When an employee ends his or her employment, changes job status, is transferred to another department, or misuses or untimely approves transactions, the Department Director must collect the purchasing card, cancel and destroy upon Cardholder termination of employment, or earlier if appropriate. The department must then document reason for destroying the card and submit the destroyed card to the Purchasing Operations Manager."*

Therefore, the primary control for reporting employment terminations resides with the Department Director. As a secondary control, as of July 2016, the P-Card Administrator is also notified via email from OPUS when any County employee is processed for termination. Upon notification from OPUS, the P-Card Administrator will verify through the BOA Works application if the employee has a P-Card. If so, the P-Card Administrator will proceed with the appropriate deactivation process if the employee's manager has not already notified them.

For the five identified active P-Cards, both controls failed. Due to a lack of management oversight and a lack of proper or ongoing training, the five employees' managers did not contact the P-Card Administrator and complete the necessary Change Request form. In addition, the P-Card Administrator did not act upon the OPUS termination notification emails, resulting in them not deactivating the P-Cards. We reviewed the P-Card activity and confirmed there were no unauthorized transactions on any of the five cards following the termination of the employees.

Not ensuring P-Cards are retrieved from terminated employees and deactivated in a timely manner creates the risk for inappropriate and unauthorized use of the P-Card.

We Recommend Management:

A. Immediately deactivate the five P-Cards associated with the terminated employees.

B. Review and update the termination procedures accordingly to ensure P-Cards associated with terminated employees are deactivated the same day the P-Card Administrator receives notification, by either the employee's manager or the OPUS termination email.

C. Provide reoccurring training, on a frequency to be determined by management, to both P-Card holders and corresponding management to help ensure understanding and compliance of the P-Card policies and procedures.

D. Conduct a reoccurring review, on a frequency to be determined by management, of active P-Cards against a terminated employee listing from Human Resources.

Management Response:

A. **Management Concurs.** All terminated employees have been deactivated in the system.

B. **Management Concurs.** In the future, staff will ensure all terminated employees are deactivated per recommendation.

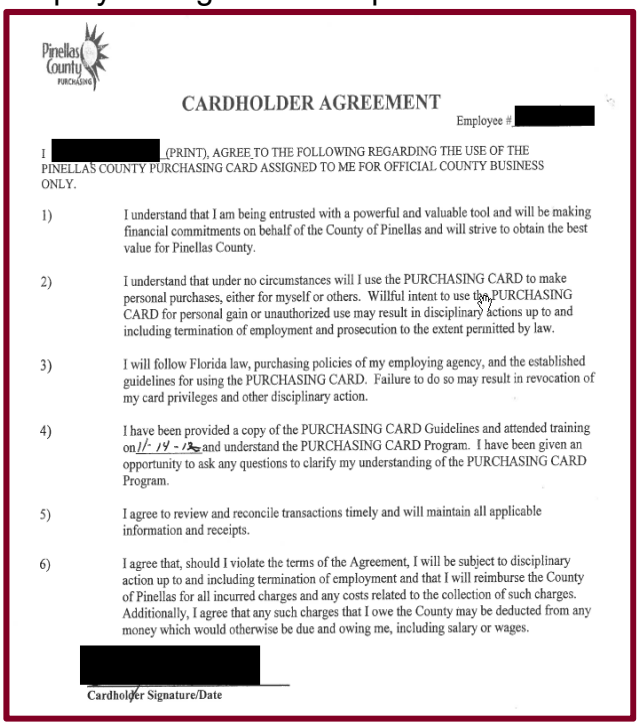
C. **Management Concurs.**

D. **Management Concurs.** Staff will periodically (at least three times per year) obtain a terminated employee list from Human Resources and periodically check against active P-Cards.

2. BCC Cardholder Agreements Are Not Reviewed And Signed On A Regular Basis.

P-Card holders are only required to review and acknowledge their responsibilities as a cardholder when they are first issued a P-Card. After a cardholder attends the required P-Card training hosted by Purchasing, the cardholder is required to review and sign a Cardholder Agreement.

The County bestows trust in its employees when it grants them the use of a County P-Card. The issuance of each P-Card requires a signed Cardholder Agreement, which outlines the employees' rights and responsibilities as an entrusted cardholder for Pinellas County. Failure to comply with cardholder responsibilities could result in disciplinary actions, including termination, as well as being held personally liable for any damages or charges incurred for violating the terms of the agreement.



Pinellas County PURCHASING

CARDHOLDER AGREEMENT

Employee # [redacted]

I [redacted] (PRINT), AGREE TO THE FOLLOWING REGARDING THE USE OF THE PINELLAS COUNTY PURCHASING CARD ASSIGNED TO ME FOR OFFICIAL COUNTY BUSINESS ONLY.

1) I understand that I am being entrusted with a powerful and valuable tool and will be making financial commitments on behalf of the County of Pinellas and will strive to obtain the best value for Pinellas County.

2) I understand that under no circumstances will I use the PURCHASING CARD to make personal purchases, either for myself or others. Willful intent to use the PURCHASING CARD for personal gain or unauthorized use may result in disciplinary actions up to and including termination of employment and prosecution to the extent permitted by law.

3) I will follow Florida law, purchasing policies of my employing agency, and the established guidelines for using the PURCHASING CARD. Failure to do so may result in revocation of my card privileges and other disciplinary action.

4) I have been provided a copy of the PURCHASING CARD Guidelines and attended training on 11-19-13 and understand the PURCHASING CARD Program. I have been given an opportunity to ask any questions to clarify my understanding of the PURCHASING CARD Program.

5) I agree to review and reconcile transactions timely and will maintain all applicable information and receipts.

6) I agree that, should I violate the terms of the Agreement, I will be subject to disciplinary action up to and including termination of employment and that I will reimburse the County of Pinellas for all incurred charges and any costs related to the collection of such charges. Additionally, I agree that any such charges that I owe the County may be deducted from any money which would otherwise be due and owing me, including salary or wages.

[redacted]

Cardholder Signature/Date

As of January 14, 2019, the BCC had 432 active P-Card holders. During a sample review of that population, the average signed Cardholder Agreement was 6.5 years old, with the oldest sampled being almost 20 years old. Additionally, the P-Card Administrator maintains all Cardholder Agreements in paper form and files them by department. The current storage method can be very time consuming if signed agreements are needed, as they are not scanned for digital record keeping and are instead filed by the initial P-Card issuing department, not necessarily the department in which the employees currently work.

Requiring cardholders to sign the Cardholder Agreement on an annual basis, or anytime the Purchasing Card Guidelines are revised, helps ensure employees are updated and aware of their rights, responsibilities, and consequence as users of a County P-Card.

P-Card holders do not review and sign the Cardholder Agreement on a regular basis due to a lack of policy and requirement by Purchasing management. This creates the opportunity for employees to deny knowing or understanding their responsibilities, which could possibly create an unnecessary liability for the County. Additionally, by not having agreements in electronic format, the County runs the risk of misplacing or losing the paper form, as well as creating the unnecessary need to store documents in a physical location.

We Recommend Management:

A. Require all Cardholder Agreements be signed annually, or at a minimum, when a cardholder is issued a replacement card, changes departments, has any changes applied to his/her card profile, or when there are revisions made to the Purchasing Card Guidelines.

B. Require all current cardholders to sign the current Cardholder Agreement and maintain the completed forms electronically.

C. Maintain all Cardholder Agreements in electronic format to allow for safe record keeping and easy access.

D. Update applicable policies and procedures to reflect the requirement of having Cardholder Agreements signed on a regular basis and retained electronically.

Management Response:

A. **Management Concurs.** However, this recommendation is time consuming.

B. **Management Concurs.** Resources will have to be reassigned to ensure this recommendation is facilitated as we currently have fifty percent (50%) of one (1) full time position dedicated to administration of the P-Card program.

C. **Management Concurs.**

D. **Management Concurs.** The P-Card policy will be updated to ensure cardholder agreements are signed and kept in an electronic format as recommended.

3. There Is A Lack Of Annual Cardholder Verification.

There is currently no review by the P-Card Administrator to verify with individual departments that all active cardholders still require a P-Card and their credit limits and profiles are appropriate.

On an annual basis, the P-Card Administrator should provide department management a listing of all active P-Cards issued in their department. Department management should review and confirm with the P-Card Administrator that all active P-Cards, and their respective spending limits and card profiles, are still appropriate. Regular communication between department management and Purchasing helps ensure spending limits are appropriate, spend profiles are applicable for the related job, there are no active P-Cards for terminated employees, and allows department management to confirm everyone who requires a P-Card is issued one.

A lack of annual cardholder reviews by the P-Card Administrator and individual department management could allow the following issues to go undetected:

- Cardholders maintain a higher spending limit than necessary or approved.
- Cardholders have an incorrect card profile allowing them to purchase from vendors that should otherwise be restricted.
- Cardholders retain active P-Cards after transferring to another department or termination from County employment.

Purchasing management indicated the responsibility resides with the individual departments to review and request changes. However, there is currently no formal requirement for such a review to occur.

We Recommend Management:

A. On an annual basis, provide department management a list of active cardholders in the department with their corresponding spending limits and card profiles, and obtain verification from department management that each is still appropriate and applicable.

B. Update applicable policies and procedures to reflect the annual cardholder verification process.

Management Response:

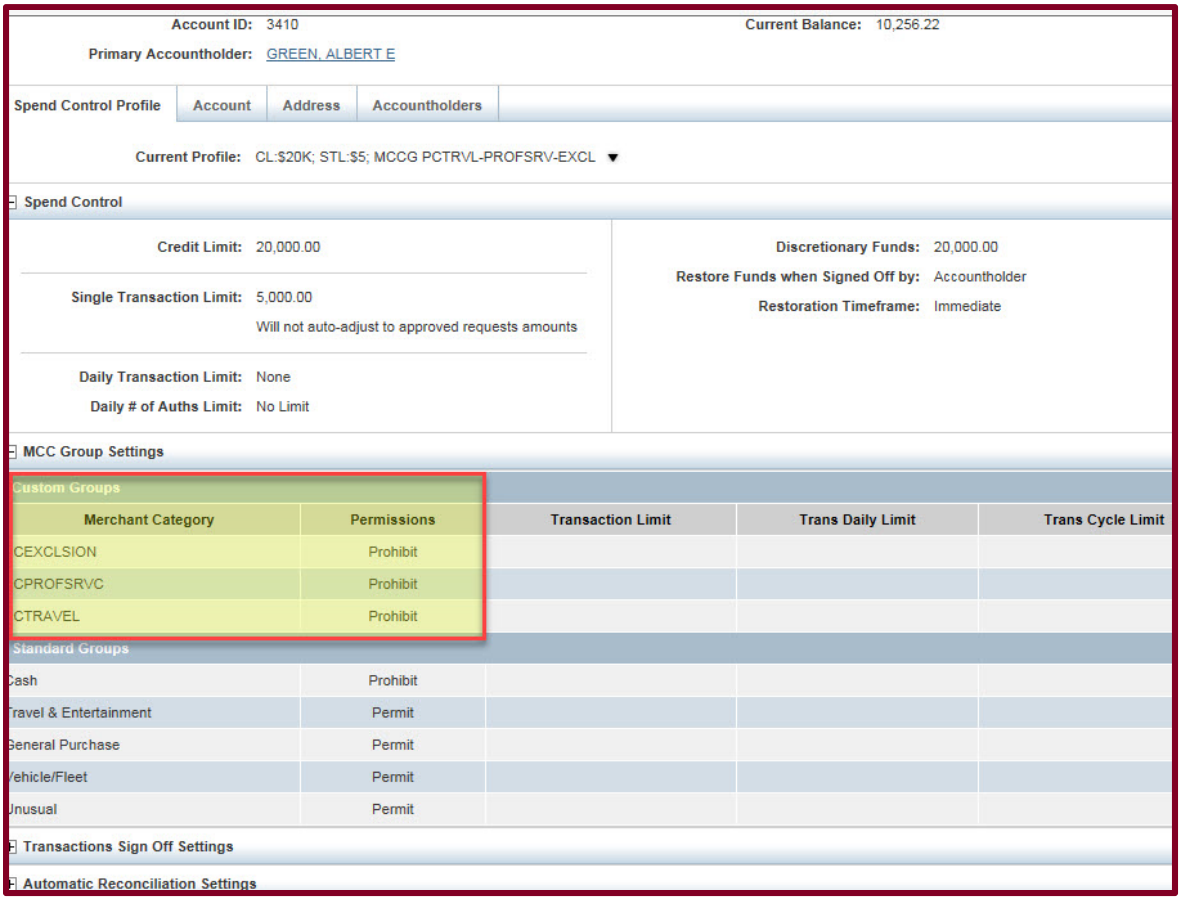
A. **Management Concurs.** Each department with card holders will receive a summary annually and Purchasing will reconcile with their records.

B. **Management Concurs.** The policy will be updated accordingly.

4. BCC P-Card Spend Profiles Were Assigned Incorrectly.

A review of active BCC P-Card spend profiles identified 22 cardholders out of 420 cardholders, or 5.2%, with incorrect spend control profiles. Within the BOA Works application, the P-Card Administrator creates and assigns the cardholder to a spend control profile that creates their credit limit, single transaction limit, and any prohibited merchant category code (MCC) groups. Prohibited MCC groups are designed to restrict cardholders from buying at certain types of stores, such as liquor stores, car washes, and non-County work related type businesses previously identified by Purchasing management.

When the P-Card program was first established, Purchasing management provided BOA a list of requested custom MCC groups and the corresponding MCC codes in each group. The P-Card Administrator can assign those custom groups to an individual card profile, which then restricts the cardholder from using the P-Card at stores with MCC codes within the assigned groups. Purchasing currently utilizes three custom prohibited MCC groups comprised of hundreds of MCC codes as shown below.



Of the 22 cardholders identified with incorrect card profiles, 17 were not assigned to any prohibited groups, despite their profile stating they should have been assigned to certain custom prohibited groups. The other five users were assigned to prohibited groups, but the assigned prohibited groups did not match their stated profile.

A thorough review of the 22 cardholders' transactions identified three transactions at vendors that should have been restricted. Review of the three transactions and supporting documentation confirmed the purchases were County related and appropriate. Had the cardholders spend control profiles been set up correctly, the transactions would have been declined and the cardholders would have been required to contact the P-Card Administrator for review and approval to ensure the transactions were appropriate.

The cardholder spend control profile is the foundation on which the County P-Card program operates. The ability to limit how County employees spend County resources requires adequate controls and review processes. Spend control profiles should be established in such a manner that can be easily understood and verifiable. When the P-Card Administer assigns a cardholder's spend control profile, requesting department management should thoroughly review the profile.

The identified cardholder profiles were incorrectly assigned as a result of insufficient oversight by the P-Card Administrator during initial set up. Purchasing management stated they usually "copy a similar profile" from another user and make any adjustments needed. User spend profiles are never reviewed unless changes are requested by department management. Therefore, when a user is set up incorrectly and never reviewed for accuracy, and another user is created based on the first incorrect profile, this can create a domino effect that may go undetected as more card profiles are added.

If a P-Card holder was set up with an incorrect spend profile, he/she would have the ability to spend County funds at vendors that should otherwise be restricted. Unless identified during management review, those transactions would go unnoticed, as the primary control to prevent such spending was never enabled or reviewed.

We Recommend Management:

A. Immediately update the identified cardholders to the correct spend control profiles.

B. Include a spend control profile verification as part of the annual cardholder verification that should be sent annually to department management.

C. Update applicable policies and procedures to require an annual management verification of the spend control profiles.

Management Response:

A. **Management Concurs.** The spend control profiles will be updated once the individuals' names are made available to management.

B. **Management Concurs.** The P-Card administrator has always diligently attempted to keep up with all of the many facets involved with the P-Card program. This recommendation, along with others presented, may require a re-allocation of department assets to maintain. We currently have fifty percent (50%) of one management position dedicated to the P-Card program as administrator.

C. **Management Concurs.** The policy will be updated to reflect annual verification.

5. Two Employees Purchased Memberships For Unapproved Organizations.

Two employees used P-Cards to pay for memberships with organizations not listed on the approved membership list maintained by Finance. Membership fees were paid to the United States Lifesaving Association for $30 and to the Florida Farm Bureau for $48.

According to the Pinellas County Purchasing Card Program Guidelines, Section 15.4(D)(2) Authorized Use of the Card, states:

> *"The purchasing card is to be used for authorized County purchases only."*

Section 15.4(E) Prohibited Purchases, states:

> *"Unless otherwise permitted by the Director of Purchasing under general circumstances, the purchasing card shall not be used for the following:*
>
> - *…Membership Fees, except those organizations that have been certified with open records."*

Per Finance's Approved Membership List:

> *"Memberships are only paid for organizations that have certified their business and membership records are open to public inspection pursuant to Section 119.01(3), Florida Statutes."*

As the first line of defense, department management is responsible for reviewing and confirming the purchases and monthly reconciliation documentation comply with applicable policies and procedures. Due to a lack of adequate review during the reconciliation approval process conducted by department management and the audit process conducted by Finance, the reviewers did not flag or deny the transactions. The use of P-Cards to pay for non-approved memberships creates unnecessary expenses for the County. Additionally, the misuse of a County P-Card would require immediate reimbursement, and could result in a disciplinary action up to and including dismissal.

We Recommend Finance Management:

A. Review the organizations associated with the identified transactions and determine if they should be on the approved open records membership list. If Finance deems the organizations are not in compliance with approval requirements, we recommend the organizations be added to the "Not Open Records" list for memberships.

B. Coordinate with the applicable Department Directors to obtain reimbursement of the membership fees from the employees for whom the memberships were purchased in the event the identified organizations are not approved.

We Recommend Purchasing Management:

C. Provide regular training refresher courses for both P-Card holders and department P-Card coordinators to ensure staff is aware, and adhere to, the approved membership list.

Management Response:

A. **Management Concurs.**

B. **Management Concurs.** It is the department management's responsibility to pursue reimbursement from their employees as appropriate.

C. **Management Concurs.** However, again, this recommendation will require a re-allocation of resources to maintain, as it is time consuming. The Purchasing Department currently has fifty percent (50%) of one management position dedicated to the P-Card program acting as the "P-Card Administrator".

6. The P-Card Audit Policy and Procedure Is Not Finalized.

The P-Card Audit Policy and Procedure maintained by Finance is currently in draft form and not yet finalized or approved by management. The P-Card Audit Policy and Procedure provides guidance and instruction on the correct and appropriate procedures for conducting P-Card reconciliation audits. Finance handles the reconciliation audits for both the BCC and Clerk of the Circuit Court and Comptroller P-Cards.

The P-Card Audit Policy and Procedure has not undergone the final review and approval process by management. Review and approval by management helps ensure the outlined policies and procedures are appropriate, accurate, and adhered to consistently across all P-Card reconciliation audits. The lack of approved policies and procedures could create the opportunity for variation in procedures and possible inconsistent quality of review of the P-Card reconciliation

audits conducted by Finance. This could result in the reviewer not identifying unapproved transactions.

We Recommend Finance Management:

Review and approve the P-Card Audit Policy and Procedure, disseminate to appropriate staff, and review the procedure at least annually.

Management Response:

Management Concurs.

Division of Inspector General

Ken Burke, CPA

Clerk of the Circuit Court
& Comptroller
Pinellas County, Florida

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