

## INTEROFFICE MEMORANDUM



**TO:** Anthony Nicks, County Auditor

**FROM:** Felicia Strong-Whitaker, Director *FSW*  
Department of Purchasing & Contract Compliance

**DATE:** June 2, 2025

**SUBJECT:** Purchase Card Program Audit

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Thank you for the opportunity to review and respond to the Purchase Card Program Audit for the period of January 1, 2024 – December 31, 2023.

The Department of Purchasing & Contract Compliance has reviewed the findings and recommendations and our responses are provided below:

### **FINDINGS AND RECOMMENDATIONS**

#### **Finding 1 – Inadequate Record Keeping**

##### **Purchasing Response:**

The Department of Purchasing & Contract Compliance concurs with the finding that two reconciliation packages of 154 reconciliation packages reviewed could not be provided. In January 2024, the County completed the implementation and training for Bank of America Works® System ("Works®"). The reconciliation process is now performed electronically in Works® and has eliminated the need for manual signatures and PRCC documents. All approvals are completed and documented within the Works® system.

#### **Finding 2 – Payment of Sales Tax**

The Department of Purchasing & Contract Compliance concurs with the finding that sales tax was found in 13 monthly reconciliations. The Purchasing Card Program Manual includes instructions when sale tax is charged by a merchant/vendor. The information is provided annually in the Purchasing Card Refresher Training as well as the Purchasing Card Administrator provides monthly reminders that highlight policies and procedures. The Sales Tax Exemption Form is requested electronically via the employee portal (FulcoConnect) from the Department of Purchasing & Contract Compliance who reviews the request to ensure it is for the appropriate use before signing and issuing. In addition the Department of Purchasing & Contract Compliance ensures that the Sales Tax Exempt Form is updated annually.

#### **Finding 3 – Split Purchases**

##### **Purchasing Response:**

The Department of Purchasing & Contract Compliance does not concur with the finding that the two monthly reconciliations included split payment purchases. The purchase of office supplies and advertising for State Court were reconciled for two different Department numbers 420 and 420 in combination with different unit numbers. State Court budget is divided by Judges (421) and Administration (420).

#### **Finding 4 – Unauthorized Purchases**

##### **Purchasing Response:**

The Department of Purchasing & Contract Compliance concurs with the finding of unauthorized purchases.

The Purchasing Card Program Manual includes “Policy Violations and Penalties” for the non-adherence to specific policies and procedures considered a violation that would result in the issuance of a letter of non-compliance detailing the violation. The Department of Purchasing & Contract Compliance cannot prevent unauthorized charges. The unauthorized charges were identified by the Purchasing Card Administrator and in compliance with the policy, a non-compliance letter was issued that identified the unauthorized purchase and included the consequence based on the offense as detailed in the policy.

#### **Finding 5 – Failure to Obtain Required Signatures for Reconciliation Reports**

##### **Purchasing Response:**

The Department of Purchasing & Contract Compliance concurs with the finding that one monthly reconciliation was missing the Purchasing Liaison’s signature but do not concur that the other monthly reconciliation was missing the Cardholder’s signature. For PRCC 03-23-2397, the Cardholder signed in the wrong field (see attached).

In January 2024, the County completed the implementation and training for Bank of America Works® System (“Works®”). The reconciliation process is now performed electronically in Bank of America Works® System (“Works®”) and has eliminated the need for manual signatures and PRCC documents. All approvals are completed and documented within the system.

#### **Finding 6 – Untimely Payment of Invoices**

##### **Purchasing Response:**

The Department of Purchasing & Contract Compliance concurs with the finding of untimely payment of invoices. The payment of late invoices on the P-Card were identified by the Purchasing Card Administrator and in compliance with the policy, a non-compliance letter was issued that identified the payment of late invoices. Additionally, effective as of January 1, 2025, the Purchasing Card Program Manual was updated to include the following under Section 1, Purchasing Card (P-Card) Use:

- Payment of invoices not initiated as a P-Card purchase, meaning the P-Card was not swiped or the card number was provided at the time the order was placed are not allowed to be processed or paid on the P-Card.
- Payment of past due invoices not initiated as a P-Card purchase, meaning the P-Card was not swiped or the card number was not provided at the time the order was placed are not allowed to be processed or paid on the P-Card.

The Department of Purchasing & Contract identified that the majority of the past due invoices paid were not initiated as a P-Card purchase but were paid on the P-Card after the User Department received a past due invoice and the P-Card was used as a convenient method for payment. In the Works® System, transactions are shown as soon as the card is swiped, and the initiation of the purchase can be tracked and confirmed.

cc: Sharon Whitmore, CFO  
Shauna Hubert, Audit Manager, Office of the County Auditor

03/23-2397

**Purchasing Card Reconciliation Form**

Purchasing Card #: 2397

Page 1 of 1Cardholder Name: Gerald Pace  
(print)

Department: Public Works

Billing Cycle: 2/25/2023-3/26/2023

Purchasing Card Administrator: \_\_\_\_\_  
(purchasing department)

| TRANSACTION DETAIL |           |                        |          |                   |                 |
|--------------------|-----------|------------------------|----------|-------------------|-----------------|
| Transaction #      | Date      | Vendor                 | Amount   | Funding Line      | Comments        |
| 1                  | 2/27/2023 | DJ Wall Street Journal | \$134.97 | 201-540-5401-1349 | Membership      |
| 2                  | 3/2/2023  | McGarity's             | \$109.60 | 201-540-5401-1462 | Office Supplies |
| 3                  | 3/3/2023  | ODP Business Solutions | \$36.40  | 201-540-5401-1462 | Office Supplies |
| 4                  | 3/6/2023  | McGarity's             | \$8.29   | 201-540-5401-1462 | Office Supplies |
| 5                  | 3/6/2023  | McGarity's             | \$53.81  | 201-540-5401-1462 | Office Supplies |
| 6                  | 3/6/2023  | Amazon                 | \$34.47  | 200-540-5601-1462 | Office Supplies |
| 7                  | 3/9/2023  | McGarity's             | \$49.99  | 201-540-5401-1462 | Office Supplies |
| 8                  | 3/13/2023 | Amazon *               | \$19.58  | 201-540-5401-1462 | Office Supplies |
| 9                  | 3/15/2023 | McGarity's             | \$50.99  | 201-540-5401-1462 | Office Supplies |
| 10                 |           |                        |          |                   |                 |
| 11                 |           |                        |          |                   | *sales tax to   |
| 12                 |           |                        |          |                   | be refunded     |
| 13                 |           |                        |          |                   | next billing    |
| 14                 |           |                        |          |                   | cycle           |
| 15                 |           |                        |          |                   |                 |
| Total:             |           |                        | \$498.10 |                   |                 |

| ACCOUNT SUMMARY |                   |        |  |          |
|-----------------|-------------------|--------|--|----------|
| Line #          | Funding Line      | Amount |  | Comments |
| 1               | 201-540-5401-1462 | 363.13 |  |          |
| 2               | 201-540-5401-1349 | 134.97 |  |          |
| 3               |                   |        |  |          |
| 4               |                   |        |  |          |
| 5               |                   |        |  |          |
| 6               |                   |        |  |          |
| 7               |                   |        |  |          |
| Total:          |                   | 498.10 |  |          |

**AUTHORIZATION**

Cardholder: \_\_\_\_\_

Date: \_\_\_\_\_

Deputy Director Administration: Gerald Pace  
(Gerald Pace)Date: 4/3/23Department Head: David Clark  
(David Clark)Date: 4/3/23Purchasing Card Administrator: Erica Fields  
(purchasing department)

05/23/2023

Date: \_\_\_\_\_

Finance Department Processor: \_\_\_\_\_  
(finance department)

Date: \_\_\_\_\_