

**PURCHASING DEPARTMENT
PURCHASING CARD PROGRAM
AUDIT 26-06
MAY 14, 2026**



City of Tampa

Jane Castor, Mayor

Internal Audit Department

Vivian Walker, Director
315 E. Kennedy Boulevard
Tampa, Florida 33602

Office (813) 274-8439

May 14, 2026

Honorable Jane Castor
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: Purchasing Card Program, Audit 26-06

Dear Mayor Castor:

Attached is the Internal Audit Department's report on the Purchasing Department – Purchase Card Program.

The Purchasing Department has already taken positive actions in response to our recommendations. We thank the management and staff of the Department for their cooperation and assistance during this audit.

Sincerely,
/s/ Vivian Walker

Vivian Walker
Director of Internal Audit

cc: John Bennett, Chief of Staff
Dennis Rogero, Chief Financial Officer
DeAnna Faggart, Purchasing Director
Michael Perry, Deputy Chief Financial Officer
Cheryl Aldridge, Purchasing System Manager
Rosie Rivera, Assistant Financial Officer
Michael Cascone, Accounting Supervisor
Cassidy Baker, Purchasing Methods Analyst
Scott Davis, Assistant City Attorney

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/s/ Rachael Dennis

Senior Auditor

/s/ Vivian Walker

Audit Director

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BACKGROUND

The City of Tampa (City) Purchasing Card Program (P-Card) is designed to reduce the cost of small-dollar purchases through administrative efficiencies. It provides an alternative to the traditional purchasing process and can significantly reduce the number of purchase orders, petty-cash transactions, and checks that need to be processed.¹ City P-Cards are issued by Bank of America to authorized employees, as determined by each department. The P-Card may be used to purchase non-restricted commodities directly from vendors that accept credit cards.

The Purchasing Department serves as the P-Card Administrator and oversees the P-Card Program. This includes providing training to new cardholders and reconcilers, setting transaction and spending limits, establishing program rules and regulations, and suspending or revoking cards as necessary.

Each cardholder and reconciler has access to the Bank of America Works application (Works) to download billing statements and review transactions. It is the cardholder's responsibility to obtain a receipt for each transaction and ensure the information on it clearly describes the purchase. The receipt is signed by an employee in the cardholder's department who is authorized to sign documents for payment. The receipt is kept in accordance with the State of Florida retention schedule. The Accounts Payable Division (AP) within Revenue and Finance processes the payment for the City's statement balance. At the end of the bank statement period, each department reconciler creates a requisition in Oracle to record the department's P-Card expenses. The Purchasing Department processes the requisitions and creates a Purchase Order for all department requisitions.

For fiscal year 2025, there were 37,836 transactions totaling \$13,187,511.

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY 2026 Audit Agenda. The objectives of this audit were to ensure that:

1. The system of internal controls over P-Cards is adequate.
2. Internal controls are effective.

¹ <https://www.gfoa.org/materials/purchasing-cards>

3. P-Card limits are sufficient.

STATEMENT OF SCOPE

The audit period covered P-Card activity that occurred from October 2024 to October 2025. Tests were performed to determine whether the Purchasing Department personnel were fulfilling their stated duties and responsibilities in an effective and efficient manner. It also included testing City departments to ensure they were following procedure and maintaining prescribed documentation. Original records, as well as copies, were used as evidence and verified through observation and physical examination.

The source information reviewed was from Oracle and Works. Oracle has previously been evaluated and deemed reliable. Bank of America provided a System and Organization Controls 2 (SOC 2) report that assessed the design and operating effectiveness of internal controls. The opinion from the SOC 2 review was that the controls in place were suitably designed and operated effectively during the period covered by this audit scope. Based on the SOC 2 report, the data generated was deemed reliable.

STATEMENT OF METHODOLOGY

To achieve the objectives identified, the following procedures were performed:

- Reviewed the P-card policies and procedures and other relevant guidance.
- Interviewed the P-Card Administrator to gain an understanding of the processes and responsibilities.
- Reviewed department reconciliations to determine compliance with policy.
- Reviewed documentation to ensure cardholders attended required training.
- Reviewed a list of terminated employees obtained from the Human Resources Department to ensure P-Cards are canceled in a timely manner.
- Reviewed a list of active cardholders to ensure cardholders are currently employed with the City.
- Review cardholder credit utilization to determine if P-Card limits are sufficient.
- Performing analysis on transactions from Bank of America Works to identify transactions with a likelihood of the following attributes:
 - Split transactions
 - High-dollar transactions
 - Recurring transactions
 - Unusual vendors /goods and services

- Reviewed Tampa.gov and the Intranet and researched other materials to determine if there are any relevant performance metrics related to P-Cards. There are currently no relevant performance measures.

Statistical sampling was used to infer the conclusion of test work performed on a sample to the population from which it was drawn and to obtain estimates of sampling error involved. When appropriate, judgmental sampling was used to improve the overall efficiency of the audit.

STATEMENT OF AUDITING STANDARDS

We conducted this performance 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.

AUDIT CONCLUSIONS

Based upon the test work performed and the audit findings noted below, we conclude that:

1. The system of internal controls over P-Cards could be improved.
2. Internal controls are effective but not consistently applied.
3. P-Card limits are sufficient.

P-CARD RECEIPT APPROVAL AND DOCUMENTATION (REPEAT FINDING)

STATEMENT OF CONDITION: A sample of P-Card transactions and reconciliations between October 2024 and October 2025 revealed the following deficiencies:

- P-Card receipts are not always reviewed and signed off by authorized Accounts Payable signers.
- Receipts retained did not always describe the purchase.
- There were instances of missing receipts.
- The cardholder signed off on the receipt as the approver.

Note: Some Departments sign the reconciliation package as evidence of approval, but the signature on it is not always an authorized Accounts Payable signature.

CRITERIA: P-Card Policy states that “it is the employee’s responsibility to assure that the description on the sales receipt or packing slip is legible and clearly describes the purchase.” These receipts will be “part of the documentation kept on file in the department to substantiate the payment process.” City department reconcilers are “responsible for maintaining original receipts that have been signed by an authorized Accounts Payable signature and back-up with their original City of Tampa Billing Statement printed from Works Payment Manager. Said original documents should be kept in accordance with their normal State of Florida retention schedule.”

CAUSE: City staff have different levels of understanding of the P-Card policy and requirements. The volume of transactions poses a challenge for some.

EFFECT OF CONDITION: This is a breakdown of controls in place to ensure P-Cards are used as intended. Errors and discrepancies can go undetected.

RECOMMENDATION 1: We recommend the Purchasing Department:

- Work with AP to ensure that cardholders, reconcilers, and authorized signers fulfill their responsibilities for the P-Card program.
- Implement a standardized reconciliation process along with policies on segregation of duties.
- Perform a periodic compliance review to ensure all departments are adhering to the policy.

PURCHASING MANAGEMENT RESPONSE: Management agrees that employees in roles that contribute to the overall success of the P-Card program must fulfill certain responsibilities.

As the Criteria section above states, the current policy outlines the responsibility of the cardholder when documenting purchases, and the responsibility of the reconciler to ensure proper documentation is submitted and authorization is obtained.

There are multiple levels of approval required at various stages of the process. In addition to the authorized signer's signature, oversight is provided through the department's internal electronic approval of the requisition for departmental reconciliation. The requisition of charges must be reviewed and approved through a system workflow of established budgetary approvers (typically manager or above) for that department's cost center before processing by the P-Card Administrator.

Additional controls are in place within the Purchasing Department to conduct a more thorough review of transactions in other instances where policy may be violated. This is accomplished through reports provided by the banking system and may include a review of split transactions to circumvent spending limits, purchases to a merchant with a questionable category code, or analysis of transactions for trends that may not be readily visible on only a receipt.

Overview of Current Process:

Step 1: Cardholder makes a purchase and retains receipts as documentation.

Step 2: Cardholder obtains the signature of the department's authorized signer for each receipt.

Step 3: Cardholder submits monthly statement with receipt documentation to the reconciler.

Step 4: Reconciler reviews documentation for policy compliance and authorized signature approval.

Step 5: Reconciler submits requisition in Oracle for department approval.

Step 6: The approved requisition is routed in Oracle to the P-Card Administrator.

Step 7: P-Card Administrator reviews required documentation, compliance with merchant category codes, split transactions, and overall suspicious activity.

Step 8: The P-Card Administrator reconciles the aggregation of all department requisitions against the City's monthly statement.

Step 9: The P-Card Administrator submits purchase orders to Accounts Payable for payment of the monthly statement.

Step 10: In accordance with the State of Florida retention schedule, Reconciler retains the cardholder statement and receipt documentation in the department to substantiate the payment process.

Actions:

The Purchasing Card policy will be updated to provide additional clarification on responsibilities, separation of duties, and the department reconciliation process.

Due to a repeat finding of the user department's failure to obtain proper documentation and the audit recommendation to implement a standard reconciliation process, the Purchasing Card policy will be updated. The requirement for individual receipt sign-off will be replaced with a standardized cover sheet listing individual cardholder charges and one encompassing signature by the accounts payable authorized signer, attesting to review and approval of all purchases for the reconciliation period.

Purchasing will distribute a memo to department directors, AP authorized signers, department reconcilers, and cardholders, reminding them of their responsibilities regarding the signature approval and documentation requirements for purchasing card transactions, along with the updated policy.

The P-Card Administrator will conduct a sample review of documentation quarterly to ensure that policy requirements are being followed. Violations will be issued as necessary for noncompliance with the policy, in accordance with the established progressive step suspension policy.

TARGET IMPLEMENTATION DATE: July 31, 2026

REVENUE & FINANCE MANAGEMENT RESPONSE: Revenue & Finance concurs with the Purchasing Department's response and will provide assistance as required. The Accounting Office will amend the Accounts Payable policy to include the acceptance of summary forms with attached spreadsheets that is signed by authorized personnel.

TARGET IMPLEMENTATION DATE: June 30, 2026.

MERCHANT CATEGORY CODE AND TRANSACTION REVIEW

STATEMENT OF CONDITION: The P-Card Policy limits the use of the P-Card to official City business only. A Merchant Category Code (MCC) is used to classify a business by the types of goods or services it provides. Some MCC codes are excluded by the City and cannot be charged on the P-Card. However, because a code is not excluded, it doesn't mean that it is permissible on the P-Card. A review of MCC codes revealed multiple processed charges with the following MCCs:

- 7523 - Parking lots and garages
- 4784 - Tolls and bridge fees
- 4121 - Taxicabs and limousines

Note: The Purchasing Administrator reviews transactions for possible violations. For example, in FY 2025, violation memos were issued to various City departments for:

- a) splitting a transaction to stay within the transaction limit established by the Purchasing Department
- b) sales tax charges on purchases exempt from sales tax
- c) the use of the City's P-Card for personal use

CRITERIA: The Purchasing Card Policy states that "Gasoline purchases inside Hillsborough County are prohibited." In addition expenditures for the following employee reimbursable travel expenses are prohibited from being charged on the P-Card:

- Meals (Per Diem)
- Bridge, road and tunnel toll charges
- Telephone charges
- Taxi, ferry and airport limousine/shuttle fares
- Parking charges within Hillsborough County

CAUSE: Some MCCs cannot be excluded because there may be some permissible transactions within that category. E.g., parking charges outside of Hillsborough County are permissible, while parking within Hillsborough County is prohibited.

EFFECT OF CONDITION: There are instances of expenditures charged to the P-Card that are not in alignment with the City's policies. E.g., Toll charges, parking charges within Hillsborough County, and payment for parking citations. Allowing even isolated cases of improper charges to go unchecked can set a poor precedent, weaken accountability, and erode public trust.

RECOMMENDATION 2: We recommend that the Purchasing Department expand its review of P-Card transactions. Data analytics software may be utilized to monitor and evaluate P-

Card transactions. Documentation should be reviewed across various transaction categories and MCC to ensure compliance with the City's policy.

MANAGEMENT RESPONSE: Several controls are already in place through prevention, reporting, and manual review. Transactions within the stated MCC codes may not constitute a violation solely based on the MCC or the vendor. When transactions are found to be questionable, further investigation is conducted to determine the details of the charge. Charges may have an exception or may not be a violation of P-Card policy.

Management agrees that transaction monitoring is an important component of the P-Card program. However, current challenges include limited staffing and technology for proper auditing.

The City's P-Card program, which supports approximately 600 cardholders, is currently administered by 0.5 FTE. The 2025 Institute of Commercial Payments (IOCP) Staffing Survey Report recommends 1.5–2.0 FTE for a program of this size and spend.

Additionally, reliance on Excel and manual transaction analysis is inefficient and further strains staff resources.

To address these gaps, the Purchasing Department will identify potential software solutions that provide robust analytics for monitoring and evaluating transactions, aligned with audit recommendations.

Purchasing will pursue funding for additional staffing and technology to enhance oversight and strengthen the control environment.

TARGET IMPLEMENTATION DATE: July 31, 2027