

**Audit of**

**Purchasing Card (PCARD) Transactions**  
**Environmental Services Department**

**Report No. 2025-001**

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**DIVISION OF INSPECTOR GENERAL**  
**Grant Maloy, Clerk of the Circuit Court and Comptroller**  
**Seminole County, Florida**

May 6, 2025

To: The Honorable Chairman and Members of the Board of County Commissioners

We have conducted an audit of the Purchasing Cards (PCARD) transactions between October 2020 through May 2023 for the Environmental Services Department.

Our audit objectives were to determine if the Environmental Services Department exercised adequate controls over PCARDS, if proper documentation was obtained for PCARD purchases, and if PCARD purchases were approved in accordance with the Administrative code, ordinances, policies and procedures.

We conducted the audit in accordance with standards that 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 on our audit objectives.

We appreciate the cooperation and assistance provided by the Environmental Services Department during the course of our audit.

Respectfully submitted,

Randall Nunley, CIG, CPA, CIA, CGAP, CRMA, CGMA  
Inspector General  
Division of the Inspector General

Approved by:

Honorable Grant Maloy  
Clerk of the Circuit Court and Comptroller  
Seminole County



Purchasing Cards (PCARD) Transactions  
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**GRANT MALOY**  
**CLERK OF THE CIRCUIT COURT AND COMPTROLLER**

Randall Nunley, CIG, CPA, CIA, CGAP, CRMA, CGMA  
Inspector General

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Senior Inspector General Auditor

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# Executive Summary

The purchasing of goods and services using purchasing card is governed under the Seminole County's Administrative Code (Section 3.55 Purchasing Policy), and Seminole County Manager Policies (Section 40 – Purchasing). The audit ensures compliance with the County's administrative code, ordinances, policies and procedures.

The objectives of the audit were to determine if the system of internal administrative controls over the Purchasing Card Program is adequate and effective; and in compliance with the County's administrative code, ordinances, policies and procedures.

Overall, the Environmental Services Department is following the County administrative code, ordinances, policies and procedures regarding the Purchasing Card Program. However, we noted some deficiencies in supporting documentation which is addressed in our finding.

## Background

Purchasing Cards are widely used to buy goods and/or services valued at \$999.99 or less per individual item and the total transaction (invoice) is set at maximum limit of \$3,000. PCARDS are also used occasionally for authorized travel.

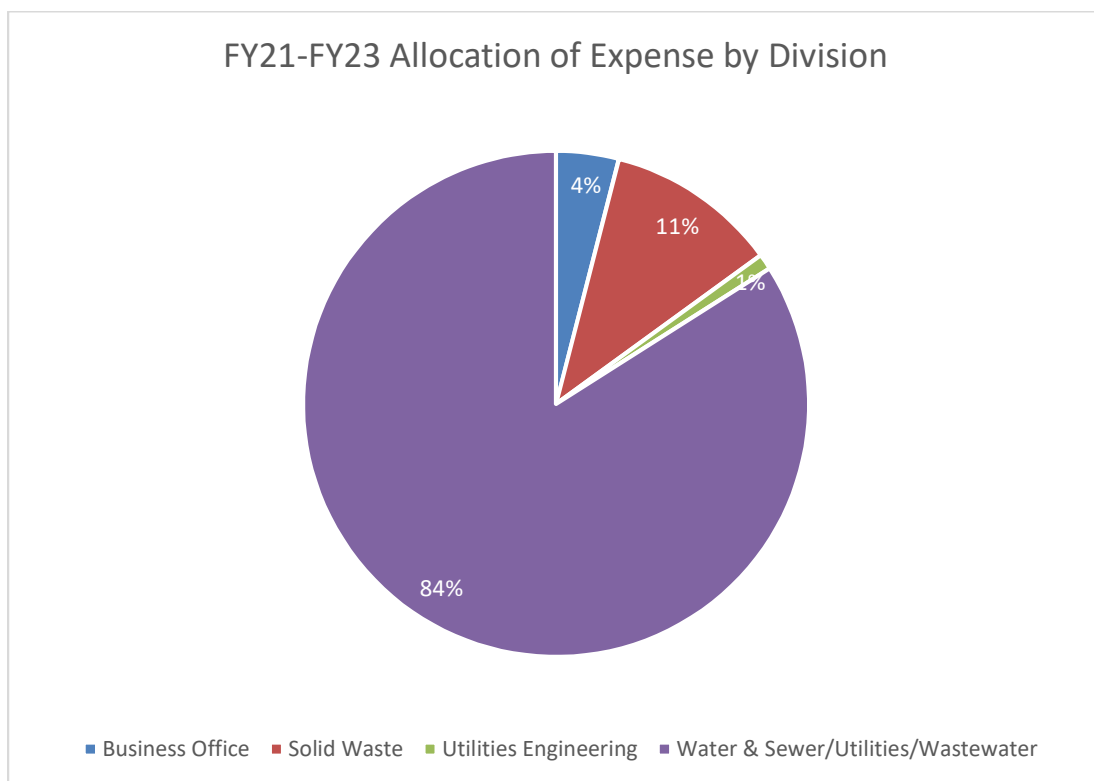
Section 3, Title VII of Seminole County Administrative Code (Code) establishes the PCARD operational policies and procedures. The policy includes spending limitations, employee training, internal controls and disciplinary action in case of violations.

To supplement the Code, the Seminole County Manager Policies (County Manager Policies) was adopted. Section 40, Title V. - Purchasing Cards establishes the requirements, terms and conditions of the Code and the Manager Policies.

From October 2020 to May 2023, the Environmental Services Department spent approximately \$1.5 million (4,400 transactions) using Purchasing Cards.

Based on the fiscal years ended September 30, 2021 and 2022, there was approximately \$500,000 spent annually which included approximately 1,500 Purchasing Cards transactions. The following is a summary by division:

Divisions:	Allocation of Expense by Division	
	Total Amount	No. of Transactions
Business Office	\$64,060	249
Solid Waste	\$173,796	660
Utilities Engineering	\$10,482	34
Water & Sewer/Utilities/ Wastewater	\$1,285,545	3,416
<b>Total</b>	<b>\$1,533,883</b>	<b>4,359</b>



The results of the audit are included in the report that follows.

## Scope, Objectives, and Methodology

An audit of the Purchasing Card (PCARD) transactions for the Environmental Services Department was conducted. The period reviewed was October 2020 through May 2023.

The scope of this audit included testing all the administrative controls established over the PCARD Program to ensure compliance with County's administrative code, ordinances, policies and procedures. The audit included reviewing:

- Purchasing card and travel policies;
- Seminole County's Administrative Code, Manager Policies and applicable laws;
- Operational workflow to assess administrative controls;
- Financial applications and supporting documentation (statistically sampled) for compliance with approved guidelines; and,
- Other procedures considered necessary under the circumstances.

The objectives of the audit were to determine if the system of internal administrative controls over the PCARD program is adequate and effective; and in compliance with the County's administrative code, ordinances, policies and procedures.

## Inherent Limitations

Because of inherent limitations in any internal administrative control structure, instances of noncompliance, which include but are not limited to irregularities, errors, waste, or abuse may nevertheless occur and not be detected. Also, projection of any evaluation of the internal administrative control structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

## Overall Evaluation

Based on the transactions reviewed, the system of internal administrative controls over the Purchasing Card (PCARD) Program appears to be functioning effectively and in compliance with the County's administrative code, ordinances, policies, and procedures.

The Environmental Services Department is following the County's administrative code, ordinances, policies and procedures regarding the PCARD Program.

Financial applications, transactions, and records that we statistically tested were accurate, complete, and documented.

However, compliance with the County Manager Policies requires some management attention.

- There were PCARD transactions needed additional information to confirm when the order was received. Refer to Finding, Recommendations and Management Response.

## Finding, Recommendations, and Management Response

### **Finding – Additional Information Needed to Support Order was Received:**

Environmental Services Department has Accounting Policies and Procedures in place for the use of Purchasing Cards (PCARDS). The purpose of these policies and procedures is to establish clear expectations for employees in using PCARDS. These expectations include providing complete and accurate information for PCARD transactions, including, but not limited, obtaining support for PCARD charges. Overall, Environmental Services Department appears to have maintained sufficient administrative internal controls over PCARD transactions.

In addition, County Manager Policies Section 40, Title V, identifies two types of PCARD transactions (face-to-face and remote) and includes the following requirements:

*"(3) Purchase Transaction Documentation: All purchase transactions must contain documents containing the procurement transaction. Face-to-Face- The cardholder should obtain a receipt for all face-to-face transaction. The receipt serves to document both the order and the receipt of goods or supplies.*

*(a) Remote – The cardholder must document the order when it is placed and should print the receipts and any document supporting the purchase when the order is placed and the order is received."*

The Division of Inspector General reviewed 1,001 of 4,159 (24%) of the PCARD transactions which included both "face-to-face" (total of 180 transactions) and "remote" (total of 821 transactions). For 413 of the "remote" transactions, there was no indication when the order was received.

By not having the date of delivery for PCARD purchases, there is no confirmation that the complete order was received. Date of delivery is important for inventory management and tracking.



**Recommendations:**

1. Review the requirements of County Manager Policy with the cardholders to ensure they understand the requirement of confirmation of delivery as part of sufficient documentation. In addition, emphasize the importance of sufficient supporting documentation during cardholder training.
2. Update department's policies and procedures to include date of delivery as part of purchase documentation.

**Management Response:**

1. The Purchasing and Contracts Division revised the Purchasing Policy, Section 3.55 of the Seminole County Administrative Code on August 27, 2024. The revised policy does not include procedures for documentation of receipt of goods. PCARD training is under revision and will address procedures for adequate documentation.
2. The Department has implemented procedures to ensure that documentation of receipt of goods is maintained for PCARD purchases including date of delivery. The Department is monitoring the procedures to ensure they are sustained.

**Division of Inspector General Comment:**

We appreciate the Department implementing procedures to ensure that documentation of receipts of goods, including date of delivery, is maintained for PCARD purchases. However, we encourage the Purchasing and Contracts Division to consider revising Purchasing Policy Section 3.579 (12), to include a definition of "detailed documentation" that cardholders must obtain which should include, but not limited to, documentation of receipt of goods or services. This will ensure each County department is aware of the importance of this evidence, to be included in the department's standard operating procedures, in case of disputes regarding delivery of goods or services.

In addition, revising Purchasing Policy Section 3.579 (12) would align the Purchasing Policy with the County Manager Policies Section 40, Title V (Purchasing Cards).