

**CITY OF PINELLAS PARK
PCARD AUDIT
AUDIT REPORT
NOVEMBER 21, 2019**

Introduction:

The City has implemented a Pcard system and it has been in effect for about one year. Each Pcard allows the user to purchase goods and services on behalf of the City without having to obtain a purchase order. A Pcard allows individual charges to be accumulated in batch and paid individually with one check by the Accounting division. In addition, Pcards can be useful during emergencies or natural disasters to obtain necessary items from vendors without having to pay by cash.

Background:

Many local governments have been using Pcards for many years. The City initiated the Pcard system as part of the Munis financial system. There are currently ninety three users in the City who have an assigned Pcard. The card (like a credit card) is registered in the employee's individual name along with the City. Each Pcard has a \$15,000 maximum in total and an individual purchase amount restriction of no more than \$5,000 which is consistent with Adm. Reg. 13.43 for purchasing procedures. Assuming there are charges for a particular month, the pcard must be reconciled in the system by a designated City employee. The monthly charges to a Pcard are downloaded from Wells Fargo and uploaded into the Munis system by Accounting. Each reconciler must scan the supporting documentation into Munis that supports each charge on each Pcard. Subsequently, each pcard must be approved by an authorized supervisor or the department administrator. The information is reviewed and processed in the Munis system by Accounting who then produces a check to the pcard company (currently Wells Fargo).

Audit Procedures:

We obtained a copy of the Administrative Regulation No. 13.07 for Pcards and reviewed it for adequacy relative to internal controls. In addition, we obtained a listing indicating all pcards, reconcilers and applicable authorized approvers from Accounting. The list was reviewed for any odd employee names and also for the adequacy of the authorized approvers. The Pcard system has been in effect for about one year. We reviewed the level of activity of charge amounts during the year and did not see much of a variation over the months of the past year. As a result, we decided to pick a test month during the year which was the month of September. A sample size of seven was used and the individuals selected were based on judgmental sampling.

Test Results:

We found no discrepancies or inconsistencies in the items purchased in the sample selected.

Conclusion and Recommendations:

We believe that the City's Pcard system is working effectively and efficiently. We did note that the pcard dollar limits seemed high compared with other Cities in the area and the recommended

amounts by the Government Finance Officers' Association. This comment is more focused for non-emergency response personnel such as office, library, and recreation staff. We did discuss this with the Finance Administrator and requested that he consider changing the dollar limits for non-emergence response personnel.

Submitted by,

Dan C. Katsiyiannis, CPA
OMB Administrator