

Office of

**Nikki Alvarez-Sowles, Esq.**

**Pasco County Clerk & Comptroller**

## **BCC Purchasing Card Transactions**

**Report No. 2024-03**

Department of  
Inspector General  
November 25, 2024

Christine Calianno, CGAP, CFE, CIGA  
Inspector General

Erika Hendricks, CIA, CIGA, CFE  
Auditor III

Lori Davis  
Auditor I

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## Office of Nikki Alvarez-Sowles, Esq. Pasco County Clerk & Comptroller

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November 25, 2024

Michael Carballa  
County Administrator  
8731 Citizens Drive  
New Port Richey, FL 34654

Re: Report No. 2024-03, BCC Purchasing Card Transactions

Dear Mr. Carballa:

The Clerk & Comptroller's Department of Inspector General (IG) partnered with an external auditing firm, MSL CPAs & Advisors, to conduct an engagement related to purchasing card transactions. The purpose of this engagement was to perform agreed-upon procedures (AUPs) to determine whether purchasing card transactions complied with County policies, local laws, and Florida Statutes. The IG appreciates the cooperation, professional courtesy, and responsiveness received from management during this audit.

Respectfully submitted,

Christine Calianno, CGAP, CFE, CIGA  
Inspector General/Chief Audit Executive

cc: Nikki Alvarez-Sowles, Esq., Pasco County Clerk & Comptroller  
Ron Oakley, County Commissioner, District 1 – Chair  
Seth Weightman, County Commissioner, District 2  
Kathryn Starkey, County Commissioner, District 3 – Vice Chair  
Lisa Yeager, County Commissioner, District 4  
Jack Mariano, County Commissioner, District 5  
Jeffrey Steinsnyder, County Attorney  
Erik Breitenbach, Internal Services Assistant County Administrator  
Jessica Bleser, Internal Services Fiscal Services Director  
Carrie Roberts, Purchasing Director

Encl: AUP – BCC Department/Division Purchasing Card Transactions

**PASCO COUNTY CLERK & COMPTROLLER**

**BCC DEPARTMENT/DIVISION PURCHASING  
CARD TRANSACTION**

**AGREED-UPON PROCEDURES**

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## **EXECUTIVE SUMMARY**

We were engaged by the Pasco County Clerk & Comptroller (the “Clerk”) to perform agreed-upon procedures to determine whether the Pasco County Board of County Commissioners (the “BCC”) department/division Purchasing Card (“P-Card”) transactions from the period January 16, 2024, to July 16, 2024, are in compliance with BCC policies, local laws, and Florida Statutes.

This engagement was included in the Clerk’s 2024 annual audit plan based upon the results of the annual risk assessment. The specific procedures we performed are outlined in Appendix A. As part of the performed procedures, we identified two recommendations. BCC management’s responses to these recommendations are listed below.

### **MSL Recommendations:**

#### Recommendation #1 – Formalize all P-Card policies and procedures.

We recommend that BCC management consider formalizing all P-Card policies and procedures.

During our interviews and review of various documentation, there were policies and procedures in place related to processing and approving P-Card transactions, however, not all procedures are formalized in the P-Card Policy. Procedures related to the timeline on when P-Cards are suspended and the reactivation process are not incorporated into the P-Card Policy. Having one complete document may help to ensure that BCC personnel are following policies and procedures, and that they are being applied consistently.

#### Management Response

The County has updated the Purchasing P-Card Policy to be clearer on processes and policies.

#### Recommendation #2 – Enforce consequences of P-Card Policy violations.

We recommend that BCC management enforce the policies and procedures documented in the P-Card Policy.

During our review of the P-Card transaction register, it was noted that 87 transactions (out of a total of 16,879 transactions) did not have approval in accordance with the P-Card Policy, but the card user was still able to make charges using their P-Card. Policy enforcement measures, including card suspension and cancelation, are key controls to ensure the policies and procedures are followed. We performed additional inquiry of BCC personnel. They indicated that during the initial implementation of the new card provider for the BCC P-Card Program (the “Program”) (January 16, 2024 through May 31, 2024), corrective actions by the P-Card Administrator for policy violations were not applied. However, policy enforcement measures started in June 2024.

#### Management Response

The County has updated the P-Card Policy that will go out to all employees. Changes/clarifications have been made to be more specific on enforcement of P-Card suspensions. In addition, updates to how often the P-Card Administrator will check the P-Card transactions have also been made, and the enforcement of consequences will occur if P-Card transactions are not cleared.

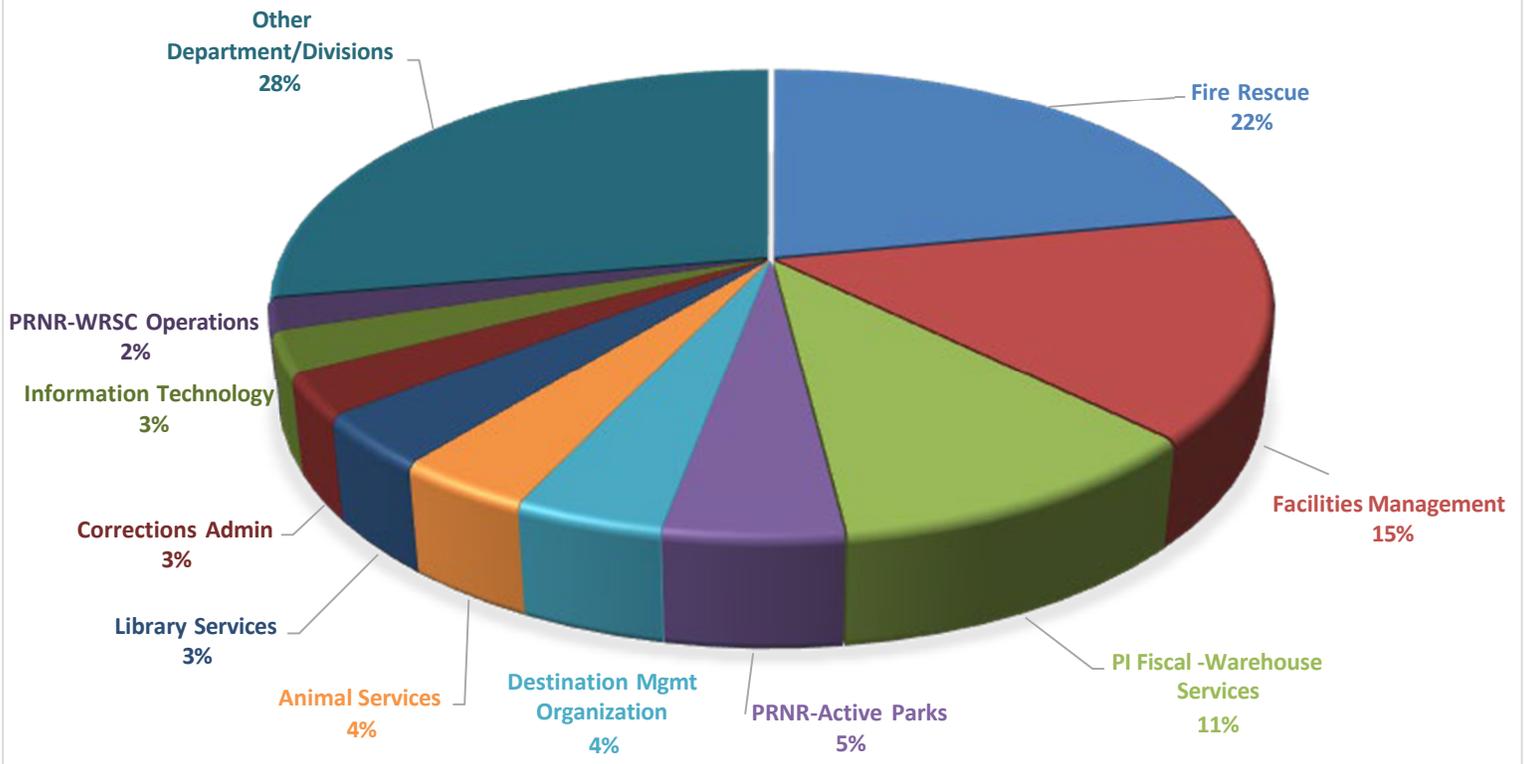
**BACKGROUND**

The BCC has implemented the use of P-Cards to provide an efficient and cost-effective method of purchasing and paying for goods and services. The Program provided the flexibility to purchase small routine materials and supplies in a timely and cost-effective manner for departments throughout Pasco County (the “County”). The Purchasing Department is responsible for the administration of the Program and the establishment of policies and procedures.

As of January 16, 2024, the BCC had an agreement with J.P. Morgan Chase Bank for VISA P-Card services. See below for a summary of P-Card activity for the period January 16, 2024 through July 16, 2024:

Number of Active Cards (7/16/2024)	Total Number of Debit (charge) Transactions	Average Amount of Debit (charge) Transactions	Net Total Amount Spent
601	16,879	\$ 372.70	\$ 6,139,976

**PERCENTAGE OF NET TOTAL AMOUNT SPENT BY DEPARTMENT/DIVISION (10 LARGEST)**



## SCOPE, OBJECTIVES, AND METHODOLOGY

### Scope

The scope of this engagement included evaluating the Program and testing a sample of transactions from the period January 16, 2024 to July 16, 2024.

### Objectives and Methodology

The objectives and the corresponding procedures were as follows:

OBJECTIVE	PROCEDURES
1. Determine if the BCC P-Card process complied with County policies, local laws, and Florida Statutes.	<ol style="list-style-type: none"><li>1. Obtain a copy of applicable Florida Statutes, local laws, and the BCC's formal policies and procedures relating to P-Card transactions.</li><li>2. Interview key BCC personnel involved in P-Card transaction processing and approvals.</li><li>3. Obtain population of P-Card transactions for the period January 16, 2024 to July 16, 2024, and review for proper approval.</li><li>4. Systematically select 200 P-Card transactions based on a total percentage of P-Card transactions made by each BCC department/division.</li></ol>
2. Determine by review of a sample of P-Card transactions if transactions complied with County policies, local laws, and Florida Statutes.	<ol style="list-style-type: none"><li>1. For the sample selected above, verify that P-Card transactions:<ul style="list-style-type: none"><li>○ Were supported by a receipt or other supporting documentation, and the supporting documentation was attached, accurate, and complete.</li><li>○ Were reviewed and authorized for payment in accordance with applicable County policies, local laws, and Florida Statutes.</li><li>○ Were in compliance with applicable County policies, local laws, and Florida Statutes.</li><li>○ Were classified and recorded in accordance with the County's chart of accounts and County policies and procedures.</li></ul></li></ol>



Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

Ms. Nikki Alvarez-Sowles, Esq.  
Clerk & Comptroller  
Pasco County  
Dade City, Florida

We have performed the procedures enumerated in Appendix A, which were agreed to by the Pasco County Clerk & Comptroller (the "Clerk"), in connection with assisting the Clerk in determining whether the Pasco Board of County Commissioners (the "BCC") department/division Purchasing Card ("P-Card") transactions from the period January 16, 2024 to July 16, 2024 are in compliance with BCC policies, local laws, and Florida Statutes.

The Clerk has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining compliance with BCC policies, local laws, and Florida Statutes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We were engaged by the Clerk to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with BCC policies, local laws, and Florida Statutes. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Clerk and BCC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Clerk and BCC and is not intended to be and should not be used by anyone other than those specified parties.

***MSL, P.A.***

Certified Public Accountants

Tampa, Florida  
November 19, 2024

## **APPENDIX A**

# PASCO COUNTY CLERK OF COURTS AND COMPTROLLER

## BCC DEPARTMENT/DIVISION PURCHASING CARD TRANSACTIONS

### APPENDIX A – SCHEDULE OF PROCEDURES AND RESULTS

#### PROCEDURES PERFORMED AND RESULTS

##### **Objective 1 - Determine if the BCC P-Card process complied with County policies, local laws, and Florida Statutes.**

**Procedure #1 - Obtain a copy of applicable Florida Statutes, local laws, and BCC policies and procedures in effect and relating to BCC department/division P-Card transactions for the period January 16, 2024 to July 16, 2024.**

##### **Results**

We obtained and reviewed the County's Purchasing Ordinance, P-Card Policy, and Florida Statute Chapter 287, *Procurement of Personal Property and Services*. We reviewed them for the purpose of discussing them in our interviews of BCC personnel and to develop our expectations of required documentation to be reviewed during our testing of P-Card transactions. The BCC appears to have adequate P-Card policies and procedures, however, not all procedures are formalized.

##### **Recommendation**

We recommend that BCC management consider formalizing all P-Card policies and procedures. Having one complete document may help to ensure that BCC personnel are following policies and procedures, and that they are being applied consistently.

**Procedure #2 - Interview key BCC personnel involved in P-Card transaction processing and approvals to determine consistency with written policies and procedures.**

##### **Results**

Based on the results of procedure number one, we interviewed the following BCC personnel:

- Internal Services Branch – Assistant Director of Fiscal Services
- Internal Services Branch – Assistant Director of Purchasing
- Internal Services Branch – Administrative Assistant to the Purchasing Director

Based upon our inquiries discussed above, the following issue was noted:

The P-Card Policy requires transactions to be processed by Fiscal teams within five (5) business days from the date the transaction is imported into Munis. Subsequent to our initial interviews, we filtered the population of BCC P-Card transactions noting that of 16,879 transactions, 87 were not approved as of July 16, 2024. We performed additional inquiry of the key BCC personnel noted above. They indicated that during the initial implementation of the new card provider (J.P. Morgan Chase Bank) for the Program (January 16, 2024 through May 31, 2024), enforcement of policy violations was not applied. The enforcement of policy violations started in June 2024.

##### **Recommendation**

We recommend that BCC management enforce the policies and procedures documented in the P-Card Policy. Enforcement of policy violations, including card suspension and cancellation are key controls to ensure the policies and procedures are being followed.

# PASCO COUNTY CLERK OF COURTS AND COMPTROLLER

## BCC DEPARTMENT/DIVISION PURCHASING CARD TRANSACTIONS

### APPENDIX A – SCHEDULE OF PROCEDURES AND RESULTS

#### **Objective 1 - Determine if the BCC P-Card process complied with County policies, local laws, and Florida Statutes. (Cont.)**

**Procedure #3 and #4 - Obtain population of P-Card transactions for the period January 16, 2024 to July 16, 2024. Systematically select 200 P-Card transactions based on a total percentage of P-Card transactions made by each BCC department/division.**

#### **Results**

We obtained a P-Card transaction register for the period January 16, 2024 to July 16, 2024, from the Assistant Director of Fiscal Services. We verified completeness of the population by requesting the Assistant Director of Fiscal Services to reproduce the transaction register in the presence of MSL, noting that the original register provided was the same as the reproduced register.

We used data mining software to select a sample of transactions from the P-Card transaction register. The sampling methodology included determining the total percentage of P-Card transactions made by each BCC department/division. We then randomly selected a sample of 200 transactions that corresponded to the total percentage of P-Card transactions made by that department/division.

<b>Department/Division</b>	<b>Sample Size</b>
Fire Rescue	44
Facilities Management	31
Public Infrastructure Fiscal - Warehouse Services	21
Parks, Recreation & Natural Resources - Active Parks	10
Animal Services	8
Destination Management Organization	8
Library Services	7
Corrections Administration	6
Information Technology	6
Fleet Management Maintenance	4
Traffic Operations	4
Utilities - Operations & Maintenance - Wastewater Services	4
Utilities - Operations & Maintenance - Water Services	4
Building Construction Services	3
Disposal - Landfill Program	3
Parks, Recreation & Natural Resources - Fiscal & Support Services	2
Parks, Recreation & Natural Resources - Passive Parks	2
Public Works - Stormwater Management	2
*Various Departments/Divisions (Sample Size 1)	31

\* Sample consists of 1 transaction from 31 different departments/divisions

# **PASCO COUNTY CLERK OF COURTS AND COMPTROLLER**

## **BCC DEPARTMENT/DIVISION PURCHASING CARD TRANSACTIONS**

### **APPENDIX A – SCHEDULE OF PROCEDURES AND RESULTS**

**Objective 2 – Determine by review of a sample of P-Card transactions if transactions complied with County policies, local laws, and Florida Statutes.**

**Procedure #1 - For each P-Card transaction, verify that the transaction:**

- Was supported by a receipt or other supporting documentation, and the supporting documentation was attached, accurate, and complete.
- Was reviewed and authorized for payment in accordance with applicable County policies, local laws, and Florida Statutes.
- Was in compliance with applicable County policies, local laws, and Florida Statutes.
- Was classified and recorded in accordance with the County's chart of accounts and County policies and procedures.

#### **Results**

There were no exceptions from the sample population of 200 transactions noted from this procedure.



For additional information contact the Public Records Liaison.

[publicrecordsrequest@pascoclerk.com](mailto:publicrecordsrequest@pascoclerk.com)

(352) 523-2411 or (727) 847-2411; ask for the Public Records Liaison

Public Records Liaison, P.O. Box 338, New Port Richey, FL 34654-0338

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