



VICTOR D. CRIST

CLERK OF CIRCUIT COURT & COMPTROLLER
HILLSBOROUGH COUNTY, FL

DATE: October 8, 2026

TO: Scott Stromer, Director of Procurement Services

CC: Tom Fesler, Chief Financial Administrator
Dan Campbell, Senior Director of County Finance
Larisa Dickerson, Senior Accounting Manager
Linda Wheat, Manager of Procurement Business & Performance

FROM: Heidi Pinner, Chief Audit Executive, Clerk of Court & Comptroller

SUBJECT: MM189 – PCard Continuous Monitoring – FY26 Second Quarter (Q2)

This review is an ongoing and continuous project that is part of the County Audit Department's Annual Audit Plan.

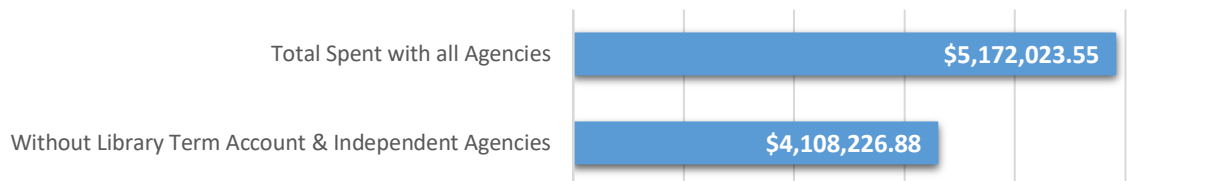
OBJECTIVE

The objective of the Purchasing Card (PCard) Continuous Auditing project is to evaluate the appropriateness of PCard purchases made during the second quarter (Q2) of the fiscal year (FY) via analysis and sample testing. The program is designed to evolve and adapt, with input from management, to ensure that the program delivers timely and useful results and assurances. The Q2 testing included the basic analysis and review of transactions, account usage by cardholders and departments, and an analysis related to payments that may have been made to an individual. An additional step was added this quarter to test purchases for potential gifts and awards. High level reviews were completed for monthly split transactions. All concerns and exceptions were referred to the Purchasing Card Administrator for follow-up and corrective action.

SCOPE

Testing included purchases made during FY26 Q2 (January 1, 2026 through March 31, 2026), excluding transactions made on Library Services' term accounts and any purchases made by Independent Agencies.

PCard Spending FY2026 Q2



SUMMARY OF RESULTS

Analytical review of FY26 Q2 purchases and trends identified a number of purchasing card exceptions. As identified in prior results, cardholders continue to struggle to provide complete supporting documentation and detailed purchase descriptions. Some of the recurring exceptions noted included:

- ❖ Missing employee signatures, ID numbers, or required approval signatures on supporting documentation.
- ❖ Missing or incomplete supporting documents such as invoices or Pre-Trip Authorization forms.
- ❖ Purchase descriptions and MCC codes that did not correspond with the actual item purchased.
- ❖ Two transactions in which the purchase date occurred several months after the invoice date.
- ❖ Lack of itemization on supporting documentation.
- ❖ Purchases with unclear or insufficient justification.

The Audit Team also observed less routine exceptions such as:

- ❖ Purchases of awards, trophies, plaques, and other promotional items without required approval, as required by AD-22.
- ❖ An invoice containing an incorrect shipping address.
- ❖ Purchases shipped to a personal residence.

Details of the exceptions identified are included on the following pages and have been communicated to the Purchasing Card Administrator for follow-up as warranted.

MERCHANT CATEGORY CODE (MCC) ANALYSIS

Purchases made during Q2 FY26 were analyzed based on the Merchant Category Code (MCC) to identify potential items that are not authorized based on the Procurement Procedures Manual restrictions. A total of 25 transactions were reviewed for appropriateness. Below is a table of the MCC categories that were selected for review:

MCC Descriptions		
Amusement Parks, Circuses, & Carnivals	Amusement, Recreation Services (Swimming)	Bands, Orchestras, & Entertainment
Cesars Hotel & Casino	Dance Halls, Studios, and Schools	Doctors & Physicians
Dry Cleaners	Eating Places & Restaurants	Fast Food Restaurants
Florist Supplies & Nursery Stock	Hobby, Toy, and Game Shops	Holiday Inns
Hyatt Hotels	Marriott Hotels	Miscellaneous Apparel & Accessory Stores
Miscellaneous Food & Specialty Stores	Miscellaneous General Merchandise Stores	Miscellaneous Personal Services
Miscellaneous & Retail Stores	Motion Pictures	Music Stores, Musical Instruments & Pianos
Other Fees	Tourist Attractions & Exhibits	

Each transaction was evaluated for appropriateness, as well as for sufficient support and description. The following exceptions were identified:

- ❖ Two (2) invoices that did not include a Pre-Trip Authorization form.
- ❖ One (1) payment for a student field trip to where the invoice did not include the list of attendees as required by policy.
- ❖ One (1) purchase in which the MCC code did not correspond to the item purchased. The transaction was for a commemorative plaque; however, the MCC description was “Misc. Food Stores – Specialty, Convenience.”
- ❖ One (1) invoice in which the employee’s signature and County ID number were missing.
- ❖ One (1) transaction where the Oracle purchase description did not match the item purchased.

SPLIT TRANSACTIONS

Audit software was used to perform an analysis each month of Q2 related to potential split transactions. This includes potential split transactions at the \$10,000 threshold. This threshold has been used due to the potential for a cardholder to circumvent the single transaction limit of \$10,000 for cardholders. The Audit Team ran the analysis, and the resulting data identified potential splits for Q2. This information was provided to the Purchasing Card Administrator for further follow-up and any necessary inquiry or corrective action with cardholders.

PAYMENT SERVICES IN AN INDIVIDUAL’S NAME

A total of 30 transactions were tested and analyzed to determine whether transactions were paid through a payment service provider (such as PayPal or Square) and included the name of an individual as the vendor. The Audit Team reviewed these transactions to ensure that the vendor’s name matched the name listed on the invoice. The Audit Team judgmentally selected a sample of these transactions and evaluated those transactions for appropriate support and description, resulting in the following exceptions:

- ❖ One (1) purchase that was shipped to a personal address.
- ❖ One (1) purchase for a drone video that lacked clear justification.

HIGH SPEND DEPARTMENT REVIEW

Certain County departments have higher PCard spending due to the nature of their operations. Historical data was used by the Audit Team to select and review transactions for the top three high spend departments for the second quarter of FY2026. Historical PCard spending data from FY2025 was used to determine which high spend departments would be tested for FY2026. Below is a summary of the high spending departments reviewed for Q2 and their subsequent total amount spent:

Fiscal Year 2026 Q2 – High Spend Departments				
Dept	Amount Spent	# of Transactions	Exceptions	Results
Fire Rescue	\$339,705.99	465	3	❖ 3 transactions with unclear justifications.
Conservation & Environmental Lands Management	\$302,961.64	765	0	❖ No exceptions identified.
Facilities Management & Real Estate Services	\$291,591.13	589	2	❖ 2 transactions that did not include an invoice.

HIGH SPEND CARDHOLDERS

The Audit Team performed a review of cardholders that historically spent more on their purchasing cards throughout the year. Five (5) top cardholders for Q2 were selected and a sample of their purchases were reviewed. A total of 50 transactions were tested, and the following exceptions were identified:

- ❖ Two (2) Pre-Trip Authorization and Reimbursement Request forms that did not include the approving authority's signature.
- ❖ Two (2) transactions that had invoices which were more than 45 days old.
- ❖ One (1) invoice in which the employee's signature and County ID number were missing.
- ❖ One (1) payment for a conference that did not include a Pre-Trip Authorization form.
- ❖ One (1) invoice with an incorrect shipping address.

AWARD & GIFT PURCHASES

Observations from prior quarters noted that award and retirement gift purchases were made without the required approvals. The Audit Team selected a judgmental sample of 20 transactions for testing to determine if appropriate documentation was included. The review assessed whether purchases complied with Administrative Directive (AD) 22, which allows the County to provide certificates, awards, and tokens of appreciation to employees, residents, officials of other governments, and visiting dignitaries. AD-22 requires these items to be clearly identified as originating from the County and to state the purpose of the award with appropriate branding. BOCC Policy No. 01.19.00.00 specifies that departmental executive-level leadership may approve award purchases up to \$300.00, while purchases exceeding this amount require approval from the County Administrator or the Board. The sample was reviewed to determine whether the selected transactions met these requirements. The following exceptions were identified:

- ❖ Five (5) purchases for awards or gifts that did not include the appropriate approval or authorization form.
- ❖ One (1) invoice's itemized total did not match the total listed on the invoice.
- ❖ One (1) payment for a retirement gift that was sent to a residential address.