

October 2025

**DeKalb County Government
Finance Department
Purchasing Card Program Audit
Various User Departments**

FINAL REPORT



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Lavois Campbell
Chief Audit Executive

FINANCE DEPARTMENT PURCHASING CARD AUDIT – USER DEPTS REPORT NO. 2024-0223-FN

Draft

HIGHLIGHT SUMMARY

Why We Performed the Audit

In accordance with the Office of Independent Internal Audit (OIIA) Annual Audit Plan, we conducted a performance audit of the County's Purchasing Card (P-Card) program, with a focus on the control activities over user department compliance. The objective of this audit was to determine whether the internal controls over these processes are adequately designed and operating as intended.

How We Performed the Audit

Our audit focused on selected P-Card transactions and related processes for the audit period of January 1, 2023 – December 31, 2024.

Our methodology included, but was not limited to, the following:

- Reviewed relevant policies and procedures for alignment with actual and best practices.
- Tested a sample of transactions for support of allowable purpose and proper approval.
- Reviewed active cards for appropriateness of status.

Background

Purchasing Cards are issued to employees of the County to eliminate the administrative burden and costs associated with traditional methods of payment. The use of the card is restricted to County business purposes. For the two-year period of January 1, 2023, to December 31, 2024, there were total expenditures of \$3,396,278 incurred over 141 cards.

The top 2 departments in terms of total expenditures for the period were Facilities Management \$700,259 (21%), and Sheriff's \$435,092 (13%).

Our focus was mainly on the Facilities Management Department and the Sheriff's Office but also included transactions with high-risk indicators from other departments.

What We Found

Our audit found that the County does have policies and procedures in place for managing the purchasing card program. However, our audit also identified opportunities for improvement that, if implemented, could further mitigate the risk of financial loss to the County.

Audit Findings	
1.	Outdated Purchasing Card Policy Requires Revision.
2.	Inefficient Reconciliation Process and Underutilization of BOA Works.
3.	Reconciliation Process Can Be Improved to Ensure Proper Approvals
4.	Inadequate Support and Missing Approvals for P-Card Transactions
5.	Weak Internal Controls Over Sales Tax Exemption and Tracking.
6.	Insufficient Controls Over Blanket Special Request Forms.
7.	Dormant P-Cards are Not Identified or Canceled in a Timely Manner.
8.	Inadequate Controls Over P-Card Cancellation Following Employee Termination or Transfer.

We recommend that Management do the following to address the report findings:

- Revise the P-Card policy to clarify roles, define dormant cards procedures, and procedures for terminated or transferred cardholders; reinforce tax exemption and Special Request Form (SRF) use.
- Utilize BOA Works application features for automated reconciliations, exception reporting, and approval workflow for enhanced control and efficiency.
- Require mandatory approver training on transaction logs and BOA Works use.
- Enhance controls to promptly detect and resolve unsupported or undocumented transactions.

Potential Cost Savings Opportunities

Management should consider

Opportunities for potential cost savings through vendor spend optimization of top P-Card spend vendors like Home Depot, Amazon, Walmart, and Lowe's. See figure #3 on page seven of the report for more details.

Management Response: Management has accepted all audit findings and has action plans to address them all by April 2026.



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BACKGROUND AND INTRODUCTION

The DeKalb County Purchasing Card (P-Card) Program provides charge cards to eligible County employees with a demonstrated business need, as determined by their department's Director. Eligible employees include permanent part-time or full-time staff. P-Cards are issued to individual employees—not departments—and are used to purchase supplies, equipment, materials, and services for official County business.

The program is designed to streamline procurement and payment processes by reducing the administrative burden and costs associated with traditional purchasing and accounts payable methods. DeKalb County leverages the State of Georgia's contract with Bank of America (BOA) for card services, which provides access to the BOA Works system for card and transaction management.

Statement of Policy

The P-Card Program is governed by the DeKalb County Emergency Purchasing Card Purchasing Card Program Policy and Procedure Manual, which outlines eligibility requirements, approval processes, documentation standards, allowable and restricted purchases, and the responsibilities of all program participants. The policy is intended to ensure transparency, accountability, and appropriate stewardship of County funds. All cardholders, approvers, and departmental representatives are required to comply with these established procedures. The policy was last revised in **September 2015**.

Roles and Responsibilities

- **Chief Financial Officer (CFO):** Oversees overall administration, policy development, and implementation.
- **User Department Directors:** Request P-Cards, approve applications and Special Request Forms (SRFs), appoint Designated Approvers and Department Purchase Card Representatives (DPCRs).
- **P-Card Administrator (PCA):** Verifies approvals, monitors compliance, terminates cards for ineligible or transferred employees, provides training, manages monthly close processes, and assists with journal entries.
- **Designated Approver:** Reviews and approves monthly reconciliations.
- **DPCR:** Provides charge reports, ensures transaction approval and documentation, and collaborates with PCA on reconciliation.
- **Cardholders:** Complete transaction logs, attach supporting documentation, describe business purpose, and include approved Special Request Forms (SRF)'s where applicable.

SRFs, submitted at least five days in advance, are required for purchases such as:

- Travel-related expenses (hotels, airfare, car rentals)
- Food, catering, and beverages
- Gift cards
- Conference and training registrations



- Appliances, equipment, and computer hardware/software (with IT authorization)

Spending Limits and Vendor Usage

- P-Cards are accepted at any Visa vendor without restrictions on vendor type. Spending limits, managed by Finance, generally range from \$2,000 to \$10,000 monthly, with higher limits requiring CFO or COO approval.

5-Year P-Card Spending Trends

The following analysis of the P-card spending trends over the 5-year period 2020 to 2024.

Key Insights for the 5-year period

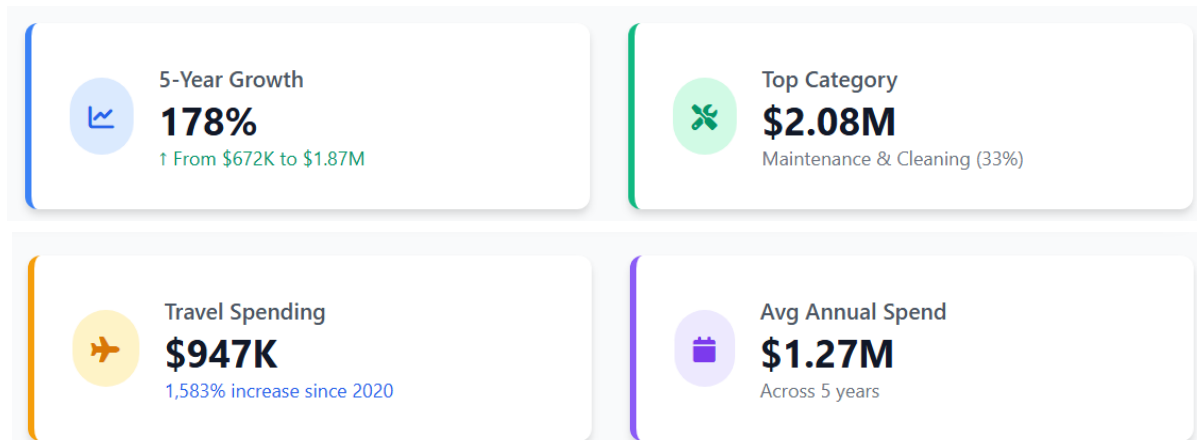
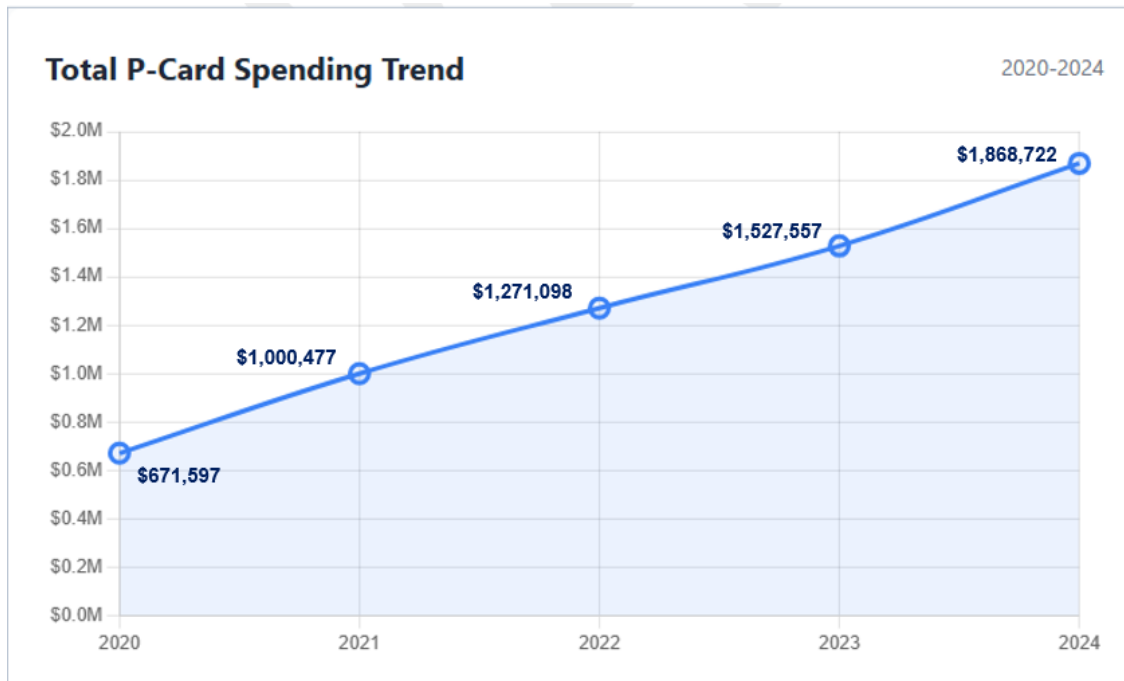


Figure 1- P-card spending trend 2020 - 2024



Source: Prepared by OIIA with information obtained from BOA



The P-Card can be used to purchase a variety of goods and services necessary to conduct County business. Figure 2 lists the amount of P-Card charges by category, along with the percentage of the annual total for each of the five (5) calendar years 2020-2024.

Figure 2 - P-Card Spend by Top 10 Categories 2020-2024

Detailed Category Analysis							
CATEGORY	2020	2021	2022	2023	2024	TOTAL	% OF TOTAL
Maintenance & Cleaning Services/Supplies	\$304K	\$337K	\$436K	\$469K	\$530K	\$2077K	33%
Retail & Wholesale Stores	\$64K	\$350K	\$205K	\$162K	\$269K	\$1050K	17%
Travel - Hotel, Air, & Car Rental	\$15K	\$76K	\$235K	\$359K	\$261K	\$947K	15%
Business/Professional Services	\$96K	\$38K	\$73K	\$126K	\$183K	\$515K	8%
Restaurants, Fast Food, & Catering	\$23K	\$36K	\$86K	\$110K	\$156K	\$410K	6%
Training, Professional Development, & Licensing	\$34K	\$56K	\$67K	\$81K	\$111K	\$349K	5%
Publishing/Printing Services/Stationary & Supplies	\$31K	\$30K	\$44K	\$75K	\$115K	\$297K	5%
Memberships & Subscription Services	\$20K	\$21K	\$46K	\$44K	\$74K	\$206K	3%
Computer Equipment, Peripherals, & Service/Repairs	\$25K	\$26K	\$37K	\$40K	\$75K	\$203K	3%
Other Categories Combined	\$60K	\$59K	\$63K	\$58K	\$89K	\$328K	5%

Source: Prepared by OIIA with information obtained from BOA

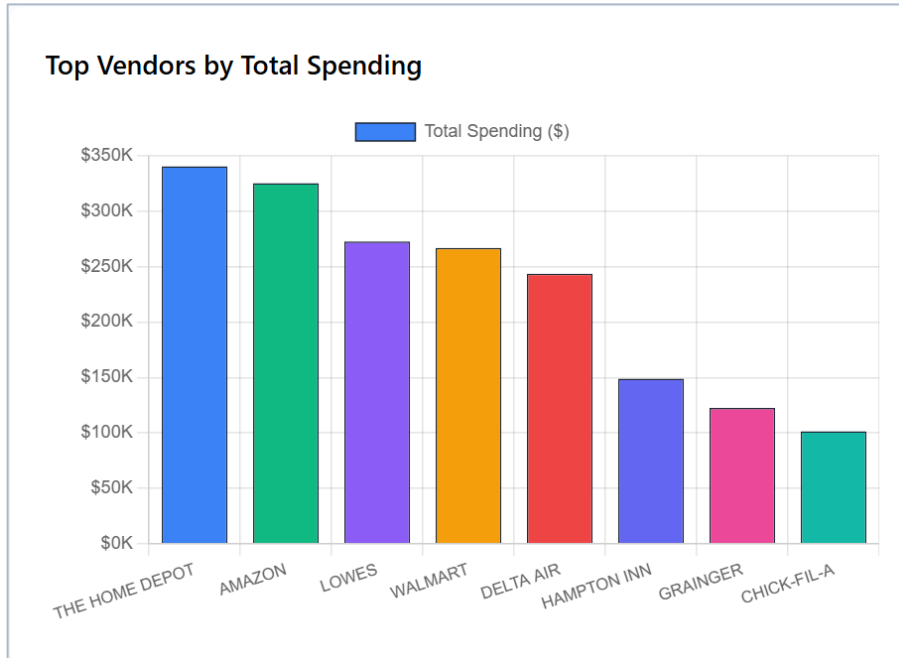
Key Insights

- ✂ **Maintenance & Cleaning** remains the largest category at 33% of total spending (\$2.08M)
- ✈ **Travel expenses surged** from \$15K (2020) to \$261K (2024), showing post-pandemic recovery
- 🛒 **Retail & Wholesale** peaked at \$350K in 2021, likely due to supply chain disruptions

The following **Figure 3** lists the top 8 vendors based on the total spending for the five years 2020-2024.



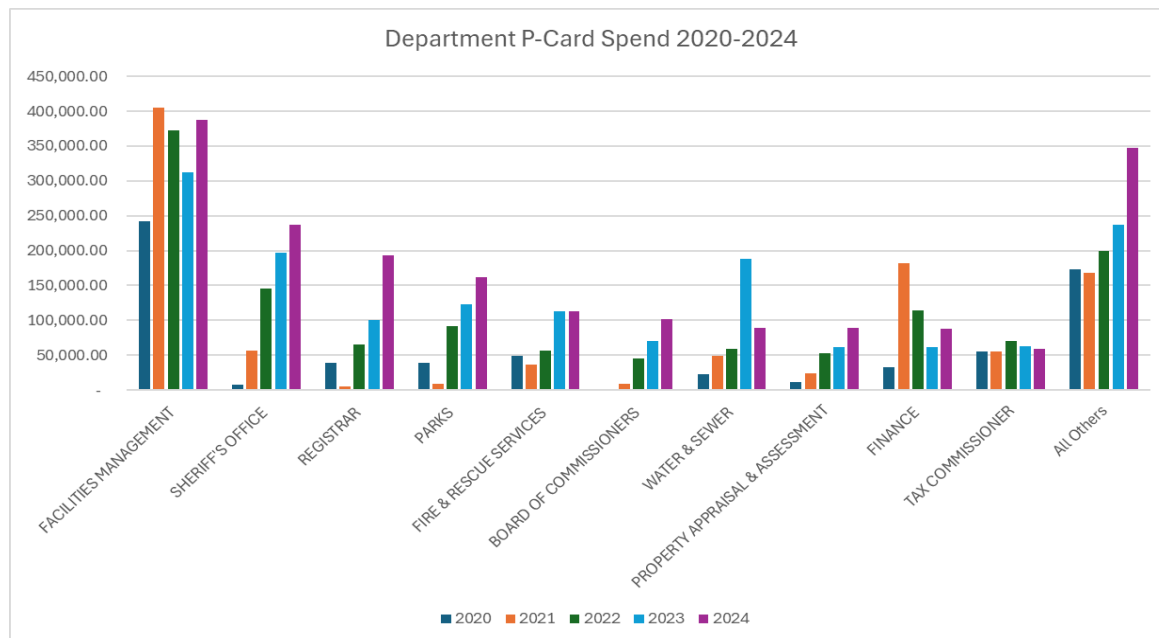
Figure 3 - P-Card Spend by Top 8 Vendors 2020-2024



Source: Prepared by OIIA with information obtained from BOA

Figure 4 below shows the distribution for calendar years 2020 through 2024 for the top 10 departments, based on 2024 expenditures, and the combined remaining departments.

Figure 4 - Department P-Card Expenditure Trends 2020-2024



Source: Prepared by OIIA with information obtained from BOA

Top Vendor Potential Cost Saving Opportunities!

Management should consider the following:

- **Home Depot:** is available through a punchout catalog under the County's negotiated contract, which provides discounted pricing and direct invoicing. Continued use of P-Cards may bypass contract savings and result in higher costs.
- **Lowe's:** Third highest P-Card spend without contract. Evaluate options to establish pricing agreement or shift spend to existing vendors like Home Depot.
- **Amazon:** Transition to a centralized Amazon Business account to access volume discounts, tax exemption, spending controls, and consolidated reporting.
- **Delta Air Lines:** Assess eligibility for corporate travel programs or state-negotiated fares to reduce travel costs.
- **Walmart:** Reevaluate continued use following pandemic-related surges; shift spend to preferred vendors with contract pricing where feasible.



Prior Audit Findings

We completed an initial audit of P-Card governance in June 2023. A follow-up in August 2024 assessed management's progress on implementing the recommendations. **Figure 5** below summarizes the status of these action plans as of the follow-up and highlights related findings from this 2025 audit.

Figure 5 – Summary of Prior Related Findings

Finding No.	Summary of Finding	August 2024 Status	July 2025 Related Findings
1	P-Card Policies and Procedures Need to be Strengthened	Open	Finding 1
2	P-Card Purchases Were Not in Compliance with County P-Card Policies	Closed	Finding 4, Finding 6
3	Monthly P-Card Reconciliation Practices Were Not in Compliance with County P-Card Policies and Procedures	Complete Pending OIIA Verification	Finding 2
4	P-Card Administration Documents are not Adequately Stored and Backed Up	Complete	N/A
5	The P-Card Administrator Can Obtain an Unauthorized P-Card Without Anyone's Knowledge	Partially Complete	N/A
6	P-Cards for Some Terminated Cardholders Not Canceled in a Timely Manner	Complete Pending OIIA Verification	Finding 8

Source: August 2024 Follow-up audit report and July 2025 Audit Report.

See [August 2024 Follow-up on Audit Report No. IA-2020-003-FN](#)

AUDIT OBJECTIVES AND SCOPE

The objective of this audit was to assess whether internal controls over DeKalb County's Purchasing Card (P-Card) Program were adequately designed and operating effectively to ensure compliance with County policy, proper card assignment, and valid, well-documented transactions.

The audit reviewed policies, training materials, and P-Card activity from **January 1, 2023, to December 31, 2024**, with a primary focus on the **Facilities Management Department** and the **Sheriff's Office**—the two highest users of P-Cards by expenditure. In addition to these departments, we conducted targeted testing of high-risk transactions across other departments, selected based on risk indicators such as rounded dollar amounts. Our sample was selected judgmentally using a risk-based approach. This design was chosen to efficiently identify potential internal control deficiencies. Therefore, the results may not be representative of the full population but are instead indicators of internal control deficiencies and sufficient to support our findings.

Details of our audit objectives, scope, and methodology are provided in **Appendix 1** of this report.

Program Activity During the Audit Period

- **Total P-Card spending** (Jan. 1, 2023 – Dec. 31, 2024): **\$3,396,278**
 - Facilities Management: **\$720,259** (21%)
 - Sheriff's Office: **\$435,092** (13%)



- Other departments accounted for the remaining 66%
- **Total active P-Cards: 141**
 - Facilities Management: **47 cards** (33%)
 - Sheriff's Office: **4 cards** (3%)

AUDIT RESULTS

The County has established P-Card policies that include key controls such as issuance requirements, training, and guidelines for allowable expenditures. However, **our audit identified eight critical findings that point to systemic internal control weaknesses, policy gaps, and underutilized system features.**

Although the P-Card program provides operational efficiencies, gaps in oversight, documentation, approvals, and system integration significantly increase the County's risk of financial loss, noncompliance, and administrative inefficiency. Addressing these issues through updated policies, expanding the use of BOA Works application tools and automation, and standardized reconciliation processes is essential to strengthen accountability and enhance program integrity and efficiency.

In addition to following audit findings, we identified **opportunities for potential cost savings through vendor spend optimization** that could generate cost savings for the County. See *page 7 of Background and Introduction*.

The following pages outline the audit findings, along with recommendations to mitigate risk and enhance operational effectiveness.

FINDING 1: Outdated Purchasing Card Policy Requires Revision

We reviewed the current P-Card policy manual for alignment with current practices and other applicable County policies and determined that the current P-Card Policy, last updated in September 2015, is outdated and does not align with actual practice and training material. While a draft update of the P-Card policy exists, it has not been finalized or approved. Further, the 2015 policy did not reference other applicable County policies related to travel and purchasing.

Our testing revealed the following policy deficiencies:

- **Outdated Program Purpose:**

The existing policy describes the P-Card as a tool for emergency purchases only. In practice, it is now widely used for general procurement, training, and travel. Current restrictions no longer reflect operational needs or workflows.

- **Sales Tax Exemption Misalignment:**

Although the policy correctly references O.C.G.A. § 48-8-3, training materials inaccurately instruct staff to seek sales tax exemption only from Georgia-based vendors, which may lead to missed savings opportunities for eligible out-of-state transactions.

- **Missing Deactivation Controls:**



The current policy does **not define dormant cards** or establish clear procedures for **P-Card cancellation upon employee separation or transfer**—an issue directly tied to **Findings #7 and #8**.

- **Lack of Oversight for Blanket Special Request Forms:**

The policy does not define or regulate the proper use of blanket special request forms (see **Finding #6**), limiting Finance's ability to monitor cumulative or repeated purchases.

- **Unaddressed Prior Audit Recommendations:**

Several improvements recommended in the prior audit remain unincorporated. (See **Appendix III** for a detailed crosswalk of previous and current gaps.)

- **Missing Integration with County-Wide Policies:**

The policy does not reference key requirements from the County's approved **Travel and Procurement Policies**, such as:

- Budget confirmation prior to incurring travel or training expenses
- Quote requirements for purchases exceeding \$5,000

Government Accountability Office (GAO) Standards for Internal Control (2014) recommend that policies must be current, consistent with laws and regulations, clearly assign responsibilities, and be effectively communicated. Best practice also calls for a documented review cycle and linkage to related governing documents.

Clear, current policy is vital because it anchors training, approval workflows, and accountability:

- **Risk control** – precise rules reduce accidental violations and alert staff to high-risk transactions.
- **Cost savings** – consistent, nationwide tax-exemption use prevents unnecessary spending.
- **Efficiency** – unified guidance streamlines approval steps and reduces clarification requests.

Updating the policy and aligning training will therefore strengthen controls while saving both time and money.

Furthermore, the outdated content and omission of key County-wide travel and procurement policies increase the risk of the following:

- Cardholders and approvers may inadvertently act outside of policy due to unclear or outdated guidance.
- Sales tax exemptions may be applied inconsistently, leading to avoidable expenditures and lost opportunities for cost savings.
- The absence of integrated procurement requirements elevates the risk of policy violations, budget overruns, and accountability gaps.
- Outdated policies impede the development of accurate training and the consistent enforcement of standards, limiting the County's ability to hold staff accountable for noncompliance.



- Collectively, these weaknesses diminish the effectiveness of internal controls and heighten the risk of audit exceptions and reputational harm.

Recommendation:

We recommend that Finance management should:

- Comprehensively revise the P-Card policy** to reflect its current general-purpose use, incorporate applicable Procurement and Travel policy requirements, define controls for dormant cards and blanket Special Request Forms (SRFs), and integrate all outstanding prior audit recommendations (see Appendix III).
- Establish a formal policy review cycle** (e.g., every two years), designating Finance as the owner responsible for policy maintenance, updates, and alignment with other County-wide policies.
- Align all training materials with the revised policy**, ensuring consistent messaging and replacing outdated guidance. Training should explicitly address procedures for nationwide sales tax exemptions, proper SRF usage, and policy compliance expectations.
- Obtain executive-level approval** of the updated policy (e.g., Chief Financial Officer or Chief Operating Officer) and ensure broad distribution to all cardholders, approvers, department heads, and P-Card Coordinators.
- Monitor policy implementation and compliance.** The P-Card Administrator should:
 - Track and document training completion,
 - Confirm operational adoption of new controls (e.g., dormant card reviews, SRF thresholds),
 - Report on any noncompliance or process adjustments needed.

Management Response (Finance Department Management):

Management Agreement	Description of Management's Action Plan to Address Finding	Estimated Timeline
☒ Agree ☐ Disagree	- P-card policy will be revised to reflect general-purpose use instead of Emergency, and a dormant card will be defined as having no activity in 12 months. An official decision has not been made to discontinue the practice of blanket SFRs. However, it will be recommended to limit each SRF to one type of transaction (example: Travel or Food/Catering/Meals or Gift cards or Conference Training/Registration Fees, etc.). The P-Card Policy will also be revised to include applicable County Procurement and Travel Policy Requirements. All prior audit recommendations have been integrated into the P-card policy. - Finance will perform a formal policy review every two years for policy maintenance, updates, and alignment with other county-wide policies. - Training materials will be aligned with the revised policy, ensuring consistent messaging. Training will be revised to address nationwide sales tax exemption (not just Georgia sales tax exemption), discontinue blanket special P-Card request forms, and policy compliance expectations. - The revised P-Card policy will receive Executive Level Approval (from the CFO or COO).	April 30, 2026



Management Agreement	Description of Management's Action Plan to Address Finding	Estimated Timeline
	The revised policy will then be distributed to all cardholders, approvers, department heads, and P-Card coordinators. 5) The P-Card Administrator will monitor policy implementation and compliance by: 1. Track & document training completion 2. Confirm adoption of new controls (dormant cards and Special P-Card Request thresholds) 6) Report on any noncompliance or process adjustments needed.	

FINDING 2: Inefficient Reconciliation Process and Underutilization of BOA Works

The current reconciliation process for P-Card transactions is inefficient and relies heavily on manual procedures. Cardholders are required to complete a transaction log that lists vendors, business purposes, and purchase amounts for each transaction. Copies of receipts and Special Request Forms (SRFs), when applicable, must be attached to this log. The completed log is reconciled to the Bank of America (BOA) Works system by the Departmental Purchaser Card Reviewer (DPCR), and physical signatures are required from the cardholder, designated approver, and DPCR.

This process is redundant, as the BOA Works system can generate transaction logs and is designed to capture essential transaction details. However, key fields in BOA Works—such as business purpose, tax amounts, and disputed transactions—are not being utilized. Furthermore, only the Designated Purchase Card Approver (DPCR) is currently required to approve transactions in the BOA Works system; approvals from the cardholder and designated approver are not captured electronically. The BOA Works system is not currently being used as intended, which limits its value as an internal control tool.

The BOA Works system is not being fully utilized due to a lack of training. Also, it may not yet be configured to take advantage of all features.

Using the State of Georgia P-Card policy as a best practice, it states the following:

- *Use of Works® Payment Manager for reconciliation eliminates the need for manual signatures on transaction logs since the sign-off in that system constitutes an electronic signature.*
- *Cardholders, proxy reconcilers, supervisors, or other approving officials MUST enter comments and/or line descriptions for each transaction. This allows program administrators, auditors, and other third parties more oversight of transactions.*
- *Comments should include the purpose of the purchase, for whom the purchase was made, and other relevant information to allow outside parties to determine that the expense was business-related.*



GAO internal control standards (2014) also call for effective use of information systems and control activities integrated with risk responses.

Failure to leverage BOA Works undermines the County's ability to manage a growing P-Card program effectively. As transaction volumes increase, continuing to rely on manual processes will:

- **Increase oversight risks** – unmonitored data fields and fragmented documentation leave gaps in accountability.
- **Waste staff time** – time spent reconciling manually could be redirected to higher-value tasks.
- **Weaken transparency** – lack of system-based approvals makes it harder to confirm proper authorization.
- **Delay resolution of exceptions** – tax errors or disputed charges may go undetected without automated reporting.

Recommendation:

We recommend that Finance management should:

1. Conduct a System Capability and Configuration Review

- Assess the current BOA Works system configuration to identify unused features that support:
 - Electronic approvals and audit trails
 - Transaction comments (e.g., business purpose, beneficiary, justification)
 - Tax tracking and dispute resolution fields
 - Automated reconciliation and exception reports
- Collaborate with BOA or IT support to enable or reconfigure these features, as needed.

2. Transition Manual Processes into BOA Works

- Eliminate the need for manual transaction logs and wet signatures by:
 - Replacing them with system-based workflows, including cardholder and approver sign-off
 - Requiring that cardholders and approvers enter descriptive comments (e.g., business purpose) directly into the system
 - Capturing tax paid and disputed amounts electronically for monitoring and analysis
- Establish system-enforced approval hierarchy: cardholder → supervisor → DPCR

3. Strengthen Monitoring with System-Generated Reports

- Implement system reports that allow Finance and DPCRs to:
 - Identify transactions missing required fields (e.g., business purpose)
 - Monitor taxable transactions and detect potential sales tax overpayments
 - Track the resolution status of disputed charges
- Use reports to support quarterly or monthly compliance reviews and exception follow-up.

4. Document New Controls and Workflows



- Update the P-Card SOP and training materials to reflect revised processes and roles.
- Maintain documentation of:
 - System configuration changes
 - Reconciliation workflow changes
 - Reporting setup
 - Approval flow design

This will facilitate internal and external audit verification and promote process transparency.

5. Provide Role-Specific Training

- Deliver tailored training for:
 - **Cardholders** – on entering the business purpose and tax fields
 - **Approvers (supervisors/DPCRs)** – on reviewing and approving transactions in the system
 - **Finance staff** – on using new reports and oversight tools
- Ensure training emphasizes compliance, accountability, and how electronic approvals replace manual signatures.

Given the County's limited resources, optimizing technology to eliminate redundant manual steps, improve oversight, and reduce human error is essential for sustainable operational efficiency.

Management Response (Finance Department Management):

Management Agreement	Description of Management's Action Plan to Address Finding	Estimated Timeline
☒ Agree ☐ Disagree	1. Finance will need to consult with BOA and/or IT for assistance with conducting a System Capability and Configuration Review. 2. Finance will need to consult with BOA and/or IT for assistance with Transitioning Manual Processes into BOA Works 3. When an automated process is implemented, Finance will need to consult with BOA for guidance on monitoring using system-generated reports. 4. P-card policy and training materials will be updated to reflect revised processes and roles. (i.e., refund of taxes, discontinue blanket special P-card request forms, and taxes should be a numerical number on the transaction log) 5. When an automated process is implemented, documentation of the following will be maintained: a. System configuration changes b. Reconciliation workflow changes c. Reporting setup d. Approval flow design 6. Training documentation will be revised to be Role Specific (Cardholders, Approvers, and Finance Staff).	April 30, 2026



FINDING 3: Reconciliation Process Can Be Improved to Ensure Proper Approvals

The County P-Card policy manual requires that each cardholder complete a transaction log listing the transactions for each monthly statement period. The transaction log must state the transaction details, including purchase date, vendor name, business purpose, and amount of any tax paid. This transaction log is to be approved by the cardholder, the Designated Purchase Card Approver (DPCR), and the department's Director or designated approver.

We reviewed a sample of 138 P-Card reconciliations to verify whether they were complete and properly approved in compliance with County policies. Of the 138, 33 (24%) were for cardholders in the Facilities Management Department, 29 (21%) were from the Sheriff's Office, and the remaining 76 (55%) were from various County departments. We identified exceptions, detailed in the table below (Figure 6), that indicate there is an opportunity for improvement in the reconciliation process to ensure P-Card reconciliations are properly completed and approved.

The following table **further** outlines the distribution of exceptions identified during our testing across Facilities Management, the Sheriff's Office, and other County departments.

Figure 6 – Distribution of Exceptions with the Reconciliation Process

DESCRIPTION OF EXCEPTION	FACILITIES MANAGEMENT	SHERIFF'S OFFICE	ALL OTHERS	TOTAL
The transaction log was not approved by the DPCR	3 (50%)	2 (33%)	1 (17%)	6
All transactions were not listed on the transaction log	0 (0%)	0 (0%)	1 (100%)	1
The cardholder did not sign the transaction log	0 (0%)	0 (0%)	1 (100%)	1
There was no designated approver signature on the transaction log	0 (0%)	2 (67%)	1 (33%)	3

Source: OIIA testing workpapers

In addition, we identified 20 DPCR and 48 Designated Approver signatures that could not initially be verified, as the approver list provided by the PCA reflected only current personnel and approval authority. Historical records documenting changes in approvers over the audit period were not retained or readily accessible. This limitation in the manual approval process made it difficult to validate whether transactions were properly authorized, particularly when signatures were unfamiliar or unverifiable.



Although the PCA later provided supplemental documentation to confirm that the signers had appropriate authority, this information was not part of a formal archival process. The lack of centralized historical records limited the auditor's ability to verify approvals efficiently and increased the risk that unauthorized transactions may go undetected in the future. It may also hinder the County's ability to respond to audits or investigations.

Furthermore, the effectiveness of the reconciliation process is heavily dependent on the PCA's ability to review and confirm compliance. Given the manual nature of the process, the volume of transactions, and the limited time available for review, there is an increased risk that discrepancies may be overlooked and that some transactions may not receive appropriate approval.

Recommendation:

To strengthen internal controls over P-Card transaction approvals, Finance management should:

- **Leverage BOA Works to Automate Approval Routing**

As recommended for finding #2, Management should assess and, where feasible, implement BOA Works' capabilities to route reconciliations to required approvers (cardholder, DPCR, and designated approver) electronically. This would eliminate reliance on static signature lists and improve approval traceability.

- **Phase Out Manual Signature Verification Requirements**

As BOA Works electronic workflows are adopted, discontinue the need for printed names and manual signature checks, which are more prone to error and harder to validate.

- **Maintain a Backup List of Approvers During Transition**

Until full electronic approval is implemented across all departments, maintain an updated list of authorized approvers with clearly documented effective dates and changes to approval authority to assist with interim verification and audits.

- **Periodically Review a Sample of Reconciliations for Compliance**

Finance Management should implement quarterly random reviews of a sample of P-Card reconciliations to verify completeness, proper documentation, and adherence to approval protocols. This control should continue even after system enhancements are implemented to ensure ongoing compliance and accountability.

- **Implement a documented escalation process** for repeated noncompliance, including notification to department leadership and potential revocation of card privileges where warranted.



Management Response (Finance Department Management):

Management Agreement	Description of Management's Action Plan to Address Finding	Estimated Timeline
☒ Agree ☐ Disagree	Finance will consult with BOA to access and, if feasible, implement an automated reconciliation process to ensure proper approvals. The automated reconciliation process will phase out manual signature verification requirements. A backup listing of approvers during transition will be maintained by the PCA. The Finance Compliance Department will periodically perform either a quarterly or semi-annual random sample review of P-Card reconciliation packages for completeness, proper documentation, and adherence to approval protocols. A documented escalation process will be implemented for repeated non-compliance (which will include notification to department leadership & potential revocation of P-card privileges where warranted)	April 30, 2026

FINDING 4: Inadequate Support and Missing Approvals for P-Card Transactions

We reviewed the 2,286 transactions included in the reconciliations sampled to test for compliance with P-Card policies. Of the transactions tested, 222 (10%) were incurred by cardholders from Facilities Management, 866 (38%) from the Sheriff's Office, and 1,198 (52%) from various other County departments.

During our review, we determined that the process was not always effective in accomplishing its goal, which included but was not limited to ensuring:

- There was a receipt (or Missing Receipt Affidavit) for every purchase.
- All purchases were for official County business.
- Additional documentation is included for applicable purchases (e.g., Special Request Forms for food, travel, gift cards, fuel, and IT equipment).

In addition, ensuring that all purchases are signed off by the DPCR in the BOA Works system as an indicator that they have reviewed the transaction and supporting documentation for compliance with P-card policies.

We noted the following instances of noncompliance, which indicate that the existing Internal controls are not effective in ensuring that P-Card transactions are properly supported and approved in accordance with P-Card policies. Figure 7 below lists the exceptions noted and their distribution across Facilities Management, Sheriff's Office, and other departments.



Figure 7 – Documentation Deficiencies Noted in P-Card Transaction Support

EXCEPTION DESCRIPTION	FACILITIES MGMT	SHERIFF'S OFFICE	ALL OTHERS	TOTAL	SEVERITY
Transaction not supported with required Special Request Form (SRF)	1 (2%)	21 (38%)	34 (61%)	56	HIGH
Receipt lacks itemization	3 (8%)	29 (81%)	4 (11%)	36	MEDIUM
DPCR did not approve transaction in BOA Works	1 (3%)	0 (0%)	31 (97%)	32	MEDIUM
Transaction not supported with receipt or affidavit	0 (0%)	10 (63%)	6 (38%)	16	LOW
Receipt provided is not legible	4 (31%)	7 (54%)	2 (15%)	13	LOW
Gift Cards purchased without adequate support/approval	0 (0%)	6 (55%)	5 (45%)	11	LOW
Furniture/Electronics purchased without proper approval	0 (0%)	4 (50%)	4 (50%)	8	LOW
Computers purchased with no evidence of IT involvement	1 (13%)	3 (38%)	4 (50%)	8	LOW
Receipt amount differs from transaction log	0 (0%)	4 (67%)	2 (33%)	6	LOW
Transaction not included on transaction log	0 (0%)	0 (0%)	2 (100%)	2	LOW

Source: Prepared by OIIA with information obtained from BOA

The effectiveness of the reconciliation process relies on the PCA to review and ensure compliance. Due to the volume, manual nature, and short timeframe for review, it may be difficult for the PCA to catch all discrepancies.

Weaknesses in the approval process increase the risk of unauthorized, inappropriate, or fraudulent transactions going undetected. Incomplete or unverifiable approvals compromise accountability and reduce the effectiveness of the County's oversight mechanisms. Additionally, reliance on manual signatures and outdated approver lists creates inefficiencies and impedes timely and accurate reconciliation, which may result in delayed corrective actions or undetected policy violations. Over time, these control gaps may erode confidence in the integrity of the P-Card program and expose the County to financial and reputational risks.

Recommendation:

Finance management should implement the following:

- **Require Supporting Documentation Prior to Approval**
Configure the BOA Works system to prevent transaction approval unless receipts and, where applicable, Special Request Forms (SRFs) are uploaded.
- **Implement a Missing Documentation Report**
Activate a monthly BOA Works report to identify any transactions submitted or approved outside of standard documentation requirements, or those missing attachments due to overrides or system issues. Share findings with the P-Card Administrator and department leadership for follow-up.



- **Issue Quarterly Compliance Reminders**

The P-Card Administrator should continue to send reminders to all cardholders, DPCRs, and designated approvers, reinforcing documentation requirements and reconciliation deadlines.

- **Conduct Annual Refresher Training with Acknowledgment**

Provide annual, role-based training for cardholders and approvers on documentation and reconciliation requirements. Include guidance on uploading clear, legible receipts with item descriptions, costs, and taxes. Require attendees to acknowledge completion of the training.

Management Response (Finance Department Management):

Management Agreement	Description of Management's Action Plan to Address Finding	Estimated Timeline
☒ Agree ☐ Disagree	When an automated reconciliation process has been implemented, Finance will consult with BOA to assist in configuring the Works system to prevent transaction approval unless receipts or special request forms are uploaded. When an automated process has been implemented, Finance will consult with BOA to assist with creating a monthly report that will identify transactions submitted or approved outside of standard documentation requirements, or those missing attachments due to overrides or system issues. These findings will be shared with the PCA & Department leadership for follow-up. PCA will continue to send monthly reminders to all cardholders, DPCR's and designated approvers, reinforcing documentation requirements and reconciliation deadlines, but may consider going to quarterly reminders as recommended. Annual Role-based refresher training for cardholders and approvers on documentation & reconciliation requirements will be given. Attendees will be required to acknowledge completion of the annual training. The training will include guidance on uploading clear, legible receipts with item descriptions, costs, and taxes. Finance will consult with IT for assistance on creating a pre-recorded platform for this annual training.	April 30, 2026

FINDING 5: Weak Internal Controls Over Sales Tax Exemption and Tracking

Our audit identified transactions included in our sample where sales tax was included on the receipt. As such, we determined that the existing internal control procedures are not sufficient to ensure that sales tax exemptions are claimed or that taxes paid in error are recovered.

The following control procedures are in place related to the sales tax exemption,

- The cardholder checks their receipt/invoice for sales tax and requests a refund from the merchant of any taxes paid in error.



- The cardholder enters the amount of tax paid on the transaction log, which is included in the monthly reconciliation.
- The DPCR, Designated Approver, and PCA, before approving the monthly reconciliation check for any sales tax paid and instruct the cardholder to request a refund.
- The PCA sends DPCRs recurring email reminders of the sales tax exemption.
- The PCA instructs cardholders and DPCRs how to request the sales tax exemption and provide a copy of the GA Sales Tax Certificate of Exemption Form during training and regular email reminders.

However, we noted the following deficiencies,

- The process for requesting a refund of taxes is not included in any training material or written procedures.
- The sales tax field on the transaction log is inconsistently used—often left blank or completed with "Y" or "N" instead of a specific tax amount.
- There is no requirement that cardholders or DPCRs enter in the BOA Works system the actual amount of sales tax paid. As a result, the tax amount listed in BOA Works does not always match the actual amount paid per the receipt or invoice, which limits the PCA's ability to monitor compliance.

As a result, the County is paying more for goods where sales tax is not exempted or recovered when paid in error.

Audit testing revealed the following:

- 22 out of 150 transactions tested (15%) had sales tax per receipt that did not match the amount recorded in BOA Works.
- 94 out of 150 transactions tested (63%) had tax amounts on the receipt that were not recorded or did not match the transaction log.
- 11 out of 150 transactions tested (7%) included sales tax paid to local Georgia vendors, with no evidence of attempts to request a refund.

Recommendation:

Finance management should implement the following:

- **Include Sales Tax Refund Steps in Procedures:**
Update P-Card procedures and training to include steps to be taken to request and track sales tax refunds.
- **Require Accurate Tax Entry in BOA Works:**
Require the cardholder or DPCR to enter the specific tax amount paid in BOA Works for each transaction.
Establish a Tax Refund Protocol:
Require cardholders to report sales tax paid in error within three business days and initiate vendor refund requests. Track recovery status and escalate unresolved items.
- **Include in Internal Audit Sampling:**



Incorporate sales tax compliance as a standard testing criterion in periodic Finance P-Card audits, focusing on high-risk vendors and departments.

Management Response (Finance Department Management):

Management Agreement	Description of Management's Action Plan to Address Finding	Estimated Timeline
☒ Agree ☐ Disagree	1. The P-Card policy and Training materials will be updated to include the procedures for Sales Tax Refund and the person responsible for tracking sales tax. 2. The entry of specific tax amounts paid to BOA Works for each transaction will be a manual process for the department DPCRs because the cardholders do not have access to Works. Many of the County's departments have an abundance of transactions per month. It may not be feasible for some DPCRs to manually go into each transaction for all department cardholders and enter tax amounts, if applicable. Because of these reasons, we will be looking to develop a process to accomplish/address the tax issue in BOA Works and identify who will be responsible for performing this task. 3. A tax refund protocol will be established and implemented, requiring cardholders to report to the vendor sales tax paid within 3 business days and initiate a vendor refund request. Recovery status will be tracked (by whom??) and escalated unresolved items. 4. The Compliance Department will perform an Internal Audit Sampling of sales tax compliance. This will be a standard testing criterion in their periodic Finance P-Card audits, focusing on high-risk vendors and departments. On 10/14/25, an email communication was sent to all P-Card participants detailing procedures to refund sales tax charged in error. This communication also notified P-card participants that cardholders have 3 business days from the date of purchase to request a refund of sales taxes. In this same email communication, it is also explained that it is a violation not to attempt to have sales taxes refunded, and the sanctions for the 1st, 2nd, and 3rd occurrences of this violation within a 12-month period.	April 30, 2026

FINDING 6: Insufficient Controls Over Blanket Special Request Forms

Our audit identified transactions included in our sample that required special approval and were supported with a blanket special request form. Upon further review, we determined that the amount of expenses in some cases exceeded the approved amount, indicating that the internal controls are insufficient to consistently ensure that purchases requiring special approval are authorized in accordance with policy and remain within appropriated and budgeted limits.

We noted that 619 of 2,286 (27%) of transactions tested were supported with a blanket Special Request Form (SRF), with 435 (70%) of those transactions being from the Sheriff's Department.



A blanket SRF is approved for a period, e.g., a calendar year, and may have a broad purpose. We identified seven (7) instances where **the total of expenditures that required a special approval exceeded the amount approved on the SRF by \$187,001**. Also, we noted that in some instances, the purpose of the SRF was very broad. The following **Figure 8** displays the blanket SRFs that exceeded the approval amount.

Figure 8 - Blanket SRFs Exceeding the Approved Amount

Department	Period Covered	Purpose stated	Approved Amt	Amt Spent	Dif
SHERIFF'S OFFICE	01/01/2023-12/31/2023	Staff Meetings, Special events/unforeseen occurrences, Conferences, Renewal fees/dues	30,000	34,767	(4,767)
SHERIFF'S OFFICE	01/01/2024-12/31/2024	Card will be used for Staff Meetings, Special Events, Unforeseen Occurrences, Food/Beverage, Gift Cards, Conferences, Renewal fees/dues	20,000	27,826	(7,826)
BOARD OF COMMISSIONERS	01/24/2023-12/31/2023	Mandated Training for Clerks - Online registration fee and travel for Clerks Conference	10,000	14,918	(4,918)
BOARD OF COMMISSIONERS	01/24/2024-12/31/2024	Mandated Training for Clerks - Online registration fee and travel for Clerks Conference	10,000	17,672	(7,672)
SHERIFF'S OFFICE	01/01/2023-12/31/2023	Card will be used for : Stff Meetings, Special events/unforeseen occurrences, Conferences, Renewal fee/dues, Car rentals (extradition) Hotels (extradition) Airline Tickets (extradition)	30,000	97,936	(67,936)
SHERIFF'S OFFICE	01/01/2024-12/31/2024	Card will be used for: Staff Meetings, Special Events, Unforeseen Occurrences, Food/Beverage, Gift Cards, Conferences Renewal fees/dues	20,000	81,902	(61,902)
BOARD OF COMMISSIONERS	01/01/2024-12/31/2024	Emergency purchases for BOC Meeting catering, conference, conference/class travel (including registration, car rental, hotel, accommodations, airfare, food) and other items for all BOC cost centers as needed	10,000	41,981	(31,981)
		Total	\$ 130,000	\$317,001	\$(187,001)

Source: OIIA testing work papers

There is no indication that the expenditures requiring special approval are tracked to ensure that they do not exceed the approved amount.

Per the P-Card policy, a Special Request Form (SRF) must be completed and approved for expenditures requiring special approval, i.e., travel, meals, training, and the purchase of furniture, appliances, and equipment. However, the policy does not include guidance on the use of blanket SRF forms.

The use of blanket SRF forms increases the risk of exceeding the budgeted funds if not monitored effectively. Also, the use of blanket SRF forms with vague or general purposes increases the risk of purchases that are not in compliance with P-Card policies.

Recommendation:

Finance management should implement the following:

- **Establish Clear Guidance for Blanket SRFs**
Revise the P-Card policy to define appropriate use cases for blanket Special Request Forms (SRFs), including required documentation, dollar thresholds, allowable duration, and limitations on purpose statements.
- **Require Specific and Measurable Purpose Descriptions**



Require that blanket SRFs include a clearly defined and measurable purpose to ensure expenditures are aligned with the original approval intent and to prevent misuse.

- **Implement Tracking Mechanism for SRF Balances**

Develop a mechanism within BOA Works or through a supplemental tracking log to monitor expenditures against the approved amount on each blanket SRF. Alerts should be generated when spending approaches or exceeds approved limits.

- **Conduct Periodic Reviews of Blanket SRF Usage**

Require periodic review of blanket SRF activity by the P-Card Administrator or department finance staff to ensure purchases remain within the scope and amount approved. Instances of overages or vague justifications should be escalated and addressed.

- **Update Training Materials**

Incorporate guidance on proper use, limitations, and tracking requirements for blanket SRFs into P-Card training materials for cardholders and approvers.

Management Response (Finance Department Management):

Management Agreement	Description of Management's Action Plan to Address Finding	Estimated Timeline
☒ Agree ☐ Disagree	An official decision has not been made to discontinue the practice of blanket SRFs. However, it will be recommended to limit each SRF to one type of transaction. I suggest that special request forms be limited to only one type of purchase (i.e., only Food/Meals, only Travel (hotel, airfare, car rental, and gas), only Conference registration fees, or training registration fees, etc. This way, the amount requested on the form can be more efficiently and accurately monitored. The P-card policy and training materials will be revised to incorporate guidance on proper use, limitations, and tracking requirements for SRFs for cardholders and approvers.	April 30, 2026

FINDING 7: Dormant P-Cards are Not Identified or Canceled in a Timely Manner

We reviewed the last date used for each of the active P-Cards for cards not used within the past 360 days.

We identified 3 P-Cards that had not been used in the past 360 days.

- 1 of the cards was activated in 2021 and has never been used.
- 1 of the cards has not been used since 2018, 6+ years
- 1 of the cards has not been used since 2021, 3+ years

There is currently no policy or procedure in place to ensure that P-Cards that are no longer needed by an employee are canceled in a timely manner.

Best practice is to define a dormancy policy and implement procedures to identify and cancel dormant cards in accordance with that policy.



The State Purchasing Division recommends that the card should be reviewed to determine if the cardholder still needs the card when it has not been used within 12 complete cycles.

There is no policy that defines a dormant card or the timeframe for canceling said cards. Also, there are no procedures for identifying and canceling dormant cards.

Dormant purchasing cards that are lost or stolen are more likely to go unnoticed until unauthorized use has occurred.

Recommendation:

Finance management should implement the following:

- Revise the P-Card policy to define what constitutes a dormant card (e.g., a specified period of inactivity).
- Establish general procedures for periodically identifying dormant cards and evaluating whether they should remain active.
- Assign responsibility for monitoring dormant cards and following up with departments to confirm continued need.
- Incorporate guidance on dormant card management into existing training materials for cardholders and approvers.
- Work with BOA to establish shorter expiration dates and an approval requirement for issuing new cards.

Management Response (Finance Department Management):

Management Agreement	Description of Management's Action Plan to Address Finding	Estimated Timeline
☒ Agree ☐ Disagree	The P-Card policy will be revised to state that a dormant card is any P-card with 12 months of inactivity. Finance management / Compliance will run Quarterly reporting in BOA Works to identify dormant cards and evaluate whether they should remain active. Finance Management / Compliance will monitor dormant cards quarterly and will follow up with departments to confirm continued need. Dormant card management will be incorporated into training materials for cardholders and approvers. PCA will consult with BOA on expiration dates for Purchase Cards, and if Finance Management agrees, shorter expiration dates will be requested from BOA.	April 30, 2026

FINDING 8: Inadequate Controls Over P-Card Cancellation Following Employee Termination or Transfer

We compared the listing of employees who were terminated or transferred during the audit period to the list of active P-Cards and found that internal controls were **not consistently effective** in ensuring that P-Cards were canceled in accordance with policy when cardholders separated from the County or transferred to another department.



Terminated Employees

Of the 25 cardholders who terminated employment during the audit period:

- **Seven (7) P-Cards (28%)** were canceled more than three business days after the termination date, contrary to recommended policy timelines.
- **One (1) P-Card** remained active as of the audit date, although the employee was terminated over a year ago (termination date: **April 12, 2024**).

Transferred Employees

Of the six (6) cardholders who transferred to a different department:

- **One (1) P-Card** remained active under the original department, despite the employee's transfer.

These exceptions indicate a breakdown in control procedures intended to ensure the timely deactivation of P-Cards. Failure to promptly cancel or reassign cards upon employee status changes increases the risk of unauthorized use, noncompliance with policy, and weakened accountability.

Per management's response to the 2023 P-Card audit, P-Cards assigned to terminated or transferred employees are reportedly canceled within 24 hours of notification or the employee's termination/transfer date.

The previous audit recommended that the P-Card policy be revised to include additional responsibilities for the PCA, specifically:

1. Reviewing daily reports from Human Resources, identifying employee terminations and transfers.
2. Canceling P-Cards for terminated or transferred employees within three (3) business days of the effective date.

While Human Resources (HR) or the department director may notify the PCA of employee separations or transfers, there is currently **no periodic reconciliation process** in place to confirm that P-Cards were canceled in accordance with policy. As a result, if a cancellation is overlooked, there is an increased risk that it will not be detected in a timely manner.

Failure to promptly cancel P-Cards for separated employees increases the risk of unauthorized purchases, noncompliance with policy, and potential financial loss to the County.

Audit testing confirmed that no purchases were made using the P-Cards of employees who had been terminated after their respective separation dates.

Finance Management identified that some Department P-Card Coordinators (DPCRs) have not consistently notified the P-Card Administrator (PCA) within the required three-day period following employee suspensions, resignations, transfers, or terminations. In response, Finance issued a policy memo on July 31, 2025, reiterating departmental responsibilities and outlining potential sanctions for noncompliance.

While this memo is a valuable step in reinforcing expectations and accountability, the additional recommendations outlined in this report are designed to further strengthen internal controls and ensure consistent policy compliance.



Recommendation:

To strengthen internal controls over the deactivation of P-Cards for separated or transferred employees, **Finance management should** work to implement the following enhancements. These procedures should be formally documented in the County's Standard Operating Procedures (SOPs) for P-Card administration and offboarding.

I. Strengthen the Offboarding Process at the Point of Separation

1. Integrate P-Card Status into the County-wide Exit Checklist

Collaborate with Human Resources (HR) to revise the exit checklist to include a required confirmation of whether the employee possesses a County P-Card. The checklist should be submitted to the P-Card Administrator (PCA) upon completion.

2. Require Independent Verification by PCA Regardless of Checklist Response

To mitigate the risk of misrepresentation or oversight, the PCA (or designated Finance staff) must independently verify the employee's P-Card status against the official active cardholder list — **regardless of the information provided on the checklist**. This verification should be documented, dated, and retained for audit purposes.

II. Establish Ongoing Oversight and Monitoring

3. Maintain a Centralized Deactivation Log

Track each separation or transfer with relevant details, including the checklist response, actual verification status, cancellation date, and responsible parties. Flag discrepancies between declared and actual card status.

4. Conduct Periodic Reconciliations

As a backup control, reconcile HR separation/transfer reports with active P-Card listings to catch any cards that may have been missed due to error or misreporting.

III. Promote Accountability and Formalize Procedures

5. Document Procedures in a Standard Operating Procedure (SOP)

Clearly define roles, responsibilities, timelines, verification steps, and documentation requirements in the SOP. Include a directive that PCA verification must occur **independently of department or employee declarations** to ensure integrity and prevent reliance on potentially false information.

6. Require Annual DPCR Policy Acknowledgment

Require Department P-Card Coordinators (DPCRs) to sign an annual acknowledgment form confirming that they understand and will comply with the County's P-Card policies — including timely notification of employee separations, transfers, and card cancellations. This acknowledgment should also confirm that knowingly providing false or incomplete information may result in administrative action.



Management Response (Finance Department Management):

Management Agreement	Description of Management's Action Plan to Address Finding	Estimated Timeline
☒ Agree ☐ Disagree	P-Card Cancellation following employee Termination & transfers will be strengthened by way of the following: 1. Strengthen the offboarding process at the point of separation. a. Integrate P-card status into the County-wide Exit checklist. b. Independent verification by PCA regardless of checklist response. 2. Establish Ongoing Oversight and Monitoring a. Maintain a centralized deactivated log b. Conduct periodic reconciliations 3. Promote Accountability and Formalize Procedures a. Document procedures in P-Card policy b. Require annual DPCR Policy Acknowledgment by signing an annual acknowledgment form.	April 30, 2026



APPENDICES

Appendix I – Objectives, Scope, and Methodology

Objectives

The objective of this audit was to evaluate the adequacy and effectiveness of internal controls over the County's Purchasing Card (P-Card) program to determine whether:

1. Documented policies and procedures align with current practices and incorporate applicable County policies.
2. P-Cards are issued only to active County employees and remain assigned to the appropriate authorizing department.
3. P-Card transactions are allowable, properly documented, and approved in accordance with established requirements.

Scope

The audit scope included a review of:

- Current P-Card policies, procedures, and training materials.
- P-Card transactions processed from **January 1, 2023, through December 31, 2024.**
- Active cardholders during the same period.

The primary focus was on the **Facilities Management Department** and the **Sheriff's Office**, with supplemental testing of transactions exhibiting high-risk indicators from other departments.

Methodology

To achieve the audit objectives, we performed the following procedures:

- Reviewed the County's current P-Card policy manual, training materials, and related procedures.
- Conducted interviews with key personnel from the Finance Department.
- Analyzed a judgmental sample of P-Card transactions, including high-dollar and potentially sensitive purchases, to assess compliance with policy requirements.
- Verified supporting documentation for selected transactions, including receipts, business purpose descriptions, and approval records.
- Evaluated internal controls related to card issuance, transaction monitoring, and reconciliation practices.



Appendix II – Management Response



Chief Financial Officer
Dianne McNabb

Lorraine Cochran-Johnson
Chief Executive Officer

Board of Commissioners

District 1
Robert Patrick

District 2
Michelle Long Spears

District 3
Nicole Massiah

District 4
Chakira Johnson

District 5
Mereda Davis Johnson

District 6
Ted Terry

District 7
LaDena Bolton

September 16, 2025

Lavois Campbell
Chief Audit Executive
Office of Independent Internal Audit
1300 Commerce Drive, Suite 300
Decatur, Georgia 30030

RE: **Management Response "Purchasing Card Program Audit-Variou**
s User Departments - Report No.
2024-0223-FN"

Dear Mr. Campbell:

In accordance with DeKalb County, Georgia – Code of Ordinances / Organizational Act Section 10A-Independent Internal Audit, this is our response to the audit named above provided in this document. As required by the ordinance, our response includes **1)** a statement regarding our agreement or disagreement along with reasons for any disagreement, **2)** our plans for implementing solutions to issues identified, and **3)** the timetable to complete such plans.

If you have any questions about this response, please contact me.

Sincerely,


Dianne McNabb, Chief Financial Officer



Appendix III –Recommended Revisions to the County’s Purchasing Card Policy Manual - Prior 2023 Audit Report No. IA-2020-003-FN

Shown below is a list of recommended changes to the policy manual as included in the previous audit. These recommendations were intended to help ensure the manual reflects current operating practices, includes all required information, and aligns with best practices.

Some revisions were made to the draft purchasing card policy, which was not yet effective as of the date of this report.

Add or Revise	Topic	Information that Needs to be Revised
Revise Topic	Definitions	Add Definitions For: • Card Abuse • Card Misuse • Reconciler
Revise Topic	Issuance Requirements	Add: 1. The documents that need to be signed before cards are issued. 2. The maximum number of cards that can be issued. 3. A review of a report showing newly issued P-Cards should be generated and reviewed at least monthly by an independent reviewer who is not under the supervision of the PCA.
Revise Topic	Roles and Responsibilities of P-Card Program Participants	Add for department P-Card representatives (DPCRs) and designated approvers: 1. DPCRs and designated approvers must have a thorough knowledge of the cardholders’ job responsibilities to determine if purchases are for official County business. 2. All approvers are required to complete P-Card training and sign off on the forms that are signed by cardholders during the card issuance process. 3. Department management must approve all purchases before they are made. 4. Designated approvers cannot be subordinates of cardholders for whom they are responsible. Add for PCA's responsibilities: 1. Cannot be a P-Card holder. 2. Ensures there are sufficiently documented internal controls and other measures (e.g., audits) to prevent and/or detect misuse or abuse of the P-Card and other accounts. 3. Develops appropriate refresher training to be delivered at least annually. 4. Is the only person who can order P-Cards. 5. Reviews daily reports from Human Resources showing employees who were terminated or transferred. 6. Is responsible for canceling P-Cards for terminated or transferred cardholders within three (3) business days after the cardholder was terminated or transferred. 7. Ensures dormant cards are canceled (e.g., no purchases in 12 months).

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FINAL REPORT**



Add or Revise	Topic	Information that Needs to be Revised
		8. Periodically reviews average P-Card usage each year for each cardholder and cancels cards that are rarely used (e.g., less than \$100 per year).
Revise Topic	P-Card Training	Add: 1. The requirement to have at least annual refresher training for Cardholders, designated approvers, and DPCRs.
Revise Topic	Special Request Forms	Add a section that indicates all instances when a Special Request Form is required, including transactions for meals, gift cards, travel, fuel, and IT equipment.
Revise Topic	P-Card allowable items	Clarify conflicting items listed on both the allowable and unallowable lists in policy: For example: <i>Currently on the Allowable List:</i> Florists Gasoline Restaurants/Food <i>Currently on the Unallowable List:</i> Flowers or gifts to be given away Fuel/Gasoline Meals
Revise Topic	Restricted MCC Codes	Add the requirement to review the restricted items list at least every three years. Also, Finance management should work with BOA to reinstate the automatic blocking of transactions from merchants with merchant category codes (MCCs) that are less likely to be for business purposes. Consider adding the following MCCs to the blocked (unallowable) list, including, but not limited to, the following: 4900 - Utilities (Electricity, Gas, Water, Sanitary Sewer) 5013 - Motor Vehicle – Supplies and New Parts (exemption for fleet maintenance) 5094 - Precious Stones and Metals, Watches, and Jewelry 5511 - Car and Truck Dealers – New and Used Sales, Service, Repairs, Parts, and Leasing 5832 - Antique Shops – Sales, Repairs, and Restoration Services 7273 - Dating and Escort Services 7277 - Tax Preparation Service 7992 - Golf Courses (Public and Private) 7995 - Betting (including Lottery Tickets, Casino Gaming Chips, Off-track Betting, and Wagers) 7997 - Clubs Country Clubs Membership etc. 8050 - Nursing and Personal Care Facilities 8351 - Child Care Services 9211 - Court Costs, including Alimony and Child Support 9222 - Fines 9223 - Bail and Bond Payments

**OFFICE OF INDEPENDENT INTERNAL AUDIT
PURCHASING CARD PROGRAM AUDIT-VARIOUS USER DEPARTMENTS
FINAL REPORT**



Add or Revise	Topic	Information that Needs to be Revised
Add Topic	Accountability of equipment purchases.	When appliances or equipment are purchased, the location (building number, room number, vehicle lot, etc.) of the item should be documented on the transaction log. (this is required in Federal purchasing card policy).
Add Topic	IRS 1099 Reporting requirements	Implement procedures/systems to ensure compliance with IRS 1099 reporting regulations. (See https://www.irs.gov/uac/about-form-1099misc). Currently, electrical services, carpentry and masonry contractors, cleaning services, etc., are listed as allowable expenditures. This may require tracking and reporting on form 1099 and sent to the IRS for charges greater than \$600. (No longer relevant)
Revise Topic	Monthly Reconciliation Requirements	Add: 1. The requirement to include sufficient documentation to validate the business purposes of P-Card purchases. 2. The requirement for each receipt to be itemized to show the amount of each purchase included in the total amount of the receipt. 3. The requirement for the DPCR to sign the transaction log to indicate their review and approval.
Add Topic	Criminal Background and Credit Checks	The County does not currently require criminal background or credit checks when P-Cards are issued (as required by the Georgia P-Card Program). Management should consider adding a policy that requires criminal background and/or credit checks before P-Cards are issued.



DISTRIBUTION

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Preston Stephens, Deputy Finance Director

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Clyde Stovall, Director of Facilities Management

Sheriff Melody M. Maddox



PROJECT TEAM

This report was submitted by:

Donna Jackson

Donna G. Jackson, CPA, CIA
Internal Auditor Manager
Office of Independent Internal Audit

10.29.2025

Date

The report was reviewed and approved by:

Lavois Campbell

Lavois Campbell, CIA, CISA, CFE, CGA
Chief Audit Executive
Office of Independent Internal Audit

10.29.2025

Date



STATEMENT OF ACCORDANCE

Statement of Accordance

The mission of DeKalb County is to make the priorities of the citizens of DeKalb County; the priorities of County government - by achieving a safer DeKalb, building stronger neighborhoods, creating a fiscally accountable and more efficient County government and uniting the citizens of DeKalb County.

The mission of the Office of Independent Internal Audit is to provide independent, objective, insightful, nonpartisan assessment of the stewardship or performance of policies, programs and operations in promoting efficiency, effectiveness and integrity in DeKalb County.

This performance audit was prepared pursuant to DeKalb County, Georgia – Code Ordinances/Organizational Act Section 10A- Independent Internal Audit. 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.

This report is intended for the use of the agency to which it was disseminated and may contain information that is exempt from disclosure under applicable law. Do not release without prior coordination with the Office of Independent Internal Audit.

Please address inquiries regarding this report to the Office of Independent Internal Audit at Imcampbell@dekalbcountyga.gov