
**Audit of Procurement Card
Usage - Orange County
Fire Rescue Department**



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Orange County, Florida**

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Mission

The mission of the Orange County Comptroller's Office is to serve the citizens of Orange County and our customers by providing responsive, ethical, effective, and efficient protection and management of public funds, assets, and documents, as specified in the Florida Constitution and Florida Statutes.

Vision

The vision of the Orange County Comptroller's Office is to be recognized as a highly competent, cohesive team leading the quest for continuing excellence in the effective safeguarding and ethical management of public funds, assets, and documents.



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September 1, 2022

Jerry L. Demings, County Mayor
And
Board of County Commissioners

We have conducted an audit of the Orange County Fire Rescue Department's Procurement Card Usage. The audit reviewed purchasing and travel card usage from October 2019 to February 2020.

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.

There are no Recommendations for Improvement included in this report. We commend the Fire Rescue Department for its successful implementation of the County's purchasing card program.

We appreciate the cooperation of Fire Rescue Department personnel during the audit.

Phil Diamond, CPA
County Comptroller

c: Byron Brooks, County Administrator
Daniel Banks, Deputy County Administrator, Public Safety
Chief James Fitzgerald, Director, Fire Rescue Services
Alex Morales, Manager, Fiscal and Operational Support Division

Background

Department Overview

The Orange County Fire Rescue Department (Fire Rescue) protects the public health and safety of Orange County citizens and visitors by providing fire prevention and control, emergency medical response, and post-fire services. Fire Rescue currently operates 44 fire stations. It serves more than 1,000,000 citizens and visitors and responded to 124,000 calls for service during the last fiscal year. For fiscal year 2020, Fire Rescue had over 1,400 authorized positions and budgeted expenditures of \$39 million.

Procurement Card Overview

The County uses procurement cards to simplify the purchase and payment process by allowing cardholders to place orders directly with vendors. Additionally, travel cards are used to pay for airline tickets, hotel reservations, conferences and training fees for employees who do not have a procurement card¹.

The transaction limits for procurement cards were increased on October 1, 2019. The limit increased from \$1,500 to \$10,000 per purchase and from \$37,500 to \$50,000 per month. Fire Rescue had 39 active cardholders during the audit period. Cardholders made purchases totaling \$1.3 million in fiscal year 2019 and \$2.9 million in fiscal year 2020. In fiscal year 2020, 50% of procurement card usage, totaling over \$1.46 million, was classified as building and equipment maintenance.

Cardholder Purchase Process

Cardholders are allowed to buy materials and services within the established transaction limits. They are required to obtain detailed receipts or invoices for every purchase. Cardholders enter the details of each purchase on a monthly purchase log. After the monthly statement is generated by the bank, the cardholder reconciles each transaction on the statement with the receipts or invoices and the purchase log.

Using the online bank software, cardholders approve, or if necessary, dispute each transaction. Any pending credits, such as returns or sales tax paid in error, are noted on

¹ Travel Cards are not allowed for meals and rental car purchases.

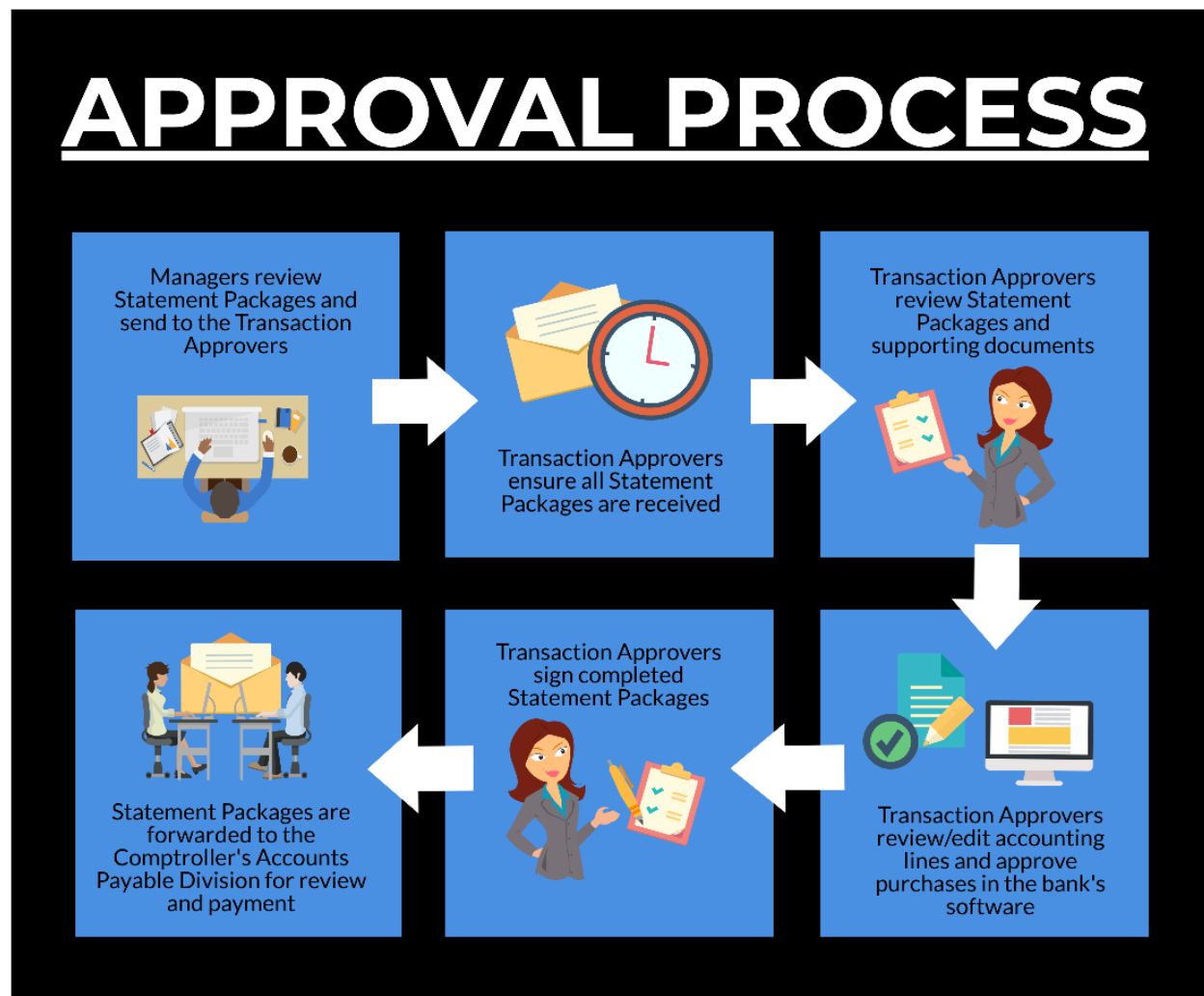
the purchase log. The statement and purchase log are signed by the cardholder and submitted to a manager for approval, with all the required supporting documentation as a complete statement package. The managers review the statement package and sign the bank statement acknowledging his or her review and approval.

CARDHOLDER PROCESS



Transaction Approval Process

Once managers complete their review, the Statement Package is forwarded to a Transaction Approver for final review. Transaction Approvers are responsible for reviewing each statement package to ensure purchases are adequately supported and in compliance with the County's procurement policies and procedures. Statement packages are reconciled with a list of cardholders to ensure all packages were received. The Transaction Approvers acknowledge their review by approving each transaction in the bank's online software and signing the bank statement. The statement packages are forwarded to the Comptroller's Accounts Payable Division for final review and payment.



Audit Scope

The audit scope was limited to Fire Rescue's procurement and travel card purchases. The audit period was October 2019 through February 2020.

Audit Objectives

The objective of the audit was to evaluate Fire Rescue's compliance with the County's procurement policies and procedures for procurement and travel card usage.

Audit Methodology

To test the Fire Rescue Division's compliance with the County's procurement policies and procedures, we:

- Verified all transactions were approved by the cardholder and Transaction Approver.
- Reviewed a sample of transactions occurring on the cardholders' days off to ensure purchases were made for valid public purposes.
- Determined whether transactions charged sales tax were appropriate. Verified sales tax credits were obtained, as necessary.
- Confirmed purchases were not split into multiple transactions to circumvent purchasing limits.
- Verified Travel Cards were not used to pay for meals or rental cars.
- For a sample of transactions related to travel, we verified:
 - Travel was for official County business and properly approved;
 - Transactions were adequately supported by an itemized receipt;
 - Expenses related to airfare, taxis, and car rentals complied with County Administrative Regulations.



- Reviewed a sample of transactions based on risk categories. For each transaction selected, we verified:
 - Procurement card numbers were redacted on supporting documentation;
 - Purchases were for a valid public purpose and did not include any prohibited items;
 - Transactions were adequately supported by a detailed receipt and any required supporting documents (such as Travel and Training Authorization);
 - Appropriate approvals were obtained prior to purchase;
 - Travel Card transactions were not made on behalf of a procurement cardholder; and,
 - Fixed asset purchases were properly classified.

Overall Evaluation

Based on the results of our testing, the Fire Rescue Department's procurement card and travel card usage is in compliance with the County's procurement policies and procedures. Only minor issues were identified. Those issues were discussed with management.