



AUDIT OF

PROCUREMENT CARD

ADMINISTRATION AND PROCEDURES

Exit Conference Date: November 7, 2006

Release Date: February 28, 2007

Report No. 07-08

CITY OF ORLANDO

OFFICE OF AUDIT SERVICES AND MANAGEMENT SUPPORT

Beryl H Davis, CPA, CGFM
Director

Mona S. Mellon, CPA
Audit Program Manager

Christopher I. Polke
Senior Auditor

TABLE OF CONTENTS

Memorandum	1
Executive Summary	3
Background	10
Summary of Recommendations and Responses	12
Issues and Recommendations	14
Adopt Internal Policies and Procedures for Procard Administration.....	15
Ensure that Procard Administrative Duties Are Timely Performed	17
Update City Policies and Procedures for the Procard Program	19
Assist Purchasing to Obtain Procard Data for Review and Discuss an Administrative Role for Purchasing	19
Assign Procards to Employees of Facilities, Vehicle Parts and City Stores	22
Require Compliance with Procard Maximum Usage Limitations	24
Destroy Personal Information Records in Procard Applications.....	28
Summarize Procard Data Monthly for Management Reports	29
Moderate Exposure from Inactive Procards and High Credit Limits	31
Provide Systematic Training for All Staff with Procard Duties.....	34
Implement Electronic Capabilities and Use an Implementation Team.....	35
Appendix 1	37
Appendix 2	38



CITY OF ORLANDO

MEMORANDUM

To: Rebecca W. Sutton, Chief Financial Officer
Raymond M. Elwell, Deputy CFO

From: Beryl H. Davis, CPA, CGFM, Director
Office of Audit Services and Management Support

Date: Exit Conference: November 7, 2006 Release: February 28, 2007

Subject: Audit of Procard Administration and Procedures (Report No. 07-08)

In response to your request, the Office of Audit Services and Management Support has performed an audit of the City's Procurement Card (Procard) administration and procedures. Our objectives were to review for adequacy the City and internal policies and procedures regarding administration of the Procard program and to compare the current processes with prior year audit recommendations.

Our audit was conducted in accordance with generally accepted government auditing standards, except that we did not perform tests of data gathered from computer-based resources. We reviewed City and internal policies and procedures regarding the Procard program, interviewed City staff from the Accounting and Control Division, the Purchasing and Materials Management Division (Purchasing), and the Facilities Management Division (Facilities), and performed such other auditing procedures as we considered necessary in the circumstances. The scope did not include an examination of Procard user compliance, as we focused on the administrative policies and procedures. The audit period was the seven months ended April 30, 2006.

We determined overall that the Procard program is meeting its objectives, there are numerous effective controls over Procard processes, and Procard administration has increased its capability and oversight during the audit period. Implementation of the recommendations in this report will enhance oversight, security and accountability. We determined that the majority of recommendations during three prior audits of the Procard program have been implemented and continue in effect; however, the recommendations in this report include some that were not fully implemented in the past.

The recommendations are addressed to the Accounting and Control Division, which has been assigned responsibility for the Procard program. We acknowledge that procurement cards are a method of procuring goods and services and that, in some other jurisdictions, the purchasing unit participates with accounting and/or manages the procurement card program. In this report we recommend that Accounting and Control request Purchasing, in keeping with its mission, to periodically review Procard data, and also discuss with Purchasing the possibility for it to assume some Procard administrative responsibilities.

In our observation, the Accounting and Control Division personnel assigned Procard administrative duties are diligent in their efforts to monitor Procard usage and compliance with policies and procedures, and that in recent months they have begun performing a higher level review and analysis of Procard transactions.

We would like to express our appreciation to City staff from the Accounting and Control, Purchasing, and Facilities Divisions for their courtesy and cooperation during this audit.

BHD/am

- c: Honorable Buddy Dyer, Mayor
- Cheryl J. Henry, Chief of Staff
- Byron W. Brooks, Chief Administrative Officer
- Mayanne Downs, City Attorney
- Kevin J. Edmonds, General Administration Department Director
- Conrad C. Cross, Chief Information Officer
- Jon D. Mead, C.P.M., Director of Purchasing and Materials Management
- Larry T. Simmons, Facilities Division Manager

EXECUTIVE SUMMARY

Objectives, Scope, and Methodology

Page 14

Our objectives were to review for adequacy the City and internal policies and procedures regarding Procurement Card (Procard) administration and usage and to compare the current processes with prior year audit recommendations.

We reviewed City and internal policies and procedures, interviewed City staff with Procard administrative responsibilities, looked into peer practices, and performed other relevant auditing procedures.

The audit scope was the seven months ended April 30, 2006, and did not include an examination of Procard user compliance, as we focused on the administrative policies and procedures.

Using data extraction software, we determined the largest Procard users and Procard vendors during the seven months ended April 30, 2006 (Appendices 1 and 2). We did not test the accuracy of the data entered into this database but, rather, utilized the information to obtain an understanding of the primary Procard users and the vendors most frequently used.

Results

We determined overall that the Procard program is meeting its objectives, there are numerous effective controls over Procard processes, and Procard administration has increased its capability and oversight during the audit period. Implementation of our recommendations will enhance: administrative oversight; security of Procards and information; and accountability for Procard spending.

Between 1998 and 2004 we performed and followed up three significant Procard audits with numerous recommendations. The majority of these recommendations have been implemented and continue in effect; however, the following recommendations include some that were not fully

implemented.

**Adopt Internal
Policies and
Procedures for
Procard
Administration**

Page 15

Internal policies and procedures are vital to aid Procard administrative staff and supervisors to more effectively and consistently perform their duties. The Accounting and Control Division's detailed internal policies and procedures for Procard administration were being drafted by the Accounting and Budget Coordinator (Coordinator) during our audit period. The draft had been reviewed by the Accounting Section Manager but not approved or adopted by Accounting and Control Division management.

An internal policies and procedures document should indicate: the duties of the Coordinator and other accounting staff; what review procedures should be performed and documented by the Accounting Operations Manager; the Accounting Section Manager's supervisory role; and who should monitor the City's compliance with the Procurement Card Agreement.

The Accounting and Control Division should adopt and periodically update an internal policies and procedures document for Procard administration and oversight, to include the supervisory and review duties of the oversight positions, and various other internal procedures recommended in this report.

**Ensure that
Procard
Administrative
Duties Are Timely
Performed**

Page 17

Improvements in Procard administration have occurred since their consolidation under the Coordinator during the early months of 2006. However, we noted that the compliance review of Procard statements was two months behind in May 2006.

Upon implementation in FY 2007 of Procard issuer software with new electronic capabilities, the new training, analysis and reporting responsibilities will be assigned to the Coordinator. The Accounting and Control Division should ensure that: the

Procard administrative duties, including analysis and the introduction of new software capabilities, can be timely performed; and determine whether the Coordinator position needs additional skills, training or other resources.

Update City Policies and Procedures for the Procard Program
Page 19

The last revision of the City Policies & Procedures informing the Procard users and Approving Officials how to perform their duties was in 2000.

The Accounting and Control Division should update City Policies & Procedures in order to document and codify any additional controls over the Procard program.

Assist Purchasing to Obtain Procard Data for Review and Discuss an Administrative Role for Purchasing
Page 19

In some jurisdictions, the purchasing office administers the Procard program, sharing duties with the accounting office. We believe Purchasing can add important value to the Procard program. The Accounting and Control Division should assist Purchasing to obtain Procard data for periodic review. As examples, the high-dollar Procard users and the vendors who are paid the greatest dollars by Procards should be reviewed to determine if new annual contracts would provide cost savings and purchasing efficiencies. In addition, the Accounting and Control Division should discuss with the Purchasing and Materials Management Division the possibility for it to assume an administrative role in the Procard program.

Assign Procards to Employees of Facilities, Vehicle Parts and City Stores
Page 22

A number of City employees purchase materials and services using Procard numbers of three Purchasing employees on a regular basis: Facilities Management trades personnel; Purchasing employees who staff the Vehicle Parts Room; and Purchasing employees who staff the City Stores inventory warehouse. This practice is a concern because the City may be financially responsible for possible misuse by employees allowed to use the Procard number of another employee. Therefore, an employee accountable for using a Procard should

not give that number to other employees for their use.

Further, it is more difficult to ensure purchases are proper and to reconcile the Procard statements if the purchases of several different employees are combined on the Procard statement of another employee.

To better maintain the confidentiality of and increase the accountability for each assigned Procard, and to enable more efficient review of the Procard purchases made by each employee, we recommend that the Accounting and Control Division assist with the assignment of Procards to employees who must obtain materials and services for Facilities, Vehicle Parts, and City Stores.

**Require
Compliance with
Procard
Maximum Usage
Limitations**

Page 24

Our review of limits in City Policies & Procedures regarding amounts and numbers of Procard transactions led to three concerns:

(1) Policy limits all individual Procard purchases to a maximum of \$1,000 per transaction, although the Chief Administrative Officer (CAO) may approve transactions greater than this amount. Three Purchasing staff have Procards that are regularly used to make purchases for greater than \$1,000. We found approval for five of the eleven Procards used for these transactions. We recommend that the Accounting and Control Division ensure that CAO approval is granted and maintained for any current and future Procards that may exceed the maximums set by Policy.

(2) Procards of these three Purchasing staff are being used for more than the maximum daily number of ten transactions allowed by City Policy. We also noted 24 Procards of other City programs that are allowed from 15 to an unlimited number of daily transactions. To correct these discrepancies, we recommend that the Accounting and Control Division immediately take action to bring these Procards into

compliance with transaction limitations, or change City Policies & Procedures to allow the current practice.

(3) We recommend that the Accounting and Control Division determine a suitable maximum monthly dollar amount and number of transactions per Procard and require CAO approval for any higher limits if deemed necessary. We believe that such provisions can aid the Accounting and Control Division to reduce exposure to possible losses and should be added to City Policies & Procedures.

**Destroy
Personal
Information
Records in
Procard
Applications**

Page 28

City staff who are assigned Procards must first complete an application form containing personal information in order to be approved by the Procard issuer. The forms that contain this personal information are controlled in locked areas; however, for additional security we believe that the form should be redesigned so that the personal information can be destroyed after approval is obtained and as soon as allowed by statute. In addition, a plan should be created to archive and destroy personal information contained in older Procard applications. The Accounting and Control Division should continue to pursue with the Procard issuer ways to minimize the need to collect and protect this personal information, such as the applicant submitting this information directly to the issuer.

**Summarize
Procard Data
Monthly for
Management
Reports**

Page 29

The reports used and analysis performed by Procard administrative staff could be summarized effectively into a monthly "snapshot" of pertinent data for oversight by the Controller. Available data sources include the Procard issuer's monthly printout, the results of monthly administrative review procedures conducted by the Accounting and Budget Fiscal Coordinator, and quarterly reports of Procard activity. Also, concise reports of Procard usage could show usage trends and compliance occurring within the departments, for review by departmental management. We suggest that efficient methods be sought to provide appropriate information on Procard use

to the Controller and departmental management.

**Moderate
Exposure from
Inactive Procards
and High Credit
Limits**
Page 31

Reducing the number of Procards in circulation and the maximum limits on some individual Procards could reduce the City's exposure to improper use of Procards and potential loss.

Of 762 Procard accounts as of May 24, 2006, 344 had activity. Of 418 cards with no activity, 157 were inactive for 12 to 93 months, and 91 were inactive for 6 to 11 months. Other Procards have minimal activity. The Accounting and Control Division should provide departmental management with lists of inactive and minimally active cards annually, require justification for their continued use, and deactivate unjustified cards.

To ensure proper control over Procards that are not deactivated yet have no activity for a number of months, the Accounting and Control Division should conduct a periodic inventory of the Disaster Procards, and instruct departments to periodically inventory the remaining inactive Procards.

There are a number of instances in which the credit assigned to individual Procards far exceeds the actual usage. The Accounting and Control Division should provide written guidelines and data to departments annually to reevaluate and report the reasonableness of the assigned Procard spending and transaction limits.

**Provide
Systematic
Training for All
Staff with
Procard Duties**
Page 34

Employees who are issued Procards are provided brief instructions upon receiving their cards, but no memory aids or updates are provided. There is no training for departmental supervisors who must approve Procard purchases and documents, or for other departmental staff who must assist with Procard compliance. These conditions can allow errors, improprieties, or inefficiency to occur. The Accounting and Control Division should provide training and aids for all

employees involved in Procard processes to maintain consistent compliance.

**Implement
Electronic
Capabilities and
Use an
Implementation
Team**
Page 35

The Procard issuer is transitioning the City to new software in the upcoming months. Because this is anticipated to enable much more sophisticated electronic capabilities, review and approval ability, and reports for analysis, the Accounting and Control Division should implement the electronic features provided by this new software. To ensure cooperation, participation, and understanding of new procedures, the Accounting and Control Division should assemble a team of individuals from various departments to assist with this software implementation, and provide specialized training.

BACKGROUND

The City of Orlando's Procurement Card (Procard) program was adopted in 1996 and described in City Policies & Procedures 651.1, last amended in 2003. The Procard program is administered by the Controller Division, through the Accounting Operations program. The stated Procard program objectives are to:

- ensure purchasing of goods and services in accordance with the City's ordinances and policies;
- establish internal controls within each department or office so that the Procards are used only for authorized purposes;
- ensure that the City bears no legal liability from inappropriate use of the Procards; and
- provide a convenient and adequate small order purchasing system for City employees.

The latter objective was a primary motive for adoption of the Procard program for the purposes of efficiency and processing cost savings. It results in the distribution of purchasing power among a greater number of City employees; the other three objectives are broad controls to ensure proper use of the Procards. To illustrate the benefit of using Procards to purchase goods and services, the average cost of processing a Procard transaction is less than \$3, compared to approximately \$20 to process a check in Accounts Payable, according to the Accounting and Control Division's calculations.

Monthly review of Procard statements is conducted by an Accounting and Budget Fiscal Coordinator (Coordinator), and supervision is performed by an Accounting Section Manager and the Accounting Operations Manager. Establishment of and changes to Procard accounts, receipt of documents, and recording of Procard transactions in the City's general ledger are performed by other individuals in the Accounting and Control Division, providing segregation of duties for these functions. For approximately one year, until FY 2005/06, the position assigned to review the monthly Procard statements was vacant, and those duties were divided among Accounts Payable staff. Duties for accepting Procard applications and issuing and deleting Procards remain with an Accounting Specialist II and provide for a measure of segregation of duties.

The cardholders and the Approving Officials, who are throughout the various City programs, are assigned key responsibilities with regard to use of the Procards and review of the Procard statements. A vital role, which only they can play, is to ensure that expenditures are proper, including whether they are acquired from suitable vendors, with appropriate costs and terms, and serve the public purpose. The responsibilities of the cardholders and Approving Officials are delineated in City Policies & Procedures.

The total maximum City credit limit for all Procards outstanding is \$1,000,000. According to the Procard activity report provided by the purchasing card issuer, JPMorgan Chase Bank N.A., for the month ended May 24, 2006, the City of Orlando had 762 Procard accounts. Among these are 60 Procards designated for City disaster use only; these are locked away by the Accounting and Control Division and only activated and distributed for use when a hurricane or similar unusual emergency threatens.

The Accounting and Budget Fiscal Coordinator is the employee assigned to monitor Procard compliance and reviews a selection of Procard statements monthly to ensure that:

- invoices and other appropriate documentation were attached to the statement,
- the cardholder and Approving Official both have indicated approval of the statement,
- the description and public purpose of the Procard purchases are apparent,
- restricted categories of purchases were not made (such as fuel and capital assets), and
- other procedures have been followed such as prohibiting payment of sales tax, and the splitting of invoices so that credit limits are not exceeded.

With regard to the Procard program, this Coordinator also:

- requests new vendors be established if necessary, and
- reviews daily electronic data received from the Procard issuer before it is entered into the general ledger by another employee of the Accounting and Control Division.

Total Procard expenditures were approximately \$4.9 million during the first seven months of fiscal year 2006, according to data from the City's general ledger. The average dollar amount per expenditure during this period was approximately \$230. Procard users are limited to \$1,000 per transaction or less, except for three individuals in Purchasing who are assigned Procards with greater limits of up to \$5,000 or \$10,000 per transaction. These limits are similar to their authorization to purchase items of these amounts through other purchasing methods.

According to Purchasing's calculations, in FY 05, almost \$8 million (6%) of the City's purchases were accomplished through Procards. The number of Procard transactions for FY 05 was 35,332 (57% of the total orders).

Selected terms used in this report are:

- Procard user or cardholder – a City employee who has been issued a Procard,
- Approving Official – a City employee assigned to review and approve a Cardholder's Procard purchases (usually the Cardholder's supervisor), and
- Procard Administrator – the Controller, responsible to direct the Procard program for the City of Orlando, or a delegate.

SUMMARY OF RECOMMENDATIONS AND RESPONSES

RECOMMENDATIONS	RESPONSES
The Accounting and Control Division should:	
1. Adopt and periodically update internal policies and procedures for the Procard program, to include the Procard oversight positions, the supervisory and review duties, and other internal procedures and controls.	Concur
2. Ensure that the Procard administrative duties can be timely performed, through review of the skills, resources and training needed by the Coordinator position.	Concur
3. Update City Policies & Procedures in order to document and codify any additional controls over the Procard program.	Concur
4. Assist the Purchasing and Materials Management Division to retrieve Procard vendor and spending data for periodic review and possible new contracts and cost savings.	Partially Concur
5. Discuss with the Purchasing and Materials Management Division the possibility for it to assume an administrative role in the Procard program.	Concur
6. Assist with assigning Procards to Facilities Management, Vehicle Parts, and City Stores staff responsible for obtaining materials and services.	Do Not Concur
7. Ensure Chief Administrative Officer approval is granted and maintained for any current and future Procards that may exceed the purchase limits set forth in City Policies & Procedures.	Partially Concur
8. Take action immediately to bring into compliance all Procards with limits over the current policy maximum for individual purchase amounts or number of daily transactions, or change City Policies & Procedures to allow the current practice.	Partially Concur

RECOMMENDATIONS	RESPONSES
9. Determine a suitable maximum monthly dollar amount and number of transactions for each Procard and document this in City Policies & Procedures.	Do Not Concur
10. Destroy personal information promptly after its use to obtain a Procard, archive and destroy personal information contained in older Procard applications, and contact the card issuer about further possible controls over personal information.	Partially Concur
11. Obtain from the Procard administrative staff monthly summary reports of data that would indicate Procard usage status and trends.	Concur with Reservations
12. Automatically summarize monthly and cumulative Procard data by program, employee and card for review by department managers.	Concur with Reservations
13. Annually provide departmental management with a list of Procards with no or little recent activity, request justification for continued use, and deactivate any unjustified Procards.	Concur
14. Conduct a periodic inventory of the Disaster Procards, and instruct departments to periodically inventory any Procards with no recent activity.	Concur
15. Provide departmental management with written guidelines and annual data to reevaluate and report back the reasonableness of the daily and monthly Procard spending and transaction number limits assigned to each Procard.	Concur with Reservations
16. Provide systematic training and aids to maintain consistent compliance for Procard users, Approving Officials and all other departmental staff with Procard responsibilities.	Concur
17. Implement the electronic capabilities of the Procard issuer's new software, assemble an implementation team from various departments, and provide specialized training.	Concur

ISSUES AND RECOMMENDATIONS

Objectives, Scope, and Methodology

The objectives of our Audit of Procurement Card Administration and Procedures were to review for adequacy the related City and internal policies and procedures and to compare the current processes with prior year audit recommendations.

We reviewed City and internal policies and procedures for the Procurement Card (Procard) program, interviewed City staff from the Accounting and Control Division, the Purchasing and Materials Management Division (Purchasing), and the Facilities Management Division (Facilities), looked into practices of peers, reviewed a limited selection of Procard administration and usage documentation, and performed such other auditing procedures as we considered necessary in the circumstances.

The audit period was the seven months ended April 30, 2006. Our scope did not include an examination of Procard user compliance, as we focused on the administrative policies and procedures, or travel cards, as they are under separate policies and procedures and are subject to an established rigorous review process.

Using an automated data extraction software application (ACL), we determined the largest Procard users and the vendors paid the largest amounts by Procards during the seven months ended April 30, 2006, included as Appendices 1 and 2. We did not test the accuracy of the data entered into this database but, rather, utilized the information to obtain an understanding of the primary Procard users and the vendors

most frequently used.

Results We determined overall that the Procard program is meeting its objectives, there are numerous effective controls over Procard processes, and Procard administration has increased its capability and oversight during the audit period.

Implementation of the recommendations in this report will enhance: administrative oversight; security of Procards, Procard numbers and card holders' personal information; accountability for Procard spending and approvals; and reporting, training, and other procedures.

Between 1998 and 2004 we performed and followed up three significant Procard audits resulting in numerous recommendations, the majority of which were implemented and are still in effect; however, the following recommendations include some that were not fully implemented in the past.

Adopt Internal Policies and Procedures for Procard Administration

The Procard administration function of the Accounting and Control Division has been operating without the benefit of internal policies and procedures, which are vital to aid administrative staff and supervisors to more effectively and consistently perform their duties. The Accounting and Budget Coordinator (Coordinator) was drafting internal procedures for Procards when we requested to review them for this audit. This draft included considerable detail about how Procards are issued, how the monthly transactions are recorded in the City's general ledger, and how the monthly Procard audit is performed. The draft had been reviewed by the Accounting Section Manager but not approved or adopted by Accounting and Control Division management.

The Accounting Section Manager and the Accounting Operations Manager supervise the Procard administrative

duties performed by the Coordinator during each monthly cycle. These accounting managers indicated they have had a greater opportunity to oversee the Procard administrative procedures during 2006, as increased accounting staff levels have helped free time for additional review, and we observed recent improvements in Procard administration.

However, there are no internal policies and procedures indicating the Accounting Operations Manager's and Accounting Section Manager's oversight roles, what supervision of the Procard program or review of the Coordinator's monthly work should be performed and documented, or what position should monitor compliance with the Procurement Card Agreement with the issuer.

An internal policies and procedures document for Procard administration and oversight should be approved, adopted, and periodically updated. It should indicate the duties of the Coordinator and other Procard administrative staff; what review procedures should be performed and documented by the accounting managers, and who should monitor the City's compliance with the Procurement Card Agreement. Certain other procedures and controls recommended in this report also should be added to the internal policies and procedures.

Recommendation 1.

We recommend that the Accounting and Control Division adopt and periodically update internal policies and procedures for the Procard program, to include the Procard oversight positions, the supervisory and review duties, and other internal procedures and controls.

Response

Concur. We will review and revise the internal Procard policies and procedures after the new Accounting and Budget Coordinator has an opportunity to understand our current procedures.

**Ensure that
Procard
Administrative
Duties Are Timely
Performed**

The regular monthly Procard administrative duties, which were divided among Accounts Payable staff in FY 05, have been consolidated during the early months of FY 06 under the Accounting and Budget Fiscal Coordinator. Thus, more administrative procedures have been performed, such as the Coordinator reviewing the Procards held by two Purchasing staff on a definite date, creating efficiencies, and the monthly compilation of certain statistics, including a record of infractions by card users or Approving Officials.

We noted that the review of the Procard statements for compliance was two months behind when we began the audit in May 2006. Also, the Coordinator position description indicates that this position should compile information reports to management and write summaries of critical situations, as well as conduct research, analyze issues and interpret data to make conclusions and recommendations. Management expects this position to recommend enhancements to the Procard review processes to increase efficiency and internal controls.

In the near future, when the Procard issuer implements new software introducing sophisticated electronic capabilities, the training, analysis and reporting responsibilities assigned to the Coordinator will be more complex. These additional duties raise a concern when the routine Procard administrative duties are not being fully accomplished each month, and needed analysis and reporting are not yet well-defined and may be increased by instituting several recommendations in this report. It could be difficult to effectively implement new Procard software and electronic review and analysis procedures as well as continue current responsibilities without additional resources.

Regarding the volume of work, we learned that Orange County has approximately 940 active procurement cards (including travel cards) and \$1.7 million in monthly spending, administered by: two purchasing division staff responsible for policy, training and other duties such as ordering and canceling

cards; two senior accounting staff as procurement card administrators; and four others who audit the expenditures for compliance.

In comparison, Orlando has approximately 700 procurement cards and \$0.7 million monthly spending (excluding travel cards), with no Purchasing staff assigned to administer the Procard program, one assigned Procard staff who performs various procedures including the review of a large portion of the expenditures, and Accounting and Control Division supervisory oversight. City employees' travel may not be charged to Procards and is separately administered, with the primary responsibility of one Accounts Payable position to perform the review and accounting for all City travel, currently averaging approximately \$26,000 per month.

We suggest that the Accounting and Control Division review the Procard Coordinator position's duties as currently assigned and others soon to be added, along with the skill sets necessary to ensure that these duties can be timely and adequately performed. This position should be provided the skills, training and other resources needed to accomplish the daily Procard administration and implement any future necessary Procard program training, analysis and improvements. One possibility that should be considered is to combine the travel card review, currently a separate process, with the Procard administration to enable cross-training and the most effective use of these two positions.

Recommendation 2.

We recommend that the Accounting and Control Division ensure that the Procard administrative duties can be timely performed, through review of the skills, resources and training needed by the Coordinator position.

Response

Concur. This shall be accomplished when the new Accounting and Budget Coordinator is properly trained.

Update City Policies and Procedures for the Procard Program

City Policies & Procedures section 651.1 formally sets forth policies and controls over the Procard program and basically informs the Procard users and Approving Officials how to perform their duties. The last revision to the Policy was in 2000. We have noted that changes in current procedures and practices have occurred since that time.

Therefore, City Policies & Procedures for Procards should be updated to document and codify the additional procedures and controls over the Procard program.

Recommendation 3.

We recommend that the Accounting and Control Division update City Policies & Procedures in order to document and codify any additional controls over the Procard program.

Response

Concur. We will be looking into new work processes that will enhance the Procard program as part of the re-bidding of our vendor's contract. We will be updating the Policies and Procedure once we have completed our enhancements.

Assist Purchasing to Obtain Procard Data for Review and Discuss an Administrative Role for Purchasing

The Procard program is administered entirely by the Accounting and Control Division. This includes all phases, from setting City Policies & Procedures to initiation and cancellation of Procards to review for compliance with Procard Policies & Procedures.

We contacted six jurisdictions in Florida about whether the purchasing office or the accounting office administers the procurement card program. Of the six, Jacksonville is the only jurisdiction where the accounting office has primary responsibility for the procurement card program. In the cities of Ft. Lauderdale, Tampa and Gainesville and in Orange and Hillsborough Counties, the purchasing office has primary or shared responsibility with the Accounting division. We obtained the above responses verbally from purchasing personnel of those jurisdictions, not through a formal survey.

We believe a review of Procard data by Purchasing would add

value to the Procard program by helping to ensure that the prices of items purchased are favorable and efficiencies are gained.

For example, we discussed with the City's Purchasing management the data from the City's general ledger about employees who spend the most through Procards as well as the vendors paid the greatest amounts through Procards during the seven months ended April 30, 2006. (See Appendices 1 and 2.) By reviewing which programs use Procards the most, which vendors are most used, and what goods are most often purchased, Purchasing could determine whether the City should conduct a bid process for certain items, enter into annual contracts with certain of these vendors, and thereby obtain favorable pricing and other considerations.

The data for the seven months ended April 30, 2006 showed that, of the 25 Procard users with the greatest dollar volume, three Purchasing staff were the top purchasers in dollar volume totaling approximately \$2.8 million. The next 22 highest dollar volume Procard users purchased \$889,308. A chart indicating the eight divisions with the highest dollar Procard users and their respective total purchases is at Appendix 1.

Our analysis showed that the vendor receiving the most in Procard charges during the seven months ended April 30, 2006 was Action Gator Tire Company (approximately \$340,000). In fact, a total of 33 vendors were paid using Procards during this period in amounts that, if annualized, would exceed \$50,000 per vendor. While the City's purchasing Policy was not violated by these individual purchases, it is possible that the City could have received more economic value if certain goods and services purchased were bundled to receive a more competitive price on these items.

In addition, some of these top vendors should have had City contract numbers assigned to them according to Purchasing's procedures, but did not. Adding these vendors to Purchasing's contract database, which is widely accessible, could aid City

staff using Procards to identify vendors with which the City has contracts so that contract prices are obtained for Procard purchases.

The Accounting and Control Division should assist Purchasing to retrieve Procard data for periodic review, including examination of high-dollar Procard users and the vendors who are paid the greatest dollars by Procards to determine if entering into annual contracts with these vendors would be beneficial.

Further, we believe that Purchasing could add value to the City's Procard program by assuming a greater role in its administration. This role, according to purchasing peers in other jurisdictions may include coordinating policy and internal controls; training; issuing and canceling cards; and addressing supplier, billing, misuse and disciplinary issues. Participation by Purchasing in administering the Procard program and evaluating Procard purchases would be in keeping with its mission to acquire goods and services at the best cost consistent with quality in accordance with City Code.

Recommendation 4. We recommend that the Accounting and Control Division assist the Purchasing and Materials Management Division to retrieve Procard vendor and spending data for periodic review and possible new contracts and cost savings.

Response Partially concur. We will assist the Purchasing and Materials Management Division in obtaining a user ID and password to the MasterCard website where they can retrieve the Procard vendor data. This will provide them with the ability to retrieve data in a format and manner that supports their objectives.

Recommendation 5. We recommend that the Accounting and Control Division discuss with the Purchasing and Materials Management Division the possibility for it to assume an administrative role in the Procard program.

Response **Concur.** We concur that there should be an organizational discussion about the role of the Procard program in the City and the appropriate agency to manage this program.

Assign Procards to Employees of Facilities, Vehicle Parts and City Stores

We found that a number of City employees who purchase materials and services use Procards numbers of three Purchasing employees on a regular basis: Facilities Management trades personnel; Purchasing employees who staff the Vehicle Parts Room; and Purchasing employees who staff the City Stores inventory warehouse.

This practice is a concern because, although a possible defalcation could be detected through existing reviews and controls, we were told by Procard administrative management that the City may bear financial responsibility for misuse by an employee given the Procard account number of another employee as a matter of regular City practice. Therefore, an employee accountable for the use of a Procard should not give that number to other employees for their use. Further, it is more difficult to ensure purchases are proper and to reconcile the Procard statements if the purchases of several different employees are combined on the Procard statement of another employee.

The first recommendation of our 2002 audit of the controls over Procards for Facilities was that Facilities Management “should assign a Procard to each Facilities employee who regularly makes Procard purchases in the normal performance of his or her job duties.” The finding further stated, “Purchasing personnel should no longer hold Procards for Facilities Management purposes.”

This recommendation was not fully implemented. We noted a substantial occurrence of Facilities’ purchase transactions using Procards assigned to two Purchasing staff (for example, 217 Procard transactions totaling \$37,976 for the month ended May 24, 2006). We have been informed that 15 to 20

Facilities employees responsible for acquiring materials were not issued Procards. At present, the Facilities Management Division has 16 Procards assigned within its staff of 48. Most of these cards have single purchase limits of \$500 and monthly limits of \$5,000. For a frame of reference, Orange County's facilities staff have approximately 125 procurement cards, with single purchase limits of up to \$1,500, according to an Orange County procurement card supervisor.

The Facilities Management Division Manager indicated that, in keeping with our earlier recommendation, obtaining additional Procards for the other Facilities staff responsible to acquire materials and services would make Procard accountability more efficient and he believes that Facilities employees can responsibly use Procards assigned to them.

We determined through interviews that many controls are already in place within Facilities, as the trades staff and supervisors are required to review and sign all Procard invoices, and the Facilities Management Division Manager looks at all Procard statements and invoices, and all service contracts. He already requires Facilities staff to get his approval to obtain anything over \$1,000, and believes most items over this amount could be timely obtained through regular Purchasing practices.

Therefore, our current finding agrees with our earlier audit recommendation, that Facilities Management employees who must purchase materials and services should be assigned Procards.

Similarly to the situation for Facilities, we found that a number of Purchasing employees who order materials and services for Vehicle Parts or City Stores do not have Procards assigned to them. This causes the purchases of several employees to be reflected on the Procard statements of other Purchasing employees, making the purchasing activity of each employee more difficult to evaluate.

The supply unit of Orlando Police Support Services uses a different model for Procard use, as each of the five purchasers are assigned Procards for the Police programs for which they purchase. This arrangement gives transparency for the managers reviewing the Procard statements to note the types and amount of purchases each employee makes on each Procard.

We believe that the practice of various employees acquiring items for Vehicle Parts and for City Stores by using Procards assigned to three Purchasing staff members should be ended. To better maintain the confidentiality of and increase the accountability for the use of each assigned Procard, and to enable more efficient review of the Procard purchases made by each employee, we recommend that Procards be assigned to any staff member who must acquire materials or services purchased with Procards.

Recommendation 6. We recommend that the Accounting and Control Division assist with assigning Procards to Facilities Management, Vehicle Parts, and City Stores staff responsible for obtaining materials and services.

Response Do Not Concur. Since Procards are used for the acquisition of materials and services, we will communicate this finding to the Purchasing and Materials Management Division Manager for comment.

Require Compliance with Procard Maximum Usage Limitations City Policies & Procedures limit all individual Procard purchases to a maximum of \$1,000 per transaction, and ten transactions per day; lower limits may be established by department and office directors. The Chief Administrative Officer's (CAO) approval is required to set a Procard to allow transactions greater than \$1,000 each. City Policies & Procedures do not state whether a Procard may be approved for more than ten transactions per day, or establish a standard maximum dollar amount or number of transactions per card

per month.

Our review of these City Policies & Procedures for Procards led to three concerns.

(1) We were able to determine that in 1999 the Assistant CAO approved one Purchasing employee using five Procards to exceed the maximum \$1,000 per transaction limit provided by City Policies & Procedures. However, this employee currently has six Procards exceeding the maximum \$1,000 per transaction limit; thus, not all these Procards have been approved by the CAO as required. In addition, a second employee currently holds four Procards exceeding the \$1,000 per transaction limit. While staff believes at least some of the limits on these Procards were initially approved by the CAO's office, the documentation for this approval could not be located by accounting staff. For a third Purchasing employee, who supervises City Stores and has one Procard exceeding the \$1,000 per transaction limit, the folder containing the application for the Procard was present, but there was no indication that approval to exceed the limits of City Policies & Procedures was requested or obtained.

Because of the absence of approvals for limits higher than the \$1,000 per transaction for some of these Procards, and the number of years it has been since the higher limits were approved for the other Procards, we believe that the Accounting and Control Division should evaluate all Procards with limits higher than \$1,000 per transaction each at this time.

If it is determined that any Procards may be used to make purchases exceeding \$1,000, we recommend that the Accounting and Control Division seek new approvals for these exceptions from the CAO. The Accounting and Control Division should create internal policies and procedures to ensure Procard limits requested in all future applications are adequately reviewed, and, if the amounts requested exceed amounts allowed by City Policies & Procedures, require that

the requesting manager seek the approval of the CAO prior to the application being processed.

(2) A condition persists that we noted in our 2002 audit of Procard controls for Facilities Management, with Procards of certain Purchasing staff being used for more than the maximum daily number of ten transactions allowed by City Policy. The maximum daily number of transactions for these Procards is now set at 30 to 100.

Our recommendation at that time was for Purchasing to work with the Controller's office to change the City Policies & Procedures for Procards to reflect actual practices with regard to the limits on the number of transactions per day. Purchasing indicated during the follow-up of that audit that they had requested a revision to reflect the actual number of transactions being made by Purchasing staff; however, the Controller's office has not revised City Policies & Procedures since that time.

We also noted during this audit that, for programs other than Purchasing, there are ten other Procards with from 15 to 99 transactions per day and 14 other Procards allowed an unlimited number of daily and monthly transactions. Upon our inquiry, the Accounting Specialist who receives these applications surmised that the employees who submit these requests were not aware of the limits in City Policies & Procedures. We reviewed the number of transactions made through a selection of these individual cards and found that the daily usage is much less than the number of transactions authorized. Therefore, we assert that the authorized number of daily transactions for all of these Procards should be brought into compliance with the maximum of ten that is allowed by City Policies & Procedures.

We believe it is important to immediately address the discrepancy in the number of daily transactions allowed each Procard. The Procard Administrator should remove the capability for Purchasing and other City staff to make

transactions in excess of the ten daily allowed by City Policies & Procedures. Purchasing and other affected operating units should conform their practices to City Policies & Procedures. If the process and practice remains in place for Purchasing staff to use their Procards for a number of daily transactions greater than the maximum currently allowable, then the City Policies & Procedures should be changed to allow for this practice.

(3) The dollar amount or number of transactions per month allowed for each Procard affects the City's total exposure to potential losses from misuse or errors. Therefore, suitable monthly maximums per Procard should be determined, with a requirement for CAO approval to exceed these standard monthly maximums, and these provisions should be documented in City Policies & Procedures.

Recommendation 7. We recommend that the Accounting and Control Division ensure Chief Administrative Officer approval is granted and maintained for any current and future Procards that may exceed the purchase limits set forth in City Policies & Procedures.

Response Partially Concur. We will review and update our policy and procedures after analyzing if the purchasing limits are reasonable and reflect the purchasing limits set by Purchasing for select job functions. We will not grant approval for any cardholders to exceed the purchase limits and will adjust any cardholder's limits to comply with Policies and Procedures.

Recommendation 8. We recommend that the Accounting and Control Division take action immediately to bring into compliance all Procards with limits over the current policy maximum for individual purchase amounts or number of daily transactions, or change City Policies & Procedures to allow the current practice.

Response Partially Concur. We will review and update our policy and procedures after analyzing if the purchasing limits are reasonable and reflect the purchasing limits set by Purchasing for select job functions. We will not grant approval for any

cardholders to exceed the purchase limits and will adjust any cardholder's limits to comply with Policies and Procedures.

Recommendation 9. We recommend that the Accounting and Control Division determine a suitable maximum monthly dollar amount and number of transactions for each Procard and document this in City Policies & Procedures.

Response Do Not Concur. The purpose of the Procard program is to facilitate the acquisition of goods and services. Since that is a purchasing function, we will forward this recommendation to the Purchasing and Materials Management Division Manager for comment and implementation.

**Destroy Personal
Information
Records in
Procard
Applications**

To obtain a Procard, a departmental supervisor or manager determines the need, requests the new Procard user to complete an application form, approves the application and submits it to the Accounting and Control Division. An Accounting Specialist reviews the application for compliance with Procard procedure and enters information into the online software provided by the Procard issuer. After it is processed, the application is filed in the applicant's folder in a locked cabinet.

We were informed that the personal information required by the Procard issuer is the cardholder name, last four digits of the social security number, date of birth and mother's maiden name (for use as a password). In the past the issuer required the whole social security number but now accepts the last four digits only. The application containing this information is locked in an active file cabinet until the individual's Procard is no longer in use, then it is moved to a locked inactive cabinet.

The Accounting and Control Division staff should revisit with a control representative at the Procard issuer any possible reductions in the type and nature of personal information to be collected from Procard applicants. One possibility is for the Procard user to provide this information directly to the card

issuer, to reduce City's need to control this information at several personnel contact points.

We suggest that a further means for the Accounting and Control Division to protect any personal information would be to redesign the Procard application form so that the personal information can easily be removed and destroyed as soon as legally allowed after the Procard is approved. We also recommend that a plan be created to formally archive and destroy personal information contained in older Procard applications that remain on file in the Accounting and Control Division.

Recommendation 10.

We recommend that the Accounting and Control Division destroy personal information promptly after its use to obtain a Procard, archive and destroy personal information contained in older Procard applications, and contact the card issuer about further possible controls over personal information.

Response

Partially Concur. We are in the process of obtaining new Procard applications from employees that will include the last four digits of the employee's social security number. We will be redacting the personal information from all old applications, rather than destroying them.

**Summarize
Procard Data
Monthly for
Management
Reports**

Several types of reports are used by Procard administrative staff and supervisors each month, but these reports could be summarized more effectively for oversight by Accounting and Control Division management. Some Procard reports used within the Accounting and Control Division include:

(1) A monthly printout from the Procard issuer, which the Accounting Operations Manager uses for oversight of the monthly Procard activity.

(2) Summary results of the monthly audit of Procard statements and invoices conducted by the Accounting and

Budget Fiscal Coordinator.

(3) Quarterly reports of Procard activity (for example, performance figures such as the total amount and number of transactions, and the cost of processing).

We found that the data and results of the reviews of these reports are not conveniently summarized and periodically reported to upper management. We believe providing upper management a summary of the most important information, with self-explanatory captions would improve controls and the effective management of the Procard program. We recommend that the Procard administrative staff provide a monthly “snapshot” of pertinent Procard activity and results of the monthly review procedures in order to provide the Controller and Chief Financial Officer a clear picture of the status and trends of Procard usage and compliance.

We also noted that summary reports of Procard usage and noncompliance by program, Procard user, or individual card are not provided to division managers and department directors. The value of such reports, with monthly and cumulative data, would be to show managers the extent to which their employees are using their Procards and any noncompliance issues, so they may better judge whether such use is appropriate for their functions.

We suggest that this Procard data be automatically summarized each month by program, employee and card, for distribution to the department directors, who could then request their division or section managers to review the Procard activity for overall reasonableness. If it is possible to have the charges on each card automatically summarized by type of vendor or product, this would provide even better data for departmental review.

Recommendation 11. We recommend that the Accounting and Control Division obtain from the Procard administrative staff monthly summary reports of data that would indicate Procard usage status and trends.

Response Concur with Reservations. The current setup of our Procard system does not allow for obtaining reports on a management level, as we are not set up with a hierarchy. Once we are implemented on the new bankcard software, management will be able to obtain their own reports without the assistance of the Accounting and Control Division.

Recommendation 12. We recommend that the Accounting and Control Division automatically summarize monthly and cumulative Procard data by program, employee and card for review by department managers.

Response Concur with Reservations. The current setup of our Procard system does not allow for obtaining reports on a management level, as we are not set up with a hierarchy. Once we are implemented on the new bankcard software, management will be able to obtain their own reports without the assistance of the Accounting and Control Division.

**Moderate
Exposure from
Inactive Procards
and High Credit
Limits**

City Policies & Procedures require departmental management to determine the necessity for Procards and submit requests for Procards to be issued. Sound practices for a Procard program include providing an adequate number of and amount of credit for Procards, to employees who are familiar with the cards' proper use. Prudent management of Procards requires limiting unnecessary loss exposure that could result from either Procards that are not being used regularly or Procards with credit limits that exceed what is needed for the transactions expected.

The benefits of reducing the number of Procards in circulation at any given time and the maximum limits on individual Procards include reducing: the City's exposure to intentional

improper use of the cards; the number of infrequent users, who may contribute to inefficiency if not thoroughly familiar with Procard procedures; and the time and costs involved in administering the program. For these reasons, we believe efforts should be made to reduce (1) the number of Procards and (2) the credit limits assigned to individual Procards.

There are no requirements or guidelines for the various departments to periodically review the need for their Procards. The Procard issuer reported that there were 418 inactive Procards as of May 24, 2006. Of these, 157 were inactive for 12 to 93 months (including 29 Disaster Procards) and 61 were inactive for 6 to 11 months (including 30 Disaster Procards). In addition, some Procards have minimal activity during the year, and it is possible that an alternative means exists for purchasing the few items acquired by these Procards (for example, utilizing either another Procard in the same program or a check request to Accounts Payable).

We believe that the Accounting and Control Division should annually identify Procards that have not been used or have been minimally used within recent months. It should provide this data to the departments and require them to justify keeping these Procards active. If not justified, the Accounting and Control Division should deactivate these Procards.

To ensure proper control over Procards that are not deactivated yet have no activity for a number of months, we believe the Controller should require departments to periodically inventory these Procards. The Accounting and Control Division also should have an individual not connected with the Procard program to conduct an occasional surprise inventory of the Procards it holds for disasters.

Further, while accounting personnel, who aid in setting up Procards requested by departmental management, have considered various methods to determine whether the requested credit limits and transaction limits are appropriate, there are no written guidelines to assist in determining optimal

limits.

We noted a number of instances in which the credit assigned to individual Procards far exceeded the actual usage. For example, we reviewed documentation from October 2005 where Purchasing reviewed the monthly Procard spending for one employee with exceptionally high monthly credit limits. This review resulted in a substantial reduction of the maximum monthly amount of credit assigned to each of this employee's four Procards. This analysis of monthly spending was a helpful gauge for determining an appropriate level of spending, and would be a useful technique City-wide for evaluation of Procards.

The Accounting and Control Division should establish written guidelines for departmental management, to annually reevaluate the amount and number of transactions per day and per month needed for their respective Procards. The Accounting and Control Division should also provide data about spending and transactions on the Procards to assist the departments with this review, and require the departments to report the results to the Controller.

Recommendation 13. We recommend that the Accounting and Control Division annually provide departmental management with a list of Procards with no or little recent activity, request justification for continued use, and deactivate any unjustified Procards.

Response Concur. We will implement this recommendation.

Recommendation 14. We recommend that the Accounting and Control Division conduct a periodic inventory of the Disaster Procards, and instruct departments to periodically inventory any Procards with no recent activity.

Response Concur. We will do a yearly inventory of disaster Procards. We will instruct department managers to conduct a yearly inventory of their inactive cards.

Recommendation 15. We recommend that the Accounting and Control Division provide departmental management with written guidelines and annual data to reevaluate and report back the reasonableness of the daily and monthly Procard spending and transaction number limits assigned to each Procard.

Response Concur with Reservations. If the reports are available through our software, we will implement after new Accounting & Budget Coordinator is trained.

Provide Systematic Training for All Staff with Procard Duties

Employees who are issued Procards are provided brief instructions upon receiving their cards. No testing, memory aids, or training updates are provided. Further, there is no present practice or policy to train supervisors who serve as Approving Officials. A former publication of the Accounting and Control Division, the Procard Bulletin, was discontinued several years ago. One of its purposes was to remind staff using and approving Procards of compliance concerns.

While the number of exceptions detected by the Accounting and Budget Fiscal Coordinator has decreased in recent months, some errors, noncompliance and inefficiencies continue, such as Approving Officials not timely providing the statements to Procard administrative staff for review. Also, while Approving Officials' judgment in approving expenditures for their respective departments or divisions should not need review by Procard administrative staff, it is possible that a reviewer error can occur and an improper purchase can be approved. Training should ameliorate these conditions.

The City Policies & Procedures for Procard use clearly designate the Approving Officials as the primary enforcers for the propriety of expenditures and for compliance with Procard policies and procedures, resolving issues, and disciplinary action for misuse, so it is important for them to fully understand how to perform their duties. If Approving Officials do not properly monitor the expenditures for propriety or for

compliance, this could result in expenditures that do not serve a public purpose, or cardholder errors.

To increase Procard knowledge, compliance and efficiency, the Accounting and Control Division should provide initial and update training for Procard users, Approving Officials, and other departmental staff who have responsibilities to ensure proper Procard use and approval. To maintain compliance, the Accounting and Control Division should provide memory and execution aids, such as a “wallet card” as a simple and accessible reminder.

Recommendation 16. We recommend that the Accounting and Control Division provide systematic training and aids to maintain consistent compliance for Procard users, Approving Officials and all other departmental staff with Procard responsibilities.

Response Concur. We will implement after new Accounting & Budget Coordinator is trained. We are developing a new training program that will encompass training management and users.

**Implement
Electronic
Capabilities and
Use an
Implementation
Team**

In April 2000, a prior Controller reported that four recommendations which depended upon the capability of vendor software had been implemented, partially implemented or planned for implementation. Briefly, these were to provide electronic statements to Approving Officials, electronic activity review to Procard users and Approving Officials, online approval ability, and Decline Reports. During our current review of Procards, the Accounting Operations Manager indicated that these capabilities are no longer available because of vendor and software changes. These electronic capabilities could be effective to increase the control, timeliness, and efficiency of monitoring processes by the Procard users, their Approving Officials and Procard administrative staff.

The current Procard issuer is transitioning its customers to new software that the Procard administrative staff thinks will allow the City to have these capabilities and more. We are told

that the implementation is expected during FY 07. This implementation is expected to entail substantial new procedures and will require significant participation by Procard users, Approving Officials and others. The cooperation, understanding of new procedures, and participation of all the affected parties will be essential and special training will be necessary. Thus it would be prudent to solicit staff from each department using Procards to participate in an implementation team for the new Procard software.

The Accounting and Control Division should implement the new electronic capabilities as soon as they are available, assemble an implementation team to include representatives from the Procard using departments, and provide training specific to the new electronic capabilities.

Recommendation 17. We recommend that the Accounting and Control Division implement the electronic capabilities of the Procard issuer's new software, assemble an implementation team from various departments, and provide specialized training.

Response Concur. We will implement after new Accounting & Budget Coordinator is trained.

APPENDIX 1

Procard Expenditures of the 25 Highest Procard Holders Grouped by Division/Section For the Seven Months Ended April 30, 2006

<u>High Use Procard Holders</u>			
<u>Division/Section</u>	<u>Number</u>	<u>Total \$ Purchased Using Procards</u>	<u>Total # of Purchases</u>
1 Purchasing - Supply Support	2	\$ 2,299,709	8,126
2 Purchasing - City Stores	1	499,950	1,028
3 Wastewater	7	349,770	1,492
4 Police Supply	4	162,771	1,150
5 Centroplex	5	151,039	409
6 Leu Gardens	2	82,901	242
7 CRA	1	52,408	141
8 Fire Administration	1	33,819	233
9 Technology	1	32,187	114
10 Solid Waste	1	24,413	151
	<u>25</u>	<u>\$ 3,688,967</u>	<u>13,086</u>

Source: City of Orlando, Technology Management, JDE data extracted for ACL Software analysis.

APPENDIX 2

Procard Expenditures to the 33 Most Used Vendors For the Seven Months Ended April 30, 2006

Vendor Name	Total \$ Purchased Using Procards	Total # of Purchases
1 Action Gator Tire Company	\$ 337,789	664
2 Greenway Ford Inc	97,331	612
3 Southern Truck Equipment Inc	91,666	252
4 Safety Products Inc	91,244	100
5 Corporate Express	87,802	1,089
6 Gem Supply Company	76,276	136
7 Kenworth of Central Florida	76,156	68
8 Goodyear	73,668	160
9 Office Max	70,433	855
10 Three M Products	66,976	33
11 Hughes Supply Plumbing	60,687	353
12 Seaboard Distribution Inc	54,181	48
13 Bumper to Bumper	53,475	703
14 Hydraulic House Inc	52,893	230
15 CDW Government Inc	52,397	205
16 Ferguson Enterprises Inc	50,027	323
17 Nextran Truck Center Orlando-R	48,430	210
18 Law Enforcement Supply	47,679	204
19 Trans Diesel of Central Florid	43,183	22
20 Environmental Products of Flor	42,425	160
21 Home Depot Store #266	38,653	403
22 Hill Manufacturing Co Inc	38,294	56
23 Neff Rental	38,268	21
24 Premiere Laser Products Inc	37,511	51
25 Graybar Electric Company Inc	36,864	219
26 WW Grainger Inc	36,040	292
27 Wesco Distribution Inc	33,842	83
28 Sweeper Broom Service	33,364	34
29 TRS Wireless Inc	32,594	45
30 Ring Power Corp	32,557	14
31 Sutphen Corporation	32,458	88
32 Viking-Remit	30,718	342
33 Affordable Truck Equipment Par	29,475	63
	\$ 2,025,356	8,138

Source: City of Orlando, Technology Management, JDE data extracted for ACL Software analysis.