



VICTOR D. CRIST

CLERK OF CIRCUIT COURT & COMPTROLLER
HILLSBOROUGH COUNTY, FL

DATE: February 18, 2026

TO: Scott Stromer, Director, Procurement Services

CC: Tom Fesler, Chief Financial Administrator
Irina Nashtatik, Deputy Chief Financial Officer
Larisa Dickerson, Senior Accounting Manager
Linda Wheat, Manager of Procurement Business & Performance

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

SUBJECT: Management Memo #MM178 – PCard Continuous Monitoring – FY25 Third & Fourth Quarters (Q3-4)

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

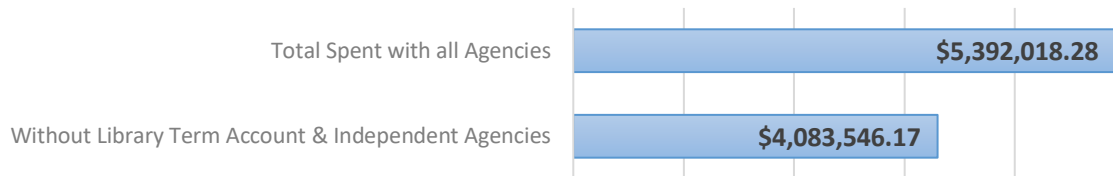
OBJECTIVE

The objective of the Purchasing Card (PCard) Continuous Auditing project is to evaluate the appropriateness of PCard purchases made during the third & fourth quarters (Q3-4) of the fiscal year (FY) via analysis and sample testing. The program is designed to evolve and adapt, with input from management, to ensure that the program delivers timely and useful results and assurances. The Q3-4 testing included the basic analysis and review of transactions, account usage by cardholders and departments, and an analysis related to payments that may have been made to an individual. High level reviews were completed for monthly split transactions. All concerns and exceptions were referred to the Purchasing Card Administrator for follow-up and corrective action.

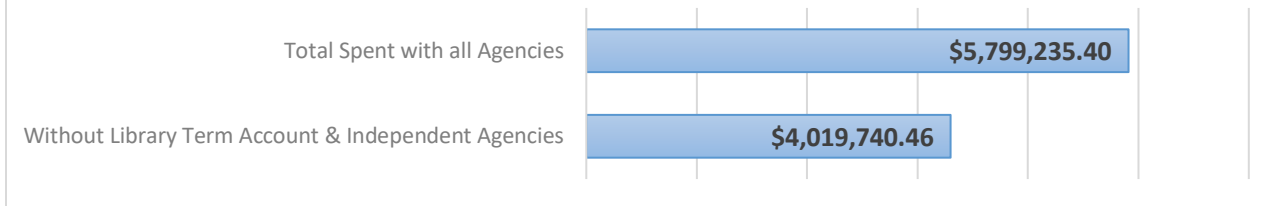
SCOPE

Testing included purchases made during FY25 Q3 (April 1, 2025 through June 30, 2025) as well as purchases made during FY25 Q4 (July 1, 2025 through September 30, 2025), excluding transactions made on Library Services' term accounts and any purchases made by Independent Agencies.

PCard Spending FY2025 Q3



PCard Spending FY2025 Q4



SUMMARY OF RESULTS

Analytical review of FY25 Q3 & Q4 purchases and trends identified a number of purchasing card exceptions. As identified in prior results, cardholders continue to struggle to provide complete supporting documentation and detailed purchase descriptions. Some of the recurring exceptions noted included:

- ❖ Payments made on past due invoices.
- ❖ Lack of itemization on supporting documentation.
- ❖ Taxes included on purchases.
- ❖ IT related purchases without proper approval.
- ❖ Payments made to an individual name.
- ❖ Food purchases made without appropriate authorization forms or approvals.
- ❖ Missing employee names and/or ID numbers on supporting documentation.

The Audit Team also observed less routine exceptions such as:

- ❖ Purchase of an item that was shipped to a residential address.
- ❖ Purchase of a \$300+ award without evidence of County Administrator or Board approval as required by policy.
- ❖ Purchase of an award under \$300 without evidence of Chief Administrator or Deputy County Administrator approval, as required by policy.
- ❖ Purchases of high dollar value items such as Apple AirPods, Fire Tablets, NINJA CREAMi, and Beats headphones with a lack of information on the supporting documentation to determine the public purpose.

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

ANNUAL TREND ANALYSIS

Using data analytics, the Audit Team compiled purchases by vendor-name for vendors with a total amount spent of \$50,000 or greater. Vendors who had combined purchases in excess of \$50,000 that aren't currently under contract and that are not other government entities may need to be considered for more formal procurements. A full listing of the transactions and vendors was provided to the Procurement Department for their consideration and review. The table below includes the vendors who had more than \$50,000 in PCard transactions for FY25:

| <u>Vendor Name</u> | <u>Amount</u> | <u>Type</u> |
|---------------------------------|----------------|---------------------------------------|
| AMAZON MARKETPLACE Total | \$2,029,940.17 | Contract Not Feasible |
| MIDWEST TAPE LLC Total | \$1,461,376.34 | Term Account |
| IN APJ CONSTRUCTION SERV Total | \$1,390,658.75 | Contract Identified |
| OVERDRIVE DIST Total | \$1,003,394.59 | Term Account |
| BAKER & TAYLOR Total | \$806,334.10 | Term Account |
| DESIGN LAB INC Total | \$771,332.98 | Term Account |
| PP ADVANCED TREE LLC Total | \$617,745.00 | No Contract Identified |
| INGRAM LIBRARY SERVICES Total | \$616,955.09 | Term Account |
| HOME DEPOT Total | \$578,802.90 | Contract Not Feasible |
| IN SEVEN BLADES LAWN CARE Total | \$430,410.00 | No Contract Identified |
| BRODART Total | \$248,576.13 | Term Account |
| PROQUEST LLC Total | \$227,003.51 | No Contract Identified |
| NEWSBANK INC/TCR HS Total | \$209,412.00 | No Contract Identified |
| POWER UP Total | \$201,102.50 | No Contract Identified |
| SQ FLORIDA TREE CARE EXP Total | \$180,436.00 | No Contract Identified |
| SATELLITE PHONE STORE Total | \$172,656.50 | No Contract Identified |
| EBSCO Total | \$167,819.97 | No Contract Identified |
| ULINE SHIP SUPPLIES Total | \$158,668.07 | No Contract Identified |
| CENGAGE Total | \$144,746.22 | Term Account |
| PLAYAWAY PRODUCTS LLC Total | \$140,066.64 | No Contract Identified |
| MARKS AIR INC Total | \$129,327.83 | Contract Identified |
| GRAINGER Total | \$126,711.06 | Contract Identified |
| ODP BUS SOL LLC # 101165 Total | \$125,516.62 | Contract Identified |
| SQ EGGS UP GRILL RIVERVI Total | \$104,585.99 | Emergency Authorization for Hurricane |
| HOLLAND PUMP COMPANY Total | \$97,421.53 | No Contract Identified |
| SQ MILLENNIUM LAWN, LAND Total | \$97,050.00 | No Contract Identified |
| 360 ENVIRONMENTAL SOLUTIO Total | \$89,750.00 | Contract Identified |
| EVOLVE TECHNOLOGIES CORP Total | \$88,853.29 | No Contract Identified |
| FERGUSON UNDRDRND #44 Total | \$86,072.68 | Contract Identified |
| 4IMPRINT, INC Total | \$86,044.66 | No Contract Identified |
| IMAGE360 NORTH TAMPA Total | \$83,309.66 | No Contract Identified |
| COX MEDIA GROUP Total | \$82,840.00 | No Contract Identified |
| NORTHWEST RIVER SUPPLIES Total | \$76,445.03 | No Contract Identified |
| OUTFRONT MEDIA Total | \$75,697.50 | No Contract Identified |
| MANSFIELD OIL COMPANY Total | \$74,104.36 | Contract Identified |
| USABlueBook Total | \$74,026.35 | No Contract Identified |
| FORTILINE-TAMPA Total | \$72,952.72 | Contract Identified |
| TIMES ADVERTISING Total | \$67,946.44 | No Contract Identified |
| AMAZON HOSE TAMPA Total | \$61,688.63 | No Contract Identified |
| DATA AXLE - LMS Total | \$60,000.00 | No Contract Identified |
| IHEART MEDIA Total | \$59,168.67 | No Contract Identified |
| SQ BRIG U.S.A. DBA FLUID Total | \$59,042.00 | No Contract Identified |
| TFS FISHERSCI ECOM CHU Total | \$57,618.16 | Contract Identified |
| PEAKE Total | \$53,927.00 | No Contract Identified |
| ALLEGRA MARKETING PRINT Total | \$50,904.47 | No Contract Identified |

MERCHANT CATEGORY CODE (MCC) ANALYSIS

Purchases made during Q3 & Q4 FY25 were analyzed based on the Merchant Category Code (MCC) to identify potential items that are not authorized based on the Procurement Procedures Manual restrictions. A total of 25 transactions were reviewed for appropriateness each quarter. Below is a table of the MCC categories that were selected for review:

| MCC Descriptions | | |
|--|---|--|
| ALL OTHER DIRECT MARKETERS | AMUSEMENT PARKS, CIRCUSES, CARNIVALS, FO | AUTOGRAPH |
| AUTOMATED FUEL DISPENSERS | BANDS, ORCHESTRAS, ENTERTAINERS | BELLGIO |
| BOWLING ALLEYS | CAESARS HOTEL AND CASINO | CAR WASHES |
| CATERERS | CHARITABLE AND SOCIAL SERVICE ORGANIZATIONS | CIVIC, SOCIAL AND FRATERNAL ASSOCIATIONS |
| COLLEGES, UNIVERSITIES, PROFESSIONAL SCHOOL | COMPUTER NETWORK/INFO SVCS | DISNEY RESORTS |
| DRINKING PLACES (ALCOHOLIC BEV)BARS and/or EATING PLACES | DRY CLEANERS | ELECTRONIC SALES |
| ELEMENT | FLORISTS SUPPLIES, NURSERY STOCK & FLOWER | FUNERAL SERVICE AND CREMATORIES |
| GIFT, CARD, NOVELTY, AND SOUVENIR SHOPS | GOLDEN NUGGET | MEMBERSHIP CLUBS (SPORTS,RECREATION) |
| MOTION PICTURE THEATERS | OTHER FEES | PET SHOPS-PET FOOD AND SUPPLY STORES |
| SHOE STORES | TAXICABS/LIMOUSINES | TOWING SERVICES |
| UTILITIES-ELEC/GAS/HEAT OIL/SANITARY/WATER | VIDEO GAME ARCADES/ESTABLISHMENTS | AMUSEMENT,RECREATION SERVICES (SWIMMING |
| | FAST FOOD RESTAURANTS | |

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

- ❖ Three (3) invoices lacked appropriate justification for what was purchased, one of which included tax and was for food without management approval.
- ❖ One (1) purchase of a retirement award without executive leadership approval, per policy.
- ❖ One (1) purchase of an award without Chief Administrator or Deputy County Administrator approval.
- ❖ One (1) purchase of a laptop without supporting approval for technology related purchases.
- ❖ One (1) purchase for travel that was missing a pre-authorization form.
- ❖ One (1) invoice did not include the PCard holder's signature.

SPLIT TRANSACTIONS

Audit software was used to perform an analysis each month of Q3 & Q4 related to potential split transactions. This includes potential split transactions at the \$10,000 threshold. This threshold has been used due to the potential for a cardholder to circumvent the single transaction limit of

\$10,000 for cardholders. The Audit Team ran the analysis, and the resulting data identified potential splits for Q3 & Q4. This information was provided to the Purchasing Card Administrator for further follow-up and any necessary inquiry or corrective action with cardholders.

PAYMENT SERVICES IN AN INDIVIDUAL’S NAME

Between Q3 & Q4, a total of 60 transactions were tested and analyzed to determine whether or not transactions were paid through a payment service provider (such as PayPal or Square) and included the name of an individual as the vendor. The Audit Team reviewed these transactions to ensure that the vendor name matched the name listed on the invoice. The Audit Team judgmentally selected a sample of these transactions and also evaluated those transactions for appropriate support and description, resulting in the following exceptions:

- ❖ Three (3) past due invoices that were paid.
- ❖ One (1) transaction was paid to an individual via PayPal.
- ❖ One (1) invoice did not include the name of the vendor.
- ❖ One (1) invoice lacked a clear description of what was being purchased and contained a \$265.09 credit card fee listed as a miscellaneous fee. To avoid these types of fees, departments should consider paying via check.
- ❖ One (1) invoice lacked a clear description of what was being purchased, is missing the PCard holder’s signature and ID number, and was paid to an individual via PayPal.
- ❖ One (1) payment was made to a magician that is listed as “inactive” in Sunbiz.
- ❖ One (1) invoice was for the purchase of tokens of appreciation (awards) for employees; however, no County Administrator or Board approval was included.
- ❖ One (1) transaction was paid to an individual via PayPal for branding and marketing support related to a Hillsborough sponsored event that lacked a Public Awareness Request Form as supporting documentation, as required per AD-22.

HIGH SPEND DEPARTMENT REVIEW

Certain County departments have higher PCard spending due to the nature of their operations. Historical data was used by the Audit Team to select and review transactions for the top three high spend departments for the third & fourth quarters of FY2025. Historical PCard spending data from FY2024 was used to determine which high spend departments would be tested for FY2025. Below is a summary of the high spend departments reviewed for Q3-Q4 and their subsequent total amount spent:

| Fiscal Year 2025 Q3 – High Spend Departments | | | |
|--|--------------|-------------------|--|
| Department | Amount Spent | # of Transactions | Results |
| Library Services | \$222,632.50 | 602 | <p><u>3 Exceptions</u></p> <p>1 transaction was paid to an individual and lacked clear itemization. 1 purchase for aviator sunglasses. 1 purchase of five portable desk fans were shipped to a residential address.</p> |
| Solid Waste | \$110,983.08 | 218 | <p><u>8 Exceptions</u></p> <p>2 travel purchases without a pre-trip authorization and the invoice did not contain the employee ID number and signature. 2 invoices that did not have the employee’s ID number, one (1) of which did not include the PCard holder’s signature.</p> |

| | | | <p>1 invoice in where the Oracle description did not match the itemized items on the invoice.</p> <p>1 transaction that did not include an invoice and lacked the employee's signature and ID number.</p> <p>1 invoice that was not itemized.</p> <p>1 invoice was for two (2) curved 32" monitors; however, there appears to be more cost-effective alternatives available.</p> |
|---|--------------|-------------------|--|
| Fleet Management | \$242,555.19 | 368 | <p><u>2 Exceptions</u></p> <p>1 invoice that had the description of the purchase blocked.</p> <p>1 invoice where the invoice total does not match the bank data.</p> |
| Fiscal Year 2025 Q4 – High Spend Departments | | | |
| Department | Amount Spent | # of Transactions | Results |
| Communications | \$266,552.72 | 116 | <u>No Exceptions Identified</u> |
| Head Start | \$79,798.19 | 188 | <p><u>2 Exceptions</u></p> <p>1 invoice in which the vendor name was not included on the receipt.</p> <p>1 invoice that did not have the employee's ID number and signature.</p> |
| Pet Resources | \$50,525.47 | 106 | <p><u>1 Exception</u></p> <p>1 invoice lacked adequate support.</p> |

HIGH SPEND CARDHOLDERS

The Audit Team performed a review of cardholders that historically spent more on their purchasing cards throughout the year. Five (5) top cardholders for each quarter (Q3 & Q4) were selected and a sample of their purchases were reviewed. A total of 75 transactions were tested between the two quarters, and the following exceptions were identified:

- ❖ Four (4) invoices that lacked adequate justification as to what was purchased, two (2) of which were for the purchase of items such as: Beats headphones, Bluetooth speaker, projectors, solar power bank chargers, Apple AirPods, Amazon Fire tablets, and a NINJA CREAMi ice cream maker without appropriate authorization forms or approvals. Further inquiry with the cardholder indicates that these items were purchased as prizes for a library reading challenge and that there was a formal process in place to store, award, distribute and confirm receipt of the items by prize recipients. Cardholders should provide this additional context on the PCard transaction records for any future purchases of this nature to ensure full transparency and accountability.
- ❖ One (1) transaction for payment of a past due invoice.