



**MUNICIPALITY OF ANCHORAGE
ASSEMBLY INFORMATIONAL MEMORANDUM**

No. AIM 65-2026

Municipal Clerk's Office

Accepted

Meeting Date: May 12, 2026

Date: **May 12, 2026**

FROM: CHAIR

**SUBJECT: INTERNAL AUDIT REPORT 2026-02, 2024 MUNICIPAL
PROCUREMENT CARD REVIEW**

Internal Audit has completed Internal Audit Report 2026-02, 2024 Municipal Procurement Card Purchases Review, Purchasing Department. Municipal officials have reviewed the report. The complete document was distributed on April 16, 2026. Attached is the Audit Report.

Prepared by: Alden P. Thern, Director, Internal Audit
Respectfully submitted: Anna Brawley, Assembly Chair

INTERNAL AUDIT REPORT

2026-02

2024 Municipal Procurement Card Review

Purchasing Department

April 16, 2026

MUNICIPALITY OF ANCHORAGE
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Mayor Suzanne LaFrance
Municipality of Anchorage
-Office of Internal Audit-

April 16, 2026

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review **Internal Audit Report 2026-02, 2024 Municipal Procurement Card Review, Purchasing Department**. A summary of the report is presented below.

In accordance with the 2025 Audit Plan, we completed an audit of the 2024 Municipal Procurement Card Program. The objective of this audit was to determine whether employees adhered to Municipal Policies and Procedures regarding Procurement Card use. Our audit included a review of purchases made from January 1, 2024, to December 31, 2024. Specifically, we reviewed purchases for judgmentally selected transactions to ensure compliance with Policy and Procedure 48-16, Procurement Card Program (P-CARD); Policy and Procedure 24-23, Disallowed Purchases; Policy and Procedure 68-1, Employee Travel Approval, Travel Expense And Per Diem; Policy and Procedure 68-3, Business Meals; Policy and Procedure 80-1, Charitable Contribution of Municipal Resources; and the Procurement Card Guide.

Overall, most employees adhered to Municipal Policies and Procedures regarding the use of Procurement Cards. However, our review of calendar year 2024 Procurement Card transactions revealed several areas of non-compliance. These included non-business and disallowed purchases, as well as multiple instances where equipment was acquired at prices that appeared excessive. In addition, Anchorage Fire Department exceeded its annual allocation for the maintenance, repair, and replacement of fitness equipment. Moreover, Procurement Cards were used to purchase seat upgrades for air travel and make contributions at sponsorship events. In categories where service gratuities are considered reasonable and customary, we also noted cases of gratuity payments that exceeded acceptable levels. We further observed the use of Procurement Cards to obtain services from outside vendors when a mandatory Annual Supply Contract was already in place. Finally, there were several instances in which transactions were split to circumvent the cardholder's single-transaction limit.

There were eight findings in connection with this audit. Management was responsive to the findings and recommendations.

Alden P. Thern

Director, Internal Audit



Mayor Suzanne LaFrance
Municipality of Anchorage
-Office of Internal Audit-

April 16, 2026

Internal Audit Report 2026-02
2024 Municipal Procurement Card Review
Purchasing Department

Introduction. The Purchasing Department (Purchasing) implemented the Procurement Card (P-Card) Program to provide for the purchase and payment of low-dollar non-asset goods, services, and business and travel related expenses. According to Purchasing data, the number of P-Card transactions increased from 39,641 to 40,834 and the total dollar amount increased from \$21,003,470 in 2023 to \$21,724,642.46 in 2024. To establish an appropriate level of control over the P-Card program and maintain accountability of public funds, Policy and Procedure (P&P) 48-16, *Procurement Card Program (P-CARD)*, requires the Internal Auditor to perform an annual review/audit of controls within the P-Card program. In addition, P&P 24-23, *Disallowed Purchases*, provides guidance for prohibited expenditures.

Objective and Scope. The objective of this audit was to determine whether employees adhered to Municipal P&Ps regarding P-Card use. Our audit included a review of purchases made from January 1, 2024, to December 31, 2024. Specifically, we reviewed purchases for judgmentally selected transactions to ensure compliance with P&P 48-16; P&P 24-23; P&P 68-1, *Employee Travel Approval, Travel Expense And Per Diem*; P&P 68-3, *Business Meals*; P&P 80-1, *Charitable Contribution of Municipal Resources*; and the Procurement Card Guide (Guide).

We conducted this performance audit in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review due to budget constraints. We also developed and implemented the required quality management system. 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 the

evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit is required by P&P 48-16, Section 6.f.i.

Overall Evaluation. Overall, most employees adhered to Municipal P&Ps regarding the use of P-Cards. However, our review of 2024 P-Card transactions revealed several areas of non-compliance. These included non-business and disallowed purchases, as well as multiple instances where equipment was acquired at prices that appeared excessive. In addition, Anchorage Fire Department (AFD) exceeded its annual allocation for the maintenance, repair, and replacement of fitness equipment. Moreover, P-Cards were used to purchase seat upgrades for air travel and make contributions at sponsorship events. In categories where service gratuities are considered reasonable and customary, we also noted cases of gratuity payments that exceeded acceptable levels. We further observed the use of P-Cards to obtain services from outside vendors when a mandatory Annual Supply Contract was already in place. Finally, there were several instances in which transactions were split to circumvent the cardholder's single-transaction limit.

FINDINGS AND RECOMMENDATIONS

1. P-Card Utilized to Purchase Non-Business or Disallowed Items.

- a. Finding.** Our review identified instances of cardholders purchasing items that appeared to be non-business related or disallowed under the P-Card policy. Examples include various appliances for employee use (refrigerator, dishwasher, air purifiers, vacuum), art (digital stock images, graphic design), balloons, beverages, foods, breakroom supplies for employee use (paper plates, disposable cutlery), coffee and coffee supplies, fuel, gifts and commemoration (retirement badge engravings, gift bags), groceries, outdoor griddles, personal clothing, parking citation payments, and water.

Specifically, three different departments used P-Cards to outfit staff with personal clothing items, including vests, hoodies, and jackets. The transaction totals for these departments were \$2,022.60, \$1,268.75, and \$1,570.82, amounting to \$4,862.17 spent on personal clothing, which is a disallowed purchase under P&P 24-23. In addition,

several appliances and household-type items were purchased using P-Cards, including a \$299 vacuum, \$987.97 refrigerator, \$948.95 dishwasher, and \$1,321.86 spent on multiple air purifiers. One department also used two different P-Cards to acquire outdoor griddles and cooking accessories, with transactions totaling \$606.57 and \$545.87, for a combined \$1,152.44. Other purchases that did not serve a Municipal business purpose include \$83.32 spent on consumables and supplies for an employee's retirement party, \$171.20 on disposable paper plates, \$62.10 for a toaster, \$171 for a coffee maker, \$270 on multiple retirement badge engravings, and \$1,096.43 in gifts and gift bags.

While the magnitude of these purchases was not significant, they may not be consistent with prudent fiscal management or comply with Municipal P&Ps. Policy and Procedure 48-16 states that P-Cards will only be used for official Municipal business. Furthermore, P&P 24-23 states that it is the Municipality's policy that Municipal funds cannot be used for purchases that do not serve the public interest.

- b. **Recommendations.** The Purchasing Officer should ensure Municipal agencies know and comply with the requirements found in P&P 48-16 and P&P 24-23 and terminate P-Card privileges for repeat offenders. In addition, the Purchasing Officer should coordinate with the Chief Fiscal Officer to review and update P&P 24-23 to clarify if non-business items such as appliances and supplies for employee break rooms are a prohibited purchase.
- c. **Management Comments.** Management stated, "Management concurs with the audit findings and recommendations. Management has submitted a revision to both P&P 24-23 (Disallowed Purchases) and P&P 48-16 (Procurement Cards) for updates and modification. When approved and posted online, P-Card training will be updated to reflect the changes.

"Once the training modules are updated to the new P&P's, the Purchasing Director will then notify all P-Card holders and approvers that the revised P&P's are available for review and that mandatory P-Card training based on the updated P&P's is required

by a specified date. All P-Card holders will then be required to retake the training every three years.

“The P-Card Administrator will monitor and track the test results to confirm that cardholders and approvers have passed the updated training by the deadline. If the initial training has not been completed by that date, the P-Card Administrator will report the inaction to the Municipal Manager or Municipal Operations Manager. If after some determined period the training is still incomplete, the P-Card will be suspended until training has been successfully completed.

“The P-Card Administrator will investigate the creation of a new report to easily identify non-business and disallowed purchases. Once the report is available, they will monitor transactions with suspected violations above \$2,500. When suspected violations are detected, the P-Card Administrator will create a report of suspected violations and send it to the Municipal Manager and Municipal Operations Manager. At the direction of the Municipal Manager or Municipal Operations Manager, the employees’ P-cards will be suspended until training has been repeated.”

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

2. **Some Items Appeared to be Acquired at Excessive Prices.**

- a. **Finding.** Our review identified instances where some items appeared to be acquired at excessive prices. These items include military-grade protective phone cases, gaming monitors, noise-cancelling headphones and earphones, ergonomic keyboards and mice, 4K-quality webcams, studio-quality speakers, and name-brand weather gear. For example, one P-Card holder spent \$2,684.97 on three computer gaming monitors at \$894.99 each. Another P-Card holder spent \$8,169.76 on weather gear including a \$737.10 rain jacket and \$649 rain pants from a high-end outdoor clothing company. More items such as a \$399.50 ergonomic keyboard, \$349 noise-cancelling headphones, a \$169.99 4K-quality webcam, and \$129.99 studio-quality speakers for

office use, appeared to be excessive when cost-effective alternatives are available at significantly lower prices. While these items may have legitimate business uses, the premium quality and pricing exceed what is typically necessary for normal Municipal operations and may be perceived by the public as wasteful spending. Policy and Procedure 48-16 states, “It is the policy of the Municipality to provide for the delegation of authority to designated individuals or the purchase and payment of low-dollar non-asset goods, services, and business and travel related expenses that can be more efficiently and effectively acquired at the department/division level.”

- b. **Recommendation.** The Purchasing Officer should ensure Municipal agencies know the requirements found in P&P 48-16 and 24-23 for the better use of Municipal funds.
- c. **Management Comments.** Management stated, “Management concurs with the audit findings and recommendations. Management has submitted a revision to both P&P 24-23 (Disallowed Purchases) and P&P 48-16 (Procurement Cards) for updates and modification. When approved and posted online, P-Card training will be updated to reflect the changes.

“Once the training modules are updated to the new P&P’s, the Purchasing Director will then notify all P-Card holders and approvers that the revised P&P’s are available for review and that mandatory P-Card training based on the updated P&P’s is required by a specified date. All P-Card holders will then be required to retake the training every three years.

“The P-Card Administrator will monitor and track the test results to confirm that cardholders and approvers have passed the updated training by the deadline. If the initial training has not been completed by that date, the P-Card Administrator will report the inaction to the Municipal Manager and Municipal Operations Manager. If after some determined period the training is still incomplete, the P-Card will be suspended until training has been successfully completed.

“The P-Card Administrator will monitor reports to identify items above \$2,500 that are suspected of having excessive pricing. When suspected violations are detected,

the P-Card Administrator will create a report of suspected violations and send it to the Municipal Manager and Municipal Operations Manager. At their direction, the employees' P-cards will be suspended until training has been repeated."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

3. **AFD Exceeded its Annual Allocation for Fitness Equipment with P-Card Purchases.**

- a. **Finding.** A review of P-Card transactions related to the acquisition of fitness equipment by AFD staff showed total purchases exceeded the \$10,000 annual allocation established in the labor contract agreement between the Municipality and the International Association of Firefighters (IAFF). Article 8, 8.2.5 of the IAFF Labor Agreement states, "The MOA shall annually provide a minimum of ten thousand dollars (\$10,000) to be used for replenishing of fitness equipment to necessary stations." However, the total amount spent on fitness equipment by the AFD P-Card holders was \$12,048.24 in 2024, exceeding the annual allocation by \$2,048.24. A review of the 2024 Fitness Purchases Tracking Sheet maintained by the AFD's Fitness Committee Lead showed only large equipment items such as treadmills and full dumbbell sets, were recorded totaling \$9,997.76. Smaller items including resistance bands, exercise balls, stationary bike saddles, yoga mats, workout belts, barbell rack components, and kettlebells were not recorded on the tracking sheet, indicating weaknesses in monitoring staff P-Card purchases and resulting in the Municipality paying more than the amount obligated under the contract.
- b. **Recommendation.** The Purchasing Officer should ensure the AFD department accurately tracks their fitness equipment purchases.
- c. **Management Comments.** Management stated, "Management concurs with the audit findings and recommendations. Management has submitted a revision to both P&P 24-23 (Disallowed Purchases) and P&P 48-16 (Procurement Cards) for updates and

modification. When approved and posted online, P-Card training will be updated to reflect the changes.

“Once the training modules are updated to the new P&P’s, the Purchasing Director will then notify all P-Card holders and approvers that the revised P&P’s are available for review and that mandatory P-Card training based on the updated P&P’s is required by a specified date. All P-Card holders will then be required to retake the training every three years.

“The P-Card Administrator will monitor and track the test results to confirm that cardholders and approvers have passed the updated training by the deadline. If the initial training has not been completed by that date, the P-Card Administrator will report the inaction to the Municipal Manager and Municipal Operations Manager. If after some determined period the training is still incomplete, the P-Card will be suspended until training has been successfully completed.

“The Municipal Manager should require AFD to provide a monthly report of cumulative fitness equipment expenditures, whether by P-Card or Purchase Order.”

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

4. **P-Card Used to Purchase Seat Upgrades.**

- a. **Finding.** Our review of P-Card transactions related to air travel revealed several instances in which additional costs were incurred for upgrades to premium seating. The costs observed for premium seating ranged from \$4.99 to \$266.96. Section I.2.a of P&P 68-1 states, “All air travel must be in coach class unless approved in writing by the Mayor. . . Travelers may use their personal upgrades to fly business or first class, if there is no extra cost to the Municipality.” Premium seating upgrades provide a personal benefit to the traveler and do not qualify as a necessary business expense.

b. **Recommendation.** The Purchasing Officer should ensure airfare purchased with P-Cards does not include seat upgrades unless prior written approval is obtained from the Mayor.

c. **Management Comments.** Management stated, “Management concurs with the audit findings and recommendations. Management has submitted a revision to both P&P 24-23 (Disallowed Purchases) and P&P 48-16 (Procurement Cards) for updates and modification. When approved and posted online, P-Card training will be updated to reflect the changes.

“Once the training modules are updated to the new P&P’s, the Purchasing Director will then notify all P-Card holders and approvers that the revised P&P’s are available for review and that mandatory P-Card training based on the updated P&P’s is required by a specified date. All P-Card holders will then be required to retake the training every three years.

“The P-Card Administrator will monitor and track the test results to confirm that cardholders and approvers have passed the updated training by the deadline. If the initial training has not been completed by that date, the P-Card Administrator will report the inaction to the Municipal Manager and Municipal Operations Manager. If after some determined period the training is still incomplete, the P-Card will be suspended until training has been successfully completed.

“The air travel pre-approval process (P&P 68-1), with any upgrades, should be approved by the Municipal Manager or Municipal Operations Manager. The approval should be attached to each applicable P-Card transaction.”

d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

5. **Monetary Contributions Made with P-Card.**

- a. **Finding.** Our review revealed several instances in which cardholders made monetary contributions to sponsorship events using the P-Card. Specifically, one P-Card holder made a \$150 contribution at a cultural New Year event and a \$500 contribution at a Juneteenth sponsorship event. In addition, one P-Card holder made a \$1,000 contribution while attending a conference, and another cardholder made a \$1,000 contribution to a statewide municipal advocacy organization. Contributions made using a P-Card is expressly prohibited under P&P 80-1, Section 9.C.
- b. **Recommendation.** The Purchasing Officer should reinforce compliance with P-Card policies by prohibiting the use of P-Cards for donations and sponsorships and ensure department staff are aware of these restrictions.
- c. **Management Comments.** Management stated, “Management concurs with the audit findings and recommendations. Management has submitted a revision to both P&P 24-23 (Disallowed Purchases) and P&P 48-16 (Procurement Cards) for updates and modification. When approved and posted online, P-Card training will be updated to reflect the changes.

“Once the training modules are updated to the new P&P’s, the Purchasing Director will then notify all P-Card holders and approvers that the revised P&P’s are available for review and that mandatory P-Card training based on the updated P&P’s is required by a specified date. All P-Card holders will then be required to retake the training every three years.

“The P-Card Administrator will monitor and track the test results to confirm that cardholders and approvers have passed the updated training by the deadline. If the initial training has not been completed by that date, the P-Card Administrator will report the inaction to the Municipal Manager and Municipal Operations Manager. If after some determined period the training is still incomplete, the P-Card will be suspended until training has been successfully completed.

“Monetary Contributions are governed by P&P 80-1 Charitable Contribution of Municipal Resources. Most contributions require pre-approval from the Municipal Manager or Municipal Operations Manager. Each approval should be attached to the applicable P-Card transaction. The P-Card Administrator will investigate the creation of a new report to easily identify contributions. Once the report is available, they will monitor transactions for contributions. When suspected violations are detected, the P-Card Administrator will create a report of suspected violations and send it to the Municipal Manager and Municipal Operations Manager. At the direction of the Municipal Manager or Municipal Operations Manager, the employees’ P-cards will be suspended until training has been repeated.”

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

6. **Excessive Gratuity Paid.**

- a. **Finding.** A review of transactions in categories where service gratuities are considered reasonable and customary revealed multiple instances of excessive gratuity payments. We identified at least 46 transactions in which the gratuity exceeded the 15% limit established by Municipal policy. Examples include a \$15.00 tip on a \$72.00 coffee order (21%), and the highest observed percentage was a \$9.93 tip on an \$8.12 taxi fare, resulting in a gratuity of 122%. Policy and Procedure 68-3 states, “A service gratuity which is reasonable and customary will be paid. Gratuity should not exceed 15%.” Paying gratuities beyond the established limit can be viewed as wasteful and inappropriate use of taxpayer dollars. Although the individual amounts are small, they can accumulate to a significant total across multiple transactions.
- b. **Recommendation.** The Purchasing Officer should ensure cardholders are aware of the 15% gratuity limit.

- c. **Management Comments.** Management stated, “Management concurs with the audit findings and recommendations. Management has submitted a revision to both P&P 24-23 (Disallowed Purchases) and P&P 48-16 (Procurement Cards) for updates and modification. When approved and posted online, P-Card training will be updated to reflect the changes.

“Once the training modules are updated to the new P&P’s, the Purchasing Director will then notify all P-Card holders and approvers that the revised P&P’s are available for review and that mandatory P-Card training based on the updated P&P’s is required by a specified date. All P-Card holders will then be required to retake the training every three years.

“The P-Card Administrator will monitor and track the test results to confirm that cardholders and approvers have passed the updated training by the deadline. If the initial training has not been completed by that date, the P-Card Administrator will report the inaction to the Municipal Manager and Municipal Operations Manager. If after some determined period the training is still incomplete, the P-Card will be suspended until training has been successfully completed.”

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

7. **Mandatory Annual Supply Contracts Not Always Used.**

- a. **Finding.** We identified instances where P-Cards were used to pay for services obtained from vendors outside the Municipality’s mandatory Annual Supply Contracts. For example, one department paid \$4,999.98 for a photographer and videographer from an external vendor despite the Municipality having a mandatory contract with an established vendor for media production services during this year. In another case, a P-Card holder spent a total of \$802.13 for language interpreting services from an outside vendor, despite the Municipality having a mandatory contract with an established vendor specifically for language interpreting services. The

interpreting services were obtained between March 6, 2024, and June 4, 2024, even though the existing contract remained effective through November 3, 2024. Policy and Procedure 48-16 states, “Annual Supply Contract (ASC) – A contract achieved through a competitive process for providing goods and services to the Municipality. These contracts contain specific items at specific prices. Use of Annual Supply Contracts is mandatory when purchasing goods or services for which an ASC exists.” By not using the Annual Supply Contracts, departments might not have paid the best prices for supplies and services. A list of Annual Supply Contracts is available to all Municipal departments on Purchasing’s internal website.

- b. **Recommendation.** The Purchasing Officer should remind all Municipal agencies to use the Annual Supply Contracts when P-card purchases are made for goods and services for which an annual supply contract exists.

- c. **Management Comments.** Management stated, “This requirement is being replaced in the submitted revision of P&P 48-16 (Procurement Cards) with other preferred methods, so this will not be an audit issue in the future. Annual supply contracts should generally be paid through a Purchase Order linked to a contract rather than with a P-Card, so that the total amount spent against a contract can be tracked. Management is also pursuing a different approach with Single Use Accounts (SUA’s), which is a payment method similar to a P-Card, but is set up in SAP. Once set up with a vendor, payment occurs in the background of a PO transaction without the use of an actual P-Card. It carries the benefit of a P-Card but also allows tracking transactions against SAP contracts.”

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

8. **Transactions Split to Circumvent Dollar Limit.**

- a. **Finding.** It appeared that transactions were sometimes split to circumvent cardholders’ single transaction limits. Our review of selected purchases identified at

least 18 purchases totaling \$129,327.79 that were split into 51 separate transactions to acquire multiple like items or pay a single invoice that exceeded the cardholder's single limit. For example, a cardholder with a single transaction limit of \$2,500 made two separate payments of \$2,082.50 to pay a \$4,165 invoice. In another example, a \$3,225 payment for an art preservation project was split into two separate charges of \$1,612.50. The P-Card holder had a \$2,500 single transaction limit. In another case, one department had four staff members use their P-Cards to acquire multiple drones and drone accessories between December 11, 2024, and December 21, 2024. The total amount spent was \$37,813.51, spread across 13 separate transactions. Several of these transactions were processed just below the cardholders' single transaction limit, and the repeated purchase of similar items in close succession indicates a pattern consistent with purchase splitting. The table below summarizes the split purchases by each department that we identified.

2024 P-Card Split Purchases

<u>Department</u>	<u>Number of Split Purchases</u>	<u>Number of Transactions</u>	<u>Value of Split Transactions</u>
Anchorage Fire Department	2	4	\$ 7,059.04
Anchorage Police Department	4	19	46,312.02
Development Services	1	3	7,677.00
Office of Municipal Manager	1	3	7,107.27
AWWU, O&M Materials Management	1	4	11,962.04
Office of Management & Budget	1	2	2,835.00
Parks & Recreation	2	4	12,571.53
Property & Facility Maintenance	1	2	7,814.66
Public Works	1	2	3,225.00
Street Maintenance	1	2	3,786.14
Solid Waste Services	1	2	6,090.00
AWWU, Asplund	<u>2</u>	<u>4</u>	<u>12,888.09</u>
Totals:	18	51	\$129,327.79

Source: Auditor's Summary of 2024 Split Transactions

When questioned, the cardholders stated that although the items purchased were identical, they believed the purchases were permissible because the transactions occurred on different days and/or the items were intended for different purposes. However, the Guide states that “A cardholder shall not split transactions to circumvent a larger purchase, which is over the card limit.” In addition, the Guide states, “It is a violation of Policy to split the charge in order to remain within p-card limits. . . Efforts to make the purchase in some other way (i.e., making incremental purchases from the same vendor on different days, from various vendors, or using more than one p-card) are a violation of Policy.” Finally, the Guide states that “. . . like items are generally considered a single purchase. For example, . . . tables, chairs, desks and file cabinets are all furniture and is a single purchase. . .”

- b. **Recommendation.** The Purchasing Officer should consider suspending P-Card privileges to those users who circumvent the single transaction limit.

- c. **Management Comments.** Management stated, “Management concurs with the audit findings and recommendations. Management has submitted a revision to both P&P 24-23 (Disallowed Purchases) and P&P 48-16 (Procurement Cards) for updates and modification. When approved and posted online, P-Card training will be updated to reflect the changes.

“Once the training modules are updated to the new P&P’s, the Purchasing Director will then notify all P-Card holders and approvers that the revised P&P’s are available for review and that mandatory P-Card training based on the updated P&P’s is required by a specified date. All P-Card holders will then be required to retake the training every three years.

“The P-Card Administrator will monitor and track the test results to confirm that cardholders and approvers have passed the updated training by the deadline. If the initial training has not been completed by that date, the P-Card Administrator will report the inaction to the Municipal Manager and Municipal Operations Manager. If

after some determined period the training is still incomplete, the P-Card will be suspended until training has been successfully completed.

“The P-Card Administrator will monitor reports to identify purchases above \$5,000 that are suspected of having been split with the intent of circumventing dollar limits. When suspected violations are detected, the P-Card Administrator will create a report of suspected violations and send it to the Municipal Manager and Municipal Operations Manager. At the direction of the Municipal Manager or Municipal Operations Manager, the employees’ P-cards will be suspended until training has been retaken.”

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

Discussion With Responsible Officials. The results of this audit were discussed with appropriate Municipal officials on March 6, 2026.

Audit Staff:
Kevin Song