



RON DESANTIS  
GOVERNOR

JASON WEIDA  
SECRETARY

February 6, 2023

Jason Weida, Secretary  
Agency for Health Care Administration  
2727 Mahan Drive  
Tallahassee, Florida 32308

Dear Secretary Weida:

Attached is Report #AHCA-2122-01-A, PCard Administration Audit. This audit was conducted as part of the Agency's annual audit plan. The objectives of the audit were to determine the efficiency and effectiveness of the Bureau of Financial Services' administration, controls, and oversight of the PCard Program. Specific to this audit, we were to determine Agency compliance with the Department of Financial Services (DFS) Statewide Purchasing Card guidelines, Agency PCard Program Administrator's compliance with Agency policies and procedures and evaluate Agency policies and procedures for adequate internal controls. Our audit revealed an area where improvements could be made to strengthen controls.

Management's response to our recommendations is included in the report. We will schedule a follow-up review in six months to assess the status of the efforts taken by management to correct all remaining open issues.

If you have any questions or concerns regarding this report, please let me know.

Sincerely,

Brian P. Langston  
Inspector General

BPL/jw

Attachment

cc: Melinda M. Miguel, Chief Inspector General  
Sherrill F. Norman, Auditor General  
Brock Juarez, Acting Chief of Staff  
Sonya Smith, Chief of Finance and Accounting





**Office of Inspector General**  
*Internal Audit*

**Report No. AHCA-2122-01-A**

**February 2023**

## **PCard Program Administration Audit**

### **EXECUTIVE SUMMARY**

As part of the Office of Inspector General 2021-22 Annual Audit Plan, the Office of Inspector General (Office) conducted a Purchasing Card (PCard) Program Administration Audit of administrative oversight by the Agency for Health Care Administration (Agency) for the fiscal year 2021-22, in accordance with Chapter 287, Florida Statutes (F.S.), and Chapter 60A, Florida Administrative Code (F.A.C.).

The engagement was conducted pursuant to Section 20.055, F.S., in accordance with the guidelines set forth in The Institute of Internal Auditors' *International Standards for the Professional Practices of Internal Auditing*.

During our audit, we noted an area where improvement could be made to strengthen controls:

- PCard cancellations are not always timely.

The Findings and Recommendations section provides details of the results of the audit.

### **OBJECTIVES, SCOPE, AND METHODOLOGY**

The objectives of this audit were to:

- Determine the efficiency and effectiveness of the Bureau of Financial Services' administration, controls, and oversight of the PCard Program;
  - Determine Agency compliance with the Department of Financial Services (DFS) Statewide Purchasing Card guidelines; and
  - Determine Agency PCard Program Administrator's compliance with Agency policies and procedures for adequate internal controls.
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The scope focused primarily on the PCard Program and the responsibilities of the program administrators. The PCard monitoring, and oversight processes were reviewed for the fiscal year 2021-2022, beginning July 1, 2021, with review of subsequent information as needed through October 18, 2022, for PCard activities administered under Chapter 287, F.S.

The methodology included review of authoritative documents, PCard records, and interviews with the Division of Administrative Services (Division) management, Agency staff, and program management.

## **BACKGROUND**

PCards are State of Florida restricted use credit cards issued to State of Florida employees as a method of payment for purchases within procurement guidelines established by the Department of Management Services (DMS) to ensure prompt payment to vendors for purchase of small dollar transactions for travel expenses, and allowable expenditures including commodities and services. Specifically, the Agency utilizes the PCard for authorized travel expenditures and for limited approved goods and services when the PCard is the only acceptable method of payment to vendors.

The annual Agency Management Representation Letter, signed by the Agency Secretary, in connection with our Agency PCard Program, requires management to make representations to the State of Florida Chief Financial Officer, based on best knowledge and belief, that an established and maintained system of effective internal controls to prevent and detect waste, fraud, and abuse has been established within the PCard Program. This letter includes a statement that the Agency's Office of Inspector General performs periodic audits and reviews to determine if established internal controls are functional and effective.

This audit reviewed PCard internal controls and monitoring processes including prompt payment; timely card cancellation upon employee separation; monitoring to ensure compliance with DMS, DFS, and Agency PCard requirements; and review of the Scoped Administrator's activities by the Scoped Administrator's supervisor. A key process to monitor the status of Agency timely payment performance includes the Scoped PCard Administrator's monthly detailed report used to ensure approvals are completed within the 10-day limit. DFS sends a report if the approvals are over 10 days around the 15<sup>th</sup> day. We reviewed the payment timeframes of 1,912 transactions for the period July 1, 2021, through April 22, 2022, based on the report requested from DFS. The average number of days from transaction posting date to paid date averaged 10 days, which complies with DFS policy.

The processing of PCard cancellations by the Agency upon employee separation was reviewed including an internal controls assessment. A comparison of active cardholders maintained by the Scoped PCard Administrator was made with the People First separations report to identify employees who had separated from the Agency.

where the PCard was still active. The results of the review concluded that cancellations are not always timely.

A process review of the Scoped Administrator’s monitoring activities was performed to determine the effectiveness of performing assigned duties. This included process questions and a review of documentation by supervisor to validate monitoring activities were performed as required. Based on the review, we noted monitoring activities comply with DFS requirements, laws, and guidelines as well as with Agency policies and procedures.

A process review of the Scoped Administrator’s Supervisor monitoring activities was performed to document oversight of the Scoped Administrator’s duties. This included creating a test checklist and questions to determine the effectiveness of the supervisor’s oversight. Supervisory oversight was found to be well documented and in accordance with monitoring requirements.

A summary of the four tests performed are outlined in the table below including the conclusion.

<b>PCard Administration Processes Review</b>	<b>Audit Tests Completed</b>	<b>Conclusions</b>
Review of DFS Transaction Detail Report as of April 22, 2022	PCard Timely Payments	Aggregate Average 10 Days in Compliance
Determine if Agency has outstanding items on DFS reporting	Agency Compliance with DFS Rules and Regulations	No Exceptions Noted
Determine if PCards are timely cancelled upon employee separation	PCard Timely Cancellation	Untimely Cancellation Exception Noted
Determine effectiveness of Scoped Administrator’s monitoring activities	Documentation Review of Scoped Administrator’s Duties	No Exceptions Noted
Determine effectiveness of Scoped Administrator Supervisor’s monitoring activities	Documentation Review of Scoped Administrator’s Duties Oversight	No Exceptions Noted

## **FINDINGS AND RECOMMENDATIONS**

### **Finding 1 – PCard cancellations by the Agency are not always timely.**

PCards for employees who separate from the Agency must be cancelled timely to avoid the risk of unauthorized use. The Scoped PCard Administrator's list of current cardholders was compared to the People First System's list of employee separations during the audit period. Three former employees from the separation report were identified as having an active card listed on the Scoped PCard Administrator's list.

These employee names were provided to Human Resources to verify the termination date. Based on the information from Human Resources and the Scoped PCard Administrator it was determined that these employees had separated from the Agency and their PCard was still active.

### **Recommendation**

We recommend the Agency review their processes and controls to ensure timely cancellation of PCard upon employee separation.

## **ACKNOWLEDGEMENT**

The Office of Inspector General Internal Audit staff would like to thank management and staff of the Agency's Division of Operations, Bureau of Financial Services, for their assistance and cooperation extended to our Office during this engagement.

## **PROJECT TEAM**

Jeanie Walker, CIGA, FCCM, MBA, Senior Management Analyst Supervisor, conducted the audit under the supervision of Karen Preacher, CIA, CFE, CIGA, Audit Director, and Brian P. Langston, CIG, CIGA, CIGI, Inspector General.

The Agency for Health Care Administration's mission is  
Better Health Care for All Floridians.

The Inspector General's Office conducts audits and reviews of Agency programs to assist the Secretary and other agency management in fulfilling this mission.

This engagement was conducted pursuant to Section 20.055, Florida Statutes, and in accordance with the *International Standards for the Professional Practice of Internal Auditing* as established by the Institute of Internal Auditors. Please address inquiries regarding this report to the AHCA Audit Director at (850) 412-3990.

Copies of final reports may be viewed and downloaded via the internet at:  
[https://ahca.myflorida.com/Executive/Inspector\\_General/Internal\\_Audit/Reports.shtml](https://ahca.myflorida.com/Executive/Inspector_General/Internal_Audit/Reports.shtml)

Copies may also be requested by telephone at (850) 412-3990, in person, or by mail at Agency for Health Care Administration, 2727 Mahan Drive, Mail Stop #5, Tallahassee, FL 32308.

**Agency for Health Care Administration  
Office of Inspector General – Internal Audit  
Report Title: PCard Administration Audit  
Report #: AHCA-2122-01-A, issued February 7, 2023**

No.	Finding Statements	Recommendations	Management Responses	Anticipated Completion Date and Contacts
1	PCard cancellations by the Agency are not always timely.	The Agency review their processes and controls to ensure timely cancellation of PCard upon employee separation.	<p>Due to the Accountant IV position (Assistant PCard Administrator) being vacant in the Policy &amp; Systems Section within the Bureau of Financial Services, there was a delay by the PCard Administrator of cancelling the PCards for the three former Agency employees who were identified during the audit.</p> <p>Staff in the Policy &amp; Systems Section have limited access to PCards and oversight of them due to internal control measures. In addition, the Agency's policies and procedures indicate that Administrators, both the PCard Administrator and Assistant PCard Administrator, will deactivate profiles within five business days of the separation date to ensure there are no unauthorized charges.</p>	<p>The Accountant IV position, which is the Assistant PCard Administrator and backup to the PCard Administrator, is currently vacant. The Finance &amp; Accounting Director III who is the supervisor of the Policy &amp; Systems Section is in the process of advertising the vacant position in order to hire a well-qualified candidate to perform the required duties and responsibilities.</p> <p>During the process of advertising, interviewing, selecting, hiring, and training the Assistant PCard Administrator, the Finance &amp; Accounting Director III will ensure that the PCard Administrator cancels PCards for former Agency employees within five business days by maintaining a list of separated employees and verifying with the PCard Administrator on a weekly basis that separated employees' PCards have been cancelled to prevent unauthorized use.</p> <p>Anticipated Completion Date: January 31, 2023</p> <p>Gale Smith-Johnson, Finance &amp; Accounting Director III Tonya Gant, Accountant IV (PCard Administrator) Sonya Smith, Chief of Financial Services</p>