FULTON COUNTY, GEORGIA

OFFICE OF THE COUNTY AUDITOR

Purchase Card Program Follow-up Audit

August 31, 2026

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INTRODUCTION

The Office of the County Auditor performed a follow-up audit of Fulton County's Purchase Card (P-Card) program in accordance with the County Auditor's 2026 audit plan. The Purchase Card audit is an annual, mandated audit of Fulton County's Purchase Card program, administered by the Department of Purchasing and Contract Compliance.

BACKGROUND

The P-Card program is an innovative method the County has undertaken to acquire goods and services and to streamline the procurement process to allow the User Departments to procure goods and services under $2,500.00 in an efficient and timely manner. The P-Card program is administered by the Department of Purchasing and Contract Compliance through the Bank of America Works System ("Works"). The Department is responsible for program compliance, policy development and implementation, auditing, and training of County personnel. Department Heads and Accountholders are responsible for ensuring Cardholders adhere to the program's policies and procedures, approving transactions and compiling monthly reconciliations in Works. The Cardholder is the designated person within the User Department to conduct transactions on the Department's behalf. The Cardholder and Accountholder's responsibility is to retain invoices and itemized receipts for all spending. Additionally, the Accountholder and Cardholder have the responsibility to review, reconcile, submit, and sign off on all monthly transactions for processing and payment by the Department of Purchasing and Contract Compliance and the Finance Department.

The primary benefits of the P-Card are:

- Accepted by any supplier who accepts Visa;
- Faster purchase and receipt of goods;
- Reduction in transaction costs associated with processing purchase orders;
- Increased information about purchasing transactions and tracking of expenses;
- Improved supplier relations;
- Customer empowerment;
- Ability to take advantage of supplier discounts; and
- Ability to redirect purchasing staff to more value-added activities.

Fulton County Board of Commissioners adopted Fulton County Code § 102-383 in accordance with Georgia General Assembly HB 192 and O.C.G.A. § 36-80-24 to govern the issuance of purchasing credit cards to constitutional officers and elected officials. The Fulton County Purchasing Code 102-383 (Small Purchases) and the Purchasing Card Manual must be adhered to by all user departments. The P-Card is the property of the County, and any failure to comply can result in suspension from the P-Card program. In 2025, there were thirty-nine (39) user departments/divisions assigned purchasing cards, and ninety-seven (97) purchase credit cards utilized by ninety-six (96) accountholders for departmental needs and specific job functions relevant to procurement. The County spent a little under $3.8 million on purchase card transactions.

OBJECTIVE

The objectives of the audit were to determine whether adequate measures were taken to resolve the findings and recommendations noted in the prior audit report dated June 3, 2025, and to determine whether internal controls are operating effectively.

SCOPE

The scope of this audit was from January 1, 2025, to December 31, 2025.

METHODOLOGY

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). 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.

To achieve our audit objectives, we performed the following audit procedures:

- Conducted interviews with key staff to identify updated internal controls and implementation of corrective actions from the prior audit;
- Reviewed the revised Department of Purchasing and Contract Compliance - Purchasing Card Manual, as well as any applicable federal and state regulations;
- Identified all active Cardholders and total spending during the year 2025 for each department conducting business on behalf of Fulton County Government;
- Verified active Cardholders participated in mandatory annual refresher training;
- Performed data analytic procedures on all 2025 P-card purchases to identify patterns of split purchasing and non-compliance with the daily transaction limit;
- Selected a sample of one hundred thirty-five (135) P-Card purchase transactions from six (6) departments totaling $136,721 to test the effectiveness of internal controls;
- Verified expenses and required approvals were performed by their respective deadlines; and
- Obtained and reviewed invoices, receipts, and other supporting documentation for each sampled transaction.

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our findings and recommendations are detailed below.

STATUS OF CORRECTIVE ACTION PLAN

We classified the status of implementation as follows:

- **Implemented** – The Department has fully implemented the recommendation.
- **Partially Implemented** – The Department has partially implemented the recommendation.
- **In Progress** – The Department intends to fully implement the recommendation.
- **Not Implemented** – The Department has not implemented the recommendation.

Table 1

	Finding	Recommendation	Corrective Action Plan	Current Status of Corrective Action Plan
1.	**Inadequate Record Keeping (Implemented)**	We recommend the Department of Finance and the Department of Purchasing and Contract Compliance utilize all avenues to ensure documents are properly stored and accessible when needed. Additionally, we recommend conducting quality reviews to ensure all documents have been received and are available for review.	The Department of Purchasing and Contract Compliance utilizes the reconciliation process in Bank of America Works, where all supporting documents are electronically submitted and stored for recordkeeping. With the implementation of the Bank of America Works reconciliation process, individual transactions will require itemized invoices, receipts and other required supporting documentation.	Our sample of one hundred thirty-five (135) transactions concluded that all supporting documentation was present. The implementation of the Bank of America Works reconciliation process reduced the paper documentation that was needed with the previous reconciliation process.
2.	**Payment of Sales Tax (Implemented)**	We recommend the Department of Purchasing and Contract	The Purchasing Card Manual reiterates Fulton County's sales tax	Of the one hundred thirty-five (135) transactions reviewed, one (1) transaction

	Finding	Recommendation	Corrective Action Plan	Current Status of Corrective Action Plan
		Compliance reiterate the sales tax exemption policy periodically through training questionnaires or short videos throughout the year and ensure Cardholders submit the Sales Tax Exemption (ST-5) Form to vendors before conducting transactions on the County's behalf. We also recommend that Cardholders update their Sales Tax Exemption (ST-5) forms with vendors every 3 years.	exemption and provides mechanisms to avoid the imposition of sales tax on P-Card transactions. The Purchase Card Manual also provides instructions for obtaining a credit when sales tax is charged on a purchase and requires documentation of the efforts made to remove the sales tax to be submitted with the reconciliation.	included a sales tax charge and was not flagged or noted in the system by the Purchase Card Administrator. Based on our review, this appears to be an isolated incident, and we consider the corrective action to have been implemented.
3.	**Split Purchases** **(Partially Implemented)**	We recommend implementing a mechanism to periodically remind Cardholders, Liaisons, and Department Heads of key policy guidelines and prohibited transactions throughout the year.	There was no corrective action plan, as the Department of Purchasing and Contract Compliance did not concur with the finding. The Purchase Card Manual explicitly identifies split purchases as prohibited transactions and lists levels of	During our audit of Purchase card transactions for 2025, we identified nine (9) sets of purchases that appeared to be split purchases. Of those nine (9) purchases, only four (4) were flagged as a split purchase by the Purchase Card Administrator.

	Finding	Recommendation	Corrective Action Plan	Current Status of Corrective Action Plan
			consequences for violations of split purchases.	
4.	**Unauthorized Purchases** **(Partially Implemented)**	We recommend the Department of Purchasing and Contract Compliance continue to enforce Purchase Card policies and procedures and inquire with Bank of America to incorporate a control to block unauthorized transactions.	The Purchase Card Manual includes a list of unauthorized purchases. Although the Department of Purchasing and Contract Compliance cannot prevent unauthorized purchases with the P-Card, a letter of non-compliance is issued, and repeat policy violations can lead to suspension and ultimate revocation of P-Cards.	During our audit, we identified five (5) purchases of prohibited goods. These unallowed purchases were not identified by the Purchase Card Administrator during the review process.
5.	**Failure to Obtain Required Signatures for Reconciliation Reports** **(Implemented)**	We recommend the Department of Purchasing and Contract Compliance instruct departments to provide a brief explanation in the comment section of the P-Card Report Checklist when the representative is not present to sign on their respective signature line or allow for	The Department of Purchasing and Contract Compliance implemented a transaction-based review process in Bank of America Works that eliminates the need for manual signatures. The P-Card Administrator designated as Approver (APR) and the Finance Accounts Payable representative	Our sample of one hundred thirty-five (135) transactions concluded that all required signatures were present. The implementation of the Bank of America Works reconciliation process eliminated the requirement for five (5) signatures. The current process requires three (3) electronic sign offs: from the Accountholder, the Approver, and the Accountant.

	Finding	Recommendation	Corrective Action Plan	Current Status of Corrective Action Plan
		electronic signatures by way of DocuSign or other approved methods.	designated as Accountant (ACT) complete their respective reviews and sign-offs in Bank of America Works as part of the reconciliation process for all transactions.	
6.	**Untimely Payment of Invoices** **(Partially Implemented)**	We recommend the Department of Purchasing and Contract Compliance continue to stress the significance of prompt payment on vendor invoices and highlight best practices in the purchasing process.	The Department of Purchasing and Contract Compliance updated the Purchase Card Manual to emphasize the importance of not paying past due invoices with the P-Card. In addition, the Purchase Card Manual informs P-Card users of the procurement process for paying past due invoices to remain in compliance with the policy.	Of the one hundred thirty-five (135) transactions reviewed, we noted six (6) invoices were paid later than thirty (30) days.

FINDINGS AND RECOMMENDATIONS

Finding 1 - Prohibited Purchases

The Purchasing Card Manual states that the P-Card can be used for purchasing supplies, materials, equipment, and services; however, some goods and services cannot be purchased with the P-Card and are listed as "Prohibited" purchases. During the audit, we identified five (5) prohibited transactions including two (2) purchases of printers, one (1) purchase of an external disk drive (purchase of computer peripherals are allowed only through the IT department), one (1) payment of gratuity (for which a refund was requested and received), and one (1) purchase of training software (allowed under the Travel and Training Card), which was likely erroneously charged to a Purchase Card instead of a County Travel Card. Although numerous unallowable purchases were properly identified during the review process, the above items were not detected. Unauthorized charges increase the risk of improper use of County funds and noncompliance with P-Card policies.

Recommendation

We recommend implementing a mechanism to periodically reinforce policy guidelines on prohibited purchases throughout the year. We further recommend implementing enhanced control measures to ensure unallowable purchases are consistently identified.

Finding 2 – Split Purchases

According to the Purchasing Card Manual, the Purchase Card Program Administrator is responsible for ensuring that Cardholders follow internal controls set forth in the policy and procedures to prevent misuse and abuse of the purchasing card. The policy also states that Cardholders shall never split charges to circumvent the single purchase limit of $2,500.00. During the audit, we identified nine (9) split purchases, four (4) of which were appropriately identified as policy violations during review of the monthly reconciliation process. Each of these instances exhibited one or a combination of the following patterns: multiple same-day purchases of similar goods or services from the same vendor; a single invoice recorded as two or more distinct invoices, consecutively numbered invoices issued by a vendor for same-day purchases; and purchases of similar goods or services made on the same day from the same vendor using two different P-Card accounts. We note that numerous split transactions were properly identified during the normal review process; however, others that exhibited the same or similar patterns were not identified. In addition to violating the Purchasing Card policies and procedures, split purchases circumvent the purchasing and procurement process and may cause fraud to go undetected.

Recommendation

We recommend reinforcing policy guidelines throughout the year and strengthening review procedures to ensure consistent identification of split transactions.

Finding 3 – Untimely Payment of Invoices

Best practices recommend that invoices be paid within 30 days, or by the stated due date, especially if goods and services have been received. We reviewed a total of one hundred thirty-five (135) transactions; we noted six (6) invoices that were paid later than thirty (30) days. The late payments included:

- Two (2) invoices paid between (31 – 60) days; and
- Four (4) invoices paid (> 90) days

It is unclear why invoices were paid late, with four (4) invoices being paid 93 days, 119 days, 131 days, and 144 days later. In one instance, the late payment was attributed to the late receipt by the vendor. No explanation was provided for the remaining five (5) late payments. Failure to pay invoices in a timely manner may cause unnecessary late fees, accounting and reporting issues, hinder growth of local small businesses, and erode vendor relationships.

Recommendation

We recommend that the Department of Purchasing and Contract Compliance establish specific standards for the timely submission of P-Card payments. We further recommend consistently educating P-Card users on best practices in purchasing.

Finding 4 – Untimely Transaction Sign Off in Bank of America Works

The Purchasing Card Manual requires all departments to properly approve transaction entries in the Bank of America Works System ("Works").

There are three levels of approval for transactions in Works:

1. The Accountholder ("AH"), the person to whom a P-Card is issued, shall approve all reconciled transactions and upload the corresponding itemized invoice and/or receipt within a 30-day billing cycle into Works by the designated due date.
2. The Purchasing Card Program Administrator who is designated as the Approver ("APR") shall approve all completed transactions in Works within ten (10) calendar days after the deadline date of each billing cycle.
3. The Accounts Payable representative designated as the Accountant ("ACT") reviews each Account Holder transaction entry approved by the P-Card Administrator (APR) in Works within fourteen (14) calendar days after the APR approval submission deadline date of each billing cycle.

During the audit, we identified two (2) instances of late approval by the Accountholder (AH) and sixteen (16) instances of late approval by the P-Card Administrator (APR). There was no indication in the record that the late submissions had been acknowledged as policy violations.

The number of days each approval was submitted after the required due date is summarized below:

- AH
    - Two (2) transactions – 1 to 16 days

- APR
    - Nine (9) transactions – 1 to 5 days
    - Three (3) transactions – 10 to 20 days
    - Four (4) transactions – 25 to 28 days

Delayed processing of P-Card transactions may delay the timely identification of discrepancies, cause reporting delays, and increase the risk of noncompliance with the Purchasing Card policy.

Recommendation

We recommend the Department of Purchasing and Contract Compliance establish enhanced procedures to ensure P-Card transactions are entered and approved in the Works system by the designated due dates for each 30-day cycle.

Finding 5 – Payment of Sales Tax

Georgia state law exempts Fulton County from all sales tax at the point of sale for all purchasing card transactions. Accordingly, Fulton County prohibits the payment of sales tax as outlined in the Purchasing Card Program Manual. It is the Cardholder's responsibility to ensure sales tax is not charged on any transaction at the point of sale. During the audit, we identified one (1) transaction that included a sales tax charge that was not identified during the review process. Although this appears to be an isolated incident, the payment of sales tax on the P-Card is prohibited under state law and violates the Purchasing Card policies and procedures. It also results in overpayment of expenditures and puts the County at risk for inaccurate financial reporting.

Recommendation

We recommend that the Department of Purchasing and Contract Compliance reiterate the sales tax exemption policy during Purchase Card training and provide guidance on preventive measures to avoid payment of sales tax. We also recommend that Cardholders verify the County's tax-exempt status at the point of sale, review invoices and receipts before completing transactions to ensure non-payment of sales tax, and request removal of tax if applied.

Finding 6 – Incorrect Object Code for Purchase

According to the Purchasing Card Manual, the P-Card Administrator is responsible for reviewing each Accountholder's transaction to ensure that it is submitted timely, accurately, properly documented (invoices/receipts/correspondence), encoded with the appropriate object code, and includes all necessary approvals to process the payment. The Finance – Accounts Payable representative designated as the Accountant reviews each Accountholder transaction entry approved by the P-Card Administrator to ensure that the object code is allowable per the policy and matches the invoice and receipt description. During the audit, we identified three (3) transactions that were recorded and approved with incorrect object codes for the goods or services purchased using the P-Card. This error was an oversight and was not identified during the review process. Entering incorrect object codes violates the Purchasing Card policy, may cause unallowable purchases to be approved, and increases the risk of fraud.

Recommendation

We recommend that the Department of Purchasing and Contract Compliance establish enhanced procedures to ensure correct object codes are entered by the Accountholder, verified by the Administrator, and then reviewed by the Accountant before final processing.

Finding 7 – Non-compliance with Mandatory P-Card User Training

Pursuant to the Purchasing Card Program Manual, annual refresher training is required for Purchasing Cardholders to provide policy updates, procedural changes, and refresher training on the reconciliation process. Our review of the mandatory P-Card Refresher training revealed sixteen (16) out of ninety-six (96), or seventeen percent (17%), of active Cardholders, did not attend the required training. Current policies and procedures did not ensure all active cardholders attended the required training. Failure to monitor and ensure all Cardholders receive required training could result in decreased knowledge of the rules and regulations governing the use of the P-Card, increasing the risk of unauthorized purchases and fraudulent activity.

Recommendation

We recommend that the training sessions for Cardholders be delivered electronically in a format with the capability to track and validate trainee participation and attendance. We further recommend that renewal of purchasing cards not be issued by the Department of Purchasing and Contract Compliance until the P-Card Refresher Training has been completed by the Cardholder, as outlined in the Purchasing Card Program Manual.

Concern 1 – Data Security Lapse

According to Payment Credit Card Industry Data Security Standards (PCI-DSS), merchants are prohibited from displaying the entire card number in transaction records. During the audit, we identified one (1) instance of a data security lapse. A purchasing card number was displayed in its entirety on a vendor purchase order and uploaded into Works. Although an attempt was made to obscure the card number by typing "**XXXX XXXX XXXX XXXX**" over the length of the credit card number, it was unsuccessful, as all sixteen digits remained legible. Displaying sensitive information or the entire credit card number increases the risk of unauthorized charges and does not comply with data security requirements and applicable industry standards.

Recommendation

We recommend that the Department of Purchasing and Contract Compliance update the Purchase Card Program policy to instruct cardholders to properly redact sensitive information before submitting supporting documentation to prevent the disclosure of confidential data. Cardholders should also work with vendors to ensure sensitive information is not included on invoices, receipts, or other supporting documentation provided for purchase card transactions.

Concern 2 – Enhancement of Hospitality Expense Documentation

The Purchase Card program allows for hospitality expenses to be charged to the P-Card. Hospitality Expenses must include the approved Hospitality Form E or prior approval from the CFO, as well as listing the Event/Function title, the purpose for the event, approximate number of attendees, location and date of event, and cost of expenses. Additionally, all transactions are required to include an itemized invoice or receipt for the reconciliation process. During our review of one hundred thirty-five (135) transactions, we identified thirty (30) transactions that were coded as Hospitality expenses. Although these transactions included the required Hospitality Form E and supporting receipts for reconciliation, it was difficult to determine the purpose of the hospitality expense due to the general statements provided on the Hospitality Form. Requiring documentation that identifies County-related events, such as a meeting agenda or event flyer, provides sufficient evidence that hospitality expenses are reasonable, necessary, and utilized for County-related business.

Recommendation

We recommend that the Department of Purchasing and Contract Compliance enhance its review and requirement of hospitality documentation by ensuring that supporting documentation include clear, complete, and accurate details as to the business purpose of the expense. Such documentation would consist of meeting agendas and event flyers. Strengthening this process will help ensure consistent documentation, reinforce alignment with policy, and improve overall transparency and accountability in the use of County funds.

Concern 3 – Goods Shipped to a Private Residence

According to best practices in procurement, goods purchased on behalf of a government entity should be received through a centralized receiving process to maintain effective internal controls. During our audit, we noted one transaction where the purchase was delivered to a private residence. The department explained that due to the Cardholder being on leave, an alternate Amazon account was used to make the purchase, for which the default delivery address was the home address of the account owner. We have corroborated the circumstances surrounding this transaction. Delivering County goods to a private residence may cause difficulty verifying receipt of goods, increase the risk of loss, and misappropriation of County assets.

Recommendation

We recommend instituting a policy amendment to prohibit the delivery of goods purchased using the Fulton County P-Card to private residences. When exceptions to the policy are necessary, a formal process for requesting, approving, and documenting the exception should be implemented.

CONCLUSION

Upon our review of the Purchase Card Program follow-up audit, we concluded the following: three (3) recommendations were implemented, and three (3) recommendations were partially implemented from the prior audit. In addition, our follow-up audit of the Purchase Card program revealed seven (7) findings and three (3) concerns. The findings and concerns are listed below:

- Prohibited Purchases
- Split Purchases
- Untimely Payment of Invoices
- Untimely Transaction Sign Off in Bank of America Works
- Payment of Sales Tax
- Incorrect Object Code for Purchase
- Non-Compliance with Mandatory P-Card User Training
- Data Security Lapse (Concern)
- Enhancement of Hospitality Expense Documentation (Concern)
- Goods Shipped to Private Residence (Concern)

Please provide a written response to this audit within ten (10) business days. Be sure to address the written response to Anthony Nicks, County Auditor. The written response should be submitted to Shauna Herbert, Audit Manager, in the office of the County Auditor at Shauna.Herbert@fultoncountyga.gov. We would like to thank management and staff for their timely cooperation and assistance during this audit. The distribution of this report is reserved for the executive management of Fulton County and the Board of Commissioners.