



Wakulla County Board of County Commissioners

Internal Audit Report

Accounts Payable Audit

October 2025

Executive Summary

The Internal Audit Department conducted an audit of the Accounts Payable (AP) process for Wakulla County Board of County Commissioners (BOCC), covering transactions between October 1, 2024, and June 18, 2025. The review included both Purchasing Card (P-Card) and Disbursement Request (DR) transactions, as well as the County's asset management practices. There were 189 P-Card samples and 211 DR samples.

Key Findings:

- **P-Cards:** Issues with missing quotes (98%), insufficient approvals (67%), and incomplete vendor/asset documentation. Some terminated employees and non-employees retained active cards. While rebate incentives have benefited the County, the lack of pre-audit oversight reduces control.
- **DRs:** Fewer issues overall, but exceptions included undocumented approval delegation, two invoice/payment discrepancies, and one asset omission. Human error was the primary cause rather than systemic control gaps.
- **Asset Management:** Policies and ordinances are outdated and inconsistent. The use of "and/or" language has created confusion, attractive items are inconsistently tracked, and annual inventory requirements have not always been met. The asset list includes significant numbers of low-value items that do not meet capitalization thresholds, such as chairs, file cabinets, scanners, and printers that are less than \$500.
- **Other Reviews:** No evidence of duplicate payments or fraudulent vendor/employee address matches were found.

Recommendations:

- Strengthen P-Card controls with segregation of duties, enforcing required documentation, requiring supervisor approvals, and restricting vendor categories.
- Require documentation for delegated signature authority on DRs and reinforce review diligence, especially for high-value projects.
- Update Administrative Regulations (AR 1.07 Purchasing Card Program Guidelines and AR 3.05 Fixed Assets) for clarity and alignment with Florida Administrative Code. Define "attractive items" explicitly and streamline the inventory list to focus on material assets.

Conclusion:

While the County's DR process is generally strong, significant control weaknesses exist in the P-Card program and asset management framework. Addressing these issues will strengthen accountability, reduce compliance risks, and ensure public funds are safeguarded.

Table of Contents

Executive Summary.....	1
Introduction.....	3
Purchasing Card Purchases.....	4
Disbursement Request Purchases.....	8
Asset Management.....	11
Other.....	13
Recommendations.....	13
Management Response.....	17
Recommendation Table.....	22
References.....	23

Introduction

The Internal Audit Department (IA) completed an audit of the accounts payable (AP) process for Wakulla County (County) Board of County Commissioners (BOCC). The AP process audited includes both small and large purchases using payment by purchasing card (P-Card), check, and electronic funds transfer (EFT). The purchasing process extends through adding items into the County's inventory system. The processes of both the County and the Wakulla County Clerk of the Court (Clerk) Finance Department (Finance) are included in this audit.

Purchasing is governed by Administrative Regulation 1.07 Purchasing Card Program Guidelines (AR 1.07), Administrative Regulation 3.05 Fixed Assets (AR 3.05), and Article VI. – Purchasing of the County Ordinances at the local level. AR 1.07 was updated on February 21, 2023. AR 3.05 was approved in February 2013. Ordinance 2024-25 passed on November 19, 2024 is the most recent update to the purchasing ordinance.

The County's Fiscal Operations Department (FOD) oversees the P-Card program, which they took over from the Employee Support Services Department (ESS). FOD has several policy and procedure documents to help direct proper use of P-Cards and the administration of the program. There are additional Florida Statutes (FS) and Florida Administrative Code (FAC) that guide the requirements as well.

The objective of this audit was to evaluate the purchasing function from quote to asset addition. Finance uses the information provided by the County in the purchasing file to add assets to the appropriate category. It is also the responsibility of the Clerk to ensure purchases serve a public purpose, are legal, and do not overspend a fund's budget.

To evaluate this process 400 samples were selected from accounts payable. This included 189 samples from P-Cards and 211 samples from check and EFT payments using a disbursement request (DR). The P-Card transactions occurred between the beginning of fiscal year 2024-2025 (FY2425) which began on October 1, 2024 and May 31, 2025. The DR transactions occurred between the beginning of FY2425 and June 18, 2025.

The FOD Director discussed processes, provided copies of written policies and procedures, and responded to follow-up questions throughout the audit. Finance also provided details on their part in the process, addressing issues as they were brought to their attention. ESS provided access to employee files to review P-Card user forms.

Observations and Recommendations

Observations

Based on purchasing policies, the following questions were asked of each sample:

- Was there an itemized receipt or invoice in the purchase file?
- Was there documentation of a verbal or written quote in the purchase file, if required?
- Was there an appropriate signature/approval for the amount?

- Were there any discrepancies in the purchase file?
- Was Florida sales tax properly exempted?
- If the purchase met inventory thresholds or was an attractive item, was it added to asset tracking?
- If the purchase was from a new vendor, was proper documentation provided?
- What was the processing time from purchase date or invoice date to Finance's payment of the invoice (DRs only)?

Purchasing Card Purchases

To streamline the purchase of low-cost goods and services (not exceeding \$10,000 per Section 2.253 of the Wakulla Code of Ordinances) while reducing the administrative burden of processing purchase orders, the County implemented a P-Card program. While P-Cards offer a convenient and cost-effective way to procure and pay for supplies and services, they are also susceptible to fraud and misuse. Therefore, it is critical that County policies and procedures include strong controls to ensure the proper safeguarding, accountability, and use of P-Cards. The County has a number of controls in place for P-Cards. There are thorough policy and procedure documents on the use of P-Cards. But further strengthening will ensure taxpayer funds are protected.

A combination of judgmental and random sampling was used to select samples for the P-Card purchasing method. There were 189 samples selected from P-Card transactions exported from the Bank of America (BOA) Works website. Transactions from the Supervisor of Elections were excluded from the selection. The highest 100 transactions were automatically included in the selection. After this any transactions without a description or that indicated they were an accidental personal purchase were selected. The remaining samples were randomly selected. The table below outlines the numbers related to the samples.

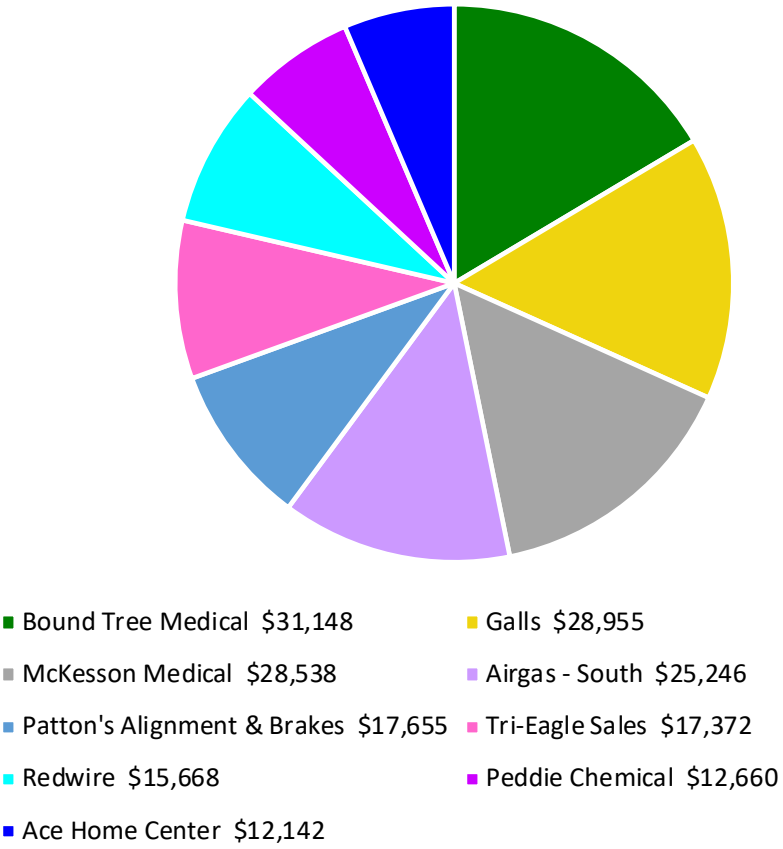
P-Card samples contain the following breakdown:

Sample purchases	\$ 234,961.52
Total purchases	\$ 797,650.57
Sample Percent	29%

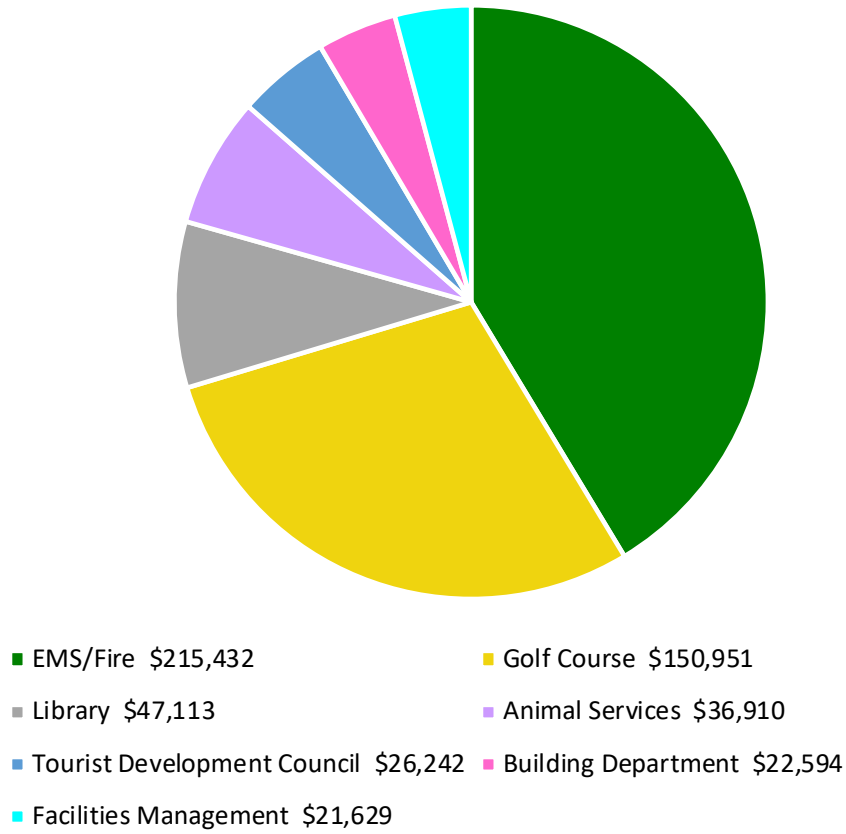
Number of Transactions	3,745
Number of Samples	189
Sample Percent	5%

The charts below provide an overview of the P-Card purchases within the audit period by vendor and department. Only the top vendors and departments are shown on the charts.

Top P-Card Usage by Vendor



Top P-Card Usage by Department



The next table provides the breakdown of the sample analysis by questions asked for each. Following the table there are details of issues found.

P-Card Transactions Analysis Summary:

	Was there an itemized receipt or invoice in the purchase file?	Was there documentation of a verbal or written quote in the purchase file?	Was there an appropriate signature/approval for the amount?	Were there any discrepancies in the purchase file?	Was Florida sales tax properly exempted?	If the purchase met inventory thresholds or was an attractive item, was it added to asset tracking?	If the purchase was from a new vendor, was proper documentation provided?
Yes	188	2	63	189	186	4	15
No	1	135	126	0	3	2	4
Not Applicable	0	51	0	0	0	183	170
Percentage Without Issue	99%	28%	33%	100%	98%	99%	98%

Only one of the samples did not have an itemized receipt. Instead, the purchase file contained an order confirmation which is not a receipt or invoice. Of the samples where a quote was expected, 135 or 98.5%, did not contain a quote. Based on the most recent wording of the ordinance, all purchases require documentation of a verbal quote or written quote. There is no floor to the amount that requires a quote. Only larger purchases included a quote. Purchases for a reoccurring service that did not require a quote for each installment payment were part of the 51 samples listed as not applicable.

There were 126 samples, or 67% that did not have appropriate approval for the purchase tier level. Only purchases completed by a department director had the appropriate signature level. The ordinance requires the department director to sign off on purchases of \$25,000 or below. The BOA Works website allows cardholders and supervisors to sign off on purchases. However, most transactions were approved automatically in the system without either of these parties signing off.

There were no issues of discrepancies in the purchase files found. Sales tax was properly exempted in all but three situations. Two of these had the sales tax refunded so the County did not actually pay sales tax and one was a parking kiosk that it was not possible to get it exempted. This exception was noted in the purchase file.

Out of the 189 samples there were two purchases that should have been added to the asset list but were not. BOCC policy states purchases of goods that are \$2,500 or more and/or have a useful life of at least one year must be added to the inventory list. Four samples were added to the inventory list as they should have been. The two that were not added did not have a new asset form included in the purchase file. One of the items included refunds of building materials so on the surface it appeared as a purchase of \$3,380.53 but the equipment has an actual cost of \$10,609.39. The remaining samples were not purchases that met the asset requirements.

There were a total of 19 new vendors and four of these did not have the proper documentation for a new vendor. Finance provided documentation that the information was requested from the departments that made the purchase but documentation was not provided. The purchaser is responsible for submitting a new vendor form, W-9, and SunBiz registration paperwork. Payment is not supposed be made without providing this documentation. However, because of the nature of P-Card purchases, Finance does not have the ability to enforce this requirement prior to the purchase.

With the P-Card program, the vendor has already been paid when it reaches Finance. This reduces the ability the Clerk has to carry out the responsibility to ensure purchases serve a public purpose, are legal, and do not overspend a fund's budget. Payment to BOA for the full balance that is not under dispute must be paid by the due date each month in order to avoid penalties and interest. Disputes are only opened by the County and are for unauthorized purchases. If payment is not made in full the County will incur fees and interest. To be eligible for the incentive program, the balance must be paid in full each month.

For the past two years the County has received incentive rebates from BOA. In September 2024 the County received \$10,808.37 and in April of 2025, \$11,020.43. The rebate is approximately 1% of spending, for organizations that spend between \$1,000,000 and \$3,499,999. Prior to 2024 the County was not receiving an incentive payment because spending was below the threshold.

The P-Card program itself was also reviewed. Rather than looking at transactions, this looks at the cardholders and the process of adding, deleting, and maintaining cardholder accounts. There is specific paperwork that is completed when a cardholder receives their card. The table below outlines what was reviewed.

P-Card Accounts Analysis Summary:

	Purchasing Card Program Cardholder Profile Information on file?	Single transaction limit amount filed in on Purchasing Card Program Cardholder Profile Information?	Limit shown with BOA matched Purchasing Card Program Cardholder Profile Information?	Monthly transaction limit amount filed in on Purchasing Card Program Cardholder Profile Information?	Limit shown with BOA matched Purchasing Card Program Cardholder Profile Information?	Cardholder signed Purchasing Card Program Cardholder Profile Information?	Supervisor signed Purchasing Card Program Cardholder Profile Information?	Purchasing Cardholder Agreement on file?	Cardholder signed Purchasing Cardholder Agreement?	Supervisor signed Purchasing Cardholder Agreement?	Cardholder an active County Employee?
Yes	71	42	7	44	10	55	42	70	70	20	81
No	13	29	35	27	34	16	29	14	-	50	3
Percentage Without Issue*	85%	50%	8%	52%	12%	65%	50%	83%	83%	24%	96%

*Number of "Yes" divided by the 84 P-Card cardholders

When the audit began there were 84 active cardholders. There are two forms that are required to be completed, the Purchasing Card Program Cardholder Profile Information (Profile Form) and the Purchasing Cardholder Agreement (Agreement Form). The Profile Form is sent to FOD and a card is requested by FOD through BOA Works. The card is then sent to FOD and training is scheduled, which takes place between FOD and the cardholder. The Agreement Form is

completed when the cardholder attends training.

The Profile Form was present in 71 of the cardholder's files. This form has a section for the supervisor to fill in the limit amounts they are requesting for their employee and a signature line to authorize the cardholder to receive a card. Half of the forms had this information provided. These amounts rarely matched the limits shown with BOA. Only half of the forms had the supervisor's signature. The difference in the authorized amounts was discussed with the FOD Director. Since taking over the program a standard limit has been created based on the cardholder's role.

Of the 84 cardholders, 70 had the Agreement Form on file. There is spot on the form for the cardholder and their supervisor to sign after training is complete. All of the cardholders signed the forms that were on file but only 20 supervisors signed. Many of the forms had the P-Card program administrator's signature rather than the supervisor.

Not included in the above table was one issue related to a cardholder splitting a transaction to circumvent the single transaction limit. FOD reviews declined purchases and did explain to the employee that if there is a reason for a temporary limit increase it may be authorized. No disciplinary action was taken with this employee and the employee is no longer with the County. Splitting transactions to circumvent transactions limits is specifically prohibited in AR 1.07.

There are two cardholders that are not County employees. They are subcontractors that maintain the County's waste water system. The issue with this is that AR 1.07 states to be a cardholder the person must be a County employee. The third person listed as not an active employee had a last day of employment in June but the card was active at the time of the audit. All cardholders that have terminated employment in the current fiscal year were reviewed for timely card deactivations. There was a total of 14 cardholders in this group and the time to deactivate is listed below.

Number of Cardholders	Time to Deactivate
5	Before or on last day
2	Within 3 days
3	Within 3 weeks
3	Within 3 months
1	More than 1 year after termination

One issue that appeared to be occurring is ESS and FOD did not have a process in place for timely notification of termination. Because ESS had been the department responsible for the P-Cards, external notification was not necessary to deactivate the card.

Currently all types of vendors are authorized with BOA with the exception of cash. There is a vendor type classified as unusual that is not blocked and should be. According to BOA Works User Guide the unusual category includes race tracks, packaged liquor stores, and antique stores. In

the samples reviewed, there were no issues noted related to unusual vendors.

Disbursement Request Purchases

Similar to the P-Card samples, a combination of judgmental and random sampling was used to select the samples for the DR purchasing method. Transfers to Constitutional Officers were excluded as they are tied to approved budgeted transfers. First, all transactions that indicated they were part of a formal bidding process were selected. Next, all vendor payments that had only one payment were selected. Then the highest payments above \$75,000 outside of those payments were selected. Finally, from the remaining transaction a random selection was chosen. A total of 211 additional samples were selected to make the total sample size 400.

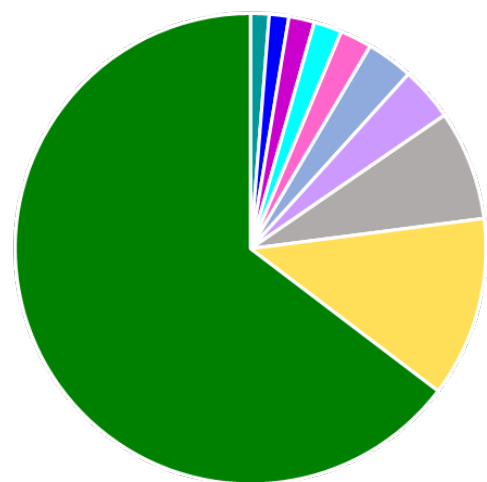
DR samples contain the following breakdown:

Sample purchases	\$ 19,423,078
Total purchases	\$ 34,292,698
Sample Percent	56%

Number of Transactions	6,119
Number of Samples	211
Sample Percent	3%

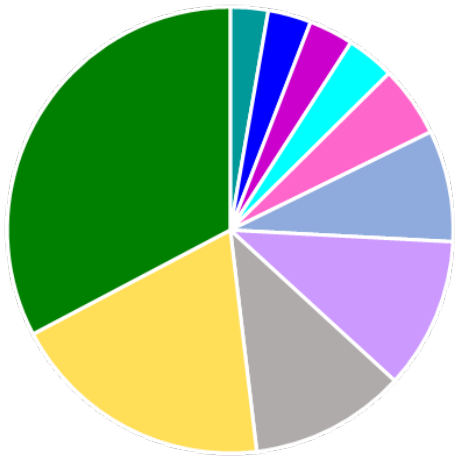
The charts below provide an overview of the DR purchases within the audit period by vendor and department. Only the top vendors and departments are shown on the charts.

Top DR Payments by Expense Grouping



Emer & Disaster Relief Svcs \$410,601.00	Other Gen Govt Services \$433,868.00
Housing & Urban Development \$568,281.00	Road & Street Facilities \$621,888.00
Health Services \$708,966.00	Parks & Recreation \$1,035,635.00
Fire Control \$1,196,519.00	Solid Waste Services \$2,438,622.00
Financial and Administrative \$4,003,548.00	Sewer Services \$20,895,883.00

Top DR Payments by Vendor



ALAN JAY AUTOMOTIVE NETWORK \$552,861	PUBLIC RISK INSURANCE AGENCY \$632,997
CONSOLIDATED PIPE & SUPPLY COMPANY INC \$652,808	MOTOROLA SOLUTIONS INC \$706,586
INFRAMARK LLC \$1,041,705	MOTOROLA SOLUTIONS INC \$1,633,980
WASTE PRO \$2,215,978	DIXIE SITEWORK AND UTILITIES INC \$2,284,048
NORTH FLORIDA CONSTRUCTION INC \$3,875,044	TALCON GROUP LLC \$6,611,835

DR Transactions Analysis Summary:

	Was there an itemized receipt or invoice in the purchase file?	Was there documentation of a verbal or written quote in the purchase file?	Was there an appropriate signature/approval for the purchase file?	Were there any discrepancies in the purchase file?	Was Florida sales tax properly exempted?	If the purchase met inventory thresholds or was an attractive item, was it added to asset tracking?	If the purchase was from a new vendor, was proper documentation provided?
Yes	211	64	207	209	211	57	40
No	0	70	4	2	0	1	0
Not Applicable	0	77	0	0	0	153	171
Percentage Without Issue	100%	67%	98%	99%	100%	99.5%	100%

The summary shows that there are fewer issues with DRs than there are with P-Cards. This is as expected since the review process comes before the payment. All samples contained an itemized receipt, had sales tax exempted prior to payment, and new vendor forms were on file. Similar to the P-Cards, quotes were not included for the smaller purchases. The 70 samples without quotes range in total cost between \$15.98 and \$32,662. The majority of these (96%) were less than \$10,000.

There were four samples that did not have the appropriate signature level. One of these did not have the department director but it was a refund to a citizen for an overpayment so this was minor. The others were acknowledged that the person signing was signing in place of the appropriate person. There was no documentation on file to indicate this was specifically approved.

Two samples contained discrepancies between the invoice and the payment. One was minor and was simply the change amount being left off of the DR. The check was written for the amount on the DR rather than the invoice. The other was a more significant issue. It was a payment for \$80,378.99. The DR was written for funding to come out of the wrong project. The invoice was work done for Wakulla Gardens Phase IV but the funding that was used was for Otter Creek Train 3. This was not caught by any of the reviews. A journal entry corrected the funding source during the audit.

Finally, there was one instance where an asset was not added to the asset list. There was no new asset form included in the file and the DR expense code was training. The item however was a metal door used for training fire fighters that would be reused. The cost was \$8,095 so it belonged on the asset list. It was added to the asset list during the audit.

The Local Government Prompt Payment Act is detailed in FS 218.70 through 218.80. This Act requires local governments to pay non-construction invoices within 45 of when the invoice is received or if no proper invoice is received the later of the delivery of goods, the completion of services, the rental period beginning, or as specified in the contract. Construction invoices that

go through an agent, such as an architect or project engineer, must be paid within 25 days of receipt from the agent. A review was done on the processing time for the DRs. Of the 211 samples, 193 of the payments were made in two weeks or less from the date the DR was written. The median number of days was eight. The time between DRs being time stamped into Finance and the payment showed 70% were processed within a week.

There were some delays between the DR being received by Finance and the invoice date. Most invoices did not have a time stamp for when the invoice was received by the County, though some had a copy of the email if it was received via email. Therefore, it could not be determined whether there was a delay between the County's receipt of invoices and the invoice date. Despite this, 75% of invoices were paid prior to the due date on the invoice. Some of the payments had an expedited payment request and those payments were processed often on the same day but always within 24 hours. There were nine samples that fell into this category. Without knowing the date the invoices were received, it is impossible to tell if all payments were made as required by the Local Government Prompt Payment Act.

Asset Management

As noted in the P-Card and DR sections there were a few issues with purchases of items that should have been added to the County's inventory list.

Additional issues with asset management include what items should be on the inventory list. There are three circumstances that require assets to be added to the inventory list. The first is based on Ordinance 2024-25 that changed the purchasing section of the Code of Ordinances. It changed items that need to be on the inventory list from a threshold of \$1,000 to \$2,500. The stated reason was to reduce the administrative burden of tracking assets. However, because the wording is, "\$2,500.00 and/or an estimated lifespan of at least one year shall be considered a fixed asset and be added to the property inventory" the burden is not substantially reduced. The wording of "and/or" was in the original ordinance so it was just the dollar amount that was increased. With the word "or" it encompasses a significant number of items and causes confusion between staff as to what must actually be included.

AR 3.05 falls under the purview of Finance. It has not been updated since it was approved in 2013. It defines Fixed Asset/Equipment as "any item of a capital nature, of value exceeding \$1,000.00, or with an estimated life span of over one (1) year. A Capital Fixed Asset is an item with a value of or exceeding \$5,000.00 and is subject to depreciation." Again, the use of the word "or" requires a significant number of items to be added to the inventory list and the amount does not align with AR 1.07.

The next type of item that must be added to the inventory list is what is called an attractive item. FAC 69I-73 defines this as "tangible personal property used in operations that has a cost less than an established capitalization threshold and that requires special attention to ensure legal compliance, protect public safety, and avoid potential liability, or to compensate for a heightened risk of theft." The County's Code of Ordinance states, "the fixed asset officer assigned by the clerk's office has the discretion to determine if an item should be added to the property inventory

if the item has a cost or value less than \$2,500.00.”

Currently AR 3.05 does not define what an attractive item is and this has caused items to be added to the inventory list in an inconsistent manner. With each staff change over the years, there have been differing opinions on what should be added. For example, there are \$25 chairs, \$80 printers, and \$150 bookcases on the list, all listed as attractive items.

The last type of items are capital assets, meaning they are depreciated over several years, with the exception of land which is not depreciated. The full value of the item is added to the fixed assets that appear on the financial statements in the year they are purchased. This value equals the cost or what the item would have cost if it was donated. The value of the item is reduced annually through depreciation expense, shown as accumulated depreciation on the balance sheet, over its expected useful life. This allows the item’s value to come off of the financial statements by the time an asset is expected to need to be replaced. This differs from the other two item types listed above which are simply expensed when purchased and do not appear on the financial statement as assets.

FAC 69I-73 has a broader definition of what must be added to the asset inventory list than what the Clerk or the County utilize. “All property with a value or cost of \$5,000 or more and a projected useful life of 1 year or more shall be recorded in the local government’s financial system as property for inventory purposes.... Attractive items with a value or cost less than \$5,000 shall be recorded in the local government’s financial system as property for inventory purposes.”

As of July of 2025, there were nearly 4,000 items on the asset list. FAC 69I-73 requires that a physical inventory is conducted annually and whenever there is a change of custodian or change of custodian’s delegate of each item on the inventory list. This inventory must be completed by someone other than custodian of the item and County Code of Ordinance specifies it will be completed by the fixed asset officer, assigned by the Clerk’s Office. Further, Florida Court Clerks and Comptrollers (FCCC) Capital Asset Management Best Practices mandates a Clerk employee and the item’s delegate to take part in the inventory. AR 3.05 also defines the Fixed Asset Officer as “the person to whom the governmental unit has delegated the responsibility of the recording, identification, disposition and annual physical inventory of property.”

Finance is currently working on updating their process to match the FCCC Best Practices, which will bring them into compliance with FAC 69I-73. In prior years the Clerk’s Office has not performed an annual physical inventory, nor has it always documented the condition of assets. The process has involved distributing an asset list via email to each department and requesting the custodian, generally the department director, to confirm possession of the listed items. When an item requiring disposal has not previously been recorded, or when an item has already been disposed of without prior documentation, a disposal form is issued at that time and submitted to the BOCC for approval. Although the fixed asset clerk has conducted periodic inspections to verify the existence of assets, these inspections have not encompassed all items on an annual basis or upon changes in custodianship.

Other

There were no issues found when vendor and employee addresses were compared for duplication, which can be a sign of fraud. There were also no issues found of duplicate payments.

Recommendations

Purchasing Card Purchases

Currently FOD is both authorizing the card with BOA and has custody of the card when it is sent directly to FOD. Because authorization and custody are considered incompatible duties, these should be separated. Based on how the process is set-up, the recommendation is for ESS to receive the Profile Form from supervisors. ESS can sign off that they have reviewed the Profile Form, ensuring limit amounts are written in and appropriate signatures are on the form. The approval can then be sent to FOD to request a card through BOA. This card should be sent directly to ESS from BOA. Once the card has been received, cardholder training can be scheduled. After the training the cardholder can receive their card. ESS also needs to add a step to the exit process to notify FOD in a timely manner so the card can be cancelled when an employee terminates their employment with the County. Cards should not be active for any terminated employees.

FOD stated that changing the Agreement Form to have a place for the P-Card program administrator instead of the supervisor was being considered. This change would make it easier for the form to be completed properly and the person providing the training would be attesting to the training being complete. Not included in the forms listed in AR 1.07 is a form that cardholders were completing when they received a new card. Though this form is not necessary it would be good to have an acknowledgement that the card was received by the cardholder. If fraud were to occur, this will allow FOD to have documentation of when the cardholder took possession of the card.

The uniform limits established by FOD is a good way to bring consistency to the P-card program. It is recommended the established limits be provided to the department directors so they understand the budget implications. They can indicate on the Profile Form if they want the uniform limit. If they feel the limit should be higher or lower, justification should be provided to FOD and documentation should be in the cardholder's file. Anytime there is a change in limits, documentation should be made either electronically or added to the cardholder's employee file with the other forms.

The BOA Works application has many features to make the P-Cards lower risk. Many of these have not been utilized. Settings can be created to require sign-off by the cardholder and their department director. There are even settings for pre-approval requirements. It is being recommended that each transaction requires a sign-off by the cardholder and by their supervisor. There are settings to allow the program administrator to set up reminder emails to be sent out to cardholders and approvers when they have items that require their sign off. These features will help the process move forward and ensure spending is controlled. With the Clerk's Office unable to pre-audit the payment, these features become more important. Automatic sign-off is

not recommended. Cardholders and department directors should be reviewing statements each month as well.

With P-Card purchases the Clerk does not have the ability to withhold vendor payments when required documentation is incomplete. It is recommended that failure to submit new vendor or asset forms lead to suspension of P-Card privileges. Failure to ensure only legal payments are made is something the Clerk can be held personally liable. The Clerk's Office has no control over this process as it stands. Something needs to be put in place to assist Finance in this pre-audit role.

Another of the features relates to the types of vendors cardholders can utilize. It is recommended that all cardholders profiles no longer allow unusual vendors.

The purchasing ordinance states that P-Cards are recommended for purchases not exceeding \$10,000 with appropriate quotes being obtain. This level requires two verbal quotes. Purchases above \$10,000 but less than \$100,000 require three written quotes. Quotes are not being obtained for smaller purchases. Quotes ensure public funds are protected and the County is getting a fair price. Balance is needed between this and significant labor being spent on small purchases. The County could consider establishing preferred vendors for frequently purchased items after determining the best price point for goods. This would allow these goods to be purchased from the preferred vendor without a quote. The County could amend the ordinance but it is recommended that if an amount is set that does not require a quote it not be set to a high dollar amount. Prior to the most recent update to the ordinance there was a threshold of \$100 that was considered petty cash and did not require a quote.

The Clerk is required to only make payments that serve a public purpose. Currently, cardholders are not required to state the public purpose of purchases. Requiring cardholders to state the public purpose would help ensure compliance especially with P-Cards because the pre-audit ability is lost.

The two cardholders that are not County employees either need to turn in their cards or AR 1.07 needs to be changed to include what circumstances non-employees may be issued a card. All of the purchases reviewed were items the County would be responsible for purchasing. There were no issues noted about the actual purchases but it contradicts policy.

Disbursement Request Purchases

If another party will be signing for a level higher than themselves it is recommended that documentation stating the time frame and conditions of that designation. This will prevent any question of circumventing the controls established by the BOCC.

Similar to the P-Cards, DR purchases need the requirement for quotes revisited. The requirement for DR quotes would fall under the same guidelines as P-Cards. Currently the ordinance as written indicates all purchases require a quote, but quotes are not routinely documented.

Overall, the DRs have a solid process. The issues found were the result of human error that despite going through multiple levels of review were not caught. This is not a process issue but a reminder to look at the details of the purchases, especially for larger projects.

Asset Management

There is one employee in the Clerk's Office responsible for fixed assets and this employee has other responsibilities which makes it difficult to comply with the annual physical inventory requirement. There are nearly 4,000 items on the asset list to be inventoried annually and when there is a change in custodian, it is recommended that both AR 1.07 and AR 3.05 be updated to use the word "and" instead of "and/or" for AR 1.07 and "or" for AR 3.05. Also, AR 3.05 should be updated to align with the County's \$2,500 threshold. This amount is under the amount required by FAC 69I-73 and could be increased but the amount should be the same in both. Assets that are \$5,000 or more are required to be on the inventory list so the amount cannot be raised above \$5,000. The County should work closely with Finance on any changes made.

AR 3.05 should include a clear definition of what an attractive item is, keeping the definition from FAC 69I-73 in mind. This means providing both the fixed assets clerk and County staff with what is meant by items requiring special attention for legal compliance, protect public safety, and avoid potential liability, or to compensate for a heightened risk of theft so any person using reasonable judgment could conclude the item should be added to the list. Examples of what these items would be would help in that process. This will allow anyone in the role of fixed asset officer to know what needs to be on the list.

Additionally, anyone making the purchase would be able to provide all of the necessary paperwork with the purchase file as the Purchasing Code of Ordinances requires. County employees may need some additional training on including a new asset form with their purchase file. Finance needs the information on the form to properly input assets into the system.

Once a clear definition is created, it is recommended that the asset list be updated to match policy. Removing items that never needed to be on the list will help make the annual inventory more realistic to achieve. The items below \$5,000 are not being counted in the financial statements as they do not meet the capitalization threshold. Putting this correction before the BOCC so it is part of the official record would allow for transparency. This would not be a disposal but could be treated in a similar manner for this process.



Greg James, CFCC
Clerk of Courts & Comptroller
Wakulla County

3056 Crawfordville Highway
Crawfordville, Fl. 32327
E-mail gjames@wakullaclerk.com

Phone: (850) 926-0300
Fax: (850) 926-0938
www.wakullaclerk.org

To: Katrina Cromwell, Internal Auditor

From: Brandy King, Finance Director

CC: Greg James, Clerk of Courts & Comptroller

Date: January 14, 2026
REVISED October 13, 2026

Re: Accounts Payable Audit

In response to the Accounts Payable Audit dated October 2025, Finance agrees with the observations of the Internal Auditor and will implement the recommendations applicable to Finance.

Specific to the Purchasing Card Purchase Recommendations, and based on my experience in the FOD, I agree that the BOA Works application security features are being underutilized and that settings that decrease risk and increase internal controls should be created. Also, to my knowledge, having cardholders who are not County employees is not permitted by the agreement with BOA and the allowance of this happened after the transition of the FOD Director.

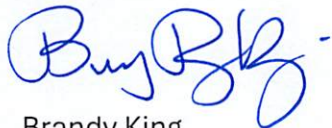
There is a minimum amount of information required to set up a vendor in the accounting system. The County acknowledged “p-card purchases are sometimes processed without appropriate vendor documentation”, shifting the burden to follow up and obtain the needed documentation to Finance. Finance then must gather evidence that attempts were made to obtain the outstanding documentation from the County, or gather the documentation on the County’s behalf.

Additionally, the County recommended that “BOCC staff work with Finance to update the policy and establish a category of p-card only vendors which have less burdensome identification requirements”. While Finance is willing to meet with the County to discuss proposed changes to the policy, it is important to note that “less burdensome identification requirements” may not be adequate to fulfill Internal Revenue Service (IRS) requirements regarding nonemployee compensation.

Specific to the Asset Management Recommendations, Finance would like to work closely with the BOCC to update the Administrative Regulations and Ordinance discussed in this Audit as soon as possible. Having consistent and clear guidance will positively impact the asset management process for both BOCC and Finance staff.

Thank you for bringing my attention to these issues.

Respectfully,

A handwritten signature in blue ink, appearing to read "Brandy King", with a stylized flourish at the end.

Brandy King



Accounts Payable Audit - Management Response

TO: Katrina Cromwell, Internal Audit Director

FROM: David Edwards, County Administrator

CC: Greg James, Brandy King, Kelly Graves

DATE: May 7, 2026

SUBJECT: Accounts Payable Audit Report

On behalf of the Wakulla County Board of County Commissioners (BOCC), please accept this as the formal written response to the Internal Auditor's Accounts Payable Audit Report (Report). I concur with many of the Report's key findings and recommendations, and that staff are responsible for ensuring compliance with County purchasing policies and procedures.

In the Report, the following observations and recommendations were noted. BOCC Administration staff have reviewed these observations and recommendations and are providing the following responses:

Issues Regarding Card Issuance, Training, and Documentation (Recommendations Table, Issues 1-3): I concur with the findings and accept the recommendations. I will direct ESS and FOD staff to examine and update the policies, procedures, and forms for requesting, approving, activating/deactivating, providing training, and documenting p-card accounts.

Issues Regarding BOA Works Setup and Approval Workflow (Recommendations Table, Issue 4): I acknowledge that there are inconsistencies between the purchasing ordinance, AR 1.07, BOA Works, and current practice. I accept the recommendation to resolve these inconsistencies by updating applicable policies as well as the BOA Works system workflow.

Issue Regarding Unusual Vendor Types (Recommendations Table, Issue 4): I am hesitant to implement the recommendation to disallow Unusual Vendor types for County purchasing. A vendor's designation category is determined by their Merchant Category Code (MCC) as assigned by payment processors. In addition to the high-risk merchant types identified in the Report, there are many other vendor types included in the Unusual category, which in many ways functions as a catch-all or "other" type category. Excluding this merchant category in the past has caused legitimate p-card transactions to be declined. As noted in the report, there were no issues identified with disallowed or inappropriate purchases, therefore I am inclined to continue to allow Unusual Vendor types as we implement the Report's other recommendations.

Issues Regarding Documentation of Verbal Quotes and Public Purpose for Purchases (Recommendations Table, Issues 6-7): As the Report notes, the p-card program was implemented to streamline the purchase of goods and services within the Tier 1 (verbal quotes not exceeding \$10,000) purchasing threshold while reducing administrative burden. While I acknowledge the accuracy of the Report regarding the language of the Purchasing Ordinance requiring employees to "document the date, vendor, and quotation received for the purchasing file", I believe the intent of this purchasing tier is to allow Department Directors to approve day-to-day small purchases without the need to create a written purchasing file, thereby reducing administrative burden. This language will be clarified in a future revision to the Purchasing Ordinance.

I do not believe a separate narrative public-purpose statement is necessary for every p-Card transaction because the applicable Expense Group GL code identifies the authorized budget purpose. However, staff will evaluate whether additional documentation should be required for purchases that are unusual, discretionary, or otherwise difficult to establish as serving a public purpose

Issues Regarding Vendor Documentation (Recommendations Table, Issue 8): I acknowledge that p-card purchases are sometimes processed without appropriate vendor documentation. Administrative regulation 3.09 requires that payment to a vendor *that has not previously received a payment from the County* must be accompanied by a completed New Vendor Request Form and a completed W-9 form. This is to ensure the identity of any company receiving payment from the County and prevent imposter fraud.

As the report notes, p-card purchases are prepaid, so Finance does not have the ability to enforce this vendor information requirement *prior to payment*. However, the Bank of America p-card program does have built-in protection for the County such as fraud protection and a charge dispute process.

I also acknowledge the difficulty of obtaining complete vendor information (such as an IRS Form W9) from certain vendors (such as online retailers), or in certain situations (such as unanticipated purchases from local retailers where customer service staff may not have access to corporate information). I recommend that BOCC staff work with Finance to update the policy and establish a category of "p-card only" vendors which

have less burdensome identification requirements but are not eligible to receive any check or EFT payments from the County.

Issues Regarding Delegation of DR Signature Authority (Recommendations Table, Issue 9): I acknowledge that signature authority for DR approvals has been delegated at times without a formal, written designation process. I will direct staff to establish guidelines and develop a process for authorized signatories to delegate signature authority for certain documents which are routine or require expediency to a specified designee on a standing basis. For example, a Department Director may delegate their Office Manager as their designee for purposes of processing DRs and P-Card charges.

Issues Regarding Discrepancies on DRs (Recommendations Table, Issue 10): I concur with the finding and accept the recommendation. I will reinforce the need for accuracy and attention to detail among BOCC staff.

Issues Regarding Asset Management (Recommendations Table, Issue 11-14): I concur with the findings and welcome the recommendation that the Asset policies should be updated and clarified. I believe BOCC staff would benefit from additional guidance on how to properly identify fixed assets, especially “attractive items”.

In conclusion, the findings in this report are informative and actionable. I appreciate the Internal Auditor’s thorough examination of these processes and welcome the recommendations for improvement.

Signed,

A handwritten signature in black ink, appearing to read 'J. David Edwards', with a stylized flourish at the end.

J. David Edwards
County Administrator

Recommendation Table

Issue	Recommendation	Responsible Party
FOD both authorizes and receives cards (incompatible duties)	ESS to receive Profile Forms, approve, and distribute cards. FOD to request from BOA only after ESS approval.	ESS, FOD
Terminated/non-employee cardholders and active cards	Separate duties: ESS to notify FOD immediately upon termination. Cancel cards timely. Revise AR 1.07 to clarify non-employee use or prohibit it.	ESS, FOD
P-card Forms inconsistent	Update forms so proper authorization limits, training confirmation, and card pick up can be documented.	FOD
P-Card approvals missing and automatic sign-offs allowed	Require supervisor and cardholder sign-off in BOA Works before payment. Disable automatic approval.	FOD, Departments
Unusual vendors allowed in BOA Works	Disable the use of unusual vendors in BOA Works	FOD
Missing quotes for purchases	Enforce ordinance requirements for quotes. Consider establishing preferred vendors for small recurring purchases.	Departments, FOD, Purchasing, BOCC
Lack of clear documentation of public purpose for P-Card purchases	Require cardholders to include public purpose statements in purchase files.	Finance, FOD, Departments
Vendor documentation not always provided	Make submission of vendor forms a condition of P-Card use; suspend privileges if not provided.	Finance, FOD, Departments
DR approvals sometimes signed at wrong level	Document delegation of authority in writing with time frame and conditions.	Administration, FOD
Invoice/payment discrepancies in DRs	Reinforce attention to detail in review process; provide refresher training for staff.	Departments, FOD, Finance
One DR purchase not added to asset list	Ensure new asset forms are submitted with DR purchase files.	Departments, FOD, Finance
Outdated and inconsistent asset policies (AR 1.07 vs AR 3.05)	Update both ARs to align with County's \$2,500 threshold, remove "and/or" ambiguity, and define "attractive items."	Finance, BOCC, Administration, FOD
Asset list cluttered with low-value items (chairs, printers, etc.)	Clean up list, removing items not required by policy. Present correction formally to BOCC for transparency.	Finance, BOCC
Annual physical inventory not completed in full	Increase staff resources or modify asset list so the Clerk's Office can meet FAC 69I-73 requirements.	Finance, BOCC

References

[AR 1.07](#)

[AR 3.05 \(Administrative Regulations Chapter 3 – Finance\)](#)

[Wakulla County PART II - CODE OF ORDINANCES: ARTICLE VI. - PURCHASING](#)

[Ordinance 2024-25](#)

[FAC Chapter 69I-73 Tangible Personal Property Owned by Local Governments](#)

[FCCC Best Practices- Capital Asset Management](#)