



## **FISCAL AUDIT REPORT**

### ***CITIPARKS P-CARD AUDIT***

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CITY OF PITTSBURGH  
**OFFICE OF THE CITY CONTROLLER**  
Controller Rachael Heisler

March 2025

To the Honorable Mayor Ed Gainey and  
Honorable Members of Pittsburgh City Council:

The Office of the City Controller is pleased to present this fiscal audit examining the Department of Parks and Recreation's usage of Purchasing Cards (P-Cards), conducted pursuant to the power of the Controller under Section 404(b) of the Pittsburgh Home Rule Charter.

**EXECUTIVE SUMMARY**

This audit was directed in reaction to questionable P-Card payments issued to a specific vendor in both 2023 and 2024, and the concern has been discussed at great length in the public sphere. Citiparks administrators have indicated that they are aware of the errors and working on remediation; however, our internal procedures still encompassed a thorough review of all transactions connected to the initial concern. With that said, this audit goes several steps further in analyzing the department's usage of P-Cards in connection with Resolutions 244 of 2023 and 139 of 2024 and the Office of Management and Budget's (OMB's) P-Card policies. In doing so, our auditors also looked at non-P-Card purchases in order to understand the department's general patterns and overall approach.

As will be described in this report, Citiparks submits fiscal impact statements to request the enactment of yearly resolutions that allow the department to enter into agreements in individual amounts of \$10,000 or less with persons providing specific services connected to the recreational and instructional programs and special events services. When asked for the basis of the P-Card expenses in 2023 and 2024, Citiparks confirmed that these resolutions are used in governance, and these resolutions allow them to expedite the procurement of vendor services without having to go through the lengthy and formal procurement process. These resolutions list nine funds and two specific cost types (i.e., 53901 and 53907) from which the department can expend. Of note, the description of 53901 is "professional services."

We worked with Citiparks' administrators and several program managers within the department to acquire both Works 4.0 statements of P-Card transactions and also supporting documentation (i.e., receipts and invoices). Among P-Card purchases, we confirmed that Citiparks' receipts and invoices aligned appropriately with Works 4.0 statements, and that the department did not, in any transaction,

exceed the explanatory limit of \$5,000, per Rules of Council. Among non-P-Card purchases, we confirmed that all transactions tested included correct documentation. However, auditors also documented the following concerns:

- Most of the P-Card expenses tested did not align with OMB's typical transactions for which P-Cards can be used.
- The P-Card transactions would be compliant with the yearly resolutions if those resolutions were stipulated for P-Card usage, which, as of the audit, were not.
- Auditors identified vendors that were paid more than \$10,000 for a single year, which is the limit established by the yearly resolutions.
- One transaction included sales tax, which is prohibited by OMB's P-Card Policy, and several other transactions included additional fees.

It is important to note that P-Card usage goes through several layers of review via Citiparks and other departments. The overarching concern is that a clearly documented approach of the intention of these P-Card purchases does not exist in totality. With that in mind, we have provided Citiparks with four Recommendations, as detailed in this report:

- (1) The department should coordinate with City Council to establish clear legislative language that specifies P-Card usage. The department may also wish to seek clarification from OMB on how various types of transactions should be coded in JDE and Works.
- (2) Most of the funds listed on the yearly resolutions have separate resolutions establishing individual trust funds of their own, and some of these directly conflict with the yearly resolutions. Therefore, Citiparks should reassess what funds are to be included going forward and adjust its fiscal impact statements and resolutions accordingly.
- (3) While Citiparks had not yet acquired a solicitor-approved agreement at the onset of our audit, the department confirmed that it did have one toward the end of our audit procedures. Maintaining up-to-date agreements with vendors each year and ensuring all expenditures are connected to the agreement should help ensure the \$10,000 limit is not exceeded. The agreements themselves will support the department's compliance with the yearly resolutions.
- (4) Citiparks' staff was not all aware of OMB's P-Card Policy and instead refer OMB's training document (i.e., a PowerPoint presented yearly), the staff provided differing perspectives on the definition of "professional services," and the department generally did not record guidance provided by other departments. Once Citiparks receives clear directives, we recommend that administrators implement an internal policy that can be used by the staff of its various programs in the processing of transactions.

We appreciate the cooperation, patience, and support of the staff we coordinated with during the course of our audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Rachael Heisler". The signature is written in a cursive, flowing style.

Rachael Heisler  
City Controller

# INTRODUCTION

This fiscal audit was conducted pursuant to the Controller's powers under Article IV, Section 404(b) of the Pittsburgh Home Rule Charter.

## SCOPE AND METHODOLOGY

The scope of our audit covered the period of **January 1, 2023**, to **May 3, 2024**.

The objectives of this audit focused on assessing Purchasing Card (P-Card) usage as administered by the Department of Parks & Recreation (Citiparks) in accordance with Resolutions [244 of 2023](#) and [139 of 2024](#). Auditors did not engage with other City departments during the administration of this audit.

We performed the following procedures:

- Interviewed Citiparks personnel in Administration and Operations, Community Programs: Community Enrichment Programs (CEP), and Special Events.
- Reviewed Resolutions [244 of 2023](#) and [139 of 2024](#) and all supporting attachments, including Citiparks' letter of request and fiscal impact statement.
- Reviewed individual resolutions associated with the trust funds listed in Resolutions [244 of 2023](#) and [139 of 2024](#).
- Reviewed the *Purchasing Card Policy* (P-Card Policy), *Purchasing Card Training*, and other related documents as published by the Office of Management and Budget (OMB).
- Reviewed workflow procedures for purchase requests and transaction forms in *Works 4.0 Quick Reference Guide*.
- Reviewed the document *Rules of Council*, as found on the City's [website](#), in support of references to this document in OMB's P-Card policy.
- Reviewed journal entries in JD Edwards (JDE) of expenditures from the funds listed in Resolutions [244 of 2023](#) and [139 of 2024](#).
- Analyzed supporting documentation of P-Card expenditures journaled in the funds listed in Resolutions [244 of 2023](#) and [139 of 2024](#).
- Documented an analysis of non-P-Card expenditures connected to Resolutions [244 of 2023](#) and [139 of 2024](#) and the individual resolutions of the funds listed within Resolutions [244 of 2023](#) and [139 of 2024](#).

## BACKGROUND

The audit procedures described in this report were planned around a couple primary criteria: (1) the department's expenditures in connection with Resolutions [244 of 2023](#) and [139 of 2024](#) and (2) the department's compliance with OMB's P-Card Policy.

## RESOLUTIONS

Resolutions are enactments passed by City Council, and they typically establish the governing rules of an administrative initiative or matter of City business. The resolutions noted above give certain permissions for the acquisition of recreational services to be paid from a number of individual funds, but it is important to note that most of those funds also have separate and individual resolutions. We will summarize both aspects below.

### RESOLUTIONS 244 OF 2023 AND 139 OF 2024

For several years running, a yearly resolution has been enacted to authorize Citiparks to enter into agreements in individual amounts of \$10,000 or less with persons providing specific services connected to the recreational and instructional programs and special events services. The general nature of each resolution is similar year by year, but this report focuses on the two most recent: In 2023, it was **Resolution 244**; in 2024, it was **Resolution 139**. While both separately identify the years that the enactments are in effect (i.e., 2023 and 2024 respectively), the language within the resolutions is otherwise the same.

The following figure shows Section 1 of Resolution 244 of 2023.

**Section 1.** The Director of the Department of Parks and Recreation, and/or the Director of the Office and Management and Budget on behalf of the City of Pittsburgh, for the calendar year 2023, are hereby authorized to enter into an agreement or agreements, in a form approved by the City Solicitor, in individual amounts of Ten Thousand Dollars (\$10,000.00) or less with performers, instructors, artists, referees, and persons with specialized skills in connection with the Departments' recreational and instructional programs and special events services.

*Figure 1: Section 1 of Resolution 244 of 2023.*

These resolutions allow the expenses connected to these agreements to be paid out of two specific cost types of nine different funds, as outlined in Section 2 of both resolutions. The figure below shows Section 2 of Resolution 244 of 2023.

**Section 2.** Funds for said agreement or agreements, contract or contracts and use of existing agreement or agreements, contract or contracts and shall be payable from one or more of the following chart of accounts: 11101.500000.53.53901; 11101.500000.53.53907; 5000280400.53901.00; 5000280400.53907.00; 5000771200.53901.00; 5000771200.53907.00; 5000285000.53901.00; 5000285000.53907.00; 5000285500.53901.00; 5000285500.53907.00; 5000283300.53901.00; 5000283300.53907.00; 5000731400.53901.00; 5000731400.53907.00; 4029400278.53901.00; 4029400278.53907.00; 4000280070.53901.00; 4000280070.53907.00 for calendar year 2023.

*Figure 2: Section 2 of Resolution 244 of 2023.*

Section 2 lists each fund twice, one fund per authorized cost type, which are 53901 and 53907. The table below shows the JDE Job number and associated funds and acronyms accordingly.

<b>TABLE I</b> <b>FUNDS AND COST TYPES AUTHORIZED BY RESOLUTIONS</b>									
COST TYPE	FUND #1	FUND #2	FUND #3	FUND #4	FUND #5	FUND #6	FUND #7	FUND #8	FUND #9
53901	CITIPARKS GENERAL FUND (GF)	CITIPARKS ALLEGHENY REGIONAL ASSEST DISTRICT (ARAD)	FRICK PARK TRUST FUND (FPTF)	SENIOR CITIZEN'S TRUST FUND (SCTF)	SPECIAL FOOD SERVICE TRUST FUND (SFSTF)	MELLON PARK TRUST FUND (MPTF)	SPECIAL EVENTS TRUST FUND (SETF)	GREENFIELD SENIOR CENTER TRUST FUND (GSCTF)	PARKS TAX TRUST FUND (PTTF)
53907									
JDE JOB #	500000	5000280400	5000771200	5000285000	5000285500	5000283300	5000731400	4029400278	4000280070

These resolutions were requested via proposal letters enclosed with fiscal impact statements submitted by Citiparks. Fiscal impact statements are required by City Ordinance, §219.07, for any legislative changes in initiative that could affect City expenditures and revenues.

In 2023, the body of the department's fiscal impact statement indicated the following:

This is a standard piece of Legislation for the Department of Parks and Recreation which is used to enter into contracts for consultants for recreational and park related services. The Department has enacted this piece of Legislation for a number of years in order to do business with consultants. 2023 standard yearly "Generic" Resolution to operate various programs in the Department of Parks and Recreation. The resolution allows our Department to enter into contracts under \$10,000. The "Generic" Resolution covers all of the consultants with specialized skills to provide services to operate the City's Parks and Recreation Programs. Without this Resolution, we would need to go before Council to pay for every Council Grant, every performer for many events, etc. We would lose many great events, due to the inability to pay vendors in a timely manner. This Generic piece is for consultants only.

Figure 3: Fiscal impact statement attached to Resolution 244 of 2023.

In 2024, the body of the department's fiscal impact statement indicated the following:

This is a standard piece of Legislation for the Department of Parks and Recreation which is used to enter into contracts for instructors, artists, recreational, special events and park related services. The Department has enacted this piece of Legislation for a number of years in order to do business with performers, instructors, artists, referees, and persons with specialized skills. This legislation is the 2024 standard yearly "Generic" Resolution to operate various programs in the Department of Parks and Recreation. The resolution allows our Department to enter into contracts under \$10,000. The "Generic" Resolution covers all of the performers, artists, instructors, referees, and persons with specialized skills to provide services to operate the City's Parks and Recreation Programs. Without this Resolution, we would need to go before Council to pay for each individual person for many events for payments over the explanatory limit under \$5,000. We would risk losing many great events, performers and artists due to the inability to pay vendors in a timely manner.

Figure 4: Fiscal impact statement attached to Resolution 139 of 2024.

Although there is some variance in the terminology between the two statements (i.e., "consultants" versus "instructors, artists, recreational, special events and park related services"),

both statements indicate that they generically allow the department to acquire specialized services needed for Citiparks' recreational programs via "contracts under \$10,000." In addition, the statement attached to Resolution 139 of 2024 also specifically notes, "Without this Resolution, we would need to go before Council to pay for each individual person for many events for payments over the explanatory limit under \$5,000."

## INDIVIDUAL TRUST FUND RESOLUTIONS

Most of the individual trust funds listed in Table I also have separate resolutions of their own. Please note the following:

Citiparks ARAD is controlled by **Resolution 833 of 2017**.

The resolution authorized the creation of two separate trust funds, one managed by the Department of Public Works and one managed by Citiparks. The expenditures from this fund should relate to agreements, salaries, transfers, fringe benefits, supplies, equipment, utilities, materials, rentals, professional and miscellaneous services, and other services required in connection to the City's Regional Parks.

FPTF is controlled by **Resolution 616 of 1926**.

Per resolution, revenue consisted of an endowment of \$2,000,000 from Henry Clay Frick, and expenditures are for interest payments on the endowment pay for operations and maintenance for Frick Park and/or purchase of additional lands. Of note, Section 3 of this resolution indicates the following: "That any ordinance or part of ordinance, conflicting with the provisions of this ordinance, be and the same is hereby repealed so far as the same affects this ordinance."

SFSTF is controlled by **Resolution 444 of 1977**, which was amended by **Resolution 118 of 2019**.

The amended resolution established the fund as a vehicle for financing the food service programs conducted throughout the school year. The resolution allows the City to file applications with the Pennsylvania Commonwealth's Department of Education for grants supporting these programs. The fund is to be used accordingly and in compliance with specific laws. Of note, the resolution states the following: "Any Resolution or Ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution."

MPTF is controlled by **Resolution 633 of 2022**, which was amended by **Resolution 753 of 2016**.

The trust fund was established to support the financial activities of Mellon Park. Revenues are to come from the seasonal support structure of the park and other indoor tennis facilities, and expenditures should be in support of various administrative and operational costs in connection to improvements to the Mellon Park, Citiparks' indoor tennis program, and/or Citiparks' indoor tennis facilities. Of note, the resolution states that "any Ordinance or Resolution or part thereof conflicting with the provisions of this

Resolution is hereby repealed so far as the same affects this Resolution.”

SETF is controlled by **Resolution 106 of 1979**, which was amended by **Resolution 834 of 2017**.

The trust fund is authorized to receive funds from various public and private foundations and also individuals, organizations, and agencies for special events. Expenses should be for equipment, supplies, repairs, maintenance, and professional services connected to these special events.

PTTF is controlled by **Resolution 682 of 2020**.

The resolution allows the deposit of taxes accrued via §263.03, trust funds dedicated to park uses, other funds as determined by City Council, private charitable donations, matching funds from charitable parks conservancies, and other public and private sources. Expenditures must be made for the improvement, maintenance, creation, or operation of public parks and/or the improvement of park safety, provision of equitable funding for parks in underserved neighborhoods within the City, and securing of matching funds and services from charitable parks conservancies as subject to authorization from City Council.

SCTF.

Unable to locate record of the original resolution. However, OMB’s *2023 Operating Budget* indicates that the fund is used to support operations for Senior Community Center program. Revenues come from state welfare grants, Community Development Block Grant (CDBG) funds, and program fees, while expenditures are connected to operational expenses for the program.

GSCTF.

Unable to locate record of the original resolution or legislative documents.

## ***OMB P-CARD POLICY***

P-Cards are City-issued “debit cards” that allow authorized City employees to make purchases for goods and services for City business purposes. Purchases made via P-Cards are charged through the City’s account with Bank of America, and OMB’s P-Card Policy governs the usage of City P-Cards.

OMB’s P-Card Policy defines the roles of those tasked with managing P-Card processes. The definitions shown below are taken directly from the policy.

**Definitions:**

**P-Card** – A highly controlled credit card that offers an alternative to existing purchasing processes and provides a streamlined, efficient and effective method for purchasing business-related goods and services.

**Cardholder** – The person in which P-Card is issued and is responsible for making approved business purchases.

**Approver** – The person responsible for approving business-related purchase requests/transactions.

**P-Card Accountant** – The final approver of business-related purchase requests/transactions.

**P-Card Administrator** – The person responsible for maintaining the City of Pittsburgh P-Card program  
**Works** – The online reconciliation tool used to reconcile all P-Card transactions.

*Figure 5: Excerpt from Page 1 of OMB's P-Card Policy.*

Written into the policy are requisites of maintained P-Card usage. One is that employees go through P-Card training prior to the issuance of a P-Card and prior to the renewal of existing P-Cards. Another is that Cardholder transactions include receipts and descriptive comments and be signed off every Wednesday and that P-Card Accountants review and close out all Cardholder transactions in their queue by end of business every other Wednesday. Failure to comply could result in revocation of P-Card privileges.

Also written into the policy, P-Card transactions are to be reviewed by both OMB and City Council. Budget Analysts with OMB are to review weekly transaction reports, which are then forwarded to Council for approval within 10 business days. OMB Budget Analysts are also directed to monitor P-Card accounts for potential budget issues and can advise departments to “change any inappropriate coding prior to the transactions being posted to the City’s Financial Management System.”

The P-Card Policy also provides bulleted lists of typical items for which P-Card purchases can be used and items/transactions for which they should never be used. The excerpt below is also taken directly from the policy.

Typical transactions that a P-Card should be used for include, but are not limited to:

- Small dollar food purchases
- One-time, small dollar/emergency purchases
- Subscriptions
- Reimbursable expenses (CPE credits, certification test fees, etc.)
- Conference registrations
  - Must have travel request form approved before conference registration fees can be paid to vendor.
  - Attach approved travel request form to the transaction.

The following should never be put on a P-Card:

- Fixed Assets (i.e. computers or furniture)
- Capital purchases
- Employee Travel or Relocation Expenses
- Gift Cards
- Alcohol
- Office Supplies
- Software
- Building/Property Leases
- Leases for Copiers and Other Equipment
- Professional Services

*Figure 6: Excerpt from Page 2 of OMB's P-Card Policy.*

There are additional P-Card limitations described in the policy. Please note the following of particular relevance:

- The City is also tax-exempt and should not be subject to sales tax on transactions. Cardholders must ensure that sales tax is not added to purchases, and if tax is erroneously imposed, Cardholders should return to the original vendor to request that a credit be issued for the taxes charged.
- The P-Card should only be used for explanatory-type items as per rules of City Council and that any recurring needs should be made via contract through Procurement.

## ***P-CARD EXPENDITURES***

The table below lists the P-Card expenditure total for each of the nine funds outlined previously in Table I and listed in Resolutions [244 of 2023](#) and [139 of 2024](#). Please note that these totals reflect P-Card activity only for the cost types noted by the resolutions.

<b>TABLE II</b>		
<b>P-CARD EXPENDITURES</b>		
<b>FUND</b>	<b>2023</b>	<b>2024</b>
	<b>1/1/2023 - 12/31/2023</b>	<b>1/1/2024 - 5/3/2024</b>
<b>CITIPARKS GF</b>	\$ 94,962.76	\$ 14,184.00
<b>CITIPARKS ARAD</b>	\$ 45,257.73	\$ 400.00
<b>FPTF</b>	\$ -	\$ -
<b>SCTF</b>	\$ 4,400.00	\$ 600.00
<b>SFSTF</b>	\$ -	\$ -
<b>MPTF</b>	\$ -	\$ -
<b>SETF</b>	\$ 21,853.65	\$ 1,000.00
<b>GSCTF</b>	\$ -	\$ -
<b>PTTF</b>	\$ -	\$ -
<b>TOTALS</b>	<b>\$ 166,474.14</b>	<b>\$ 16,184.00</b>

## ***NON-P-CARD EXPENDITURES***

The table below lists non-P-Card expenditure totals for each of the nine funds outlined previously in Table I and listed in Resolutions [244 of 2023](#) and [139 of 2024](#). Please note that these totals reflect activity not related to P-Cards as coded under the cost types noted by the resolutions.

TABLE III NON-P-CARD EXPENDITURES		
FUND	2023	2024
	1/1/2023 - 12/31/2023	1/1/2024 - 5/3/2024
CITIPARKS GF	\$ 53,937.70	\$ 25,673.50
CITIPARKS ARAD	\$ 15,141.40	\$ -
FPTF	\$ -	\$ -
SCTF	\$ 12,433.56	\$ 2,400.00
SFSTF	\$ 55,000.00	\$ -
MPTF	\$ 44,111.54	\$ 15,608.40
SETF	\$ 451,447.43	\$ 244,165.31
GSCTF	\$ -	\$ -
PTTF	\$ 102,585.00	\$ 3,950.00
TOTALS	\$ 734,656.63	\$ 291,797.21

## PROCEDURES

At the onset of the audit, auditors were tasked with understanding the type of P-Card activity shown in JDE, whether or not the activity is compliant with OMB's P-Card Policy, and whether or not the activity shown is connected to Resolutions [244 of 2023](#) and [139 of 2024](#).

### ***PHASE I, ADMINISTRATION AND OPERATIONS***

This division has direct oversight over fiscal and human resources (HR) processes, planning for capital projects, the delivery of new programs and initiatives, and the management of the department's budgets and funds. P-Card activity for this division was connected to the following funds: GF, SCTF, and SETF.

Auditors met with Administration and Operations on several different occasions. During the initial engagement, (1) auditors discussed the foundation of the resolutions, (2) the agreements, (3) the two specific cost types (i.e., chart of accounts) used, and (4) the department's usage of the OMB P-Card Policy in the department's processes.

- (1) Administrators indicated to auditors that the foundation of Resolutions [244 of 2023](#) and [139 of 2024](#) is based on the department's need to quickly acquire and retain vendors for recreational events. The department explained that many of the services are provided by

individuals with specific skills and the livelihood of those individuals relies on timely payments for the services rendered.

- (2) Auditors asked the department's administrators if records of the individual agreements authorized by the resolutions were retained. Citiparks informed auditors that agreements were, by and large, not retained and if agreements did exist the agreements would be housed in different locations depending on the manager that signed the agreement. Citiparks' administrators informed auditors that they are attempting to centralize the location of the agreements and working with Law on an agreement template.
- (3) According to Citiparks, other departments have provided guidance on how to select these cost types on a case-by-case basis; however, records of the guidance provided were generally not retained. The current staff selects coding based on the documents provided. The department administrators indicated that they do not have a specific protocol for selecting 53901 versus 53907.
- (4) Auditors asked if OMB's P-Card Policy was used to guide the use of P-Card processes. The department's administrators were not familiar with the policy and, instead, refer to OMB's P-Card training document. Auditors confirmed with the department that the training is presented by OMB to staff at the beginning of each year. Citiparks provided auditors with the 2023 and 2024 editions of OMB's training document.

After the initial engagement, auditors asked that Citiparks' administrators provide documentation of selected P-Card purchases and also a list of Cardholders by location. Auditors received the following:

- Documentation of P-Card purchases made by the Administration and Operations staff.
- The names of employees connected to JDE expenditures correlated with Resolutions [244 of 2023](#) and [139 of 2024](#).
- A transaction list identifying the individual managers connected to each transaction respectively.
- A list of Works 4.0 transactions identifying P-Card expenditures processed for CEP.
- Works 4.0 system documentation of P-Card purchases housed by Citiparks' head office administrators.

Based on the transaction list of Citiparks' managers, auditors planned additional engagement.

## ***PHASE II, SPECIAL EVENTS***

As part of Citiparks' community programs, the staff of Special Events hosts various City events, including back-to-school events, 4th of July, Valentine's on Ice, and photography at the Carnegie Museum of Art. P-Card activity for Special Events was connected to the following funds: GF and SETF.

Auditors met with Special Events staff at the Citiparks' head office. During this meeting, the staff discussed (1) their knowledge of OMB's P-Card policy and (2) the yearly resolutions, as well as (3) the SETF resolution 834 of 2017.

- (1) Special Events staff was familiar with OMB's P-Card Policy.
- (2) The staff had some knowledge of the yearly resolutions.
- (3) The staff was aware of the SETF resolution.

Each staff member brought documentation of individual P-Card activity for auditor review. Having selected samples in advance using JDE, auditors requested time to review the individual stacks of documentation in order to identify and acquire the samples selected. Auditors documented 10 P-Card transaction records in the GF and SETF.

## ***PHASE III, COMMUNITY ENRICHMENT PROGRAM***

Another facet of Citiparks' operations, the CEP participates in various events across the City, including the Alphabet Trail, the Roving Art Cart, senior citizen luncheons and holiday events, and Light Up Night. P-Card activity for the CEP was connected to the following funds: GF, ARAD, and SCTF.

Auditors met with CEP staff at Marshall Mansion several times. During these meetings, auditors asked (1) if the staff were familiar with the yearly resolutions and/or the ARAD trust fund Resolution 833 of 2017, (2) if they were familiar with OMB's P-Card Policy and/or the P-Card Training, and (3) if the staff also utilized JDE.

- (1) The staff was not familiar with the resolutions; however, they were familiar with the overall foundation and usage of the ARAD trust fund.
- (2) The CEP manager was not familiar with OMB's P-Card Policy but confirmed attending the yearly training and expressed knowledge of various aspects involving the use of the P-Card.
- (3) The CEP manager was not familiar with JDE but communicates about activities with the Administration and Operations staff when JDE entries are needed.

The staff of CEP maintained physical receipts and invoices on location, and these documents were used to make connections with Works documentation printed separately by the staff of Citiparks' Administration and Operations. CEP staff also assisted auditors with identifying additional documents in Works needed to complete the total documentation of certain transactions.

### ***RESULTS OF PHASES I, II, AND III***

- Auditors were able to confirm that Works documentation aligned with the receipts provided by Citiparks.
- Of the 89 transactions, only eight were allowable in accordance with OMB's P-Card Policy; however, auditors found that most transactions were connected to the yearly resolutions, while some were connected to resolutions or contracts specific to the individual trust funds.
- The transactions tested did not exceed the explanatory limit of \$5,000.
- Auditors identified one transaction that included sales tax. However, auditors identified six transactions that included fees, such as Stripe fees, PayPal fees, and credit card surcharges.
- Auditors identified three vendors in 2023 that exceeded the \$10,000 limit established in the yearly resolutions.

In addition to testing P-Card transactions, auditors documented and reviewed an analysis of non-P-Card expenditures connected to Resolutions [244 of 2023](#) and [139 of 2024](#) and also the individual resolutions of the funds listed on those resolutions. Here are the results of that analysis:

- Of the 53 items tested, all transactions included proper documentation.
- Auditors identified two vendors in 2023 were paid more than \$10,000 limit established in the yearly resolutions and one vendor whose transactions billed in 2023 and also 2024, both for services rendered in 2023, exceeded \$10,000.
- Nineteen of the items tested were unrelated to the yearly resolution.
- Among line items sampled, auditors found that some transactions were connected to the yearly resolutions, while others were connected to resolutions or contracts specific to the individual trust funds. The four transactions sampled from the PTTF were unrelated to the yearly resolutions and also not processed by Citiparks.

## ***PHASE IV, ADMINISTRATION AND OPERATIONS***

Auditors circled back to Citiparks' head office to discuss some observations documented during fieldwork and during the sessions with the staff of Special Events and CEP.

The following was discussed:

- Citiparks confirmed they received a vendor agreement approved by the Law Department and have started using the agreement.
- Citiparks indicated that the \$10,000 limit stated in Resolutions [244 of 2023](#) and [139 of 2024](#) is per vendor within a calendar year.
- Citiparks indicated that, historically, there was little communication between different programs regarding vendors used. Citiparks was not aware of the exact number of vendors that were paid over \$10,000. However, administrators were aware that one vendor was used by Special Events and CEP staff in 2023 that resulted in the vendor receiving more than \$10,000. Citiparks also indicated that, prior to 2023, Special Events was under the Department of Public Safety.
- Citiparks indicated that the funds listed on Resolutions [244 of 2023](#) and [139 of 2024](#) were chosen simply based on the funds under the department's administration. Citiparks acknowledged that individual trust fund resolutions contain language that may not align with Resolutions [244 of 2023](#) and [139 of 2024](#), and, therefore, the department will evaluate which trust funds should continue to be included going forward.

## **RECOMMENDATIONS**

DISCLAIMER: The criteria of existing resolutions (i.e., yearly resolutions and individual trust fund resolutions) and OMB's P-Card Policy are insufficient to determine if the department's P-Card spending is aligned with City directives. On the surface, P-Card usage is not compliant with the yearly resolutions, which do not mention P-Cards, and it is unclear if the coding of professional services in JDE is the same as Procurement's definition of professional services as referenced in OMB's P-Card Policy; however, P-Card usage does go through a few layers of review and approval by Citiparks and other departments. Therefore, we will provide a few Recommendations on how to remedy the current lack of clarity within Citiparks' usage of P-Cards.

### ***RECOMMENDATION #1***

As noted, OMB's P-Card Policy prohibits P-Card usage for professional services, and while the yearly resolutions allow the department to enter into individual agreements outside of the

standard procurement process for those two cost types, the resolutions do not specify P-Cards in any capacity.

- If Citiparks' intention is to use future resolutions akin to [244 of 2023](#) and [139 of 2024](#) in support of using P-Cards, the department may wish to include language specific to P-Card usage in both the fiscal impact statement and resolution.
- If OMB is responsible for monitoring the coding of P-Card transactions, as indicated on Page 3 of OMB's P-Card Policy, Citiparks may wish to inquire with OMB on what type of coding is preferred when processing transactions.

## ***RECOMMENDATION #2***

Since eight of the individual funds listed on Resolutions [244 of 2023](#) and [139 of 2024](#) are established trust funds, some of which prohibiting the type of activity authorized by Resolutions [244 of 2023](#) and [139 of 2024](#), Citiparks should reevaluate which trust funds are included in future yearly resolutions. Specifically, the department may wish to consider the following:

- SFSTF appears to embody a requirement to follow specific laws, as described in Resolution 118 of 2019, and PTTF is meant to support the improvement, maintenance, creation, or operation of public parks and/or the improvement of park safety, as described in Resolution 682 of 2020. The legislation of these funds does not connect to recreational and instructional programs and special events services.
- FPTF, SFSTF, and MPTF resolutions all contain language indicating that any other resolution or ordinance conflicting with the provisions of these resolutions are repealed.
- MPTF and SETF seem to allow expenses connected to instructional programs and professional services; however, as noted in the bullet above, the MPTF Resolution 753 of 2016 contains language indicating that any other resolution or ordinance conflicting with its provisions are repealed.
- Auditors were unable to locate the original legislation for GSCTF. The department should investigate the stipulations of the original legislation and reassess its usage, as needed.

## ***RECOMMENDATION #3***

As has been noted, auditors identified some vendors that were paid more than \$10,000 in 2023 and/or across 2023 and 2024 for 2023 services, auditors were also not provided with any vendor agreements, and auditors noted some transaction totals that included additional fees.

- Within the audit's scope, Citiparks had not yet acquired a solicitor-approved agreement, and auditors were not provided with any formal agreements made between the department and the various vendors hired for services. However, now that Citiparks has a solicitor-approved agreement, the department should ensure agreements are established for vendor services each year and kept together with any transactions made in connection with the agreements. This should also help track the total expenditure per vendor, ensuring that none exceed the maximum allowable amount stated in resolution within the calendar year.
- In consideration of Recommendation #2, the department should note that the individual resolutions for MPTF and SETF do not appear to limit single or cumulative transactional amounts per vendor; however, the department should establish a method for identifying what resolution is being used to support each transaction. Without doing so, auditors cannot determine what legislation to use in order to determine compliance.
- While the department should be aware that the City is tax-exempt and taxes should not be charged on P-Card purchases, auditors noted additional fees included in certain transactions. The department should assess whether or not additional fees should be included in transaction totals, and, incidentally, the department should note that additional fees do have bearing on the grand total paid to vendors.

#### ***RECOMMENDATION #4***

The department's communication and documentation strategies could be improved. Awareness of OMB's P-Card Policy was not consistent among the staff members with whom auditors were engaged. Auditors were also provided with differing perspectives from Citiparks' staff on the definition of "professional services" and when to use cost types 53901 versus 53907. The department administrators noted that there is no specific protocol used in determining how 53901 and 53907 are made distinct and how "professional services" (i.e., 53901) is specifically defined. Finally, the department did not consistently retain records of interactions with other City departments when guidance on protocols was given.

- While Citiparks' staff was generally aware of the P-Card training document, we recommend that the department also ensure familiarity with OMB's P-Card Policy.
- Citiparks may wish to coordinate with OMB on defining a clear meaning of "professional services" as it equates to Citiparks' purchasing.
- Citiparks should retain records and/or internal notes of guidance and directives provided by other departments. In turn, the department should develop an internal policy that staff can actively use to determine how to select cost types, JDE coding, and usage of resolutions for individual transactions.
- The department should establish a protocol for communicating both the status of agreements between all Citiparks' programs and also the usage of resolutions, once

determined, to all staff of all programs within the department.

## RESPONSE FROM CITIPARKS

CitiParks sincerely appreciates the partnership with the Controller's audit team in reviewing the policies and practices surrounding the use of p-cards to support our work. P-cards are critical to our operations because of the high volume of programs that we offer across all areas of our department. From providing youth activities and entertainment at a community event to engaging in nutrition programming with seniors – we typically engage local small business for the support of our work. In conjunction with the general use of p-cards to support these activities, we also have an annual piece of legislation, one that has been around for 36 years, that allows the department to engage with artists, entertainers, and others that support recreational activities up to \$10,000. The intent of this resolution is to make it easier to provide for our residents. Cross-walking these two resources through the course of this audit has proven very useful to our fiscal team.

We agree with the recommendations laid out in this audit and have already moved on some of these, most notably we:

- Have worked with the City's Law Department to establish a new written agreement for artist, entertainers and others that work with our department.
- Are working with OMB's Procurement team to further clarify "professional services". The City of Pittsburgh Code definition of "professional services" leaves a lot up to interpretation. We are committed to working with OMB to provide more clarity around this definition so that we can more confidently categorize our service providers. The vast majority of the services we require are non-technical and the providers do not need a college degree or special certification/expertise to engage in their practice. This reassessment will also include working to gain clarity on the definition of the term professional service as it relates to fiscal code 53901 in JDE.
- Are amending our annual legislation to update it with the inclusion of the work "p-card" and to amend the list of trust funds named in the legislation. Historically, the department has always listed all funds but moving forward will only list the funds that we know utilize the legislation directly.
- Creating an internal practice to better track spending with vendors that may be used more frequently throughout the year by different areas of our department.
- Continue to ensure that all staff involved in P-Card transactions take the annually required p-card training. OMB policy will not issue a p-card to an employee until they complete the required training.

Ultimately, we feel confident that all of these practice improvements will contribute to the continued evolution of the city's overall P-Card Policy and the practices implemented by all city departments.

*Note: Following the draft audit report we did find that The "Greenfield Senior Center Trust Fund" is a grant from the PA Dept. of Aging. It was authorized by Res. 404 of 2019.*

## ADDENDUM

Fiscal auditing is an essential process in constructively reviewing financial operations. The process allows for the discovery of opportunities to build up and strengthen the financial functions of the City's trust funds. Fiscal auditors provide an opinion of the financial accuracy of the management of trust funds. The procedures of each audit can include but are not limited to risk assessments; legislative research and review; and testing of departmental documentation of financial records and, as necessary, policies and procedures.

The results of the Controller Office audits are kept in record and reviewed regularly. If the auditee disagrees with the recommendations made by the Office of the Controller, the auditee is advised of the responsibility for accepting the potential risks of that decision. If the auditee agrees, follow-ups are performed on any recommendations made until evidence is given showing that the identified risks are resolved. Fiscal audit reports and follow-ups can be viewed on the Controller portion of the City of Pittsburgh's website under [Fiscal Audits](#).