



Procurement Services P-Card Program Overhaul Update

Strengthening oversight, enhancing compliance, and building a more transparent P-Card program for the City of Richmond

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DEPARTMENT OF
**PROCUREMENT
SERVICES**

MAP Pillar 1 – A thriving City Hall

Looking Back— The Need for a Program Reset

The comprehensive P-Card audit conducted by the Office of Internal Audit resulted in a 60-page audit report and **16 complex audit recommendations, which included a total of 58 action items.** Among the findings were:

Control Failures

Single point of failure
(unsustainable review structure)

Oversight/Leadership Gaps

Nonstandard and varied approval processes from Agency to Agency

Understaffing

A single staff member reviewed over 40,000 transactions with minimal oversight - creating systemic blind spots and accountability gaps.

Policy Deficiencies

High level policies, generic training, minimal enforcement

System Weaknesses

High-risk channels enabled (Venmo, PayPal); spending thresholds misaligned



Immediate Actions Taken – Begin Overhaul

Before the audit report was released, DPS launched a full-scale program reset to demonstrate DPS' commitment to accountability.



Suspension & Restructuring

Paused majority of P-Card activity; conducted comprehensive program review



Card Reductions

Active cards reduced from 320 to 67 based on operational necessity – 73 active cards currently



Usage Restrictions

Blocked food, travel, Amazon purchases citywide except in narrowly approved areas



Governance Enhancements

Implemented tiered Approver requirements; Mandatory Critical P-Card Purchase Request Form

Immediate Actions Taken – Begin Overhaul



Data Analytics

DPS partnered with a leading P-Card analytics firm (Card Integrity) to develop risk dashboards that flag issues like split transactions, frequent use, and merchant anomalies.

Card Provider Evaluation

DPS evaluated JP Morgan Chase, US Bank, and Bank of America. Each offered similar features.

- Bank of America provides superior rebate structure, reconciliation controls, and training demo site.
- Moving to a different provider would not provide tangible improvements.

Status of Audit Recommendations

<p>Recommendation #1: We recommend that the Director of Procurement Services, in coordination with the Chief Administrative Officer, structure the relaunch of the City's P-Card Program to incorporate audit findings and reestablish strong foundational controls.</p>	<p>Status: Submitted for Closure</p>
<p>Actions Required: 1) Update policies, 2) Develop training program, 3) Establish criteria for card reactivation, 4) Requiring departments to reapply for P-Cards, 5) Reinforce new policy restrictions, and 6) Communicate program changes citywide.</p>	
<p>Recommendation #2: We recommend that the Chief Administrative Officer, in coordination with the Director of Procurement Services and the Director of Human Resources, develop and implement a spending policy to clarify the appropriate use of public funds for non-essential purchases.</p>	<p>Status: Submitted for Closure</p>
<p>Actions Required: 1) Define categories of expenditures, 2) Establish requirements for food, employee recognition events, gifts, and non-essential supplies, 3) Require written justification and pre-approval that exceed thresholds.</p>	
<p>Recommendation #3: We recommend that the Director of Procurement Services restructure roles and responsibilities within P-Card Administration to reduce excessive concentration of duties and strengthen system access controls.</p>	<p>Status: Closed 12/10/25</p>
<p>Actions Required: 1) Reassign key program responsibilities where functions are separated, 2) Limit P-card Administrator's approval and upload abilities, 3) Remove administrative access in Works for certain personnel not performing administration duties, 4) Create compensation controls where full segregation is not feasible.</p>	

Status of Audit Recommendations

<p>Recommendation #4 We recommend that the Director of Procurement Services strengthen approver oversight across all City departments.</p>	<p>Status: Closed 3/5/26</p>
<p>Actions Required: 1) Require approvers can assess operational necessity, 2) prohibit approval of supervisors' transactions, 3) periodically review approval hierarchies, 4) segregation of duties, 5) limit volume for which a single approver is accountable, 6) periodically review approver volume, 7) require training on fraud indicators</p>	
<p>Recommendation #5 We recommend that the Director of Procurement Services conduct a comprehensive review and reconfiguration of system controls for all active P-Cards.</p>	<p>Status: Closed 12/10/25</p>
<p>Actions Required: 1) Restrict merchant category codes, 2) eliminate auto-approval settings, 3) implement tiered spending thresholds</p>	
<p>Recommendation #6 We recommend the Director of Procurement Services establish clear guidance on whether and when vendors are paid through third-party platforms (e.g., Square, PayPal, Venmo).</p>	<p>Status: Closed 12/10/25</p>
<p>Actions Required: Venmo will be prohibited. Square & PayPal will be allowed under certain circumstances. DPS supplier, Card Integrity is capturing & reporting on third-party payment platforms for P-Card</p>	

Status of Audit Recommendations

<p>Recommendation #7 We recommend that the Director of Procurement Services update procurement policies and procedures to strengthen procurement controls and oversight. At a minimum, the updates should reevaluate the City's procurement thresholds, including the single-quote threshold, to ensure alignment with peer governments, the City's internal control environment, and its risk tolerance.</p>	<p>Status: Submitted for Closure</p>
<p>Actions Required: DPS is evaluating the three-quote process conducted by agencies and departments. To determine if this process should be centralized within DPS.</p>	
<p>Recommendation #8 We recommend that the Director of Procurement Services take steps to strengthen enforcement of existing P-Card policy requirements.</p>	<p>Status: Closed 12/10/25</p>
<p>Actions Required: 1) Require complete documentation for all transactions, 2) track repeat offenders, 3) enforce progressive discipline</p>	
<p>Recommendation #9 We recommend that the Director of Procurement Services improve timeliness of cardholder and approver reviews by consistently enforcing approval deadlines and escalating policy violations.</p>	<p>Status: Closed 12/10/25</p>
<p>Actions Required: 1) monitor and enforce timeliness through reminders and progressive discipline, 2) minimize use of sweep function</p>	

Status of Audit Recommendations

<p>Recommendation #10 We recommend that the Director of Procurement Services enhance monitoring of citywide purchasing activity by developing a data-driven and risk-based approach.</p>	<p>Status: Closed 12/10/25</p>
<p>Actions Required: 1) Conduct periodic reviews focused on high-risk indicators, 2) Seek opportunities to establish contracts, 3) communicate and track findings</p>	
<p>Recommendation #11 We recommend that the Director of Procurement Services conduct periodic, data-driven reviews of credit limits and card utilization.</p>	<p>Status: Closed 12/10/25</p>
<p>Actions Required: 1) Set standard thresholds, 2) require justification for retention of low-usage cards, 3) adjust card limits based on need/spend, 4) analyze credit limits annually, 5) require documented justification for credit increases</p>	
<p>Recommendation #12 We recommend that the Chief Administrative Officer, in coordination with Director of Procurement Services and the Director of Human Resources, take steps to strengthen the enforcement of existing conflict of interest policies and enhance employee accountability.</p>	<p>Status: Pending Submission</p>
<p>Actions Required: 1) Require conflict of interest disclosures, 2) develop a conflict-of-interest tracking system, 3) develop conflict-of-interest and ethics training, 4) establish and communicate enforcement protocols</p>	

Status of Audit Recommendations

<p>Recommendation #13 We recommend that the Director of Procurement Services strengthen controls to ensure that departments utilize existing contracts and confirm pricing.</p>	<p>Status: Closed 12/10/25</p>
<p>Actions Required: 1) Include contract awareness content into trainings, 2) require cardholders and approvers verify the lack of a contract prior to transaction, 3) explore IT enhancements to link P-card transactions to active contracts, 4) periodically review transaction data for potential contracts</p>	
<p>Recommendation #14 We recommend that the Director of Procurement Services resume and expand monitoring for split purchases and ensure enforcement.</p>	<p>Status: Closed 12/10/25</p>
<p>Actions Required: 1) Resume monthly generation and review of the Single Transaction Report, 2) Expand monitoring to identify split transaction, 3) Require all identified split transactions to be communicated to departments, documented, and formally investigated. 4) Develop and enforce disciplinary measures for policy violations and track repeat offenders across departments.</p>	
<p>Recommendation #15 We recommend that the Director of Procurement Services, in coordination with the Director of Human Resources, establish a formal cardholder lifecycle management process.</p>	<p>Status: Closed 4/7/26</p>
<p>Actions Required: 1) Establish a notification protocol between HR and DPS, 2) require P-Cards be deactivated within one working day from notification, 3) require re-application for card upon departmental transfers and role changes, 4) periodically reconcile the cardholder list, 5) develop procedures to ensure transactions are reconciled upon employee termination, 6) investigate post-separation transactions</p>	



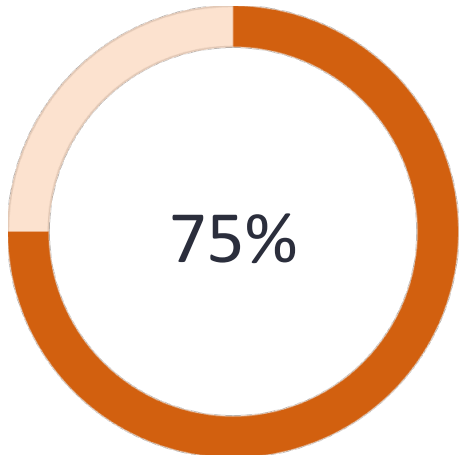
Status of Audit Recommendations

Recommendation #16 We recommend that the Director of Procurement Services to recoup any recoverable funds identified throughout this audit, by the vendor and DPS.	Status: Closed 1/30/26
Status: Submitted reports and documentation to the OIG. Investigations are underway and efforts underway to recover funds are ongoing, per OIG.	



Status of Audit Recommendations

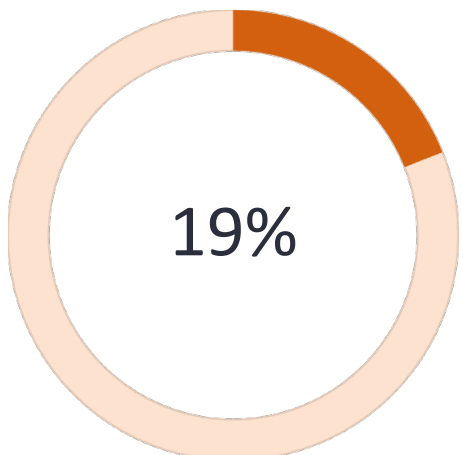
Key Takeaway: Significant progress achieved across all 16 audit recommendations, with only 4 items remaining on the path to full resolution.



Closed

12 of 16 recommendations successfully closed

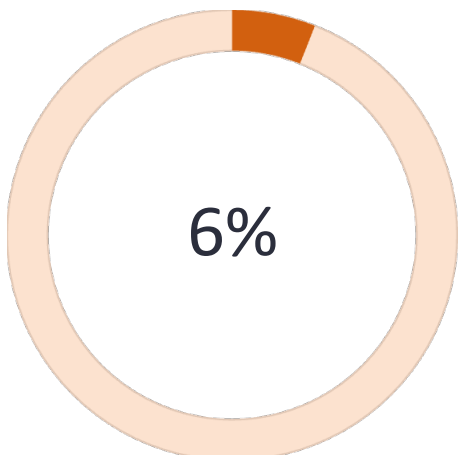
✓ 12 Closed
Recommendations fully resolved and verified. Controls implemented and confirmed effective.



Pending Closure

3 recommendations in final stages of closure

⌚ 3 Pending Closure
Remediation actions complete — awaiting evidence review & closure from OIA



To Be Submitted

1 recommendation awaiting formal submission

📄 1 Pending Submission
Management response in preparation; formal submission forthcoming.

** 16 total recommendations, comprised of 58 actions required.*

Goal of the P-Card Program Reset and Overhaul



Restoring Trust and Accountability:

Focused program controls ensure DPS oversight and City employees are responsible for responsible stewardship of public resources.

The new P-Card program will stand as a model of efficiency and responsibility for transparent municipal operations.



As We Relaunch: Building a Stronger Foundation

During the comprehensive program reset and overhaul, the City of Richmond and Procurement Services has strengthened controls, enhanced training, and expanded support to ensure program success.



Policy Overhaul

Complete revision of Policy 15 with enhanced controls and guidelines



Enhanced Training

Updated curriculum in NeoGov with dynamic, interactive training for all Cardholders, Approvers, & Proxies



Expanded Team

New P-Card Management Analyst position added to provide dedicated support and oversight – P-Card Team from 1 to 3 FTEs



Smart Technology

AI-powered reports, dashboards, and audit software both internally and through Card Integrity



Updated Resources

New P-Card forms, Violation Tracking Tool, and P-Card Progress Tracker Forms available on Procurement MyCOR site



Key Policy Changes

Overview

New Discretionary Spend Policy created & P-Card Policy significantly updated to enhance accountability and clarify proper use of P-Cards & public funds.

New P-Card and Expenditure Policy

Establishes clear guidelines on allowable and unallowable uses of P-Cards, City funds, and travel guidelines

Travel Meal Restriction

P-Cards cannot be used for meals during professional development travel

Payment Platform Rules

Venmo purchases prohibited. Square and PayPal allowed only under specific circumstances (e.g., itemized receipt/invoice)

Violation Enforcement

All violations and misuse will be documented and may result in disciplinary action

Leadership Restriction

Department and Agency Heads are prohibited from being cardholders

Preapproval Required

Internal Departmental Preapproval Form mandatory before purchases – sample form available on [MyCoR](#)



Key Policy Changes

Enhanced Contracts & Reconciliation Requirements

1

Cardholder Check Existing Contracts First

Before making a P-Card purchase, cardholders must verify if a contract or agreement exists. If yes, use the purchase requisition process through CORERP instead. Find contracts and agency assignments on the [My CoR site](#).

2

Cardholder Reconciliation: 5 Days

Cardholders must reconcile all transactions within 5 business days after posting to Works—no more waiting until billing cycle end.

3

Approver Reconciliation: 5 Days

Approvers must complete reconciliation within 5 business days after cardholder sign-off in Works.



Approver Authority Standards

- Must hold higher position than cardholder in departmental hierarchy
- Must possess sufficient authority and knowledge to evaluate purchase appropriateness
- Cannot review transactions from supervisors or higher-level reports
- Approvers may only oversee a maximum of 3 cards to ensure thorough and timely review.
- Approvers must sign an Approver Agreement before being able to review/approve transactions.



Key Policy Changes

Mandatory Training

Required Training in NeoGov

Mandatory for all participants – must complete before due date to avoid suspension:

- Policy 15 training and Knowledge Check (for all)
- P-Card Reconciliation for Cardholders
- P-Card Reconciliation for Approvers
- Fraud Indicator Training for Approvers
- Conflict of Interest Acknowledgement (for all)

Annual refresher training will be **mandatory** and assigned/tracked through NeoGov.



Required P-Card Training for Cardholders & Proxies

Department of Procurement Services: P-Card Training

145
Learners

START COURSE



100% Complete

ProcurementTraining@rva.gov
for questions/issues.

P-Card Cardholder Reconciliation Training Course

86
Learners

START COURSE



P-Card Conflict of Interest & Ethics Statement Acknowledgement

START COURSE

145
Learners

The required P-Card Conflict of Interest & Ethics Statement

Acknowledgement ensures that all P-Card users understand and affirm their responsibilities related to conflict of interest, ethical conduct, and proper use of public funds.

P-Card participants must review the attached P-Card Conflict of Interest and Ethics Statement and confirm their understanding of the standards, expectations, and obligations outlined in the policy.

Completion of this acknowledgement indicates that the user has read, understands, and agrees to comply with all requirements, ethical standards, and accountability expectations contained within the statement as a condition of P-Card access and use.



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Required P-Card Training for Approvers

Department of Procurement Services: P-Card Training

145
Learners

START COURSE



100% Complete

ProcurementTraining@rva.gov
for questions/issues.

P-Card Approver Reconciliation Training Course

68
Learners

START COURSE



Recognizing and Addressing P-Card Fraud Indicators: A Guide for Approvers

68
Learners

START COURSE



Have you ever wondered how a single overlooked transaction could put public funds at risk? In this course, you'll gain the knowledge and skills to recognize, document, and address fraud, waste, misuse, and abuse in P-Card transactions.

By the end, you'll be equipped to protect your agency's resources and uphold the highest standards of accountability in your role as a P-Card Approver.



P-Card Conflict of Interest & Ethics Statement Acknowledgement

START COURSE

145
Learners

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What's Changing After Relaunch?



90-Day Freeze

No new P-Cards will be issued for at least 90 days to ensure smooth transition & effective controls

New P-Card Application

After initial card freeze, new P-Card Applications must include robust business justifications for any new cards.



New Agreements

All cardholders and approvers must sign new Use Agreements via DocuSign

Critical Purchase Forms

No longer needed - Replaced by Department Preapproval Form requirement

Food & Travel

Allowed with limits - No meal purchases while traveling for City business. Follow per diem guidelines in Expenditure Policy.



Performance Requirements for Program Expansion

Before DPS authorizes any new cards, the existing participants **across ALL departments** must demonstrate consistent achievement across **six critical performance indicators**. These benchmarks ensure the program operates with the highest standards of compliance and accountability.



✓ Training Completion Rate

All Cardholders and Approvers must complete mandatory training



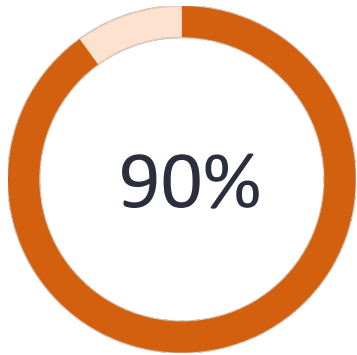
Transaction Compliance Rate

Purchases must follow established policies and procedures



Documentation Compliance Rate

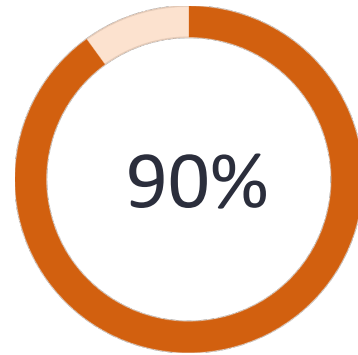
Required receipts and supporting documents must be submitted



90%

Cardholder Reconciliation Timeliness

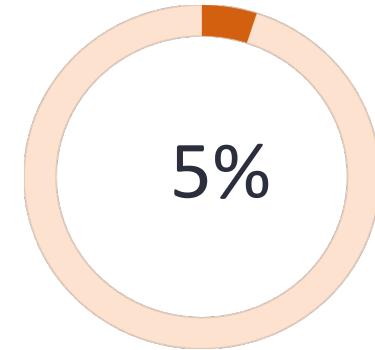
Cardholders submit reconciliations within required timeframes



90%

Approver Reconciliation Timeliness

Approvers review & approve transactions promptly



5%

Maximum Policy Violation Rate

Policy violations must remain below this threshold



Your P-Card Support Team

Questions? Concerns? We're here to help you succeed with the new & improved P-Card program.

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Program Administrator

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☐ P-Card Inbox

To reach the entire P-Card Team: pcard@rva.gov

When in doubt, reach out. Our DPS P-Card Team is committed to your success!



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Questions

ANY
QUESTIONS

