

**Los Angeles Unified School District
Office of the Inspector General**

**Performance Audit of
P-Card Use and Compliance**

**OA 24-1457
June 27, 2025**

**Sue Stengel
Inspector General**





Los Angeles Unified School District Office of the Inspector General

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June 27, 2025

Mr. Matt Friedman, Chief Procurement Officer
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Los Angeles Unified School District
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Los Angeles, CA 90017

RE: Performance Audit of P-Card Use and Compliance

Dear Mr. Friedman:

Enclosed is the final report on our performance audit of P-Card Use and Compliance.

Please contact our office if you have any questions.

Sincerely,

Mark H. Pearson

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EXECUTIVE SUMMARY

The Office of the Inspector General (OIG) conducted an audit of the Los Angeles Unified School District's (District) Procurement Card (P-Card) purchases made by school personnel. The objectives of the audit were to (1) determine whether the P-Card purchases complied with the Procurement Services Division (PSD) Procurement Manuals,¹ and (2) assess the adequacy of internal controls over the District's P-Card program. Our audit covered P-Card transactions from July 1, 2022, through March 31, 2024. The OIG performed this audit because the P-Card program was identified as critical during the annual risk assessment, the volume of transactions is high, the area is vulnerable to potential abuse given its decentralized nature, and District management expressed interest in an assessment of whether the program complies with the District's policies and procedures.

The OIG determined that overall, P-Card activities complied with the PSD Procurement Manual except in certain activities related to adding appropriate supporting documentation, reviewing and approving transactions, and completing appropriate forms. Additionally, the OIG found that the internal controls over the District's P-Card program were adequate, but several opportunities for improvement were identified, including in the areas of training and transaction reconciliations. The findings are summarized below and described in the Results of Audit section of this report.

Audit Findings

- **One out of 14 schools selected for testing exhibited mismanagement of P-Card purchases.** The OIG identified several issues at the one school the P-Card unit indicated may have had some questionable P-card charges. The issues included invoices that were not itemized for Amazon purchases, missing or inaccurate invoices, and the unauthorized purchase of gift cards. In addition, one cardholder used her personal account to make Amazon purchases, restricting the P-Card Unit's ability to oversee the purchases. Furthermore, some items, such as decorations and gift sets, were shipped directly to cardholders' home addresses, raising concerns about personal use.
- **Schools did not complete an Exception Request Form for restricted item purchases.** We identified 20 transactions out of 683 (2.93%) where the schools purchased restricted items. 17 of the 20 transactions (85%) lacked the approved Exception Request Form. The restricted items included gifts for teachers, Apple iPads, Apple iMacs, and Nintendo gaming systems.
- **Cardholders did not complete the Pre-Approval Forms for purchases over \$500.** In our review of 683 transactions, 51 (7.47%) exceeded the \$500 limit thereby requiring a Pre-Approval form, however 39 of these 51 transactions (76.5%) did not have the necessary form.
- **Transactions were split into multiple smaller purchases to avoid the limit for approval.** We analyzed P-card purchase data and identified 31 potential split transactions² that did not

¹ Procurement Manual 9th Edition <https://www.lausd.org/cms/lib/CA01000043/Centricity/domain/184/audit_files/Procurement_Manual_9th_Edition.pdf>

² For the purposes of identifying potential split transactions, the team identified purchases from the same vendor on the same or consecutive days by the same cardholder that added up to an amount larger than \$5,000, the established daily card transaction limit.

have an Exception Request Form. An approved exception form is required to make a purchase that exceeds the dollar threshold. Three transactions had an Exception Request Form, but the forms had been submitted after the items were purchased.

- **Cardholders and approving officials did not complete the refresher training course.** We found that 671 of 1,174 cardholders (57.15%) and 522 of 955 approving officials (54.66%) did not complete the required refresher training.
- **School personnel did not perform P-Card reconciliations on time.** The Procurement Manual requires that the cardholders and approving officials reconcile P-Card purchases in the System, Applications, and Products in the Data Processing (SAP)³ by the 15th of each month. However, our analysis found delays in reconciliation at the schools.

The OIG previously audited the P-Card program in 2017 (OA-17-1114) and in 2018 (OA 18-1137). Information from those previous audits is in Appendix 2. Based on the results of this and two prior P-Card audits, the following have been identified as recurring issues:

- unsupported vendor invoices,
- inconsistent use of Pre-Approval Forms for P-Card purchases exceeding \$500,
- potential split transactions, and
- purchases of restricted items.

Furthermore, inadequate training for P-Card users has been identified as a contributing factor to these issues in all three audits.

To address these ongoing concerns, we have made recommendations to enhance compliance with organizational policies and minimize the recurrence of these issues.

Recommendations

Recommendation No. 1 – At the school where mismanagement of a P-Card was found, the P-Card Unit complete its review of the questionable transactions. If it is determined that the purchases were unauthorized or personal, the P-Card Unit should suspend the P-Card privileges and escalate these findings to the appropriate body (i.e., Staff Relations, Regional Superintendents, et. al), which can enforce the P-Card unit’s policies and procedures through disciplinary action, such as imposing personal liability on the cardholders and approving officials.

Recommendation No. 2 – The P-Card Unit should hold the approving officials accountable for reviewing the attached invoices in SAP before approving the reconciliation. This review should include verifying that the invoices are itemized and match the transaction amounts, as well as ensuring proper documentation and supporting evidence for the charges. If the P-Card Unit’s review identifies purchases made without proper supporting documentation, and the purchases are determined to be unauthorized or personal, both the cardholder and the approving official should be required to provide the appropriate supporting documents and the correct invoices.

³ SAP is the District’s enterprise-wide business application system utilized for the management of various business processes that include payroll, accounting, human resources, and the procurement of goods and services.

Recommendation No. 3 – The P-Card Unit should review a sample of Amazon transactions from each school to verify whether purchases were made through the District’s Amazon Business account or the cardholder’s personal Amazon account. If a personal account is identified, the P-Card Unit should promptly instruct the cardholder to switch to the District’s Amazon Business account for all future purchases, ensuring that itemized receipts are accessible for review and compliance purposes. Furthermore, the P-Card Unit should explicitly state in its policy and procedures that using personal Amazon accounts is strictly prohibited.

Recommendation No. 4 – The P-Card Unit should adopt a risk-based approach when selecting schools or transactions for audit. This approach could involve sampling transactions from each school to ensure broad coverage. If any issues are identified, the P-Card Unit can then concentrate its review and monitoring efforts on the specific schools with higher risk or irregularities.

Recommendation No. 5 – The P-Card Unit should consider acquiring an analytics tool, to enhance the identification of restricted items. This tool would streamline the monthly analysis of P-Card usage, helping to manage the large volume of data more efficiently, especially given the P-Card Unit’s limited resources to review such a high number of transactions.

Recommendation No. 6 – The P-Card Unit should reinforce the requirement that an Exception Request Form be submitted when items in the restricted list are needed for instructional purposes, and await approval from the P-Card Unit before proceeding with the purchase. In addition, the required training should clearly communicate that both cardholders and approving officials may be held personally liable for any unauthorized purchases of restricted items.

Recommendation No. 7 – The P-Card Unit should reassess the Procurement Manual policy requiring Pre-Approval Forms for single item purchases over \$500 to determine whether they are necessary, who should approve the purchase, and what the dollar threshold should be.

Recommendation No. 8 – The P-Card Unit should reinforce the requirement that split purchases are unacceptable and that splitting purchases to circumvent approvals may result in disciplinary action or suspended P-Card usage.

Recommendation No. 9 – The P-Card Unit should reinforce to cardholders that Exception Request Forms must be submitted and approved *before* any split purchase transactions occur. This policy should be clearly communicated to all cardholders, emphasizing that transactions without prior approval will be subject to review and potential non-compliance consequences. In addition, the P-Card Unit should consider acquiring an analytics tool to assist with the identification of split purchases. This tool would streamline the monthly analysis of P-Card transactions and help manage large volumes of data more efficiently, given the P-Card Unit’s limited resources to review such a high number of transactions.

Recommendation No. 10 – The P-Card Unit should identify all cardholders and approving officials who need to complete refresher training, enroll them in an upcoming session, and ensure they complete it by June 30, 2025.

Recommendation No. 11 – The P-Card Unit should ensure that all P-Card holders are up to date with training requirements.

Recommendation No. 12 – The P-Card Unit should expand its training course to include strategies for detecting fabricated invoices, identifying signs of fraud, and recognizing misappropriation of funds. This will ensure that District employees are not only aware of potential risks but are also well-equipped to take appropriate actions to mitigate fraud and misuse of the P-Cards.

Recommendation No. 13 – The P-Card Unit should work with the District’s Organizational Excellence Branch to have cardholders and approving officials automatically sign up for the refresher training course through My Professional Learning Network (MyPLN).⁴

Recommendation No. 14 – The P-Card Unit should work with schools to reduce the number of unreconciled transactions and emphasize the importance of meeting reconciliation deadlines. Additionally, the P-Card Unit should consider suspending the school’s P-Card privileges until the cardholder and approving official reconcile the transactions.

Recommendation No. 15 – The P-Card Unit should consider sending calendars detailing the reconciliation due dates for the cycle period to all cardholders and approving officials to help ensure timely compliance and reduce the likelihood of missed deadlines, particularly for those with heavy workloads or competing priorities.

Recommendation No. 16 – The P-Card Unit should share the Suspend List—Non-Compliance reports with school administrators and district leadership to encourage accountability for schools that consistently fail to reconcile their P-Card transactions.

INTRODUCTION

The District’s P-Card program intends to streamline the purchasing process by providing an alternative method for obtaining goods, materials, and services directly from vendors, and by avoiding the cost of administrative expenses when compared to purchases made through the purchase order process. P-Cards are credit cards issued to certain District employees. P-Cards reduce the need for traditional purchase orders, enabling quicker and more efficient purchasing. In addition, cardholders can make purchases without going through multiple layers of approval, making the process more flexible and faster. However, the program is high-risk because it allows the same individual to order and pay for goods and services. If not carefully monitored and controlled, this presents the potential for fraud, abuse, and improper use.

To place a purchase using a P-Card, the cardholder is required to determine whether the purchase is allowed according to the procurement manual. If the purchase is permitted, the cardholder obtains approval from a designated approving official prior to completing the transaction. If the item is restricted, the cardholder and approving official assesses whether the purchase is necessary for instructional purposes. If so, the cardholder completes the Exception Request Form. Additionally, if the purchase of a single item exceeds \$500 before tax and shipping, the cardholder

⁴ The My Professional Learning (MyPLN) has been developed and designed to offer the Los Angeles Unified employees diverse learning opportunities, including in person, virtual, and blended learning professional development.

submits a Pre-Approval form. Once approval is obtained, the cardholder proceeds with the purchase and retains the receipt. Refer to Appendix 3 for a summary of the process.

Subsequently, the cardholder uploads the receipts to SAP and logs into the system to reconcile the transactions by the 15th of each month. The uploaded receipt should be legible and contain line-item details indicating the price for each item purchased. After the reconciliation is complete, the approving official logs into SAP to review the cardholder's entries, by the 21st of the month. The approving official reviews the transactions and supporting documents and then provides final approval by signing off on the reconciliation.

The P-Card Unit is responsible for monitoring and providing oversight over the P-Card program to ensure usage is authorized, supported, and compliant with the PSD Manuals. The Procurement Manuals, 9th Edition⁵ and 10th Edition,⁶ contain the official policies and procedures for procuring supplies, equipment, and general and professional services that apply to the scope of our audit. The Procurement Manual, 9th Edition, applies to our audit period from July 1, 2022 through August 31, 2023, and the 10th Edition applies to our audit period from September 1, 2023, through March 31, 2024.

From July 1, 2022, through March 31, 2024, there were 227,254 P-Card transactions related to the schools totaling \$78,541,115. The following table summarizes the P-Card expenditures by year.

Table No. 1

Fiscal Year	Expense Amount	Transactions
July 1, 2022 - June 30, 2023	\$ 42,349,379	139,441
July 1, 2023 - March 31, 2024	36,191,736	87,813
Total	\$ 78,541,115	227,254

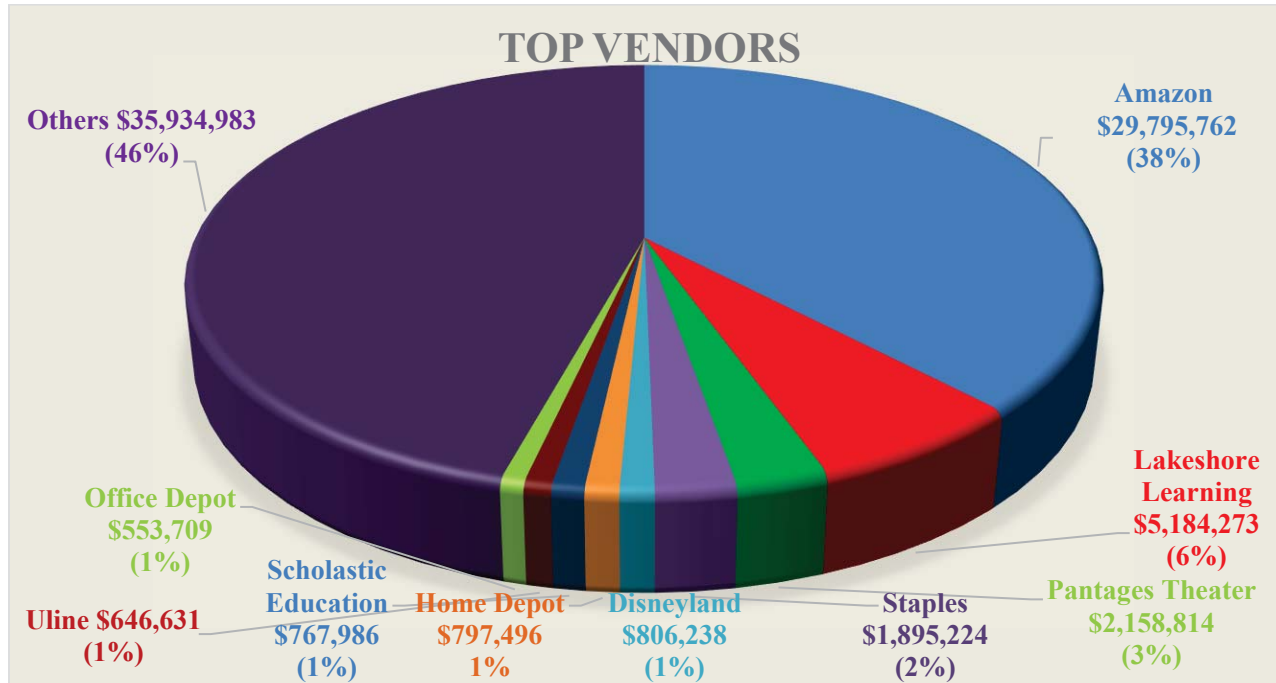
There was a total of 5,961 vendors for the \$78,541,115 P-Card purchases. Of this total, \$42,606,132 was spent with the top vendors, while the remaining \$35,934,983 "Others" were purchases among vendors such as The Office Connection, Complete Business Systems, Coast to Coast Computer, and WorldStrides.

The following chart highlights the purchases made from the top vendors during the fiscal period from July 1, 2022, to March 31, 2024.

⁵ Procurement Manual 9th Edition <[https://www.lausd.org/cms/lib/CA01000043/Centricity/domain/184/audit_files/Procurement Manual 9th Edition.pdf](https://www.lausd.org/cms/lib/CA01000043/Centricity/domain/184/audit_files/Procurement%20Manual%209th%20Edition.pdf)>

⁶ Procurement Manual 10th Edition <[https://www.lausd.org/cms/lib/CA01000043/Centricity/domain/184/audit_files/Procurement Manual 10th Edition.pdf](https://www.lausd.org/cms/lib/CA01000043/Centricity/domain/184/audit_files/Procurement%20Manual%2010th%20Edition.pdf)>

Chart No. 1



According to the Procurement Manuals,⁷ using the P-Card for personal charges is strictly prohibited and carries serious consequences. The P-Card is intended solely for official business expenses, and any misuse can result in disciplinary action. The P-Card cardholders and approving officials acknowledge and agree to be held fully liable for all unauthorized and prohibited charges by accepting and utilizing it. This includes expenses that do not align with the established guidelines and policies governing P-Card usage. The cardholders are encouraged to seek clarification before making purchases when there are uncertainties about acceptable charges or the Procurement Manuals.

RESULTS OF AUDIT

Some purchases made with P-Cards did not comply with the District's policies regarding restricted items, pre-approval requirements, and the practice of splitting purchases into multiple smaller transactions to circumvent the approval limit.

To determine whether the purchases made with P-Cards comply with the District's policies, we judgmentally selected 14 schools for testing. Our selection was evenly distributed throughout the District. There was a total of 7,629 P-Card transactions for the 14 schools. Of the 7,629 transactions, we judgmentally selected 683 transactions⁸ for our testing.

⁷ Procurement Manual 10th Edition.pdf p. 60

⁸The result of our testing cannot be extrapolated to the entire P-Card population because our sample was not statistically selected.

Our analysis of the current P-Card transactions determined that there were non-compliances. Table 2 below summarizes the schools selected, sample size, and non-compliances identified for the 14 schools from July 1, 2022, through March 31, 2024.

Table No. 2

Schools	Number of P-Card Transactions	Transactions Selected for Testing	% of Transaction Tested	Purchases not supported by invoices (A)	Purchases not shipped to school (A)	Invoice not itemized (A)	Missing Exception Request Form (B)	Missing Pre-Approval Forms (C)
No. 1	370	39	10.54%	-	-	-	-	4
No. 2	226	30	13.27%	-	-	-	-	-
No. 3	1,211	51	4.21%	-	-	-	6	4
No. 4	668	66	9.88%	22	1	8	1	7
No. 5	519	38	7.32%	-	-	-	4	3
No. 6	431	52	12.06%	-	-	-	1	5
No. 7	1,149	72	6.27%	-	-	-	-	9
No. 8	203	38	18.72%	-	-	-	-	-
No. 9	251	39	15.54%	-	-	-	-	1
No. 10	589	71	12.05%	-	-	-	-	2
No. 11	96	41	42.71%	-	-	-	1	1
No. 12	311	51	16.40%	-	-	-	-	-
No. 13	1,302	51	3.92%	-	-	-	4	2
No. 14	303	44	14.52%	-	-	-	-	1
Total	7,629	683	8.95%	22	1	8	17	39

A. Mismanagement of P-Card Purchases

Finding No. 1 – One out of fourteen schools exhibited mismanagement of P-Card purchases.

One of the 14 schools selected for review displayed mismanagement of the District’s P-Card. The P-Card unit identified some questionable transactions through their audit process and suggested that the school be included in the audit team’s testing. The audit team reviewed each of the transactions in detail and identified the issues summarized in the Conditions section below.

Criteria

According to the Procurement Manual:⁹

- “Personal use of any District credit cards is strictly prohibited.”
- “Intentional misuse of the District cards for other than ‘District’s official use’ will be considered an attempt to commit fraud against the District.”
- “Proof of fraud will result in immediate cancellation of the card and may include disciplinary action against the employee under applicable District administrative

⁹Procurement Manual 10th Edition.pdf, p. 60-64

procedures.”

- “The cardholder will be personally liable to the District for the amount of any unauthorized or unofficial purchases and will be subject to criminal prosecution when warranted.”
- “Restitution will be sought against a District employee upon discovering intentional misuse, fraud, abuse, and malfeasance.”
- “Items on the restricted list are unauthorized purchases (unless an Exception Request Form has been submitted AND approved by the P-Card Unit”
- “If the approving official identifies any of these unauthorized items purchased by the cardholder, they must notify the P-Card Unit immediately and reject the transaction in the online reconciliation system.”
- All itemized receipts, approval forms, and invoices, regardless of dollar amount, must be uploaded to SAP in a Portable Document Format (PDF) file.

Conditions

1. In eight instances, invoices uploaded into SAP were not itemized for Amazon purchases. These invoices only displayed the total amount without detailing the items. The total amount related to these transactions totaled \$3,395.
2. There were 22 instances where the actual invoices were either not uploaded into SAP or, when uploaded, did not support the transaction amount totaling \$3,334.
3. In one instance, the supporting documentation for the \$298 Dollar Tree purchase appeared fabricated. The invoice was created using Microsoft Word, and the provided contact telephone number and address were invalid. Additionally, the email address was not associated with Dollar Tree (see Appendix 5).
4. The cardholder purchased \$600 worth of gift cards on Amazon for Starbucks, Chili’s, and Bath & Body Works.
5. There were Amazon transactions involving the purchase of decorations and teapot gift sets totaling \$202. These items were shipped directly to the cardholder's home address.
6. Several purchases appeared to be personal rather than work-related, including balloons for a child’s first birthday, cookbooks, and custom-etched beer mugs. The total for these items was \$329.

Cause

1. The school’s approving official did not review the attached supporting documentation and signed off on the P-Card reconciliation as reviewed when approving the transaction on

SAP. Therefore, the approving official was unaware that the invoice was not itemized. The approving official expressed uncertainty about why the cardholder did not include an itemized invoice and indicated that the Amazon account was under the cardholder's name. Given that the cardholder has since retired, the approving official cannot retrieve the details of the Amazon purchases under the cardholder's personal account. The approving official acknowledged that the invoices should have been correctly uploaded to SAP to reflect the accurate transaction amounts.

2. The approving official was not aware that an invoice was fabricated.
3. Although the P-Card approving official knew that gift cards are among the restricted items, they authorized the purchases as part of a teacher appreciation initiative.
4. The approving official said they were unaware that some of the purchases were sent to the cardholder's home address and stated that all purchases should have been sent to the school.
5. The approving official explained that the cookbooks and beer mugs were intended as gifts for teachers. However, they were uncertain about the purpose of the first birthday items and could not confirm whether they were related to school activities.
6. The P-Card Unit selects schools or transactions for review using either a random sampling method or data analytics using Microsoft Excel. The P-Card Unit identified some of the questionable transactions at one school, and the OIG audit team determined that questionable transactions dated as far back as 2022. This highlights that the methodology and tools being used for the extensive data set of P-Card transactions may not effectively identify high-risk schools or transactions promptly.
7. The approving official was unsure as to why the cardholder was using a personal Amazon account to make purchases.

Effect

1. Failure to submit accurate supporting documentation could conceal unauthorized purchases or personal transactions and increase the risk of financial loss to the District.
2. Inaccurate or missing invoices not only hinder the transparency of financial records but may also signal signs of misuse or abuse of the P-Card.
3. Using an invoice that appears to have been created in Microsoft Word, along with invalid contact information, undermines the credibility of the transaction and suggests possible fraudulent activity.
4. Gift cards are a restricted item, and the cardholder may use the card personally or without proper oversight.
5. Shipping purchases directly to the cardholder's home address raises concerns about their

appropriateness for business purposes. The nature of the items, combined with the delivery to a personal address, suggests they may have been intended for personal use rather than school needs.

6. The purchases of the child's first birthday balloons, cookbooks, and custom-etched beer mugs raise concerns about the appropriate use of the P-Card.
7. The P-Card Unit's current methodology for selecting and reviewing schools or transactions may have delayed the identification of high-risk schools or transactions, possibly missing critical areas needing attention.
8. When a cardholder uses their personal Amazon account instead of the District's Amazon Business account and makes purchases using the District P-Card, the P-Card Unit cannot access the purchase history. As a result, if the invoice is not itemized or uploaded, the unit cannot determine the details of the purchased items.

Recommendation No. 1

At the school where the mismanagement of a P-card was found, the P-Card unit should complete its review of the questionable transactions. If it is determined that the purchases were unauthorized or personal, the P-Card unit should suspend the P-Card privileges and escalate these findings to the appropriate body (i.e., Staff Relations, Regional Superintendents, et. al), which can enforce the P-Card unit's policies and procedures through disciplinary action, such as imposing personal liability on the cardholders and approving officials.

PSD's Response:

PSD agreed with the recommendation, indicated that it has already taken several steps in response to the report of questionable Card transactions, and provided a list of actions it plans to take.

A comprehensive review of 81 flagged transactions was completed, and a 33-page justification audit was submitted to the school principal on January 23, 2025. Of these, 40 were cleared justified as most purchases supported school activities, 4 were legitimate but violated the P-Card policy, 12 lacked proper documentation but were justified, and 25 still require further clarification. A follow-up request for these remaining transactions was sent on June 16, 2025, with a response due by June 23.

Disciplinary action, including a policy violation notice and potential escalation to Regional Superintendents or Staff Relations, will be taken if unauthorized purchases are confirmed. Additionally, P-Card retraining is required for the Principal, and a follow-up audit is planned for July 2025 to assess the new cardholder's transactions. A policy violation notice will be issued to the Principal by June 23, 2025, based on the preliminary findings.

Recommendation No. 2

The P-Card Unit should hold the approving officials accountable for reviewing the attached invoices in SAP before approving the reconciliation. This review should include verifying that the invoices are itemized and match the transaction amounts, as well as ensuring proper documentation and supporting evidence for the charges. If the P-Card Unit's review identifies purchases made without proper supporting documentation, and the purchases are determined to be unauthorized or personal, both the cardholder and the approving official should be required to provide the appropriate supporting documents and the correct invoices.

PSD's Response:

PSD agreed with the recommendation to hold approving officials accountable for thoroughly reviewing invoices and supporting documentation in SAP before approving reconciliations. To strengthen internal controls and improve compliance, they will issue formal reminders to P-Card approving officials about the importance of their review, update training to emphasize the approver's responsibilities in the review of transactions and reconciliation process, and implement enhanced audits to monitor documentation and escalate issues when necessary. These actions will be rolled out between July and September 2025, with training completion expected by January 2026.

Recommendation No. 3

The P-Card Unit should review a sample of Amazon transactions from each school to verify whether purchases were made through the District's Amazon Business account or the cardholder's personal Amazon account. If a personal account is identified, the P-Card Unit should promptly instruct the cardholder to switch to the District's Amazon Business account for all future purchases, ensuring that itemized receipts are accessible for review and compliance purposes. Furthermore, the P-Card Unit should explicitly state in its policy and procedures that using personal Amazon accounts is strictly prohibited. Additionally, cardholders will be held accountable for any purchases made through their personal Amazon accounts.

PSD's Response:

PSD partially agreed with the recommendation and acknowledged the importance of ensuring Amazon purchases are made through the Amazon Business (AB) account. PSD indicated that while it is not feasible to review samples from every school, PSD will continue to maintain a partnership with Amazon Business to conduct periodic reviews that identify potential P-Card transactions that do not use the District's AB account and follow up with cardholders to provide retraining and enforce compliance. Past reviews have led to outreach and corrective action, and future reviews will continue as a proactive measure to strengthen compliance and ensure proper usage for the AB business platform.

PSD partnered with Ariba to deliver training on using both Direct Access to Amazon with site Cards and the Ariba catalog with its funding lines. Additionally, enhanced training through MyPLN will emphasize the exclusive use of AB accounts, and noncompliant accounts will be suspended until proper enrollment is confirmed. The revised Annual MyPLN P-Card Training

module will launch by September 15, 2025, with completion of training expected by January 2026.

Recommendation No. 4

The P-Card Unit should adopt a risk-based approach when selecting schools or transactions for audit. This approach could involve sampling transactions from each school to ensure broad coverage. If any issues are identified, the P-Card Unit can then concentrate its review and monitoring efforts on the specific schools with higher risk or irregularities.

PSD's Response:

PSD partially agreed to adopt a risk-based audit approach, it emphasized that it should be part of a broader, multi-layered strategy. Initially limited by staffing, the Unit relied on spot audits triggered by real-time issues. By 2024–2025, with improved staffing, they implemented systematic random audits of at least 500 transactions monthly while maintaining spot checks. For FY 2025–2026, the audit plan will expand to include clearly defined audit types, random audits, spot audits, risk-based audits, and utilization of the bank's new audit tool. The enhanced audit process will be implemented on July 1, 2025, with the first round of audits beginning August 31, 2025.

Recommendation No. 5

The P-Card Unit should consider acquiring an analytics tool to enhance the identification of restricted items. This tool would streamline the monthly analysis of P-Card usage, helping to manage the large volume of data more efficiently, especially given the P-Card Unit's limited resources to review such a high number of transactions.

PSD's Response:

PSD agreed with the recommendation to enhance the identification of restricted items by acquiring an analytics tool. To address this, the division is using a new US Bank program audit tool called "Program Monitor," which generates customized reports based on user-defined criteria. This tool is included at no additional cost under the current contract, making it a cost-effective solution for managing the large volume of transaction data. Implementation is already underway, with reports having been set up within the bank's system.

B. Purchases of Restricted Items

Finding No. 2 – Restricted items were purchased without proper authorization.

Criteria

According to the Procurement Manual, items on the restricted list are restricted purchases unless an Exception Request Form (See Appendix 4 - Exhibit C) has been submitted and approved by the P-Card Unit.¹⁰ The manual also states that the cardholder will be personally liable to the District

¹⁰[Procurement Manual 10th Edition.pdf](#) p. 60

for the amount of any unauthorized or unofficial purchases. Furthermore, the District will pursue restitution from the cardholder or approving official upon identifying intentional misuse, fraud, abuse, or malfeasance.

Condition

During our review of the P-Card transactions, we identified 20 transactions involving restricted items. Of the 20 P-Card transactions, 17 (85%) did not have an approved Exception Request Form. These restricted items included gifts for teachers, Apple iPads, Apple iMacs, and Nintendo gaming systems.

Cause

Below are some of the reasons that the cardholders explained for not having an approved Exception Request Form:

- The cardholders and approving officials believed an Exception Request Form was unnecessary because the P-Card Unit did not block the purchases.
- The cardholder was not aware that the purchases required an Exception Request Form.

Effect

The lack of compliance with the Exception Request Form policy for restricted P-Card purchases can lead to:

- Inappropriate use of public funds.
- Cardholders bypassing the exception request process. This limits the P-Card Unit's oversight, which ensures that restricted items are only purchased when justified and adequately documented.

Recommendation No. 6

The P-Card Unit should reinforce the requirement that an Exception Request Form be submitted when items in the restricted list are needed for instructional purposes, and await approval from the P-Card Unit before proceeding with the purchase. In addition, the required training should clearly communicate that both cardholders and approving officials may be held personally liable for any unauthorized purchases of restricted items.

PSD's Response:

PSD agreed with the recommendation to reinforce the requirement for submitting an Exception Request Form for restricted items. PSD shared that the P-Card unit is revising its processes to improve efficiency; therefore, some of the items will no longer require an Exception Form. Additionally, the division is implementing the Service Now system for cardholders to track and

log exception requests, which will be available to cardholders beginning July 2025.

C - Pre-Approval Forms

Finding No. 3 — Required Pre-approval Forms were not completed for purchases of single items costing more than \$500.

Criteria

According to the Procurement Manuals, a signed Pre-Approval form is needed for a P-Card purchase of a single item costing \$500 or more before tax and shipping.¹¹ The signed Pre-Approval form must also be uploaded to the corresponding SAP transactions for the applicable purchases.

Condition

Of the 683 transactions selected for testing, 51 exceeded the \$500 limit and required a signed Pre-Authorization form. Of the 51 transactions requiring a Pre-Authorization Form, we found that 39, or 76.5%, did not have a completed form.

Cause

According to the cardholders, they were unaware that an exception form was required to be completed and uploaded into SAP since the purchases were already approved by the approving officials before making the purchase. In addition, the approving official completes another review during their review of the reconciliation on SAP. As a result, the P-Card Unit indicated that this process appears redundant and inefficient.

Effect

The absence of a completed Pre-Authorization form for purchases over \$500 reduces accountability and compliance with established procurement policies, potentially increasing the risk of unauthorized or unverified expenditures.

Recommendation No. 7

The P-Card Unit should reassess the Procurement Manual policy requiring Pre-Approval Forms for single item purchases over \$500 to determine whether they are necessary, who should approve the purchase, and what the dollar threshold should be.

PSD has stated that they are currently revising the Procurement Manual and that the removal of the \$500 limit for single-item purchases is being discussed.

PSD's Response:

PSD agreed with the recommendation to reassess the policy requiring Pre-Approval Forms for

¹¹[Procurement Manual 10th Edition](#), p. 52

single-item purchases over \$500. Originally implemented based on a prior audit recommendation by the Office of the Inspector General, PSD conducted a benchmarking review with five other entities and confirmed during a US Bank Round Table event with eight large government agencies that none use such a form. Concluding it to be unnecessary and redundant, PSD has decided to eliminate the requirement. The form will be removed from the policy and P-Card website, with the change formally documented in an updated P-Card Bulletin, which is to be published before July 1, 2025.

Analysis of splitting purchases into multiple smaller purchases to avoid the limit for approval

Finding No. 4 – Purchases were split into multiple smaller purchases to avoid the limit for approval

Criteria

The Procurement Manuals indicate that splitting transactions to circumvent the established card transaction limits (e.g., single purchase limits) is prohibited.¹² If purchases exceed the \$5,000 threshold, the cardholder must submit an Exception Request Form to the P-Card Unit for approval. The cardholders may complete the Form and request a one-time increase in the dollar transaction limit. The Procurement Manuals also states the following: “Bid-splitting is never acceptable as it is a violation of the District policy and may result in disciplinary action and/or restricted procurement ability. Whether you are purchasing 50 items or 1 item, if the total of that purchase is greater than the dollar threshold and the purchase is split into multiple transactions in order to complete the transaction, it is still considered bid-splitting.”¹³

Condition

To identify split purchases, we reviewed the P-Card transactions for the period of July 1, 2022, to March 31, 2024, for multiple transactions with the same vendor on the same date for daily amounts exceeding \$5,000 and without an Exception Request Form. We analyzed 227,254 transactions and identified 68 (.03%) split purchases totaling \$565,501. Of the 68 split purchase transactions, 31 transactions totaling \$214,013 had no Exception Request Form. For the 37 transactions that did have the Exception Request Form, the cardholders submitted 3, totaling \$19,665, after the transaction date.¹⁴

Cause

According to the P-Card Unit, some cardholders may be unaware of split purchases or existing policies prohibiting them. In addition, the P-Card Unit has been unable to detect such issues effectively due to the overwhelming volume of P-Card transactions it is required to monitor.

Effect

¹² Procurement Manual 10th Edition.pdf p. 50

¹³ Procurement Manual 10th Edition.pdf p. 10

¹⁴ According to the Procurement Manual B.16. Exception Request Form, the cardholder must submit a completed and properly authorized form five (5) business days prior to the transaction payment deadline. Procurement Manual 10th Edition, p. 67

When procedures for Exception Request Forms are not followed, there is an increased risk of (i) purchases made for restricted items, (ii) unauthorized, unnecessary, or potentially fraudulent purchases, and (iii) a lack of accountability for the cardholder or site administrator for purchases made using the District's P-Card.

Recommendation No. 8

The P-Card Unit should reinforce the requirement that split purchases are unacceptable and that splitting purchases to circumvent approvals may result in disciplinary action or suspended P-Card usage.

PSD's Response:

PSD does not plan to implement this recommendation, as a policy change has been made that no longer classifies split transactions as a violation. As a result, the recommendation to reinforce the policy is no longer applicable. PSD clarified its stance by indicating that some transactions that may appear to be split transactions are operationally appropriate and not intended to bypass procurement rules, such as field trips or classroom-specific purchases. As such, PSD will be removing the policy that classifies split transactions as violations and will continue monitoring for any misuse. This change will be reflected in an updated P-Card Bulletin expected to be published by July 1, 2025.

OIG Response:

Although OIG acknowledges that some transactions that may appear as purposeful split transactions may support operational efficiency, the OIG maintains that splitting transactions should remain prohibited as a general policy. We recognize that there are valid scenarios where multiple purchases from the same supplier may occur; however, allowing such practices opens the door to misuse. There is a risk that cardholders may intentionally split transactions to bypass approval thresholds or purchase restricted items, which increases the potential for unauthorized or fraudulent activity.

Recommendation No. 9

The P-Card Unit should remind cardholders that Exception Request Forms must be submitted and approved *before* any split purchase transactions occur. This policy should be clearly communicated to all cardholders, emphasizing that transactions without prior approval will be subject to review and potential non-compliance consequences. In addition, the P-Card Unit should consider acquiring an analytics tool to ensure the identification of split purchases. This tool would streamline the monthly analysis of P-Card transactions and help manage large volumes of data more efficiently, given the P-Card Unit's limited resources to review such a high number of transactions.

PSD's Response:

PSD does not plan to implement this recommendation, as a policy change has been made that no

longer classifies split transactions as a violation. As a result, the requirement for submitting Exception Request Forms before such transactions is no longer applicable. PSD has updated the new P-Card Bulletin to reflect this change, which is currently under review and expected to be published before July 1, 2025.

OIG Response:

The OIG maintains that split transactions should generally remain prohibited, as they pose a risk of misuse—allowing cardholders to bypass approval limits or purchase restricted items, increasing the potential for fraud.

Merchant Category Codes

During our review of the 227,254 P-Card transactions, we identified 5,728 (3%) transactions associated with blocked Merchant Category Codes (MCCs).¹⁵ These blocked MCCs typically prevent certain types of purchases, but in several cases, we found that transactions were processed despite being tied to a blocked MCC.

For example, we identified transactions with MCC 5511 (vehicle sales and financing), which were flagged as blocked. However, upon reviewing the supporting documentation, we determined that these transactions were for golf cart repairs, which may have been incorrectly classified under this MCC. Similarly, we found transactions associated with MCC 8641 (charitable and social service organizations), typically blocked, that were payments for registration fees to science education conferences, the Association for Supervision and Curriculum Development, and other vendors providing services with an instructional purpose.

Additionally, the P-Card Unit explained that vendors sometimes select an incorrect MCC code based on just one product or service they offer, rather than the full scope of their business. This practice can lead to transactions being classified under a blocked code, even though the purchase may align with the district's intended purpose.

The internal controls over the District's P-Card program were adequate, except for refresher training and reconciliations performed by the schools.

Issuance and Cancellation of P-Cards

Under the Procurement Manual 9th Edition,¹⁶ a school site was given two options:

- (a) Have two P-Cards with a single purchase transaction of \$1,500 each, and a monthly limit of \$10,000, or
- (b) Have one P-Card with a single transaction limit of \$3,000 and a monthly limit of \$20,000.

¹⁵ Merchant category code – a categorization of the type of business the merchant is engaged in and the kinds of goods and services provided.

¹⁶ Procurement Manual 9th Edition <https://www.lausd.org/cms/lib/CA01000043/Centricity/domain/184/audit_files/Procurement_Manual_9th_Edition.pdf> p. 58

Under the Procurement Manual 10th Edition,¹⁷ a school may select to have:

- (a) two P-Cards, with a single purchase limit of \$5,000 and monthly purchase limit of \$20,000 or
- (b) one P-Card with a single purchase limit of \$5,000, and a monthly purchase limit of \$40,000.

School staff must complete the District P-Card Application (see Appendix 4 - Exhibit A) to obtain a P-Card. After completing the application, staff must submit it along with the P-Card Holder Agreement Form (see Appendix 4 - Exhibit B).

We judgmentally selected 10 newly issued P-Cards and verified that the application, and the agreement was submitted to the P-Card Unit for review. According to the P-Card Unit, for every new P-Card issued, an existing P-Card should be canceled as part of the replacement process, and this is the same for approvers. This system helps maintain accurate records of issued cards.

We also analyzed all cardholders by extracting their names from the P-Card population and determined that there are 1,174 authorized cardholders and 955 approving officials in the District. We compared the names of the 1,174 authorized cardholders with the list of names of all District employees who are authorized cardholders and approvers provided by the P-Card Units. We found that 964 of the 1,174 cardholders' names were on the list of authorized card users. For the 210 cardholders not included in the list of authorized cardholders, we compared their names against the SAP application vendor data and determined that their accounts had been closed. In addition, we also compared the date of the last purchase and verified that the cardholders did not make any purchases after the account had been closed.

Furthermore, we compared the names of the 955 approving officials with the list of names provided by the P-Card Unit and found that only 858 were authorized approvers. We also reviewed the SAP vendor data for the remaining 97 approving officials who were not on the list and determined that their accounts had been closed.

Based on our testing, we determined that controls exist in the issuance and cancellation of P-Cards.

A detailed flowchart of the procurement process is available in Appendix 3.

Cardholders and approving officials did not complete the refresher training course.

According to the Procurement manual, cardholders and approving officials must receive thorough training in all aspects of the program and demonstrate a good working knowledge of the program policies, procedures, and online electronic reconciliation system. New cardholders and approving officials must participate in the MyPLN P-Card training and complete the quiz before cards are issued.

To ensure that the new cardholders received training, we compared the new cardholders against

¹⁷ Procurement Manual 10th Edition.pdf p. 53

the P-Card Unit's MyPLN training record log. We found that all 168 newly issued P-Cards during our audit period received the mandatory training as stipulated in the Procurement Manual. In addition, we tested whether the refresher training course was taken by the cardholders and approving officials and found that it was not offered to the existing cardholders or approving officials.

Finding No. 5 – Cardholders and approving officials did not complete the refresher training course.

Criteria

According to the Procurement Manual, cardholders and approving officials are required to complete refresher training courses once every two years.¹⁸ Furthermore, PSD may mandate a refresher course should cardholders or approving officials violate the P-Card Policies.

Condition

We extracted all the cardholders' names and approving officials from the P-Card population and found 1,174 cardholders and 955 approving officials for the period under audit. In addition, we obtained the P-Card Training & Quiz List from the P-Card Unit and compared it against the list of names extracted from the population. We found that 671 out of the 1,174 (57.15%) cardholders did not complete the required refresher training. Furthermore, 522 out of the 955 (54.66%) approving officials did not complete the required refresher training course.

Cause

The P-Card Unit stated that they were not enforcing the policy of ensuring that refresher training was completed by cardholders and approving officials every two years due to a heavy workload and staff shortages within their own unit. As a result, the P-Card Unit only sent refresher training when the cardholder or approving official changed. In addition, the P-Card Unit is not engaging with other departments to leverage technology for delivering training in a way that minimizes resource usage, such as automatic enrollment in the refresher training course.

Effect

The absence of P-Card refresher training for cardholders and approving officials can lead to compliance issues, such as untimely reconciliation, purchases of restricted items, not obtaining pre-approval before purchases, and splitting purchases to avoid approval. Without the refresher training, there may be an increased risk of fraud or misuse. In addition, without updated knowledge, employees may inadvertently violate policies and procedures.

¹⁸ Procurement Manual 10th Edition.pdf, p. 53

Recommendation No. 10

The P-Card Unit should identify all cardholders and approving officials who need to complete the refresher training, and ensure they complete it by June 30, 2025.

PSD's Response:

PSD agreed with the intent of the recommendation to ensure all cardholders and approving officials complete refresher training, specifically supporting the requirement for approving officials. However, PSD indicated it would not have sufficient time to complete the training by June 30, 2025. PSD summarized a training plan that includes webinars in June 2025, virtual office hours in June, July, and August, and an updated MyPLN P-Card training module that is expected to be available on September 15, 2025, and training will be completed by January 2026. PSD stated that P-Card privileges will be suspended for those who fail to complete the required training.

OIG Response:

PSD's response demonstrates understanding of the importance of refresher training, appreciates that MyPLN P-Card training is being updated, and the tiered approach described addresses the intent of the recommendation.

Recommendation No. 11

The P-Card unit should ensure that all P-Card holders are up to date with training requirements.

PSD's Response:

PSD agreed with the recommendation to ensure all P-Cardholders are current with training requirements and is actively implementing measures to support this. Planned actions include the P-Card to Imprest Transition training in June 2025, drop-in office hour sessions throughout June, July, and August, and the launch of an enhanced MyPLN P-Card training module by September 15, 2025. The updated training will automatically be added to the P-Card holders and approver transcripts, along with their annual training requirements. These efforts aim to ensure compliance and minimize disruption to staff. Cardholders and Approvers will be expected to complete their annual training by the end of January 2026.

Recommendation No. 12

The P-Card Unit should expand its training course to include strategies for detecting fabricated invoices, identifying signs of fraud, and recognizing misappropriation of funds. This will help ensure that District employees are not only aware of potential risks but are also well-equipped to take appropriate actions to mitigate fraud and misuse of the P-Cards.

PSD's Response:

PSD agreed with the recommendation to expand training to include strategies for detecting fabricated invoices, fraud, and misappropriation of funds, and has already begun collaborating with the Elearning group¹⁹ to enhance the P-Card training materials. PSD's goal is to make it more interactive/engaging and to add scenarios to make the content more relevant, easier to understand, and remember, including discussing characteristics of fabricated invoices or receipts. PSD also indicated that recent presentations at SAA and Principals meetings have included training on strategies for identifying fabricated invoices. Additionally, a "P-Card Buying Matrix" will be included in training documents to help cardholders and approvers quickly understand documentation and approval requirements. The enhanced My PLN P-Card Training module is scheduled to go live by September 15, 2025.

Recommendation No. 13

The P-Card Unit should work with the District's Organizational Excellence Branch to develop a system for ensuring that cardholders and approving officials complete the refresher training course through MyPLN, every two years.

PSD's Response:

PSD agreed with the recommendation, and indicated that once the P-Card training module is updated, it will work with the District's Organizational Excellence Branch to ensure cardholders and approving officials complete refresher training through MyPLN. The training will be automatically assigned annually to all cardholders and approvers via MyPLN. To reduce the burden on school-based staff, the training will be assigned at the end of the calendar year, with a completion deadline in late January. The revised MyPLN P-Card Training module is scheduled to go live by September 15, 2025.

Reconciliation Process

The P-Card Unit oversees the reconciliation process and generates a Suspend List - Non-Compliance report monthly, which identifies outstanding transactions that cardholders have not reconciled within the required timeframe. This report includes the school's name, the number of unreconciled items, and the associated transaction amounts. It serves as a tool for monitoring the reconciliation process as the report shows whether the cardholder has reconciled the transaction in SAP or if the official approver has failed to approve it.

Finding No. 6 – The schools did not perform their reconciliations in a timely manner as required by the Procurement Manual.

¹⁹ Elearning Group – formally known as the Elearning and Design Solutions Branch - develops Districtwide online training and creative graphic design solutions to support regulatory compliance, instruction initiatives, and strategic communications.

Criteria

According to the Procurement Manual, P-Card purchases must be reconciled in the SAP online electronic reconciliation system by the close of business on the 15th of each month.²⁰

Condition

Our analysis found that, on average, 61 schools were late in completing reconciliations. In addition, the average number of unreconciled transactions was 381 per month, with an average amount of \$108,244 before the bank transition.

Table No. 3

Before Bank Transition					
	East Region	North Region	South Region	West Region	Average
Average School with Transactions Not Reconciled	80	67	55	43	61
Average Transaction Counts	455	377	438	255	381
Average Charge Amount	\$ 126,235	\$ 99,971	\$ 142,911	\$ 63,858	\$ 108,244

The P-Card Unit stated that during the audit period, there was a transition in the banking system, which caused delays in the reconciliation process. After the banking transition, our analysis found that, on average, 130 schools were late completing reconciliations. In addition, the average number of unreconciled transactions was 2,437, with an average amount of \$961,205. The P-Card Unit also provided a report dated February 25, 2024, showing an average of 162 schools with 3,010 unreconciled transactions, totaling \$1,180,872. Below is a table of the average schools, transaction count, and charge amount before and after the banking transition.

Table No. 4

After Bank Transition					
	East Region	North Region	South Region	West Region	Average
Average School with Transactions Not Reconcile	129	163	128	98	130
Average Transaction Counts	2,911	2,186	2,764	1,885	2,437
Average Charge Amount	\$ 1,076,959	\$ 914,331	\$ 1,166,530	\$ 687,000	\$ 961,205

After the bank transition, the average number of schools with unreconciled transactions rose

²⁰ [Procurement Manual 10th Edition.pdf](#), p. 63

significantly across all regions, with a combined average of 130 schools, up from 61 in the period before. Additionally, the number of unreconciled transaction counts increased sharply, with an average of 2,437 unreconciled transactions during the transition, compared to 381 before the change. Correspondingly, the average aggregated unreconciled amount surged from \$108,244 to \$961,205. The highest aggregated unreconciled amount during the transition was recorded in the South Region at \$1,166,530, while the West Region consistently had the lowest number of unreconciled transactions and average unreconciled amounts in both periods.

Furthermore, our analysis of the Suspend List - Non-Compliance report, which highlights outstanding transactions not reconciled within the required timeframe, revealed a direct correlation between non-reconciliation and incomplete training. We found that 65% of cardholders who did not complete the required training in MyPLN were included in the Suspend List, and 75% of approvers who skipped the training were also listed. This suggests that lack of proper training may be contributing significantly to the delays in reconciliation, as individuals who failed to complete their training were more likely to be involved in these unresolved transactions.

Cause

According to the P-Card Unit, some factors delaying reconciliation included cardholders being on leave and approval process delays due to workload or administrative bottlenecks. Additionally, the P-Card Unit explained that cardholders often confuse the cycle period with the due dates, thinking the reconciliation is based on a calendar month. Furthermore, some schools neglect the reconciliation due dates due to their heavy workloads. As a result, to avoid further burden on the school, the P-Card Unit grants extra time for schools to reconcile their transactions without suspending their P-Cards.

According to the P-Card Unit, purchases made by all cardholders in July, August, and part of September 2023 were not successfully transmitted to SAP until sometime in November 2023 and there was a delay in the file integration, and transmissions from the bank to the SAP system during the transition from Citibank to US Bank. Since the schools were not able to view and reconcile the transactions, the P-Card Unit allowed additional time for schools to reconcile these transactions.

Effect

Not reconciling in a timely manner may result in inaccurate expenditure reports. Furthermore, the lack of reconciliation delays the identification of policy violations, such as inconsistent P-Card purchases, split transactions, unauthorized expenditures, purchases requiring pre-approval, or unauthorized delivery of goods to personal residences. This hinders timely corrective action to address or mitigate potential issues effectively.

Recommendation No. 14

The P-Card Unit should work with the school to reduce the number of unreconciled items and

remind the schools of the consequences of failing to meet reconciliation deadlines. Furthermore, the P-Card Unit should temporarily suspend the school's P-Card privileges more consistently until all transactions have been reconciled.

PSD's Response:

PSD agreed that timely reconciliation is essential for program control and asserted that it has consistently enforced reconciliation deadlines through reports and account suspensions, except when allowing extra time during periods of system issues, such as the Citibank-to-US Bank transition when transactions were inaccessible.

To improve compliance, PSD will update the reconciliation deadline so that reconciliation for purchases from the prior month is due by the end of the following month. This update, along with an emphasis on reconciliation procedures, will be incorporated into the enhanced MyPLN P-Card Training module and the updated P-Card Bulletin, with training set to launch by September 15, 2025.

Recommendation No. 15

The P-Card Unit should create and send calendars detailing the reconciliation due dates for the cycle period to all cardholders and approving officials to help ensure timely reconciliation and reduce the likelihood of missed deadlines, particularly for those schools with several instances of delayed reconciliations.

PSD's Response:

PSD agreed that a reconciliation calendar could be helpful and has taken steps to simplify and clarify the reconciliation process. The reconciliation due date has been standardized to the 30th of each month, eliminating confusion caused by separate deadlines for cardholders and approvers. Both parties are now expected to complete the reconciliation by this single deadline. This change will be reflected in updated training materials, job aids, and future communications. Additionally, a reconciliation calendar will be published on the P-Card Unit's website once the updated P-Card Bulletin is approved and released.

Recommendation No. 16

The P-Card Unit should share the Suspend List—Non-Compliance reports with school administrators and district leadership for schools that consistently fail to reconcile their P-Card transactions to encourage accountability.

PSD's Response:

PSD agreed with the recommendation to share the Reconciliation Suspend List – Non-Compliance

reports with school administrators and district leadership for schools that consistently fail to reconcile their P-Card transactions to promote accountability. Beginning June 27, 2025, the Unit will share noncompliance reports with Region Offices and Division leadership for cardholders who miss the June 24 year-end reconciliation deadline. Starting in August 2025, this reporting will continue monthly for the FY 2025–26 cycle. However, if system issues—such as the recent SAP access problem—prevent timely reconciliation, the reports may be delayed or suspended until the issue is resolved. This approach ensures fairness while maintaining a focus on timely and accurate reconciliation.

AUDIT TEAM

This audit was conducted by the Office of the Inspector General’s Audit Unit team:

Maria Thomas, Audit Manager
Kien Hong, Principal Auditor
Jacqueline Jerez, Senior Auditor

Attachment A – Verbatim Response to Draft Report from PSD

**INTER-OFFICE CORRESPONDENCE
LOS ANGELES UNIFIED SCHOOL DISTRICT**

TO: Mark H. Pearson, Assistant Inspector General
Office of the Inspector General

Date: June 20, 2025

FROM: Matthew A. Friedman, Chief Procurement Officer *WAF*
Procurement Services Division

SUBJECT: RESPONSE TO DRAFT AUDIT REPORT ON P-CARD USE AND COMPLIANCE

The Procurement Services Division's (PSD) response to audit recommendations reflect the ongoing commitment to accountability, transparency, and the responsible stewardship of public funds. In such alignment, PSD is proactively strengthening the oversight and management of the P-Card program, with several strategic measures having been implemented. These efforts aim not only to address the types of situations highlighted in recent findings, but also to ensure that, as the program continues to grow, proactive steps are taken to significantly enhance program controls, accountability, and auditing practices. The following outlines key actions underway.

1. Staff Development and Certification

- Staff have been encouraged to attend relevant industry conferences to stay informed about emerging trends and best practices.
- Memberships in professional organizations have been established to facilitate access to expert resources, training opportunities, and peer networks.
- Certification opportunities are being provided to strengthen staff credentials and ensure auditing practices align with industry standards.

2. Benchmarking and Best Practice Research

- A benchmarking data matrix is being developed to compare the practices, controls, and tools used by other agencies for P-Card oversight.
- Staff have conducted targeted research to identify and evaluate best practices used by other governmental and public-sector agencies.
- The P-Card team is leveraging contacts made at a recent in-person roundtable event hosted by the issuing bank, where staff connected with peers from other agencies to share practices and strategies.

3. Internal Collaboration and Use of Executive Expertise

- Executive management with experience in other programs has been consulted to gain insight into successful tools and strategies, such as the use of dashboards.
- Based on these internal discussions, staff are exploring options for implementing dashboards or other data visualization tools to make audit information and findings more accessible and actionable.

4. Future-Focused Program Growth

- As the P-Card program continues to expand, steps are being taken to proactively enhance oversight capabilities, improve data transparency, and strengthen internal controls.
- These efforts will support a more robust, informed, and responsive audit process moving forward.

Actions Completed:

- P-Card Manager and Supervisor attended in-person US Bank Round Table event in Minneapolis, 4/22 and 4/23/2025.
- US Bank training team completed
 - 7/10/2204-US Bank Webinar: Fraud Prevention Masterclass (5 staff completed)
 - 3/26/2025 US Bank Flex Data Reporting and Data Analytics (4 staff completed)
- All P-Card staff have been registered for the "P-Card Professional Certificate(PPC)" offered by Higher Education Training Services.
- The P-Card Manager and Supervisor have obtained professional memberships with the Institute of Commercial Payments (IOCP) for FY 25-26, supporting continued development, access to industry best practices, and peer collaboration membership.

The following is in response to the draft audit report on P-Card Use and Compliance. The results of the audit indicated the following:

Recommendation No. 1, Page 10:

Report states: "At the school where the mismanagement of a P-Card was found, the P-Card unit should complete its review of the questionable transactions. If it is determined that the purchases were unauthorized or personal, the P-Card unit should suspend the P-Card privileges and escalate these findings to the appropriate body (i.e., Staff Relations, Regional Superintendents, et. al), which can enforce the P-Card unit's policies and procedures through disciplinary action, such as imposing personal liability on the cardholders and approving officials."

Response:

PSD agrees, this recommendation aligns with the report of the questionable finding to OIG at the beginning of the Performance Audit. The P-Card Unit completed a full review of the questionable transactions and, on January 23, 2025, provided the school principal with a 33-page justification audit form detailing the 81 transactions in question (occurring during the audit period of July 1, 2022 through March 31, 2024).

The principal responded on January 30, 2025, addressing the majority of the transactions and explaining that purchases were made to support student incentives, enhance parent engagement, and promote staff wellness. The principal further stated that the items were purchased in good faith to support student achievement, improve attendance, and foster social-emotional well-being.

For those transactions that remain unaccounted for, the P-Card Unit will request further clarification from the principal to determine whether the purchases were personal or to confirm their use at the school. This request was sent on **June 16, 2025**, with a response due by **June 23, 2025**. If any purchases are confirmed to be unauthorized or personal in nature, the P-Card Unit will escalate the findings to the Regional Superintendent and/or Staff Relations for appropriate disciplinary measures. A policy violation notice will also be issued to the Principal by **June 23, 2025**, based on preliminary findings related to the purchase and approval of gift cards, as well as approvals involving incorrect receipts or missing supporting documentation.

Actions Completed:

- Conducted audit of initial information from response from the principal for the 81 transactions identified as “questionable”.
 - 40 were justified by the Principal and found by the P-Card Unit to need no further review
 - 4 were legitimate school purchases but violated P-Card Policy (1-gift cards) (3-shipped to home), a major policy violation will be issued to the Principal
 - 12 were missing adequate receipts or documentation (i.e., iFieldtrip approval was not included), but transactions were justified by Principal and determined to be legitimate purchases, a minor policy violation memo will be issued to Principal
 - 25 were missing adequate receipts, a 2nd follow-up request for additional information and justification is needed

Actions PSD Plans to Take:

- Request and review additional justifications for the transactions that required a second follow-up by the P-Card Unit.
- Issue a policy violation notice based on preliminary findings.
- The principal/school administrator will be required to complete P-Card retraining before the school’s P-Card will be turned on for FY 25-26.
- Should any of the 25 remaining purchases which additional information has been requested for be determined to be unauthorized/personal purchases, those will be escalated for to the Region Superintendent or Staff relations for disciplinary action, as appropriate.
- A follow-up audit will be conducted in July 2025, to review purchases completed by the new/replacement cardholder at the school.

Target Date to Implement Actions:

The policy violation notice based on the preliminary findings and the request for additional information will be issued to the school by June 20, 2025.

Recommendation No. 2, Page 10:

Report states: “The P-Card Unit should hold the approving officials accountable for reviewing the attached invoices in SAP before approving the reconciliation. This review should include verifying that the invoices are itemized and match the transaction amounts,

as well as ensuring proper documentation and supporting evidence for the charges. If the P-Card Unit's review identifies purchases made without proper supporting documentation, and the purchases are determined to be unauthorized or personal, both the cardholder and the approving official should be required to provide the appropriate supporting documents and the correct invoices."

Response:

PSD agrees with the recommendation and recognizes the importance of holding approving officials accountable for thoroughly reviewing supporting documentation in SAP prior to approving reconciliations. To strengthen internal controls and ensure compliance with District policies, the following actions will be taken.

Actions PSD Plans to Take:

1. **Policy Reinforcement:** The P-Card Unit will issue a formal reminder to all approving officials reiterating their responsibilities to carefully review all attached invoices and supporting documents before approving reconciliations. This includes confirming that invoices are itemized, accurately reflect the transaction amounts, and that appropriate documentation is provided to justify each charge.
2. **MyPLN Training Enhancement:** The P-Card training program will be updated to have greater emphasis on the approving official's role in the reconciliation process, with a focus on identifying and flagging incomplete or questionable documentation. Training will include examples of appropriate documentation and scenarios demonstrating how to handle potential policy violations.
3. **Enhanced Audit Plan for Monitoring and Escalation:** When the P-Card Unit identifies transactions lacking adequate supporting documentation, both the cardholder and the approving official will be notified and required to submit the correct documents. If documentation is not provided within the established timeframe, the matter will be escalated in accordance with District policy, and disciplinary action may be considered in cases of repeated or serious non-compliance.

By implementing these measures, the P-Card Unit aims to reinforce accountability, strengthen compliance, and ensure the integrity of the P-Card program.

Target Date to implement Actions:

1. Formal notification email to Approving Officials when schools return in August 2025.
2. The revised Annual MyPLN P-Card Training module is targeted to go-live by September 15, 2025. Cardholders and Approvers will be expected to complete their annual training by the end of January 2026.
3. The new audit process will be implemented beginning July 1st, 2025, with the initial round of audits to begin on August 31st, 2025, after the first billing cycle and reconciliation period for July 2025 is complete. Reconciliation non-compliance and/or policy violations notification to Region Offices will issued when the initial round of audits have been completed.

Recommendation No. 3, Page 10:

Report states: "The P-Card Unit should review a sample of Amazon transactions from each school to verify whether purchases were made through the District's Amazon Business account or the cardholder's personal Amazon account. If a personal account is identified, the P-Card Unit should promptly instruct the cardholder to switch to the District's Amazon Business account for all future purchases, ensuring that itemized receipts are accessible for review and compliance purposes. Furthermore, the P-Card Unit should explicitly state in its policy and procedures that using personal Amazon accounts is strictly prohibited. Additionally, cardholders will be held accountable for any purchases made through their personal Amazon accounts."

Response:

PSD partially agrees with the recommendation. While it is not feasible for the P-Card Unit to continuously review samples of AB purchases from every school, PSD agrees that identifying P-Card spending conducted outside the AB business account is essential. To address this, PSD has maintained an ongoing partnership with Amazon Business to conduct periodic reviews. These reviews compare transactions made through the AB program against P-Card purchases made using personal (consumer) Amazon accounts. A discrepancy between the two data sets may indicate that a cardholder used a personal account instead of the designated business account. When such discrepancies are identified, AB provides the relevant information to the P-Card Unit. The Unit then follows up directly with the cardholder to provide retraining and to ensure future compliance with the AB program requirements.

To support these efforts, the P-Card Unit and AB have conducted the following reviews:

- Q4 2022: The initial review, conducted shortly after the program's launch, revealed a high volume of purchases made outside of the AB program. This triggered outreach to affected cardholders to reinforce program requirements and support adoption.
- Q2 2023: A second review was conducted, during which cardholders were reminded of the requirement to use an AB business account for all P-Card purchases and were provided with enrollment guidance.
- Most recent review (covering purchases from July 1, 2024, to January 1, 2025): AB analyzed transaction data provided by the P-Card Unit and identified 77 cardholders with non-compliant activity.

These collaborative reviews will continue as a proactive measure to strengthen compliance and ensure proper usage of the AB business platform for all P-Card transactions.

Actions PSD Completed:

With the release of the Ariba Amazon Business Catalog PSD worked with Ariba to create and present training that covered both the use of existing Direct Access to Amazon using the school's P-Card, as well as the option to use the Ariba catalog, which uses District funding lines through Ariba.

Training Sessions were provided on:

10/23/2024, 10/24/2024, 10/29/2024, 10/30/2024, 12/10/2024, 12/12/2024

Actions PSD Plans to Take:

PSD will continue the practice of periodic reviews conducted with Amazon to identify potential P-Card spend with Amazon that is not placed through the Amazon Business program and follow-up accordingly. Additionally, the importance of only using AB account to make purchases using the location's P-Card will be included in the enhanced MyPLN P-Card training. The 77 cardholders identified in the latest joint efforts of P-Card Unit and Amazon will be contacted to ensure their account is moved over and they understand there is a requirement to use the only the AB program when paying with the P-Card.

Target date to implement actions:

1. Cardholders and approving officials will be notified that all P-Card purchases from AB must be made exclusively through the AB Direct Access platform. Accounts found to be noncompliant will be suspended and will not be reinstated for use in Fiscal Year 2025–26 until confirmation of proper setup and enrollment in the AB program is verified.
2. The revised Annual MyPLN P-Card Training module is targeted to go-live by September 15, 2025. Cardholders and Approvers will be expected to complete their annual training by the end of January 2026.

Recommendation No. 4, Page 11:

Report states: "The P-Card Unit should adopt a risk-based approach when selecting schools or transactions for audit. This approach could involve sampling transactions from each school to ensure broad coverage. If any issues are identified, the P-Card Unit can then concentrate its review and monitoring efforts on the specific schools with higher risk or irregularities."

Response:

PSD **partially agrees** with the recommendation to adopt a risk-based approach to auditing; however, we believe this should not be the sole method used for selecting transactions. A comprehensive and effective audit program requires a combination of strategies and tools to ensure broad oversight and responsiveness to potential issues. During the initial phase of this audit period (2022–2023), the Unit experienced staffing shortages and relied heavily on spot audits. These were typically initiated through interactions with cardholders—such as calls regarding declined transactions, exception requests, or issues identified in reconciliation reports. Transactions that stood out due to unusual merchant types, purchase amounts, or other irregularities were flagged and reviewed by staff.

By 2024–2025, with additional staffing in place, the Unit expanded its efforts to include a systematic random audit process, reviewing at least 500 transactions per month. Despite this enhancement, we continued to prioritize the identification of anomalies during routine operations and maintained the practice of spot audits based on real-time observations and engagement with cardholders.

As our team has stabilized in terms of both staffing and experience, we have continued to improve and strengthen our audit approach.

Actions PSD Plans to Take:

For Fiscal Year 2025–2026, PSD is updating its audit plan to clearly define the types of audits to be conducted, along with the associated violations and consequences for both cardholders and approving officials. The audit scope will be expanded to focus on high-risk areas, including repeated non-compliance with reconciliation procedures and high-volume spending. These enhancements aim to strengthen oversight, promote accountability, and ensure adherence to financial policies. Our updated audit plan includes:

- **Random audits** conducted monthly
- **Spot audits** triggered by reconciliation reviews, exception requests, and interactions with cardholders (e.g., unusual purchases at specific vendors such as Home Depot or Target)
- **Risk-based audits** focused on high-risk patterns and behaviors
- **Utilization of the bank's new audit tool** to support data-driven auditing

No single audit method is sufficient on its own. Our layered approach ensures a well-rounded and responsive auditing framework that promotes accountability and safeguards program integrity.

Target Date to Implement Actions:

PSD will implement the new audit process beginning July 1st, 2025, with the initial round of audits to begin on August 31st, 2025, after the first billing cycle and reconciliation period for July 2025 is complete. Reconciliation non-compliance and/or policy violations notification to Region Offices will issued when the initial round of audits have been completed.

Recommendation No. 5, Page 11:

Report states: "The P-Card Unit should consider acquiring an analytics tool to enhance the identification of restricted items. This tool would streamline the monthly analysis of P-Card usage, helping to manage the large volume of data more efficiently, especially given the P-Card Unit's limited resources to review such a high number of transactions."

Response:

PSD agrees with this recommendation.

Actions PSD Plans to Take:

To implement this recommendation PSD is utilizing a new US Bank program audit tool called "Program Monitor" will provides us with customized reports based on criteria we set up. This benefit is provided in our current contract with US Bank and there is no cost to the District for this tool, thus this is an excellent no-cost solution for the District.

Target Date to Implement Actions:

Reports have already been set up within the bank's program.

Recommendation No. 6, Page 12:

Report states: "The P-Card Unit should reinforce the requirement that an Exception Request Form be submitted when items in the restricted list are needed for instructional purposes and await approval from the P-Card Unit before proceeding with the purchase. In addition, the required training should clearly communicate that both cardholders and approving officials may be held personally liable for any unauthorized purchases of restricted items."

Response:

PSD agrees with this recommendation. However, the P-Card unit is revising our processes, some items are restricted due to requirements from other departments, such as software, while on the Restricted items list, is only because the purchase requires TRR or Pods approval. To promote efficiencies the P-Card Unit will only require the cardholder to provide PoDS(UDIPP) and/or TRR approval to the P-Card Representative, who upon review of the appropriate documentation will open the MCC temporarily to allow the purchase to go through, without the requirement of an Exception Form. Other items that are restricted due to our policies will continue to require the Exception Form.

Actions PSD Plans to Take:

PSD is implementing Service Now as a tool for cardholders to submit Exception Request which is expected to assist with logging and tracking of Exception requests.

Target Date to Implement Actions:

The ability to use Service Now to initiate Exception requests will be available to cardholders beginning July 2025.

Recommendation No. 7, Page 13:

Report states: "The P-Card Unit should reassess the Procurement Manual policy requiring Pre-Approval Forms for single item purchases over \$500 to determine whether they are necessary, who should approve the purchase, and what the dollar threshold should be.

PSD has stated that they are currently revising the Procurement Manual and that the removal of the \$500 limit for single-item purchases is being discussed."

Response:

PSD fully concurs with this assessment. It is important to note that the creation of this form originated from a prior audit recommendation by the Office of Inspector General (OIG).

Following a benchmarking review with five other entities, PSD agreed that the form was unnecessary and decided to eliminate it. Additionally, during a U.S. Bank Round Table event held on April 23, 2025, PSD confirmed with eight other large government agencies, each operating comparable P-Card programs, that none of them utilize this redundant tool.

Actions PSD Plans to Take:

PSD is removing this form from the policy and the P-Card website. The change will be documented in an updated P-Card Bulletin.

Target Date to Implement Actions:

The new P-Card Bulletin is currently being reviewed for approval and should be published before July 1, 2025. The form will be removed from the P-Card website immediately after the bulletin is published.

Recommendation No. 8, Page 14:

Report states: "The P-Card Unit should reinforce the requirement that split purchases are unacceptable and that splitting purchases to circumvent approvals may result in disciplinary action or suspended P-Card usage."

Response:

PSD does not agree that further reinforcement is necessary regarding this recommendation, and a policy change is being implemented to address the issue. Split or repeated transactions to specific suppliers typically occur in the context of field trips (e.g., admission tickets or bus payments) where purchases are made separately for different classrooms or grade levels attending on various dates. Similarly, supply or instructional material purchases are often organized and processed by classroom or instructional need, resulting in multiple orders to the same supplier. This approach facilitates better tracking and delivery of items and improves administrative efficiency for both the schools and the suppliers.

In such instances, the appearance of "split" transactions is operationally appropriate and not intended to circumvent procurement policies. PSD will continue to monitor split transactions for potential irregularities and evaluate whether high-frequency items or suppliers may be more appropriately managed through contracted agreements. However, these transactions will not be considered policy violations when justified by operational efficiency and instructional needs.

Actions PSD Plans to Take:

PSD has removed the policy dictating that split transactions are a policy violation and has updated the new P-Card Bulletin accordingly.

Target Date to Implement Actions:

The new P-Card Bulletin is currently being reviewed for approval and should be published before July 1, 2025.

Recommendation No. 9, Page 14:

Report states: "The P-Card Unit should remind cardholders that Exception Request Forms must be submitted and approved *before* any split purchase transactions occur. This policy should be clearly communicated to all cardholders, emphasizing that transactions without

prior approval will be subject to review and potential non-compliance consequences. In addition, the P-Card Unit should consider acquiring an analytics tool to ensure the identification of split purchases. This tool would streamline the monthly analysis of P-Card transactions and help manage large volumes of data more efficiently, given the P-Card Unit's limited resources to review such a high number of transactions."

Response:

PSD will not be implementing this recommendation as a policy change has occurred and split transactions are no longer considered a policy violation.

Actions PSD Plans to Take:

PSD has removed the policy dictating that split transactions are a policy violation and has updated the new P-Card Bulletin accordingly.

Target Date to Implement Actions:

The new P-Card Bulletin is currently being reviewed for approval and should be published before July 1, 2025.

Recommendation No. 10, Page 17:

Report states: "The P-Card Unit should identify all cardholders and approving officials who need to complete the refresher training, and ensure they complete it by June 30, 2025."

Response:

PSD partially agrees with this recommendation. We agree that approving officials should complete refresher training; however, given that this report was issued on April 30, 2025, there is insufficient time to provide adequate notice and require completion of training by the June 30 deadline. PSD is taking steps to ensure that the necessary training is delivered as soon as reasonably possible.

Training related to the transition from Imprest to P-Card will take place in June 2025 and will cover key elements of the updated process. As part of this transition, the P-Card Unit will host webinar sessions to review program changes. These sessions will include guidance for approving officials on how to properly review receipts, identify required receipt components, and ensure that receipts are appropriate and relevant to the associated purchases.

In addition, the P-Card Unit will hold virtual office hours during June, July, and August to provide ongoing information and support related to recent P-Card program changes. The P-Card Unit is also in the process of revising the P-Card training module. The updated training will be uploaded to MyPLN, and both P-Card holders and approving officials will be automatically enrolled based on their LAUSD email address. Participants will receive annual reminders to complete the training. Failure to complete the required training will result in suspension of P-Card privileges until the training is completed.

Actions PSD has Completed:

The following Training occurred during Fy 24-25

- School Business Panel P-Card Training- 3/6/2025- virtual
- P-Card and Travel Training at the New Principal's Academy- 5-27-25, in-person
- DACE- Adult School Fiscal Specialists P-Card Training, 5/28/25- in-person
- P-Card Reconciliation Report Training Presented by School Fiscal Services and P-Card Unit supported to answer questions- 5/22/25 (am) and 5/22/25 (pm)
- P-Card and Travel Q and A Session at School Fiscal Services Branch Meeting- 5/30/2025- virtual

Target Date to Implement Actions:

- Imprest to P-Card Training, completed, recorded and posted on PSD website by June 30, 2025.
- Drop-in Office Hours with sessions in June, July, August 2025, will be initiated by June 20th.
- Principals Learning Institute Training Session will be provided on July 27, 2025.
- The revised Annual MyPLN P-Card Training module is targeted to go-live by September 15, 2025. Cardholders and Approvers will be expected to complete their annual training by the end of January 2026.

Recommendation No. 11, Page 17:

Report states: "The P-Card unit should ensure that all P-Card holders are up to date with training requirements."

Response:

PSD agrees with the recommendation and is taking steps to ensure P-Card holders receive appropriate training.

Actions PSD will take to ensure P-Card holders are up to date with required training includes the P-Card to Imprest Transition training session to be held in June 2025, holding Drop-in Office Hours Sessions in June, July and August of 2025, and the launching of enhanced MyPLN P-Card Training in September 2025. An addition to the MyPLN training will be to add annual assignment to cardholders and approvers to automatically add it to their Transcript along with other annual training requirements. Training will be assigned at the end of the calendar year with a due date of late January, to be less impact to school-based staff who have many training requirements at the beginning of the school year.

Target Date to Implement Actions:

Imprest to P-Card Training, completed, recorded and posted on PSD website by June 30, 2025.

Drop-in Office Hours with sessions in June, July, August 2025, will be initiated by June 20th.

The revised Annual MyPLN P-Card Training module is targeted to go-live in by September 15, 2025. Cardholders and Approvers will be expected to complete their annual training by the end of January 2026.

Recommendation No. 12, Page 17:

Report states: “The P-Card Unit should expand its training course to include strategies for detecting fabricated invoices, identifying signs of fraud, and recognizing misappropriation of funds. This will help ensure that District employees are not only aware of potential risks but are also well-equipped to take appropriate actions to mitigate fraud and misuse of the P-Cards.”

Response:

PSD agrees with this recommendation and has already been engaged with the District’s Elearning team to ascertain the steps required and initiate the project to enhance the P-Card training videos. PSD maintains a constant presence at SAA and Principals meetings throughout the year. In February 2025, PSD presented at a New Principal Meeting and followed by a presentation in March 2025 at the School Business Service Panel. Both sessions covered P-Card policies and procedures with dedicated training on strategies for identifying fabricated invoices.

Actions PSD Plans to Take:

PSD will continue its efforts to develop an enhanced P-Card training module in collaboration with the Elearning group. The goal of the training is to be more interactive/engaging and to add scenarios to make the content more relevant, easier to understand and remember. Some specific content areas to be added will how to view attachments during reconciliation, the data that must be included on the receipt/invoice as well as tips on how to spot false receipts such as common characteristics of fabricated invoices or receipts (e.g., mismatched vendor details, unusual formatting). Additionally, a “P-Card Buying Matrix” will be provided in the training documents to give cardholders and approvers a quick view of common purchases and if any pre-approvals or additional documentation beyond the receipts should be provided during the reconciliation.

Target Date to Implement Actions:

Target date to implement the revised Annual MyPLN P-Card Training module is planned to go-live in by September 15, 2025.

Recommendation No. 13, Page 17:

Report states: “The P-Card Unit should work with the District’s Organizational Excellence Branch to develop a system for ensuring that cardholders and approving officials complete the refresher training course through MyPLN, every two years.”

Response:

PSD agrees with this recommendation and has already been in contact with the District's Elearning group to ascertain the steps required and begin the project to enhance the P-Card training videos.

Actions PSD Plans to Take:

PSD will continue its efforts to develop an enhanced P-Card training module in collaboration with the Elearning group. Once finalized, the P-Card Unit will work with the Organizational Excellence team to create and implement the course in the MyPLN system. The training will be assigned annually to all cardholders and approving officials, automatically added to their MyPLN transcript alongside other required annual trainings. To minimize impact on school-based staff, who often face multiple training requirements at the start of the school year, the training will be assigned at the end of the calendar year, with a due date in late January.

Target Date to Implement Actions:

Target date to implement the revised Annual MyPLN P-Card Training module is planned to go-live in by September 15, 2025. Cardholders and Approvers will be expected to complete their annual training by the end of January 2026.

Recommendation No. 14, Page 20:

Report states: "The P-Card Unit should work with the school to reduce the number of unreconciled items and remind the schools of the consequences of failing to meet reconciliation deadlines. Furthermore, the P-Card Unit should temporarily suspend the school's P-Card privileges more consistently until all transactions have been reconciled."

Response:

PSD agrees that timely reconciliation is an important component of program control, and that is why the Unit has consistently run non-compliant reconciliation reports and suspended cardholder accounts until they completed outstanding reconciliations and brought their accounts up to date. As was reported, the exception to this being for periods where the cardholders were unable to access their transactions in the SAP system, for example during the transition from Citibank to US Bank when the file transmission was delayed and not immediately available to cardholders. As was reported correctly on page 19:

"According to the P-Card Unit, purchases made by all cardholders in July, August, and part of September 2023 were not successfully transmitted to SAP until sometime in November 2023 and there was a delay in the file integration, and transmissions from the bank to the SAP system during the transition from Citibank to US Bank. Since the schools were not able to view and reconcile the transactions, the P-Card Unit allowed additional time for schools to reconcile these transactions."

PSD feels this is reasonable to allow the schools extra time to reconcile in cases where the reconciliation system may not be performing as expected we will continue to operate in this manner moving forward.

Actions PSD Plans to Take:

The P-Card Unit will continue running monthly reconciliation reports and notifying the cardholder and approving official of any outstanding transactions and the due date for completion. The P-Card Unit will continue to suspend any accounts that remain non-compliant after that due date. It is agreed that additional training may be helpful in emphasizing the importance of reconciliation to cardholders and this will be addressed in the enhanced MyPLN training. PSD will continue to allow extra time for schools to reconcile during circumstances such as system issues which may impact their ability to access their transaction to reconcile. To facilitate the reconciliation process, the P-Card Unit will be revising the reconciliation deadline. Purchases from the prior month will be due at the end of the following month (the 30th). This avoids having to remember the billing cycle and possibly missing reconciliation for transactions within the billing cycle. The change will be reflected in the enhanced MyPLN training module and new P-Card Bulletin.

Target Date to Implement Actions:

Monthly reconciliation reporting and the suspension of non-compliant P-Card accounts are ongoing practices and will continue to be enforced. To further emphasize the importance of timely and accurate reconciliation, this topic will be among key areas of focus in the enhanced MyPLN training module, which is scheduled to launch by September 15, 2025.

Recommendation No. 15, Page 20:

Report states: "The P-Card Unit should create and send calendars detailing the reconciliation due dates for the cycle period to all cardholders and approving officials to help ensure timely reconciliation and reduce the likelihood of missed deadlines, particularly for those schools with several instances of delayed reconciliations."

Response:

PSD agrees that creating a reconciliation calendar may be useful for cardholders and approvers.

Actions PSD Plans to Take:

PSD has revised the reconciliation due date to the 30th of each month, aligning with what many cardholders already believed to be the deadline. This change provides a consistent and easy-to-remember date for all users. Additionally, the Unit has removed the separate deadline previously assigned to cardholders for completing the initial stage of reconciliation, as it was a source of confusion.

Moving forward, the expectation is clearly that both the cardholder and the approver must complete the reconciliation process by the 30th of the following billing cycle. This update will be reflected in training materials, job aids, and future communications. To further

support compliance, the Unit will also publish a reconciliation calendar on its website for easy reference.

Target Date to Implement Actions:

The updated P-Card Bulletin, which is currently undergoing the approval process, includes the revised reconciliation due date. The reconciliation calendar will be added to the website once the bulletin has been published.

Recommendation No. 16, Page 20

Report states: "The P-Card Unit should share the Suspend List—Non-Compliance reports with school administrators and district leadership for schools that consistently fail to reconcile their P-Card transactions to encourage accountability."

Response:

PSD agrees with this recommendation.

Actions PSD Plans to Take:

The P-Card Unit will begin sharing the Reconciliation Suspend List – Non-Compliance reports with Region Offices and Division leadership for sites that consistently fail to reconcile P-Card transactions. This action is intended to promote accountability and ensure timely and accurate reconciliation in accordance with program requirements.

Target Date to Implement Actions:

Since we are currently at the Fiscal Year End, the P-Card Unit will send the non-compliance report to appropriate Region Offices and Division leadership for cardholders who do not meet the June 24th year-end deadline for P-Card reconciliation by June 27th, 2025.

For FY 25-26, the P-Card Unit will send out these reports/notifications to the Region Offices and Division leadership beginning in August 2025 for the July 2025 billing cycle. The Unit will continue to send out non-compliant reconciliation reports on a monthly basis, however if instances of SAP system issues that interfere with the cardholders/approvers ability to access the system or to complete their reconciliation, the reconciliation timelines will be adjusted and the report may not be generated for that month or for several months, until ITS has identified the issue and implemented the fix. As recently occurred in December 2024 when the annual SAP Support packs updates caused an intermittent issue where approvers were not able to see or access pending transactions in their Universal Worklist in SAP. Until the issue was resolved they were not able to approve transactions. This system issue required SAP's intervention, and the matter took several months to resolve.

Signature: 

SCOPE AND OBJECTIVES, METHODOLOGY

SCOPE AND OBJECTIVES

The objectives of the audit were to (1) determine whether the P-Card activities were in compliance with the Procurement Services Division (PSD) Procurement Manuals and (2) assess the adequacy of internal controls over the District's P-Card program.

We conducted our audit in accordance with *Generally Accepted Government Auditing Standards* (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions on our audit objectives. The audit covered the period from July 1, 2022 to March 31, 2024.

METHODOLOGY

To accomplish our audit objective, the audit team performed various procedures, including but not limited to the following: (i) walkthroughs and interviews with key contacts to obtain an understanding of the District's P-Card Program; (ii) conducted a review of refresher training courses for cardholders and approving officials; (iii) reviewed the reconciliations report for outstanding reconciliation items and identified inconsistencies and non-reconciling balances; (iv) judgmentally selected a sample of schools to perform site visits; (v) for the schools selected for testing, selected a sample of transactions and verified that the purchases were in compliance with the procurement manual; (vi) using Alteryx, performed an analysis of the P-Card transactions for split purchase transactions; (vii) and reviewed the list of restricted Merchant Category Codes and compared it against purchases to identify unauthorized transactions.

EVALUATION OF INTERNAL CONTROL

In accordance with *Government Auditing Standards*, we obtained an understanding of internal controls that were significant within the context of the audit objectives. We assessed whether internal controls were properly designed and implemented. For those controls that were deemed significant, we obtained sufficient, appropriate evidence to support our assessment of the effectiveness of those controls.

We are required to report deficiencies in internal controls that are significant within the context of the audit objectives. A deficiency in an internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct (i) impairments of effectiveness or efficiency of operations, (ii) misstatements in financial or performance information; or (iii) noncompliance with provisions of laws, regulations, contracts, or grant agreements on a timely basis. Based on our audit, we did not find significant deficiencies in internal controls. Still, we found that internal controls could be strengthened and improved, details of which were provided in this report's Results of Audit section.

PREVIOUS AUDIT REPORTS

In October 2017, the Office of the Inspector General (OIG) audited the Facilities' P-Card Expenditures and issued Report No. OA 17-1114 titled, "Performance Audit of Facilities P-Card Expenditures." The objective was to determine whether (i) vendor invoices and/or payment receipts were on file to support P-Card purchases, and (ii) cardholders complied with the single purchase limit, preapproval requirement, purchase reconciliation, and restriction of split purchases. The audit found that vendor invoices and/or payment receipts of some P-Card expenditures were not on file, and some cardholders did not comply with the single purchase limit and pre-approval requirements. The OIG provided five recommendations to which the PSD and the Facilities Service Division agreed.²¹

In June 2018, the OIG issued Report No. OA 18-1137 titled "Performance Audit of the Procurement Card." The objectives of the audit were to determine whether (i) P-Card purchases complied with the District's policies on spending limits, pre-approval requirements, split purchase provisions, and required supporting documentation, (ii) Prohibited Items were purchased through the P-Card Program, (iii) all P-cardholders and approving officials attended all mandatory and refresher training, (iv) the P-Card Unit notified cardholders of any questionable transactions, and P-cardholders responded within 15 days of notice, (v) and the P-Card Unit established protective controls with the bank, such as automatic decline of transactions if spending limit is reached, or blocks on unauthorized Merchant Category Codes. The audit found that many purchases made with P-Cards were not in compliance with the required District policies and procedures and other provisions of the Procurement Manual. The OIG provided 11 recommendations for this audit, which the PSD agreed to.²² Given that this audit also focused on selected school sites and that some of the recommendations were related to the current audit, below is a summary of the recommendations and their status of implementation.

Prior Audit Report No. OA 18-1137		
Findings	Recommendations	Status
A-1	The P-Card Manager should create an electronic repository database where all approved "Exception Request Forms" (ERF) are scanned and filed. In addition, the P-Card Manager should designate a responsible staff to review the database on a regular basis to ensure that all ERFs on file have the required signatures of the cardholder, approving official, and P-Card Manager or designee.	Implemented - The P Card Unit created an Excel file to track the Exception Request Forms (ERF). The ERF are filed in the share drive. The Admin Analysts reviews the database on a regular basis to ensure that all ERFs are on file.
A-2	The P-Card Manager should clarify in policies and procedures if the "P-Card Pre-Approval Form" should be completed for P-Card purchases of over \$500 in total, or whether the form is to be completed when a single item costs \$500 or more.	Implemented - The Procurement Manual was amended to clarify the total purchase of a single item over \$500.

²¹ [Audit Report OA 17-1114 Facilities P-Card Expenditures.pdf](#)

²² [Audit Report OA 18-1137 Procurement Card.pdf](#)

Prior Audit Report No. OA 18-1137		
Findings	Recommendations	Status
A-3	In order to strengthen the oversight and monitoring function of the P-Card Unit, the P-Card Manager should direct the P-Card Unit staff to use data analytics tools (such as a Microsoft Excel pivot table) to identify high-risk transactions such as potential split purchases	Implemented—The P-Card Unit staff uses data analytics tools such as a Microsoft Excel pivot table to identify high-risk transactions. Note: Although the P-Card Unit is using Excel to perform data analytics, given the extensive data set of P-Card transactions, in the current audit, we recommend that the P-Card Unit implement a more advanced tool, such as Alteryx, to improve its ability to improve monitoring and more effectively identify high-risk transactions.
A-4	The P-Card Unit should revise the P-Card policies and procedures to clarify split purchase provisions and eliminate confusion among cardholders and approving officials	Implemented – The P-Card Unit revised its policies and procedures to clarify split purchase provisions and eliminate confusion among cardholders and approving officials.
A-5	The P-Card Manager should enforce the District’s “Zero Tolerance” policy stated in the Procurement Manual regarding termination, revocation of privileges, restitution, and disciplinary actions of cardholders and approving officials found in violation of the P-Card policies and procedures.	Not Implemented – The P-Card Unit indicated that a “Zero-Tolerance” is not a realistic policy that can be enforced. The “Zero-Tolerance” term was removed from the 2023 Procurement Manual.
A-6	The Director of Contract Administration and Procurement Services Division should coordinate with the District’s Information Technology Division (ITD) to establish an application control within SAP that would prevent any approving official to perform the “electronic approval” of a P-Card transaction if the supporting documents were not uploaded into SAP.	Implemented – The P-Card Unit has established an application control within SAP that would prevent any approving official from performing the “electronic approval” of a P-Card transaction if the supporting documents were not uploaded into SAP.

Prior Audit Report No. OA 18-1137		
Findings	Recommendations	Status
A-7	The P-Card Manager should enforce the “Zero Tolerance” District’s policy in the Procurement Manual regarding termination, revocation of privileges, restitution, and disciplinary actions of cardholders and approving officials found in violation of the P-Card policies and procedures.	Not Implemented – The P-Card Unit indicated that a “Zero-Tolerance” is not a realistic policy that can be enforced. The “Zero-Tolerance” term was removed from the 2023 Procurement Manual.
B-1	In order to strengthen the oversight and monitoring function of the P-Card Unit, the P-Card Manager should direct staff to use data analytics tools (such as a Microsoft Excel pivot table) to identify high-risk transactions such as: (i) purchases made for items from merchants that are restricted by merchant category codes, (ii) purchases from unusual merchants, (iii) procurement of Prohibited Items, and (iv) repetitive buying patterns. In addition, the P-Card Unit should revise the P-Card policies and procedures to clarify key provisions to avoid confusion amongst cardholders and approving officials.	Implemented – The P-Card Unit uses data analytics tools to identify prohibited purchases. However, given that our current audit still identified purchases of prohibited items and was able to do this using more sophisticated audit tools readily available in the market, we recommended that the P-Card Unit implement a more advanced tool, such as Alteryx, to improve its ability to effectively identify high-risk transactions.
C-1	The Director of Contract Administration and Procurement Services Division should coordinate with the District’s Information Technology Division (ITD) to (i) incorporate the mandatory online refresher training of all cardholders and approving officials in the District’s Learning Zone with an automatic alert email notification to all stakeholders (cardholders, approving officials, site administrators, P-Card Unit staff), and (ii) develop an application control where cardholders and approving officials would be locked out if the required quizzes and refresher trainings were not completed.	Not Implemented – The current audit identified 671 out of the 1,174 (57.15%) cardholders did not complete the required refresher training. Furthermore, 522 out of the 955 (54.66%) approving officials did not complete the required refresher training course. In addition, the P-Card Unit did not suspend the accounts of those cardholders and approval officials who did not complete the refresher training.

Prior Audit Report No. OA 18-1137		
Findings	Recommendations	Status
D-1	The P-Card Manager should use the results of the data analysis referred to in this report to notify cardholders and approving officials of possible P-Card policy violations and strictly enforce District's policy or revocation and suspension of credit card privileges to deter other potential violators. In addition, the P-Card Manager should direct P-Card Unit's staff to use data analytics on a regular basis to identify high-risk transactions such as split purchases and procurement of Prohibited Items through the P-Card.	Partially Implemented – P-Card Unit started and continues to use data analytics tools, e.g., Excel databases to track audits and pivot tables to identify risk transactions to audit. However, our current audit still identified instances of split purchases and restricted purchases.
E-1	The P-Card Manager should update the list of approved and restricted merchant codes as needed to serve the best interest of all the participants of the Credit Card Program and the limited staffing of the unit. In addition, the P-Card Manager should ensure that copies of approved "Exception Request Forms" have the signatures of the cardholder, and the approving officials, and are maintained on file at the P-Card Unit.	Partially Implemented – The P-Card Unit updated the list of approved and restricted merchant codes. The approved "Exception Request Forms" reviewed have the signatures of the cardholder and the approving officials and are maintained on file at the P-Card Unit. However, there were missing Exception Request Forms for restricted purchases identified during our audit.

P-CARD PROCESS FLOW CHART

Source: Developed by OIG based on PSD Policies and Procedures and discussions with PSD.

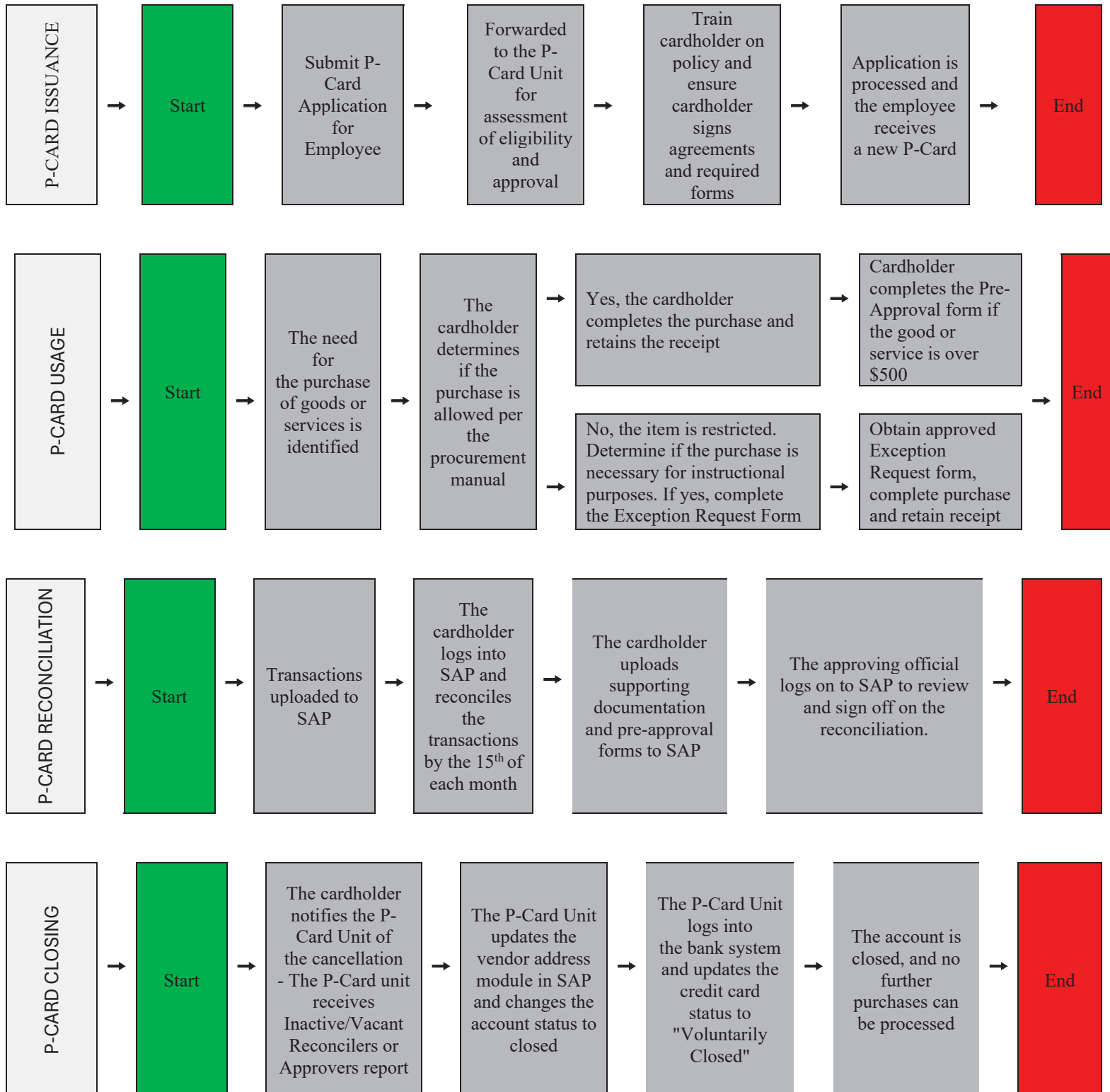


EXHIBIT A – P CARD APPLICATION



Los Angeles Unified School District
All Youth Achieving

DISTRICT CREDIT CARD APPLICATION

P-CARD UNIT

8525 REX RD. PICO RIVERA, CA 90660
MAIN LINE: 562.654.9401 FAX: 562.654.9048
<http://pcard.lausd.net>

IMPORTANT - PLEASE READ:

- **ALL SECTIONS** OF THIS FORM MUST BE COMPLETED
- APPLICATION **MUST** BE SUBMITTED WITH THE APPLICABLE AGREEMENT
- CARDHOLDER AND APPROVING OFFICIAL **MAY NOT** BE THE SAME
- APPROVING OFFICIAL **MUST** BE IN SENIOR POSITION TO CARDHOLDER
- SITE ADMINISTRATOR AND APPROVING OFFICIAL MAY BE THE SAME PERSON
- CARDHOLDER AND SITE ADMINISTRATOR MAY BE THE SAME PERSON

***INCOMPLETE FORMS OR MISSING DOCUMENTS WILL RESULT IN DELAYS IN PROCESSING YOUR APPLICATION**

CHECK ALL BOXES THAT APPLY:

REV 8/2023

<input type="checkbox"/> P-CARD \$5,000	<input type="checkbox"/> TRAVEL	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> TOSHIBA	<input type="checkbox"/> NEW ACCOUNT	<input type="checkbox"/> TRANSFER ACCOUNT	
NAME ON PREVIOUS ACCOUNT: _____			
<input type="checkbox"/> Other (Please specify): _____			

CARDHOLDER APPLICANT	NAME		POSITION	EMPLOYEE NUMBER
	E-MAIL ADDRESS			COST CENTER
	LOCATION CODE	SCHOOL/OFFICE NAME		Region
	ADDRESS		CITY	ZIP CODE
	TELEPHONE			
	SIGNATURE			DATE

APPROVING OFFICIAL	NAME		POSITION	EMPLOYEE NUMBER
	E-MAIL ADDRESS			
	LOCATION CODE	SCHOOL/OFFICE NAME		Region
	ADDRESS		CITY	ZIP CODE
	TELEPHONE			
	SIGNATURE			DATE

SITE ADMINISTRATOR (If different from Approving Official):

NAME		POSITION	EMPLOYEE NUMBER
E-MAIL ADDRESS			
SIGNATURE		DATE	

RETURN THIS FORM TO THE P-CARD UNIT VIA EMAIL. VISIT OUR WEBSITE FOR YOUR ASSIGNED P-CARD REPRESENTATIVE.

P-CARD UNIT ONLY
HIER 2 _____
HIER 3 _____
HIER 4 _____
HIER 5 _____
HIER 6 _____

EXHIBIT B -P-CARD AGREEMENT



**Los Angeles Unified School District
Procurement Services Group
Procurement Card Program
P-CARD HOLDER AGREEMENT**

By signing below, I agree that:

- I have completed the P-Card Online Training program, and fully understand all P-Card policies and procedures.
- Spending limits on my card are \$ 5,000 per transaction*
- *I understand that if my location has: One card only the spending limits will be \$5,000 per transaction / \$40,000 per month
or
Two cards the spending limits will be \$5,000 per transaction / \$20,000 per month each
- I will use the card only for **authorized items** and purchase only from **authorized merchants**.
- I will use the card for **official District business only** and NOT for any **personal transactions**.
- I will **keep the card secure at all times**, and **immediately notify** US Bank, the Approving Official, and the P-Card Unit of loss, theft, or fraudulent use of the card.
- I will be held **personally liable** to the District for any **unauthorized use** of the card, including
 - prohibited items/merchants
 - over-limit transactions
 - personal use
 - loan of the card to any other person for any reason
- I will follow **reconciliation procedures** found in the *Procurement Manual*, reconcile all transactions and attach receipts for the billing cycle by the 18th of the following month and monitor available funds balances **regardless of access to the online reconciliation system**.
- I will use **Specially Funded Program** funding lines only for appropriate purchases, as defined in the Federal Guidelines (e.g., Title One funds may be used only for purchases related to literature and math), and provide a detailed description of items purchased when performing reconciliation of Specially Funded Program purchases.
- I will upload and attach copy of receipt or invoice detailing the purchase to the transaction record in SAP.
- I understand and agree that I must **return the P-Card**, cut in half, to my Approving Official or directly to the P-Card Unit, upon
 - transfer to another location
 - separation from District employment,
 - cancellation of card privileges
- I will comply with all other policies and procedures enumerated in the *Procurement Manual*.
- I understand that unauthorized use or misuse of the card may result in disciplinary action under applicable District procedures.

Cardholder Name: (print) _____	Location: _____	Region: _____	
Signature: _____	Employee #: _____	Date: _____	

APPROVING OFFICIAL AGREEMENT

By signing below, I agree that:

- I have completed the P-Card Online Training program, and fully understand all P-Card policies and procedures.
- I will **review the accounts** of all Cardholders for whom I am responsible bi-weekly, and **approve** or otherwise follow up on all transactions **by the 21st of each month**.
- I will ensure that the following policies and procedures are adhered to by all Cardholders for whom I am responsible:
- Cardholders will use the card only for **authorized items**, use only **authorized merchants**, use the card for **official District business only** and for **no personal transactions**.
- Cardholders will **keep the card secure at all times**, and **immediately notify** US Bank, me (the Approving Official), and the P-Card Unit of loss, theft, or fraudulent use of the card.
- Cardholders will be held **personally liable** to the District for any **unauthorized use** of the card, including
 - prohibited items/merchants
 - over-limit transactions
 - personal use
 - loan of the card to any other person for any reason
- Cardholders will follow **reconciliation procedures** as described in the *Procurement Manual*, and reconcile by the 18th of the month.
- Cardholders will use **Specially Funded Program** funding lines only for appropriate purchases, as defined in the Federal Guidelines (e.g., Title One funds may be used only for purchases related to literature and math), and provide a detailed description of items purchased when performing reconciliation of Specially Funded Program purchases.
- Cardholders will upload and attach copy of receipt or invoice detailing the purchase to the transaction record in SAP.
- **Only the named Cardholder** will use the card assigned to him or her. Cardholders must **return the card**, cut in half, to me (the Approving Official) or directly to the P-Card Unit, upon
 - transfer to another location
 - separation from District employment,
 - cancellation of card privileges for any reason
- I agree to comply with and enforce all other policies and procedures enumerated in the *Procurement Manual*.

Approver Name: (print) _____	Location: _____	Region: _____	
Signature: _____	Employee #: _____	Date: _____	

Rev. 7/2023

EXHIBIT C – EXCEPTION REQUEST FORM

CREDIT CARD EXCEPTION REQUEST Procurement Services Division									
<i>All exception requests are subject to approval by the Credit Card Program. If approval is granted, the requesting site agrees to provide receipts and account statements upon request.</i>									
Request Date		School/Office				Location Code			
Mark the office with administrative oversight:									
<input type="checkbox"/> Office-Non-school	<input type="checkbox"/> LD N.E.	<input type="checkbox"/> LD N.W.	<input type="checkbox"/> LD East	<input type="checkbox"/> LD West	<input type="checkbox"/> LD Central	<input type="checkbox"/> LD South			
Cardholder First Name		Cardholder Last Name			Employee ID				
Cardholder Phone #		Cardholder E-mail			Approving Official Name				
Type of Request: <input type="checkbox"/> CYCLE LIMIT INCREASE <input type="checkbox"/> SINGLE PURCHASE INCREASE <input type="checkbox"/> MCC FORCED AUTHORIZATION <input type="checkbox"/> OTHER : _____					Prohibited uses: <ul style="list-style-type: none"> This exception does not include the purchase of items for personal use. Failure to comply may result in cancellation of the card, personal liability and/or disciplinary action. 				
Card Type:		<input type="checkbox"/> P-Card		<input type="checkbox"/> Travel Card		<input type="checkbox"/> Other _____			
Please provide a detailed explanation for the requested exception along with supporting documentation (i.e., quote, invoice, field trip approval form, ATRN).									
Funding Source (to be used for this purchase):		GL:	Fund:	Functional Area:			Cost Center:		
Cardholder Signature						Date			
Approving Official or Site Admin. Name		Phone #				Approving Official or Site Admin Employee ID			
Approving Official or Site Admin. Signature						Date			
Procurement Services Division Use Only									
Do not write below this line									
• Approve • Disapprove		Comments:			Action Taken		Exp. Date		
Credit Card Program Manager or Designee Signature						Date			

Scan and Email to your Credit Card Program Representative

Rev. 2/2019

EXHIBIT D - PRE-APPROVAL FORM

[illegible]

EXAMPLE OF QUESTIONABLE PURCHASES – DOLLAR TREE**INVOICE**

Feb-23

DOLLAR TREE

Invoice #: 100

DESCRIPTION	AMOUNT
BALLONS	\$100.00
BEARS	\$110.00
BAGS	\$61.85

SUBTOTAL	\$271.85
----------	----------

TAX RATE	9.50%
----------	-------

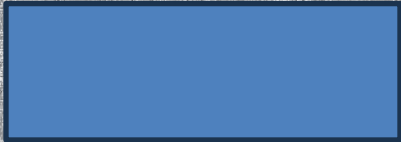
SALES TAX	\$25.83
-----------	---------

OTHER	\$0.00
-------	--------

Make all checks payable to DOLLAR TREE. If you have any questions concerning this invoice, contact Samuel, (123) 098-7654, kramer-correia@greatsiteaddress.com

EXAMPLE OF QUESTIONABLE PURCHASES – DOLLAR TREE

DESCRIPTION		AMOUNT
<i>THANK YOU FOR YOUR BUSINESS!</i>	TOTAL	\$297.68

 310537-1980	123 Main St. Santa Fe, NM 09876 Phone: (123) 098-7654 Fax: (123) 098-6543
--	--

EXAMPLE OF QUESTIONABLE PURCHASES – AMAZON

Order Placed: May 18, 2024
Amazon.com order number: 113-6020954-6433005
Order Total: \$152.12

Shipped on May 20, 2024

Items Ordered

2 of: Custom Gifts for Men - Etched Beer Mugs Personalized Man Cave Bar Gifts for Husband, Boyfriend, Dad - Valentine's, Housewarming, Anniversary.
Sold by: Virtue Brands Co. (seller profile)
Shipped by: Other
Condition: New

Price
\$68.99

Shipping Address:

United States

Shipping Speed:

Standard Shipping

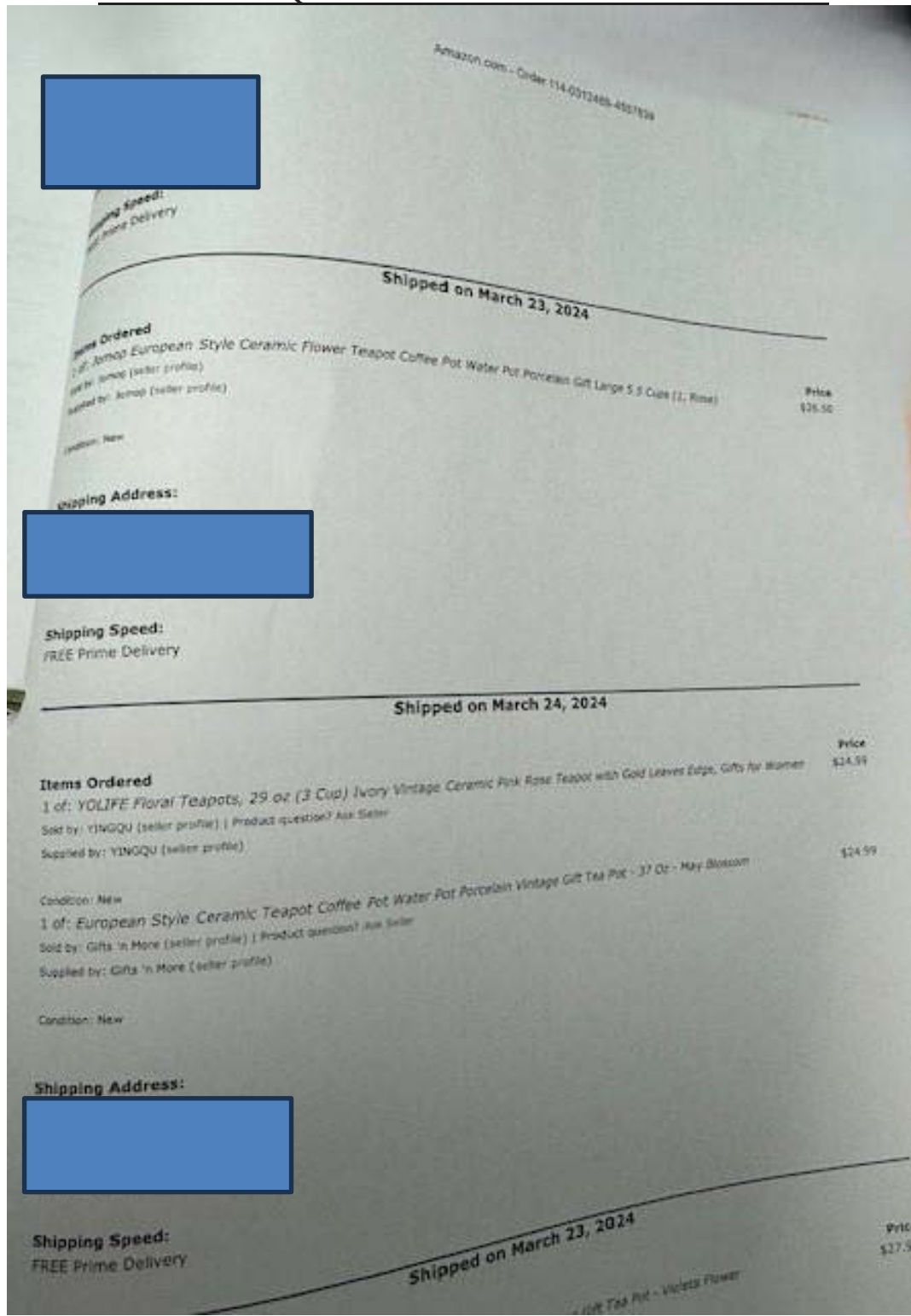
Payment information

Payment Method:
Visa ending in 1041

Billing address
United States

Item(s) Subtotal: \$137.98
Shipping & Handling: \$0.00
Total before tax: \$137.98
Estimated tax to be collected: \$14.14
Grand Total: \$152.12

EXAMPLE OF QUESTIONABLE PURCHASES – AMAZON



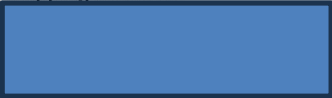
EXAMPLE OF QUESTIONABLE PURCHASES – AMAZON




Final Details for Order #113-7149977-0197833

Paid By: Los Angeles Unified School District



Shipped on May 19, 2024	
Items Ordered	Price
1 of: Starbucks \$20 Gift Cards (5-Pack) Sold by: Amazon.com Condition: New	\$100.00
7 of: Chili's Gift Card \$25 Sold by: Amazon.com Condition: New	\$25.00
12 of: Bath & Body Works Gift Card \$25 Sold by: Amazon.com Condition: New	\$25.00
Shipping Address: 	Item(s) Subtotal: \$575.00 Shipping & Handling: \$0.00 ----- Total before tax: \$575.00 Sales Tax: \$0.00 ----- Total for This Shipment: \$575.00 -----
Shipping Speed: FREE Prime Delivery	

Shipped on May 19, 2024	
Items Ordered	Price
1 of: Chili's Gift Card \$25 Sold by: Amazon.com Condition: New	\$25.00
Shipping Address: 	Item(s) Subtotal: \$25.00 Shipping & Handling: \$0.00 ----- Total before tax: \$25.00 Sales Tax: \$0.00 ----- Total for This Shipment: \$25.00 -----
Shipping Speed: FREE Prime Delivery	

Payment information

EXAMPLE OF QUESTIONABLE PURCHASES – AMAZON

Payment Method: Visa Last digits: 1041	Item(s) Subtotal:	\$600.00
	Shipping & Handling:	\$0.00

	Total before tax:	\$600.00
	Estimated Tax:	\$0.00

	Grand Total:	\$600.00
Credit Card transactions	Visa ending in 1041: May 19, 2024: \$600.00	

To view the status of your order, return to [Order Summary](#) .

[Conditions of Use](#) | [Privacy Notice](#) © 1996-2020, Amazon.com, Inc.

Know about fraud, waste or abuse?

Tell us about it.

Maybe you are a school district employee, a parent or just a concerned citizen. Regardless, you can make a difference!

Maybe you know something about fraud, waste, or some other type of abuse in the school district.

The Office of the Inspector General has a hotline for you to call. You can also email or write to us.

If you wish, we will keep your identity confidential. You can remain anonymous, if you prefer. And you are protected by law from reprisal by your employer.

Whistleblower Protection

The Board approved the Whistleblower Protection Policy on February 12, 2002. This policy protects LAUSD employees who make allegations of improper governmental activity from retaliation or reprisal. To assure the reporting of any activity that threatens the efficient administration of the LAUSD, reports that disclose improper governmental activities shall be kept confidential.

General Contact Information

Office of the Inspector General
333 S. Beaudry Avenue, 12th Floor
Los Angeles, CA 90017
Phone: (213) 241-7700
Fax: (213) 241-6826
<https://achieve.lausd.net/oig>

Fraud, Waste and Abuse Hotline
(866) 528-7364 or (213) 241-7778
inspector.general@lausd.net