




John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY



Inspector General
Accredited

“Enhancing Public Trust in Government”



Audit Report

2026-A-0004

Town of Ocean Ridge

Credit Cards

June 2, 2026

Insight – Oversight – Foresight



John A. Carey
Inspector General

OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

AUDIT REPORT 2026-A-0004

DATE ISSUED: JUNE 2, 2026



Inspector General
Accredited

"Enhancing Public Trust in Government"

TOWN OF OCEAN RIDGE – CREDIT CARDS

SUMMARY

WHAT WE DID

We conducted an audit of the Town of Ocean Ridge's (Town) credit cards. We performed this audit as part of the Office of Inspector General (OIG), Palm Beach County 2025 Annual Audit Plan.

Our audit focused on credit card activities and transactions from October 1, 2023 to June 30, 2025.

WHAT WE FOUND

We found that the Town's credit card expenditure was generally in compliance with relevant guidance. However, the Town lacked sufficient documentation to support some credit card purchases and lacked policies and procedures governing its credit card program.

Our audit identified **\$11,064.35** in questioned costs¹ and **\$276.56** in identified costs² and avoidable costs.³

The Town's credit card transactions were not always sufficiently supported by documentation.

We found that nineteen (19) of the 65 (29%) credit card transactions tested totaling **\$4,343.49** were not supported by an itemized receipt, invoice, or any other supporting documentation necessary for proof and description of purchase. We considered this amount to be a questioned cost. These transactions included six (6) credit card transactions, totaling \$1,069.38⁴, which we were unable to determine if they were duplicate purchases⁵ due to a lack of sufficient documentation.

We found that twenty-eight (28) of the 65 (43%) credit card transactions tested totaling **\$6,720.86⁴** lacked sufficient

¹ Questioned costs can include costs or financial obligations incurred pursuant to a potential violation of a provision of law, regulation, contract, grant, cooperative agreement, other agreement, policies and procedures, or document governing the expenditure of funds; a finding that, at the time of the OIG activity, such cost or financial obligation is not supported by adequate documentation; or a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable. As such, not all questioned costs are indicative of potential fraud or waste.

² Identified costs are costs that have been identified as dollars that have the potential of being returned to the entity to offset the taxpayers' burden.

³ Avoidable costs are costs an entity will not have to incur, lost funds, and/or an anticipated increase in revenue following the issuance of an OIG report.

⁴ To avoid duplication, questioned costs resulting from a lack of sufficient documentation are only counted once for each transaction tested in the audit and exclude any identified costs associated with the transaction.

⁵ These purchases were made by the same cardholder, during the same month, from the same vendor, for the same amount.

documentation of a public or government business purpose. We considered this amount to be a questioned cost.

We found that twenty (20) of the 65 (31%) credit card transactions tested included a sales tax totaling **\$276.56**, which was an unnecessary cost to the Town. We considered this amount to be an identified cost and an avoidable cost.

The Town lacked sufficient written guidance for the Credit Card Program.

We found the Town had processes with some controls in place governing the credit card purchasing process; however, there were no formal written policies and procedures for its credit card processes, such as:

- Granting and terminating card privileges;
- Defining acceptable use of credit cards and prohibited purchases or misuse;
- Establishing requirements and responsibilities for supporting documentation, reconciliation, and review and oversight of credit card purchases;
- Procedures for card maintenance (i.e. name changes, changes in spending limits, and updated contact information);
- Maintaining card security;
- Reporting lost or stolen cards; and
- Establishing consequences for policy violations and/or misuse.

Corrective Action

During the audit, the Town implemented a Purchasing Card Policy and Procedures, which required cardholders to acknowledge their understanding of and agreement to adhere to the guidelines established for the program.

The Town lacked sufficient written guidance for IT processes.

We found the Town had processes with controls in place to ensure the integrity and reliability of information in its computer systems; however, there were no formal written policies and procedures for its Information Technology (IT) processes.

Corrective Action

During the audit, the Town implemented an IT Policy that governs the use of the Town information systems.

WHAT WE RECOMMEND

Our report contains three (3) findings and five (5) recommendations. Implementation of the recommendations will 1) assist the Town in strengthening internal controls and 2) save approximately **\$276.56** in future avoidable costs.

The Town concurred and accepted our recommendations. We have included the Town's management response as Attachment 1.

BACKGROUND



In 1931, the Town of Boynton Beach (now called the Town of Ocean Ridge) was incorporated under Chapter 15088, Laws of Florida Special Acts of 1931. Due to confusion caused by the similarities between its name and of the Town of Boynton, the Town of Boynton Beach changed its name to the Town of Ocean Ridge in 1939. The Town is a small coastal community with an estimated 2024 population of 1,810.

The Town is governed by a Town Commission comprised of five (5) members elected at large. There is an annual election held in March each year to fill any vacancies caused by term expiration or early termination of any Commissioner. The Mayor and Vice Mayor are members of the Commission and are selected annually by the Commission. The Town Manager is the Chief Administrative Officer and is responsible for the day-to-day operations.

The OIG FY 2025 Annual Audit Plan had multiple entities selected for purchasing card audits. The OIG selected the Town because it reported in a prior-year OIG survey that it did not have written policies and procedures for its credit card program, and the OIG had not audited the Town since 2018.

OBJECTIVES, SCOPE, AND METHODOLOGY

The overall objective of the audit was to determine whether credit card expenditures were sufficiently documented, in compliance with relevant guidance, and served a valid public purpose.

The scope of the audit included, but was not limited to, credit card activities and transactions from October 1, 2023 to June 30, 2025.

The audit methodology included, but was not limited to:

- Review of relevant requirements, including ordinances, policies, procedures, contracts, and user agreements;
- Process walk-throughs and a review of internal controls related to credit card processes;
- Completion of a data integrity and reliability assessment of related computer systems;
- Interview of appropriate personnel;
- Review of credit card expenditure records, reports, statements, and related documentation;
- Data analysis of credit card transactions; and
- Detailed testing of selected transactions.

As part of the audit, we completed a data reliability assessment of the Town's computer systems related to credit card activities and transactions. We determined that the

computer-processed data contained in these systems was sufficiently reliable for the purposes of the audit.

This audit was conducted in accordance with generally accepted government auditing standards. 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

FINDINGS AND RECOMMENDATIONS

Finding (1): The Town's credit card transactions were not always sufficiently supported by adequate documentation.

Section 218.33(3), Florida Statutes (F.S.), states,

Each local governmental entity shall establish and maintain internal controls designed to:

- (a) Prevent and detect fraud, waste, and abuse as defined in s. 11.45(1).
- (b) Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
- (c) Support economical and efficient operations.
- (d) Ensure reliability of financial records and reports.
- (e) Safeguard assets.

Section 212.08, F.S., states,

Sales, rental, use, consumption, distribution, and storage tax; specified exemptions. – The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

...

(6) EXEMPTIONS; POLITICAL SUBDIVISIONS. – pdf pgs. 23-24

(a) **There are also exempt from the tax imposed by this chapter sales made to the United States Government, a state, or any county, municipality, or political subdivision of a state when payment is made directly to the dealer by the governmental entity.** This exemption shall not inure to any transaction otherwise taxable under this chapter **when payment is made by a government employee by any means, including, but not limited to, cash, check, or credit card when that employee is subsequently reimbursed by the governmental entity....** [Emphasis added]

Internal control best practices to prevent and detect errors and unauthorized transactions include establishing control activities through policies and procedures. Control activities include ensuring that credit card purchases are always sufficiently supported by itemized

receipts, invoices, and other necessary documentation to provide proof and a description of the purchase, and the documented public or business purpose. The following internal control guidance from the Government Accountability Office (GAO) are examples of this best practice.

GAO, Standards for Internal Control in the Federal Government,⁶ states,

Principle 10 – Design Control Activities

Response to Risks

10.02 Management designs control activities in response to risks to achieve an effective internal control system. Control activities are the actions management establishes through policies and procedures to specifically mitigate risks to achieving the entity's objectives to acceptable levels...

Design of Appropriate Types of Control Activities

10.04 The common categories of control activities listed in table 1⁷ illustrate the range and variety of control activities that may be useful to management.

- **Authorization of Transactions – Transactions are authorized and executed only by persons acting within the scope of their authority. This is the principal means of assuring that only valid transactions to exchange, transfer, use, or commit resources are initiated or entered into.** Management clearly communicates authorizations to personnel, for example, by assigning the capabilities to their credentials in an information technology system, or by signature or other methods of express approval... [Emphasis Added]
- **Appropriate documentation of transactions and control activities –** Management clearly documents the performance of control activities and all transactions and **other significant events that occur in a manner that allows the documentation to be readily available for examination. Documentation and records are properly managed and maintained.** [Emphasis Added]
- **Segregation of duties –** Management divides or segregates key duties and responsibilities among different people to reduce the risk of error, misuse, or fraud. This includes **separating the responsibilities for authorizing transactions,**

⁶ This best practice is provided by the Government Accountability Office (GAO) Standards for Internal Control in the Federal Government issued by the U.S. Comptroller of the Treasury dated May 2025.

⁷ This table includes the control activities "Authorization of Transactions", "Appropriate documentation of transactions and control activities", and "Segregation of duties".

processing and recording them, reviewing the transactions, and handling any related assets so that **no one individual controls all key aspects of a transaction or event.** [Emphasis Added]

State of Florida Attorney General Opinion⁸ (AGO) 98-81 states,

It is a basic tenet that the expenditure of public funds must be primarily for a public purpose. Thus, the expenditure of municipal funds must meet a municipal purpose, rather than a private purpose.

AGO 79-14 states,

The expenditure of public funds by a municipality ... meet the test of being for a primarily public purpose, with only incidental private benefit.

We used the Town's credit card statements and general ledger to compile the population of 646 purchasing card transactions, totaling \$132,910.49. We categorized the population of transactions by Merchant Category Codes⁹ and performed data analysis on the total population to identify high-risk transactions for detailed testing based on the goods or services purchased. The data analysis procedures analyzed credit card transactions characteristics for potential duplicates (i.e., purchases with the same cardholder, vendor, and purchase date); transactions that occurred on holidays observed by the Town; transaction amounts that were rounded to the nearest multiple of 10; transactions that were related to food and entertainment; and other transactions that were potential personal or non-Town purchases.

We identified 16 transactions, totaling \$4,909.23, which were potential duplicates.¹⁰ We reviewed the transactions in the financial system and the purchase supporting documentation to determine whether the purchases were duplicated. We were unable to determine whether six (6) of the transactions were duplicate purchases due to a lack of sufficient documentation. No duplicate purchases were noted for the remaining ten (10) transactions.

We selected 65¹¹ credit card transactions totaling \$25,650.52 for testing from the high-risk transactions identified using data analysis, with an emphasis on larger dollar amounts and cardholders with more purchases. We reviewed the transaction and approval information in the financial system and the purchase supporting documentation to determine whether the purchases were properly recorded and approved, sufficiently supported, had a documented public purpose, and excluded sales, use, and/or fuel taxes.

⁸ AGO opinions are advisory. Section 166.021(1), F.S. states "As provided in s. 2(b), Art. VIII of the State Constitution, municipalities shall have the governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes, except when expressly prohibited by law."

⁹ A Merchant Category Code is a four-digit number assigned to a business by acquiring banks or payment processors when accepting credit/debit cards, based on the goods or services provided.

¹⁰ These purchases were made by the same cardholder, during the same month, from the same vendor, for the same amount.

¹¹ The 16 potential duplicate credit card transactions are included in this selection.

Of the 65 credit card transactions, we found the following:

- There were 19 (29%) credit card transactions totaling **\$4,343.49** that were not sufficiently supported by an itemized receipt, invoice, or any other supporting documentation necessary for proof and description of purchase. We considered this amount to be a questioned cost.
 - These transactions included six (6) credit card transactions totaling \$1,069.38¹² that we were unable to determine whether they were duplicate purchases due to a lack of sufficient documentation.
- There were 28 (43%) credit card transactions totaling \$9,978.88 that lacked sufficient documentation of a public or government business purpose. We considered **\$6,720.86**¹³ to be a questioned cost.
- There were 20 (31%) credit card transactions which included sales tax totaling **\$276.56**; this was an unnecessary cost to the Town that could potentially be recouped and avoided. We considered this amount to be an identified cost and an avoidable cost.

The tables below summarize the exceptions noted above by Town department (or cardholder if an appointed position).

Purchases Lacked Sufficient Supporting Documentation

Department	Exceptions		Questioned Costs	
	Count	Total amount	Count	Total amount
Town Manager ¹⁴	11	\$2,214.22	11	\$2,214.22
Police & Dispatch	4	\$1,665.59	4	\$1,665.59
Town Clerk	2	\$370.00	2	\$370.00
Public Works	1	\$51.01	1	\$51.01
Other Town Admin.	1	\$42.67	1	\$42.67
Total	19	\$4,343.49	19	\$4,343.49

Purchases Lacked Documentation of a Public or Government Business Purpose

Department	Exceptions		Questioned Costs	
	Count	Total amount	Count	Total amount
Town Manager ¹⁴	19	\$7,165.59	19	\$5,197.74

¹² To avoid duplicating costs, these purchases were already considered a questioned cost for lack of sufficient documentation.

¹³ To avoid duplicating costs, this amount excludes thirteen (13) of the 28 credit card transactions, totaling \$3,082.46, already considered a questioned cost for lacking an itemized receipt, invoice, or any other supporting documentation necessary for proof and description of purchase, and sales tax for 11 transactions, totaling \$175.56, considered an identified cost.

¹⁴ These credit card purchases were by the former Town Manager, Elizabeth L. Ladner.

Public Works	4	\$1,359.07	4	\$1,223.16
Police & Dispatch	3	\$1,258.56	3	\$156.98
Other Town Admin.	2	\$195.66	2	\$142.98
Total	28	\$9,978.88	28	\$6,720.86

Sales Tax Paid Directly to Vendors

Department	Identified & Avoidable Costs	
	Count	Total amount
Public Works	6	\$114.79
Town Manager ¹⁴	7	\$93.54
Town Clerk	3	\$34.61
Police & Dispatch	3	\$23.61
Other Town Admin.	1	\$10.01
Total	20	\$276.56

When we initiated the audit, the Town did not have a credit card or purchasing card policy establishing internal controls over the credit card program that included requirements for supporting documentation, statement reconciliations, and review and oversight (also see **Finding #2**).

Additionally, we noted that the Town Manager typically approved all credit card transactions in the Town's financial system and was also a signatory on the Town bank account used to pay the credit card statement. We found the former Town Manager self-approved all of her own credit card purchases with no independent review or oversight. Therefore, she had control over all the key aspects of the credit card processes, which we consider a lack of segregation of duties.

Due to the lack of sufficient documentation, we could not verify what items were purchased or if the items purchased were for a primarily public or government business purpose. A lack of sufficient documentation for expenditures decreases transparency and accountability of taxpayer dollars and increases the risk for fraud, waste, and abuse.

Without sufficient review and oversight, credit card transactions are at an increased risk for errors, noncompliance, fraud, waste, and abuse.

Corrective Action

During the audit, the Town implemented a Purchasing Card Policy and Procedures, which required cardholders to acknowledge their understanding of and agreement to adhere to the guidelines established for the program. The new policy included internal controls and guidelines to help ensure that cardholders 1) obtain and keep receipts and maintain detailed records for each card transaction; 2) ensure that sales tax is not charged when making purchases; 3) attach original itemized receipts and supporting documentation to

the statement with proper expense account information noted on each receipt; 4) ensure that all purchases and credits are itemized and identified; 5) use the purchasing card for Town authorized purchases only; 6) not make purchases prohibited by the Town; and 7) review monthly statements for the validity of all transactions.

Recommendations:

- (1) The Town develop and implement a written Purchasing or Credit Card policy and procedures to ensure consistency of operations that, at a minimum, establishes:**
- a. Required supporting documentation for each transaction, such as an itemized receipt and invoice, explanation for the public or government business purpose, and any other related documentation that supports the purchase or purpose;**
 - b. Requirements and responsibilities for reconciling purchasing or credit card statements to required documentation;**
 - c. Requirements and responsibilities for review and oversight of credit card purchases and reconciliations, including the Town Manager's transactions.**
 - d. The process for granting and terminating card privileges;**
 - e. The acceptable use of credit cards and prohibited purchases or misuse; and**
 - f. Consequences for policy violations and/or misuse.**
- (2) The Town consider recouping the \$276.56 of Florida sales tax paid to vendors.**

Management Response:

The Town concurs with Finding (1) and its related recommendations. During the audit period, the Town implemented a Purchasing Card Policy and Procedures establishing requirements for allowable purchases, supporting documentation, reconciliation, approvals, and cardholder responsibilities. Cardholders are now required to acknowledge and adhere to these requirements. Additional administrative controls have been implemented to strengthen review processes, ensure documentation of public purpose, and reinforce tax-exempt purchasing requirements. Staff training and ongoing monitoring will continue to support compliance.

Finding (2): The Town lacked sufficient written guidance for the Credit Card Program.

Section 218.33(3) F.S., states,

Each local governmental entity shall establish and maintain internal controls designed to:

- (a) Prevent and detect fraud, waste, and abuse as defined in s. 11.45(1).

- (b) Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
- (c) Support economical and efficient operations.
- (d) Ensure reliability of financial records and reports.
- (e) Safeguard assets.

We found the Town had processes with some controls in place regarding the credit card purchasing process; however, there were no formal written policies and procedures governing its credit card use, addressing matters such as granting and terminating card privileges; defining acceptable use of credit cards and prohibited purchases or misuse; establishing requirements and responsibilities for supporting documentation, reconciliation, and review and oversight of credit card purchases. Additionally, there were no procedures for card maintenance (i.e. name changes, changes in spending limits, and updated contact information); maintaining card security, reporting lost or stolen cards, acceptable card use, and establishing consequences for policy violations and/or misuse.

At the beginning of the audit, the Town stated that the purchasing policy needed to be refined and updated, and there was nothing on credit cards in the purchasing policy.

As a result of the lack of sufficient credit card-related guidance, the Town did not cancel the credit card for a separated employee until 50 days after the employee's separation and did not document whether the Town collected the card upon separation.

A lack of written policies and procedures providing guidance increases the risk of errors and improper, unauthorized, and inconsistent use of the Town's credit card.

Corrective Action

During the audit, the Town implemented a Purchasing Card Policy and Procedures and cardholders acknowledged their understanding of the policy guidelines. The new policy includes a process for collecting and cancelling cards upon an employee's separation.

Recommendation:

- (3) The Town ensure cardholders are informed about and understand the purchasing card policy and procedures as well as their responsibilities as a cardholder.**

Management Response:

The Town concurs with Finding (2) and its related recommendations. During the audit, the Town formally adopted and implemented Purchasing Card Policy and Procedures governing card issuance, usage, responsibilities, documentation requirements, oversight, and compliance expectations. Cardholder acknowledgements and administrative controls have been incorporated into the program to strengthen internal controls and promote consistency.

Finding (3): The Town lacked sufficient written guidance for IT processes.

Section 218.33(3), F.S., states,

Each local governmental entity shall establish and maintain internal controls designed to:

- (a) Prevent and detect fraud, waste, and abuse as defined in s. 11.45(1).
- (b) Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
- (c) Support economical and efficient operations.
- (d) Ensure reliability of financial records and reports.
- (e) Safeguard assets.

Section 282.3185(4) F.S., states,

CYBERSECURITY STANDARDS. —

(a) Each local government shall adopt cybersecurity standards that safeguard its data, information technology, and information technology resources to ensure availability, confidentiality, and integrity. The cybersecurity standards must be consistent with generally accepted best practices for cybersecurity, including the National Institute of Standards and Technology Cybersecurity Framework.

...

(c) Each municipality with a population of 25,000 or more must adopt the cybersecurity standards required by this subsection by January 1, 2024. Each municipality with a population of less than 25,000 must adopt the cybersecurity standards required by this subsection by January 1, 2025.

(d) Each local government shall notify the Florida Digital Service of its compliance with this subsection as soon as possible.

The National Institute of Standards and Technology (NIST) established the Cybersecurity Framework (CSF) 2.0, which emphasizes that policy (a category of the Govern function) forms a critical part of the organization's overall risk management strategy and is essential for ensuring security and privacy assurance. NIST's Security and Privacy Controls for Information Systems and Organizations (SPCISO) states that policies should be established at the organizational level supported by detailed procedures that define how controls are implemented, including specific roles and responsibilities. The SPCISO includes, but is not limited to, controls for access control; awareness and training; audit and accountability; assessment, authorization, and monitoring; configuration management; contingency planning; identification and authentication; and incident response.

Additionally, the Association of Government Accountants' best practice for information systems and technology states that basic computer system controls include:

- Written IT policies, procedures, and definitions that are clearly communicated;

- Access to and use of the system, assets and records are reasonable and restricted to authorized individuals; and
- System users are granted only the access needed to perform their duties.¹⁵

We assessed the data integrity and reliability of the Town's financial and credit card computer systems that were used to record credit card purchases during the period of our audit. As part of this assessment, we evaluated the adequacy of general controls surrounding the computer systems.

We found that the Town had processes with controls in place to ensure the integrity and reliability of information in its computer systems; however, there were no written policies and procedures for its IT processes,¹⁶ that addressed matters such as granting and terminating user access, the use of unique IDs and passwords, or limiting administrative and/or privileged access to the system.

The Town contracts with an independent contractor who handles IT operations, which include support services, network monitoring and repair, software updates, and tracking of backup and antivirus software updates. Since the processes were in place and the Town outsourced its IT functions, the Town had not yet developed written policies and procedures for its IT operations. A lack of written IT policies and procedures increases the risk of inconsistent operations and unauthorized access to system records.

Corrective Action

During the audit, the Town implemented an IT Policy that governs the use of the Town's information systems.

Recommendations:

- (4) The Town develop and implement written general IT policies and procedures that are clearly communicated to ensure consistent operations. These policies should, at a minimum, provide guidance on how to:**
 - a. Assign and remove user rights and a reasonable time for removal when access is no longer appropriate,**
 - b. Authorize user access,**
 - c. Limit system access by requiring unique user IDs and passwords, and**
 - d. Address user change management for new hires and separated employees.**
- (5) The Town provide staff training for the IT policies and procedures, as needed.**

¹⁵

<https://www.agacqfm.org/Resources/intergov/InternalControls/ResourcesByBusinessProcess/InformationSystems.aspx>

¹⁶ The Town provided us with several Town Police Department IT policies; however, these policies did not apply to the computer systems and IT processes used for the Town's general government operations.

Management Response:

The Town concurs with Finding (3) and its recommendation. During the audit, the Town implemented an Information Technology Policy governing the use, management, and security of Town information systems. The policy formalizes existing operational controls and strengthens governance over technology resources. Staff training and ongoing monitoring will continue to support compliance.

SUMMARY OF COSTS IDENTIFIED IN THE AUDIT**Questioned Costs**

Finding	Description	Questioned Costs
1	Transactions were not sufficiently supported by an itemized receipt or invoice	\$4,343.49
1	Lacked sufficient documentation for a valid public or business purpose	\$6,720.86
TOTAL QUESTIONED COSTS		\$11,064.35

Identified Costs

Finding	Description	Identified Costs
1	Sales tax paid directly to vendors	\$276.56
TOTAL IDENTIFIED COSTS		\$276.56

Avoidable Costs

Finding	Description	Avoidable Costs
1	Sales tax paid directly to vendors	\$276.56
TOTAL AVOIDABLE COSTS		\$276.56

ACKNOWLEDGEMENT

The Inspector General's audit staff would like to extend our appreciation to the Town of Ocean Ridge's staff for their assistance and support in completing this audit.

This report is available on the OIG website at: <https://www.pbc.gov/OIG>. Please address inquiries regarding this report to the Director of Audit by email at inspector@pbc.gov or by telephone at (561) 233-2350.

EXHIBITS

Exhibit 1 – Audit Sample Statistics

Exhibit 2 – Transaction Detail for Questioned/ Identified Costs

Exhibit 3 – Data Analyses Performed

ATTACHMENT

Attachment 1 – Town of Ocean Ridge’s Management Response

EXHIBIT 1 – AUDIT SAMPLE STATISTICS

Department	Total Purchases by Department			Audit Sample		
	No. of Credit Card Transactions	Total Credit Card Transactions	% of Total Amount	No. of Credit Card Transactions	Total Credit Card Purchases	% of Total Amount
Public Works	43	\$11,211.46	8%	9	\$3,834.19	15%
Town Clerk	151	\$16,875.40	13%	9	\$2,293.11	9%
Police & Dispatch	227	\$44,321.84	33%	17	\$7,901.43	31%
Other Town Admin	82	\$17,641.95	14%	3	\$595.65	2%
Town Manager	143	\$42,859.84	32%	27	\$11,026.14	43%
Total	646	\$132,910.49	100%	65	\$25,650.52	100

EXHIBIT 2 – TRANSACTION DETAIL FOR QUESTIONED/IDENTIFIED COSTS

Department	Transaction Date	Vendor Type	Questioned cost	Identified Cost-Avoidable Cost	Not Sufficiently Supported by Itemized Receipt or Invoice	Lack of Documentation for a valid public or business purpose	Sales Tax Paid
Town Manager	10/17/2024	HILTON CONVENTION CTR 407-3134300 FL Arrival:10/17/24	\$204.75	\$ -	X		
Town Manager	10/17/2024	HILTON CONVENTION CTR 407-3134300 FL Arrival:10/17/24	\$204.75	\$ -	X	X1	
Town Clerk	11/7/2024	IIMC 909-9444162 CA	\$185.00	\$ -	X		
Town Clerk	11/7/2024	IIMC 909-9444162 CA	\$185.00	\$ -	X		
Dispatch	1/18/2024	PROMETRIC *EXAM FEE 888-669-8378 MD	\$75.00	\$ -	X		
Town Manager	9/6/2024	HILTON CONVENTION CTR 407-3134300 FL Arrival: 09/06/24	\$ -	\$23.88			X2
Town Manager	9/6/2024	HILTON CONVENTION CTR 407-3134300 FL Arrival: 09/06/24	\$214.88	\$ -	X	X1	
Police	1/6/2025	SQ'COOKIE COLLECTORS LLCBoynton BeachFL	\$990.00	\$ -	X	X1	
Dispatch	6/2/2025	STAMPS.COM 'USPOSTAGE 855-608-2677 TX	\$500.00	\$ -	X		
Town Manager	12/20/2023	PUBLIX SUPERMARKETS #1452BOYNTON BEACHFL	\$330.00	\$ -	X	X1	
Public Works	1/23/2025	WM SUPERCENTER #5911 BOYNTON BEACHFL	\$ -	\$15.90			X2
Town Manager	8/29/2024	PUBLIX SUPERMARKETS #1405863-688-1188 FL	\$185.95	\$10.43		X1	X2
Dispatch	6/12/2025	TARGET 00022103 BOYNTON BEACHFL	\$ -	\$8.96			X2
Town Manager	12/1/2023	PUBLIX SUPERMARKETS #1405BOYNTON BEACHFL	\$105.21	\$ -		X1	
Town Clerk	10/15/2023	WM SUPERCENTER #4446 WEST PALM BEAFL	\$ -	\$4.14			X2
Town Manager	2/27/2025	PALERMO BAKERY 561- 7378500 FL	\$111.28	\$ -	X		
Town Clerk	6/16/2025	MISSION BBQ BOYNTON BEACH561-335-1514 FL	\$ -	\$23.47			X2
Public Works	5/21/2025	TST* CAFE FRANKIES BOYTON BEACH FL	\$39.36	\$2.24		X1	X2
Public Works	5/2/2025	ALFA PIZZERIA 561- 4803068 FL	\$51.01	\$ -	X	X1	
Town Manager	12/20/2024	ROCCOTACO&TEQUILA DELRAY DELRAY BEACH FL	\$220.00	\$14.00		X1	X2
Town Manager	12/9/2024	PRIME CATCH BOYTON BEACHFL	\$196.00	\$11.27		X1	X2
Police	9/6/2024	TWO GEORGE 561- 7362717 FL	\$100.59	\$ -	X	X1	
Town Manager	9/6/2024	TST'JOSIES RISTORANTE 561-364-9601 FL	\$82.43	\$ -	X	X1	
Town Manager	8/30/2024	ROCCOS TACO AND TEQUILA BDELRAY BEACHFL	\$426.00	\$26.32		X1	X2
Town Manager	8/26/2024	TWO GEORGES 561- 7362717 FL	\$46.99	\$2.74		X1	X2
Public works	4/26/2024	ALFA PIZZERIA 561- 4803068 FL	\$75.80	\$5.10		X1	X2
Town Manager	10/26/2023	SQ'CATERING CC gosq.com FL	\$427.30	\$ -		X1	

Department	Transaction Date	Vendor Type	Questioned cost	Identified Cost-Avoidable Cost	Not Sufficiently Supported by Itemized Receipt or Invoice	Lack of Documentation for a valid public or business purpose	Sales Tax Paid
Town Manager	10/24/2023	BANANA BOAT BOYNTON BEACHFL	\$52.87	\$ -	X	X1	
Town Manager	3/3/2025	SQ *TMISOFLO, LLCL51 gosq.com FL	\$556.00	\$ -	X	X1	
Town Clerk	7/1/2024	RING PROTECT PLUS YR HTTPSRING.COMCA	\$ -	\$7.00			X2
Other Town Admin	3/20/2025	WALMART.COM 8009256278 800-966-6546 AR	\$42.67	\$ -	X	X1	
Town Manager	10/5/2023	SQ'CATERING CC gosq.com FL	\$427.30	\$ -		X1	
Public Works	4/2/2024	APPLE.COM/US 800-676-2775 CA	\$1,108.00	\$77.56		X1	X2
Town Manager	10/2/2023	WALGREENS #0074 BOYNTON BEACHFL	\$25.00	\$ -	X	X1	
Dispatch	2/7/2025	1-800-FLOWERS.COM,INC. 800-468-1141 NY	\$156.98	\$10.99		X1	X2
Other Town Admin	6/13/2024	FLOWER KINGDOM 561-627-4200 FL	\$142.98	\$10.01		X1	X2
Town Manager	5/28/2024	Brightline E-comm Miami FL	\$248.00	\$ -	X	X1	
Public Works	4/10/2024	CABELA'S ONLINE U.S. 417-873-5000 MO	\$ -	\$7.00			X2
Public Works	4/10/2024	CABELA'S ONLINE U.S. 417-873-5000 MO	\$ -	\$6.99			X2
Police	2/3/2025	AMAZON MKTPL*ZC7484YU1 Amzn.com/billWA	\$ -	\$3.66			X2
Town Manager	1/5/2024	AMZN Mktpl US*TK7TU17L0 Amzn.com/billWA	\$69.99	\$4.90		X1	X2
Town Manager	9/25/2024	USPS.COM STAMP FLMNT SVCS800-782-6724 MO	\$3,093.00	\$ -		X1	
Town Manager	10/25/2023	THE GALLERY COLLECTION 201-6417900 NJ	\$184.26	\$ -	X	X1	
Total			\$11,064.35	\$276.56	19	28	20

X and X1 Counted toward Questioned Cost.
 X2 Counted toward Identified Cost and Avoidable Cost.

EXHIBIT 3 – DATA ANALYSES PERFORMED

High risk transactions were selected for detailed testing based on the following data analyses:

- Duplicate payments.
- Purchases made on Town holidays.
- Purchases that could potentially be cash advances (rounded numbers).
- Purchases with MCCs that could potentially be personal (e.g. restaurants, bars, casinos, cruises, souvenir shops, florists, spas, charities, etc.).
- Transactions split across multiple cards or on one card.
- Key words (e.g. miscellaneous, gift, other).

ATTACHMENT 1 – TOWN OF OCEAN RIDGE'S MANAGEMENT RESPONSE



TOWN OF OCEAN RIDGE
6450 NORTH OCEAN BOULEVARD
OCEAN RIDGE, FLORIDA 33435
www.oceanridge.gov

(561) 732-2635 • FAX (561) 734-7031

Ms. Hilary Bojan, CPA, CIA, CISA, CFE, CIGA
Director of Audit
Palm Beach County Office of Inspector General
100 Australian Avenue
West Palm Beach, FL 33406

May 26, 2026

Subject: OIG Audit No. 2026-A-0004 – Town of Ocean Ridge – Credit Cards

Dear Ms. Bojan:

The Town of Ocean Ridge (Town) has reviewed the Office of Inspector General's (OIG) draft audit report regarding credit card uses and processes. As noted in your report, the Town was in transition of leadership positions and acted immediately to remedy concerns. Please see below for the Town's responses to the findings and recommendations from your audit.

Finding (1): Credit card transactions were not always sufficiently supported by adequate documentation

Recommendations:

- (1): Require sufficient supporting documentation
- (2): Ensure documentation of public/business purpose
- (3): Eliminate sales tax charges

Management Response:

The Town concurs with Finding (1) and its related recommendations. During the audit period,

the Town implemented a Purchasing Card Policy and Procedures establishing requirements for allowable purchases, supporting documentation, reconciliation, approvals, and cardholder responsibilities. Cardholders are now required to acknowledge and adhere to these requirements. Additional administrative controls have been implemented to strengthen review processes, ensure documentation of public purpose, and reinforce tax-exempt purchasing requirements. Staff training and ongoing monitoring will continue to support compliance.

Finding (2): Lack of sufficient written guidance for Credit Card Program

Recommendation:

(4): Develop and implement a formal written Purchasing or Credit Card policy and procedure

Management Response:

The Town concurs with Finding (2) and its related recommendations. During the audit, the Town formally adopted and implemented Purchasing Card Policy and Procedures governing card issuance, usage, responsibilities, documentation requirements, oversight, and compliance expectations. Cardholder acknowledgements and administrative controls have been incorporated into the program to strengthen internal controls and promote consistency.

Finding (3): Lack of sufficient written guidance for IT processes

Recommendation:

(5): Develop and implement formal written IT policy and procedures

Management Response:

The Town concurs with Finding (3) and its recommendation. During the audit, the Town implemented an Information Technology Policy governing the use, management, and security of Town information systems. The policy formalizes existing operational controls and strengthens governance over technology resources. Staff training and ongoing monitoring will continue to support compliance.

It was the Town's pleasure to work with you and your team on this important Credit Card audit.

We appreciate the opportunity to strengthen our internal controls and related polices and procedures. Our sincerest gratitude to you and your staff for your professionalism and patience. Should you have any questions, please do not hesitate to contact me at (561) 732-2635.

Sincerely,

A handwritten signature in blue ink that reads "Michelle Heiser". The signature is written in a cursive style.

Michelle Heiser, M.P.A.

Town Manager

Attachments – Copy of Credit Card Policy and IT Policy