

**PURCHASING DEPARTMENT  
PROFESSIONAL SERVICES  
AUDIT 05-15  
JANUARY 10, 2006**



# CITY OF TAMPA

Pam Iorio, Mayor

Internal Audit Department

Wayne Boytim, Acting Internal Audit Director

January 10, 2006

Honorable Pam Iorio  
Mayor, City of Tampa  
1 City Hall Plaza  
Tampa, Florida


RE: Purchasing – Professional Services, Audit 05-15

Dear Mayor Iorio:

Attached is the Internal Audit Department's report on Purchasing – Professional Services.

We thank the management and staff of the Purchasing Department for their cooperation and assistance during this audit.

Sincerely,



Wayne Boytim  
Acting Internal Audit Director

cc: Gregory Spearman, Purchasing Director  
Darrell Smith, Chief of Staff

**PURCHASING DEPARTMENT  
PROFESSIONAL SERVICES  
AUDIT 05-15**

  
\_\_\_\_\_  
Auditor

\_\_\_\_\_  
Audit Supervisor

  
\_\_\_\_\_  
Audit Director

**PURCHASING DEPARTMENT  
PROFESSIONAL SERVICES  
AUDIT 05-15**

**INTRODUCTION**

The Purchasing Department is the agent for the City of Tampa for obtaining all goods and services. Additionally, the department is responsible for the disposition of obsolete and unwanted assets. It derives the authority to act from the Revised Charter of the City of Tampa of 1975, Section 5.01 (h).

Executive Order Number 92-9 establishes the "responsibilities for guidelines and procedures and actions there under for the selection and management of professional, technical or highly specialized services." These three services are collectively referred to as "professional services." By definition professional services are identified as relating to specific professions such as attorneys, accountants, medical doctors and consultants of this character. A technical service is a service relating to special, practical knowledge of scientific, mechanical or business management expertise. Chemical testing, financial analysis, title search and appraisals are examples. Highly specialized services are services comprising unique abilities that are not defined as technical in nature. This category would include such fields as video production, performers and auctioneers.

During the audit period, approximately \$340 million (excluding utility payments, i.e., TECO and Verizon) was spent to obtain professional services for the City of Tampa.

**STATEMENT OF OBJECTIVES**

This audit was conducted in accordance with the Internal Audit Department's FY05 Audit Agenda. The objective of this audit was to determine if professional services received by the City were in compliance with established policies, procedures and the terms specified in the contract.

**STATEMENT OF SCOPE**

The audit period covered Purchasing of Professional Services that occurred from October 1, 2003 through July 31, 2005. Source documentation was obtained from Purchasing and Accounts Payable. Original records as well as copies were used as evidence and verified through physical examination.

## **STATEMENT OF METHODOLOGY**

The sample size and selection were statistically generated using a desired confidence level of 90%, expected error rate of 10% and a desired precision of +/- 10%. Statistical sampling was used in order to infer the conclusions of test work performed on a sample to the population from which it was drawn and to obtain estimates of sampling error involved. When appropriate, judgmental sampling was used to improve the overall efficiency of the audit.

To achieve the audit's objectives, reliance was placed on computer-processed data contained in the City's financial system. The City's financial system was previously determined to be reliable and no additional work was necessary. Based on these assessments and tests, we concluded the data was sufficiently reliable to be used in meeting the audit's objectives.

## **STATEMENT OF AUDITING STANDARDS**

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and conclusions regarding the organization, program, activity or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe that our audit provides a reasonable basis for our conclusions.

## **AUDIT CONCLUSIONS**

Based upon the test work performed we conclude that professional services received by the City were in compliance with established policies and procedures as well as the terms specified in the contract.