




ODIE DONALD II
CHIEF ADMINISTRATIVE OFFICER
CITY OF RICHMOND, VIRGINIA

DATE: Monday, July 21, 2025

TO: Chair Ellen Robertson, Vice Chair Nicole Jones, Member Stephanie Lynch,
Alternate Member Sarah Abubaker

FROM: Odie Donald II, Chief Administrative Officer 

SUBJECT: Current State of Purchasing Card Program

I. BACKGROUND

The Purchasing Card program, administered by the Department of Procurement Services (DPS), plays a critical role in the City's day-to-day operations, offering efficiency and flexibility for low-dollar purchases. As the original design of the program lacked the guardrails necessary to prevent misuse, a host of changes have been implemented to both immediately ensure proper use and provide interim guard rails to protect the integrity of program activities.

The City, is taking steps to perform a complete program overhaul, that includes implementing a citywide model of enterprise risk management. Under this model, the use of purchasing cards is governed by clearly defined roles and responsibilities, proactive oversight, and integrated systems that flag exceptions in real time. This model is supported by targeted staff training, strengthened internal controls, and standardized policies that promote accountability at every level.

Multiple recent audits across departments have highlighted common governance challenges—centered on the lack of appropriate internal controls related to both card users and approvers, policy gaps, and outdated or insufficient systems. Rather than treating each audit in isolation, the City, in line with Mayor Avula's seven pillars, is responding with a coordinated effort to address the underlying issues that put public trust and resources at risk.



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II. IMMEDIATE ACTIONS TAKEN

The City has taken a variety of steps to address issues that have been identified including, but not limited to:

- A. Interim Controls and Suspension of Non-Essential P-Card Activity
 - 1. Reduced active cardholders from 320 to 67 based on operational necessity.
 - 2. Suspended high-risk purchases including food, Amazon, and discretionary travel.
- B. Structural Reform
 - 1. Clear separation of duties across card issuance, approval, and reconciliation.
 - 2. Reassignment of approver responsibilities to eliminate conflicts of interest.
- C. Policy & Training Overhaul
 - 1. Updates of the City's travel policy and the development of a City discretionary spend policy, to provide an overarching governance for the P-Card policy.
 - 2. Mandatory training and certification for all cardholders and approvers.

III. NEXT STEPS

The reforms outlined in this memo represent more than a response to a recent audit finding—they signal a shift in the City of Richmond's governance culture. While immediate controls and process improvements are critical, the focus of the administration is to build a foundation of positive stewardship across all departments. The recurring issues identified in recent audits, namely a lack of internal controls, inconsistent oversight, and systemic policy gaps—underscore the need for comprehensive structural reform.

The redesigned Purchasing Card program reflects the commitment of the Avula administration to transparency and efficiency. A clear expectation that all participants strictly adhere to established rules and policies, and that violations of these standards will carry meaningful consequences, reinforcing that fiscal stewardship is not optional—but a fundamental responsibility of public service.

Over the next few weeks, the City will roll out an updated Purchasing Card policy, followed by a host of supportive plans, training and reforms. Additional details on these enhancements beyond the interim measures is forthcoming.