

County of Ventura
AUDITOR-CONTROLLER
MEMORANDUM

To: Honorable Gregory Totten, District Attorney

Date: April 10, 2013

From: Christine L. Cohen

Subject: MONITORING CONTROLS OVER VOYAGER FUEL CARD ISSUES FOR THE DISTRICT ATTORNEY'S OFFICE ARISING FROM THE AUDIT OF GENERAL SERVICES AGENCY FLEET SERVICES FUEL MANAGEMENT

We have completed limited audit procedures applied to the District Attorney's Office ("DA") to address the monitoring controls over Voyager fuel card issues that were noted during our audit of General Services Agency ("GSA") Fleet Services fuel management. The results of our limited audit procedures are summarized below.

BACKGROUND

To meet the operational needs of various County departments and agencies, GSA has contracted with Voyager Fleet Systems, Inc./US Bank ("Voyager") to provide fuel credit cards ("Voyager cards") for purchasing fuel at commercial fuel sites. Voyager cards may only be used to purchase fuel for County owned, leased, or rented vehicles and equipment, and are not to be used for purchases of food, beverages, or novelty or personal items. The Voyager card program is administered by GSA Fleet Services ("GSA Fleet"), and departments are responsible for monitoring and enforcing policies and procedures for fuel card assignment, use, and billing approval.

During fiscal year ("FY") 2010-11, over 400 Voyager cards had been distributed Countywide and over 95,000 gallons of fuel was purchased at commercial fuel sites at a cost to departments of approximately \$317,000. DA was in possession of 61 Voyager cards during October through December 2011, which ranked the second highest number of Voyager cards issued Countywide. DA Voyager charges totaled \$2,333 during FY 2010-11.

SCOPE

Although our overall audit objective was to evaluate GSA Fleet's fuel management process, we selected DA for additional limited audit procedures to evaluate monitoring controls over Voyager cards distributed to departments. The additional procedures included reviews of DA documentation of Voyager card activity during the 3-month billing period of October through December 2011 and discussions with DA staff.

The audit of GSA Fleet's fuel management was performed in conformance with the *International Standards for the Professional Practice of Internal Auditing* promulgated by The Institute of Internal Auditors. For our GSA audit, we used documents and records for the period June 2010 through September 2012.

FINDINGS

Overall, we found that DA implemented satisfactory monitoring controls over Voyager cards. We verified that DA properly tracked and safeguarded Voyager cards, and conducted reconciliations of receipts to Voyager charges on the monthly bill. We also confirmed that DA employees who were assigned Voyager cards signed an acknowledgement form summarizing employee responsibilities.

However, we noted areas that needed to be addressed by DA to improve accountability of Voyager cards. Following are details of the areas where improvements were needed. DA management initiated corrective action as noted.

1. **Receipt Documentation.** Although not a formal requirement of the County gasoline credit card policy, DA Voyager card transactions were not always supported with receipts to confirm validity of the charges on the monthly bill. Our review of 15 DA transactions during the October through December 2011 billing period disclosed that 5 (33%) were not supported with receipts although DA employees were informally instructed to turn in receipts. One of the five purchases was for unleaded plus fuel, and four were for unleaded regular fuel. Requiring receipts for potentially unallowable purchases (e.g., premium or super fuel) allows the department to follow-up timely with employees to determine the appropriateness of the charges.

Management Action. DA management stated: "The District Attorney's Office has been in compliance with county policy regarding the use of Voyager cards, which does not require receipts to verify purchases. Prior to this review, each departmental staff assigned a gasoline credit card was provided with, and required to sign, a Fuel Card Agreement and a copy of the 'Gasoline Credit Card Policy' as described in Chapter VII(A)-3 of the County's Administrative Policy Manual. These materials were provided to the County Auditor staff that conducted the present review. In an effort to improve upon these materials and address gaps in these policies as identified by Auditor staff, the department has subsequently developed its own more detailed written policy enhancing the County's Administrative Policy Manual section on this topic. This new policy specifically requires staff to document Voyager card transactions with receipts to confirm validity of the charges on the monthly bill. The new policy will be issued to every cardholder to provide additional guidance on cardholder responsibilities and protocols for reconciliation of credit card receipts."

2. **Continuing Need.** DA needed to evaluate the continuing need for Voyager cards to ensure that business needs justify the quantity of cards assigned to the department. During the October through December 2011 billing period, DA staff utilized 6 (10%) of the department's 61 total Voyager cards, and 10 (16%) others were held by the card custodian in case of a County emergency. Departments were allowed to request any number of Voyager cards provided that a sufficient business need supported the request as approved by GSA Fleet. However, as only 16 (26%) of the 61 cards were needed during the 3-month period reviewed, holding more Voyager cards than needed increases County liability risk if the cards are lost, stolen, or misused.

Management Action. DA management stated:

“Although the department’s possession of gasoline credit cards ranks second highest in the County, the department’s actual use of those cards is at the opposite extreme accounting for only \$2,333 out of \$317,000 in County gasoline credit card charges made during the review period. Such low card use confirms our employees’ diligence in using county refueling stations rather than commercial filling stations whenever practicable.

“Of the 45 Voyager cards issued to department personnel, 43 are issued to Bureau of Investigations staff who are each assigned county vehicles and who routinely conduct investigations, serve search and arrest warrants and conduct other in-field criminal justice operations. The continued issuance of gasoline credit cards to these individuals is necessary to ensure that field operations are not interrupted or compromised.

“Of the 16 remaining un-issued cards, it is prudent that 10 cards be held by the card custodian for temporary assignment to employees traveling on county business or in case of a County emergency. The remaining 6 cards can appropriately be discontinued as reductions to the department’s workforce over the preceding years of fiscal crisis have decreased the need for these additional cards.”

AUDITOR’S EVALUATION OF MANAGEMENT ACTION

We believe that management actions taken or planned were responsive to the findings. Management planned to complete corrective actions by March 1, 2013.

We appreciate the cooperation and assistance extended by you and your staff during our performance of these limited audit procedures.

cc: Honorable Peter C. Foy, Chair, Board of Supervisors
Honorable Steve Bennett, Vice Chair, Board of Supervisors
Honorable Linda Parks, Board of Supervisors
Honorable Kathy I. Long, Board of Supervisors
Honorable John C. Zaragoza, Board of Supervisors
Michael Powers, County Executive Officer
Paul Grossgold, Director, GSA