

County of Ventura
AUDITOR-CONTROLLER
MEMORANDUM

To: Jeff Pratt, Director, Public Works Agency

Date: April 10, 2013

From: Christine L. Cohen 

Subject: MONITORING CONTROLS OVER VOYAGER FUEL CARD ISSUES FOR THE PUBLIC WORKS AGENCY ARISING FROM THE AUDIT OF GENERAL SERVICES AGENCY FLEET SERVICES FUEL MANAGEMENT

We have completed limited audit procedures applied to the Public Works Agency ("PWA") 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. PWA was in possession of 20 Voyager cards during October through December 2011, which ranked the third highest number of Voyager cards issued Countywide. PWA Voyager charges totaled \$2,730 during FY 2010-11.

SCOPE

Although our overall audit objective was to evaluate GSA Fleet's fuel management process, we selected PWA for additional limited audit procedures to evaluate monitoring controls over Voyager cards distributed to departments. The additional procedures included reviews of PWA documentation of Voyager card activity during the 3-month billing period of October through December 2011 and discussions with PWA 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 PWA implemented satisfactory monitoring controls over Voyager cards. We confirmed that PWA had created a formalized policy specifically for Voyager cards and tracked cards assigned to employees. We also verified that PWA conducted reconciliations of transaction logs and receipts to Voyager charges on the monthly bill.

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

1. **Receipt Documentation.** Voyager card transactions were not always supported with receipts, in nonconformance with PWA's Voyager policy that stated "receipts must be retained for all purchases." Our review of 15 PWA transactions during the October through December 2011 billing period disclosed that 3 (20%) were not supported with receipts. One of the three purchases was under the category of "food", one was for unleaded supreme fuel, and one was for unleaded regular fuel. Although for other transactions we tested, purchases categorized as "food" were actually for valid car washes, we could not confirm this for the "food" purchase associated with the missing receipt. Receipts provide an effective reconciliation tool for the department to ensure that the transaction was valid and appropriate.

Management Action. PWA management stated: "All cardholders and PWA Fiscal staff are aware of the requirement that a transmittal log and receipts are required for all Voyager Credit Card purchases. We do not anticipate any further problems in this area. However, should a receipt not be received in the future, a memo or email (with the procedure attached) will be sent to the employee/department as a reminder to comply with the standard, highlighting the need to submit the required receipt(s). Fiscal staff will follow up with the employee if the receipt is not received within three (3) business days of the memo or email."

2. **Continuing Need.** PWA 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, PWA staff utilized 5 (25%) out of the department's 20 total Voyager cards, and 3 (15%) others were maintained 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 8 (40%) of the 20 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. PWA management stated: "Based on a review of the Agency's business needs, the following credit cards will be returned to GSA for cancellation: 1418, 1422, 1423, 1424, 1425, 1427, and 1555. Card number 1613, which is still with GSA, will be included with our request for cancellation. PWA will continue to monitor the need for the remaining cards."

3. **Employee Acknowledgments.** PWA could strengthen accountability over Voyager cards assigned to employees by requiring that employees sign a formal acknowledgment summarizing employee

responsibilities. According to PWA's Voyager card policy, "each employee assigned a (Voyager) card will sign for the card..." However, employee signatures were only obtained based on our inquiry of management and were not obtained when the employee was originally assigned a Voyager card. Beyond simply obtaining signatures for each card, an acknowledgment is an effective means of ensuring that employees are made aware of Voyager card requirements and acceptable use.

Management Action. PWA management stated:

"Voyager Credit Card procedures can be found on the PWA intranet website (<http://vcpwa/index.php/all-downloads/manuals/category/32-pwa-standards-manual>) Section 6.4 - Voyager Fuel Cards. Employees have been made aware of the PWA standard and are expected to adhere to the policy. However, an additional requirement will be added to include the following:

"At the time a Voyager Credit Card is assigned, the employee will sign an acknowledgement that he/she has read and understands the Voyager Fuel Card policy and procedures and agrees to adhere to the policy and procedures."

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 July 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