

County of Ventura
AUDITOR-CONTROLLER
MEMORANDUM

To: Paul Grossgold, Director, General Services Agency

Date: April 10, 2013

From: Christine L. Cohen 

Subject: AUDIT OF GENERAL SERVICES AGENCY FLEET SERVICES FUEL MANAGEMENT

We have completed our audit of General Services Agency ("GSA") Fleet Services fuel management. Our overall audit objective was to evaluate the GSA Fleet Services ("GSA Fleet") fuel management process for efficiency and effectiveness. The audit included review of internal controls over: 1) County fuel keys for dispensing fuel at County-operated fuel sites; and 2) Voyager fuel credit cards ("Voyager cards") for purchasing fuel at commercial fuel sites. The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* promulgated by The Institute of Internal Auditors. Our findings are summarized below with details provided in the attached report.

EXECUTIVE SUMMARY

Overall, we found that GSA Fleet's fuel management process was generally efficient and effective to facilitate the fuel needs of County departments. Specifically, our audit confirmed that fuel keys and Voyager cards were assigned to current County employees and in-service vehicles. We also confirmed that operation of County fuel sites provided a cost savings to the County, and that fuel deliveries and disbursements were accounted for accurately. We noted that GSA provided timely bills to departments and conducted thorough reviews of fuel activity reports to ensure proper charges to departments.

Voyager fuel excise tax exemptions were accurately applied, Countywide Voyager card activity trends appeared reasonable, and the types of purchases made using Voyager cards were appropriate. Further, GSA initiated a pilot program to test whether requiring an employee identification number as the Voyager card PIN (i.e., personal identification number) would better track fuel activity by employee.

However, we noted that GSA Fleet fuel management processes could be improved by:

- Providing more detailed and user-friendly billing statements to departments to further aid in identifying and preventing potential fraud.
- Conducting additional analyses of fuel activity given GSA's purview of Countywide fuel activity.
- Modifying existing County policy for gasoline credit cards to strengthen procedures Countywide.
- Communicating to departments about the cost savings of using County fuel sites whenever practicable.

- Documenting the request/approval process when Voyager card limits are increased and performing periodic reviews of continuing departmental needs for card limit increases.
- Formalizing the process for canceling Voyager cards to help avoid any inappropriate charges.

GSA management initiated corrective action to address our findings. Corrective action is planned to be completed by June 30, 2014.

We also noted matters concerning monitoring controls over Voyager cards that were addressed in separate reports to the three departments selected for additional limited audit procedures: 1) District Attorney ("DA"); 2) Public Works Agency ("PWA"); and 3) Sheriff. Potential improvements included:

- Conducting transactional analyses of Voyager fuel charges consistently throughout the organization. (Sheriff)
- Ensuring that employees submit receipts to facilitate thorough reconciliations of Voyager fuel charges. (DA, PWA, Sheriff)
- Evaluating whether the number of Voyager cards assigned to the department was appropriate. (DA, PWA, Sheriff)
- Requiring signed acknowledgments from employees who were assigned Voyager cards. (PWA)

We appreciate the cooperation and assistance extended by you and your staff during this audit.

Attachment

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
Honorable Gregory Totten, District Attorney
Jeff Pratt, Director, Public Works Agency
Honorable Geoff Dean, Sheriff

County of Ventura
Office of the Auditor-Controller



**AUDIT OF GENERAL SERVICES AGENCY FLEET SERVICES
FUEL MANAGEMENT**

April 10, 2013

**Christine L. Cohen
Auditor-Controller**

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FUEL MANAGEMENT**

TABLE OF CONTENTS

	Page
Background.....	1
Scope.....	1
Findings	2
1. Program Oversight.....	3
A. Billing Statement Improvements.....	3
B. Additional Fuel Activity Analysis	5
C. County Gasoline Credit Card Policy	5
2. Use of County Fuel Sites	6
3. Voyager Cards.....	7
A. Card Limit Increases	7
i. Documentation of Limit Increases.....	7
ii. Evaluation of Limit Increases	9
B. Card Cancelations.....	9
Auditor's Evaluation of Management Action	10
Additional Limited Audit Procedures	10

AUDIT OF GENERAL SERVICES AGENCY FLEET SERVICES FUEL MANAGEMENT

BACKGROUND

To meet the operational needs of various County departments and agencies, General Services Agency ("GSA") Fleet Services provides gasoline and diesel fuel dispensing at seven County-operated fuel sites.¹ GSA Fleet Services ("GSA Fleet") distributes fuel keys for assigned County vehicles to dispense fuel at these sites. Fuel disbursement activity is captured in the TRAK fuel management system and reported to departments by GSA. Departments are responsible for monitoring activity to ensure that charges are necessary and proper. GSA estimated that over 1,860 fuel keys were in use during fiscal year ("FY") 2010-11.

The County has also contracted with Voyager Fleet Systems, Inc./US Bank ("Voyager") to provide fuel credit cards ("Voyager cards") for purchasing fuel at commercial fuel sites for County owned, leased, or rented vehicles or equipment. Voyager cards are not to be used for purchases of food, beverages, or novelty or personal items. The Voyager card program is administered by GSA Fleet, and departments are responsible for monitoring and enforcing policies and procedures for Voyager card assignment, use, and billing approval. During FY 2010-11, departments were in possession of over 400 Voyager cards.

TRAK and Voyager data are transferred to the GSA Fleet billing database system for invoicing to departments. Approximate volume and costs of fuel obtained at County fuel sites using fuel keys and at commercial fuel sites using Voyager cards for FY 2010-11 were as follows:

- Over 1 million gallons of fuel was dispensed at County fuel sites at a cost to departments of approximately \$3.4 million.² This included a GSA markup of \$0.20 per gallon to cover overhead costs of approximately \$255,000.
- Over 95,000 gallons of fuel was purchased at commercial fuel sites at a cost to departments of approximately \$317,000.³ This included a GSA markup of \$0.03 per gallon to cover overhead costs of approximately \$2,600.

SCOPE

Our overall audit objective was to evaluate GSA Fleet's fuel management process for efficiency and effectiveness. Specifically, we:

- evaluated the adequacy of GSA Fleet's oversight for administering County fuel keys and Voyager cards (i.e., issuance, deactivation, etc.);
- determined whether fuel key disbursements and Voyager card purchases were appropriate; and
- determined whether GSA's processes for tracking and billing fuel activity were adequate.

¹ The Fire and Harbor departments also dispense fuel from separate fueling facilities for the respective departments' use, which were not included in the scope of this audit.

² For County pumps, the monthly price per unleaded gallon billed to departments ranged from \$2.76 to \$3.89.

³ For commercial pumps, the monthly average price per unleaded gallon billed to departments ranged from \$2.88 to \$4.11.

We also evaluated monitoring controls over Voyager cards distributed to departments. We selected three County departments for limited audit tests and evaluations as follows: 1) District Attorney ("DA"); 2) Public Works Agency ("PWA"); and 3) Sheriff. Each of these departments either purchased a significant quantity of fuel during FY 2010-11 using Voyager cards and/or had been issued a significant number of Voyager cards.

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

FINDINGS

Overall, we found that GSA Fleet's fuel management process operated efficiently and effectively to facilitate the fuel needs of County departments. We noted that GSA provided timely bills to departments and that departmental fuel charges were properly reflected in the Ventura County Financial Management System ("VCFMS"). GSA conducted thorough reviews of fuel activity reports to ensure that amounts charged to departments were accurate and complete.

We also concluded that operation of County fuel sites benefited the County during FY 2010-11 due to lower cost than using Voyager cards at commercial fuel sites, averaging \$0.13 per gallon lower, and other operational benefits. GSA monitored financial cost/benefit on a monthly basis. Fuel deliveries at County fuel sites appeared to be accounted for and billed properly as fuel tank readings reasonably tied to invoices. GSA reported that manual operation of County pumps was not allowed such that County pumps could only be activated with a fuel key.

Our audit samples disclosed that fuel keys were tied to in-service vehicles and current County employees, and that fill-ups at County pumps did not exceed the tank size of the County vehicle. Multiple fueling transactions occurring within a 1-hour period were reasonably explained by departments. Our audit samples also disclosed that fuel keys were deactivated in a timely manner upon sale of the vehicle.

Fuel excise tax exemptions for commercial Voyager card purchases were accurately credited to the County, averaging \$1,400 per month (or approximately \$0.20 per gallon) for the 3-month period reviewed. GSA Fleet implemented effective centralized procedures for issuing and deactivating Voyager cards for elected officials and department heads with assigned County vehicles. GSA also initiated a pilot program to test whether requiring an employee identification number as the Voyager card PIN (i.e., personal identification number) would improve tracking of fuel activity by employee.

Voyager card activity appeared reasonable in that we found no indication that Countywide Voyager card activity increased as retail unleaded fuel prices rose over a 2-year period. Our audit samples disclosed that departmental requests for Voyager cards were made in writing to GSA Fleet, cards were assigned to current County employees, and the types of purchases appeared to be appropriate.

However, our audit disclosed areas where the fuel management process could be improved. Specifically, more detailed and user-friendly billing statements were needed to aid departments in identifying and preventing potential fraud. GSA could take more proactive measures as the fuel program administrator in conducting additional fuel analyses and revising the current County policy for gasoline credit cards to better

reflect Countywide expectations. GSA could also enhance communication with departments regarding the potential cost savings in using County fuel sites rather than commercial sites whenever practical. Further, formalizing processes to increase Voyager card spending limits and to cancel Voyager cards would improve accountability.

Following are details of the areas where improvements were needed. GSA management initiated corrective action during the audit as noted.

1. **Program Oversight.** Opportunities were available for GSA, as the fuel program administrator, to provide additional resources to departments and to enhance program oversight for facilitating proper fuel management. Specifically, improvements could be made to include more detail in monthly departmental billing statements and to conduct various analyses given GSA's Countywide purview of fuel activity. Improvements could further be made by modifying the existing County gasoline credit card policy to better reflect expectations and strengthen internal controls.

- A. **Billing Statement Improvements.** GSA's fuel billing statements could be improved to facilitate more thorough departmental reviews and help detect fraud by providing additional details for Voyager and County fuel activity. Billing statements are currently provided to departments in both PDF (i.e., Portable Document Format) and Excel, and include the following fields:

- 1) Service type, whether County pump fuel, Voyager card fuel (including grade of fuel), food, miscellaneous, etc.
- 2) Transaction date.
- 3) Reference code, which identifies the Voyager card number where applicable.
- 4) Description, including the County vehicle number or, again, the Voyager card number, number of gallons, and city of purchase for Voyager card transactions.
- 5) Amount charged to the department for each transaction, including the GSA markup.
- 6) ID, which identifies the transaction identification number in VCFMS for each service type total.

Reporting additional details that are currently available to GSA can further assist departments in identifying questionable activity, such as:

- Time of transaction, which can identify activity occurring outside of normal work hours.
- Physical address for Voyager transactions, which can identify commercial fueling activity in close proximity to a County fuel site.
- Odometer readings, which are currently entered when fueling at County pumps, but used only by GSA Fleet to track mileage for vehicle preventive maintenance purposes. Odometer readings can be used by departments to compare the reasonableness of mileage between fill-ups to the number of gallons dispensed.

We recognize that departments can request additional information from GSA as needed. However, without making this data readily available within the bills, departments may limit reviews to such a high level that will not readily help to identify potential fraud.

Management Action. GSA management stated:

"GSA Management agrees that additional information may be useful to the departments, however the GSA billing system is limited on the space available for such information. It is likely that meaningful reports will need to be created outside of the billing system and distributed to the departments.

"Currently GSA uses approximately five (5) computer programs and databases to gather data necessary for fleet billing. GSA is in the process of switching to a new Fleet Management system (AssetWorks) that will, among other things, consolidate certain data and streamline the billing process.

"AssetWorks is expected to 'go live' by July 1, 2013, and at this point we do not know what the reporting capabilities will be. We do know that using the existing systems to attempt to create reports for fuel distributed at the County pumps would be very difficult and time consuming. Therefore, GSA would suggest that reports related to fuel distributed from County pumps be created using AssetWorks and distributed to departments by the end of FY 2013-14, after we have had time to fully implement the system and understand its reporting capabilities.

"Users fueling at a County pump are required to enter the odometer reading. We have found that this is not a reliable source to gauge periodic maintenance or to compare mileage between fill-ups, and lacking GPS technology in our fleet, we rely on the department liaison to enter mileage on a monthly basis. The Fleet Manager will restate the importance of accurate odometer readings to the department liaisons so that meaningful reports for fuel distributed at County pumps may be created in the future.

"The Voyager system accumulates data related to purchases of fuel from non-County pumps. Although data from Voyager will feed into AssetWorks, the Voyager system itself is not changing. Because Voyager cards are assigned to individuals and not vehicles, and are used by the individuals on multiple vehicles, odometer readings for Voyager cards cannot be tied to a specific vehicle. GSA staff has, however, investigated the reporting capabilities of Voyager and has determined that we are able to provide information related to the time and physical address of the transaction (physical address was previously thought to be impossible). GSA Fiscal will endeavor to create meaningful reports including, but not limited to, these recommended data points, on a quarterly basis. These reports will be distributed to the department liaisons in an Excel format allowing them to perform additional analysis. The initial reports related to Voyager purchases will be prepared for the period April through June 2013 and will be provided to the departments by August 30, 2013. Quarterly Voyager reports will be provided on an ongoing basis within 45 days after the close of each quarter. GSA will consider feedback from the departments and will modify reports to meet their needs to the extent such requests are reasonable in comparison to the added time to create/modify such reports.

"In addition, new features for online access to Voyager data is becoming available that will allow the Fleet Manager to provide access to users (e.g. department liaisons) restricted to their particular budget units. This will allow users real time access to data. The Fleet Manager will work with the department liaisons to establish online access by the end of July 2013.

"Once AssetWorks has been implemented, users will have access to their data after each monthly billing cycle is closed. GSA will endeavor to have online access to the AssetWorks database for authorized users by the end of FY 2013-14.

"GSA Fiscal is committed to addressing the Auditor-Controller's findings and meeting the needs of the departments in the most efficient and timely manner possible.

"Finally, the Auditor-Controller cited several benefits related to the County fuel sites. An additional benefit worth noting is access to fuel in a natural disaster or other emergency."

- B. **Additional Fuel Activity Analysis.** GSA could provide additional meaningful fuel analysis that can be used to alert departments and GSA of potential "red flag" activity. As noted in the previous finding, departments were provided with limited fuel usage details, thereby inhibiting a thorough review of fuel activity. GSA could, for example, conduct various trend analyses showing Voyager spending per card, or comparing retail fuel prices versus volume of fuel obtained on a monthly basis. Increased analysis of fuel activity can be beneficial both for user departments and GSA to provide additional assurance that the Voyager card program is operating efficiently and effectively.

Management Action. GSA management stated: "GSA Management agrees that additional analysis may be useful to identify 'red flag' activity. GSA Fiscal will prepare quarterly reports showing Voyager spending by card, as well as a quarterly comparison of fuel prices and fuel volume. These reports will be distributed to the department liaisons in an Excel format allowing them to perform additional analysis. The initial reports related to Voyager purchases will be prepared for the period April through June 2013 and will be provided to the departments by August 30, 2013. Quarterly reports will be provided on an ongoing basis within 45 days after the close of each quarter. Fuel volume distributed at County pumps (monitored in AssetWorks) will be incorporated into the fuel price and volume analysis as soon as practical, but no later than the end of FY 2013-14. GSA will consider feedback from the departments and will modify reports to meet their needs to the extent such requests are reasonable in comparison to the added time to create/modify such reports."

- C. **County Gasoline Credit Card Policy.** Revisions appeared to be necessary to the County Administrative Policy No. Chapter VII(A)-2, *Gasoline Credit Cards*, based on our limited audit procedures of DA, PWA, and Sheriff. Specifically, departments would benefit from additional guidance regarding premium fueling exceptions, receipt requirements, and an annual employee acknowledgment template. Also, GSA could require annual assertions from department heads that the quantity of Voyager cards assigned to the department was necessary based on operational needs. Modifying the existing County Policy can ensure Countywide consistency with acceptable Voyager card practices.

Management Action. GSA management stated:

"GSA Management agrees that revisions to the County Administrative Policy No. Chapter VII(A)-2, *Gasoline Credit Cards*, are necessary with respect to the purchase of premium fuel and car washes and receipt requirements. The policy will be revised to provide for the limited purchase of premium fuel when such fuel is necessary for specialty equipment such as motorcycles, off road vehicles and chain saws. In addition, the policy will be revised to allow the use of Voyager credit

cards for the purchase of car washes in limited circumstances such as undercover vehicles that would jeopardize their mission if they were to use a County facility for the car wash, or for vehicles stationed in the east valley where it does not make economic sense to drive, for example, from Moorpark to Saticoy for the car wash (e.g. it would cost more in staff time and fuel charges to drive that distance, and back, for a 'free' car wash at a County facility than to pay for a car wash at a location near where the vehicle is stationed). The policy will also be revised to indicate that receipts should be maintained by the individuals and submitted to their respective liaison. The policy will be revised to address these issues. Revisions to the County Administrative Policy No. Chapter VII(A)-2, *Gasoline Credit Cards*, will be coordinated with the County Executive Office and have a targeted release date no later than July 2013.

"Currently, the Voyager cards are valid for a two (2) year period, and all cards are on the same two-year cycle. Every other year in May, prior to the expiration of the cards, the GSA Fleet Manager sends a memo to the department liaisons identifying the cards they are currently issued. The liaisons are required to acknowledge that they need the same number of cards, or alternatively to justify the need for additional cards or indicate that fewer cards are needed. The Fleet Manager maintains an inventory sheet by budget unit which is signed by the department liaison. During the two-year cycle, the department liaison can request additional cards as needed, or can return cards that are no longer needed based on the needs of their department. The two-year cycle appears to have appropriate controls. Management does not believe it is necessary to modify the procedure to an annual basis. Management will, however, require the department head to sign the inventory sheet by budget unit, along with the liaison, indicating that the quantity of cards assigned to the department is necessary based on their operational needs. This change will be implemented in the current cycle by June 30, 2013.

"In addition, when packages are provided to the department liaison every two years, GSA will use this opportunity to remind the liaisons the importance of following the County's Administrative Policies (e.g. Policy No. Chapter VII(A)-2, *Gasoline Credit Cards* and Policy No. Chapter III-1, *Assignment and Use of County Vehicles*, along with web links to the full policies) highlighting the importance of using County pumps whenever practical in order to help save the County money, remind users that the Voyager cards are not to be used for purchases of food, beverages, or novelty or personal items, the importance of accurately entering the odometer readings, and remind the departments that it is their responsibility to review gasoline credit card charges in order to identify improper charges; and to obtain the necessary documentation from their employees in order to perform such reconciliations. GSA will implore the department liaisons to communicate this important information to their employees. This information will be distributed to the department liaisons by June 30, 2013, and every two years thereafter."

2. **Use of County Fuel Sites.** GSA could better inform Voyager card users that use of County fuel sites was a means to achieve potential cost savings. During October through December 2011, we determined that 158 commercial fuel purchases, totaling 2,243 (10%) gallons of the 23,187 commercial gallons purchased Countywide, were made within 3 miles of a County fuel site. GSA data indicated that the cost of using a County fuel site averaged \$0.13 less per gallon during FY 2010-11 than using a Voyager card at a commercial fuel site. Based on this information, the potential annual cost savings of using a County fuel site could exceed \$1,100. Improved communication by GSA could raise Voyager card users' awareness of the potential cost savings from using County fuel sites whenever practical.

Management Action. GSA management stated:

"GSA communicates potential savings of using County fuel sites whenever possible, including but not limited to the County Administrative Policy No. Chapter III-1, *Assignment and Use of County Vehicles*, in the GSA Vehicle Handbook found in the glove box of every vehicle, and on the GSA website.

"During FY 2010-11 (audit period) the Voyager fuel purchases (95,257 gallons) represented 8.3% of the total fuel purchased (1,148,873 gallons) by the County. During FY 2011-12 the Voyager fuel purchases (89,964 gallons) represented 7.4% of total County fuel purchases (1,219,209 gallons). The Voyager purchases decreased 5.6%, despite the total County fuel purchases increasing by 6.1%. GSA believes that the decrease in Voyager fuel purchases is due in part to the ongoing emphasis to purchase fuel at County sites whenever possible.

"GSA will continue to educate our customers about the cost savings that can be attained by using County fueling sites."

3. **Voyager Cards.** GSA could improve administration and oversight of the Voyager card program by formalizing processes for increasing card limits and for canceling cards.

A. **Card Limit Increases.** Attention was needed to document that increases in Voyager card limits were appropriate and authorized. Voyager cards are pre-set with default limits of three transactions per day and \$1,000 per month in fuel spending. Departments can request increases to the default limits as deemed appropriate and approved by the GSA Fleet Manager. Limits had been increased for 30 Voyager cards in use during FY 2010-11. According to GSA, requests and approvals were usually performed via e-mail or verbally with GSA Fleet without a later re-evaluation of card users' needs. Performing such evaluations and formalizing the request/approval process would provide better accountability over the process.

i. **Documentation of Limit Increases.** Sufficient documentation was not always available to support the request, rationale, and approval of Voyager card limit increases. Our review disclosed that spending limit increases for six (67%) out of nine Voyager cards with spending limits exceeding the default of \$1,000 per month were not supported by any request or approval documentation. Although GSA management stated that the GSA Fleet Manager regularly evaluated the need to increase limits to avoid cards being declined, particularly for emergency personnel, such rationale needed to be documented and communicated to the department. Creating and requiring a formalized request form, for instance, would provide documented evidence of limit increase requests and approvals, and can be useful in validating that departmental needs support the increases.

Management Action. GSA management stated:

"The primary user of the Voyager cards is Public Safety (Sheriff, Probation, DA), representing 89% of the gallons purchased at commercial sites during the audit period. GSA strives to meet the operational needs of all departments, but is particularly sensitive to the needs of Public Safety. Several years ago when the price of fuel was around \$2.00 per gallon, the \$1,000 default limit was sufficient for most users. However, as the price of fuel has increased over the last few years, more than doubling to over \$4.00 per gallon, the \$1,000 limit is quickly reached

for some high volume users like the Sheriff. For example, at \$4.00 per gallon, the \$1,000 limit is reached with only 250 gallons of fuel, which is quickly used by patrol vehicles.

"The Auditor-Controller identified 30 cards with limits set above the standard \$1,000 limit during the period under audit. GSA recognizes that some of the cards may have had limits above what was necessary for efficient operations. In response, the Fleet Manager has reduced the number of cards above the \$1,000 limit from 30 to 10 (one at \$1,500, three at \$2,000, four at \$2,500 and two at \$3,000). In addition, the Fleet Manager is utilizing new tools on the Voyager web site which allow him to actively monitor the balances and evaluate when increases are necessary.

"The Fleet Manager automatically receives a report when a Voyager card is at 70% of its limit. The Fleet Manager uses his experience and best judgment as to whether an increase is warranted, and if so, by how much. If the billing cycle is nearing its end, an increase may not be necessary. But, if there are still two weeks left on the billing cycle, then an increase is likely necessary. Even if there is a short period left on the billing cycle but it is heading into a weekend, it may be prudent to increase the limit to avoid an employee (such as a deputy) from having the card declined due to insufficient limit available on the card. The Fleet Manager takes other information into consideration, such as changing fuel prices, since in a period of rising fuel prices the limit may be reached more quickly than during a period of stable prices. In addition, some stations hold up to \$400 per swipe on a card before the transaction clears. This can quickly impact funds remaining for additional fuel purchases.

"The exceptions noted by the Auditor-Controller were primarily related to increasing limits related to the Sheriff's department. The Fleet Manager has determined that it is more important to increase the limit on the card in a timely manner so that the deputy will be able to obtain fuel over the weekend than to require the deputy to fill out paperwork, obtain department approvals and submit it to the Fleet Manager for review, all of which would create a substantial delay and inhibit the deputy from performing his/her essential job duties in a timely manner.

"If a liaison wants to increase the limit on a card, then they e-mail the Fleet Manager with the card number, the requested limit and the reason for the increase. The Fleet Manager evaluates the request and determines whether the increase is necessary. If approved, the Fleet Manager increases the limit in Voyager and responds by e-mail to the liaison. If the increase is not determined to be warranted, then the Fleet Manager responds to the liaison by e-mail that the information provided was insufficient to justify the increase.

"GSA notes that even when cards have increased limits above the normal \$1,000 per month, there are adequate limits in place to prevent fraudulent activity including \$100 per transaction limit and three (3) transactions per day.

"In addition, it is worth noting that Voyager fuel purchase represent less than 10% of the County's total fuel purchases.

"GSA believes that having fewer cards above the standard \$1,000 limit and actively monitoring the need for increases is appropriate."

- ii. **Evaluation of Limit Increases.** Periodic evaluations were needed to ensure that increases to Voyager card spending and transaction limits were appropriate based on current departmental needs. A review of nine Voyager cards with spending limits greater than \$1,000 disclosed that: one had a \$1,500 limit; six had a \$3,000 limit; and two had a \$5,000 limit. However, our review of activity for these cards during October through December 2011 disclosed that the average monthly spending was only approximately \$1,500 with none exceeding \$2,000. Excessive credit limits pose an increased potential liability to the County and require periodic review to ensure continued business need.

Management Action. GSA management stated:

"Over 400 Voyager cards were issued to departments during the audit period and 30 (less than 8%) had limits above the standard \$1,000. The Auditor sampled nine (9) of the 30 cards and compared the activity for a limited period from October through December and determined that none had monthly spending above \$2,000. Some of those cards had higher spending activity during other periods of the year necessitating the higher limits, for example during the summer months when the price of fuel is typically higher than in the fall (their sample period). Given the limitation of 3 transactions per day and \$100 per transaction, the additional credit limit is a mitigated risk. In addition, as noted above, the Fleet Manager has reduced the number of cards in excess of \$1,000 from 30 to 10, further reducing the County's risk. To date, no abuses have been seen that would indicate a change in procedure is warranted.

"In order to address the Auditor-Controller's finding, GSA will provide quarterly reports to the department liaisons that list the current credit limit for each card. To the extent possible, this information will be included on the reports identified under Management Response Items 1A (Billing Statement Improvements) and/or 1B (Additional Fuel Activity Analysis). These reports will be distributed to the department liaisons in an Excel format allowing them to perform additional analysis. The initial reports related to Voyager credit limits will be prepared for the period April through June 2013 and will be provided to the departments by August 30, 2013. Quarterly credit limit reports will be provided on an ongoing basis within 45 days after the close of each quarter. GSA will consider feedback from the departments and will modify reports to meet their needs to the extent such requests are reasonable in comparison to the added time to create/modify such reports."

- B. **Card Cancellations.** Improvements were needed to formally track Voyager card cancellation activity. Our testing of eight canceled Voyager cards disclosed that only two (25%) could be confirmed as canceled in a timely manner due to lack of documentation (i.e., a documented request by the department preceding cancellation in the Voyager system). Although our discussions with other County departments indicated that GSA Fleet was timely in canceling Voyager cards, formalizing the process would provide a tracking mechanism to ensure timely cancellation; otherwise, subsequent inappropriate Voyager charges could occur and go unnoticed by the requesting department.

Management Action. GSA management stated:

"The Auditor-Controller indicates that the Fleet Manager was timely in cancelling Voyager cards, but because there was no formal process in place, there were a few occasions where

documentation was not available to confirm the cancellation was timely communicated back to the department. The Fleet Manager noted that occasionally departments would bring in a stack of cards that were no longer needed. The Fleet Manager immediately cancelled those cards, making them immediately inactive, but did not necessarily confirm this to the departments.

"The Fleet Manager will now require an e-mail from departments listing the card numbers that they desire to be inactivated, prior to them delivering the cards to the Fleet Manager or shredding them. The Fleet Manager will immediately inactivate the cards and will reply back to the department by e-mail when that is completed, creating the requested paper trail. This process will begin immediately."

AUDITOR'S EVALUATION OF MANAGEMENT ACTION

We believe that management actions taken or planned were responsive to the audit findings. Management planned to complete corrective actions by June 30, 2014.

ADDITIONAL LIMITED AUDIT PROCEDURES

Our audit also disclosed matters regarding monitoring controls over Voyager cards that pertained to the DA, PWA, and Sheriff, which are presented to GSA management in this report for informational purposes only. Because these matters were not reflective of or contingent upon action taken by GSA, our concerns will be addressed to the individual departments in separate reports. Specifically during our evaluation of monitoring controls over Voyager cards distributed to these departments, we noted that:

1. **Transactional Analysis.** Improvements were needed to analyze individual Voyager card charges rather than only analyzing aggregate monthly amounts billed. (Sheriff)
2. **Receipt Documentation.** Receipts were not always required or provided by employees to confirm the validity of Voyager charges. (DA, PWA, Sheriff)
3. **Continuing Need.** Departments needed to evaluate whether the number of Voyager cards assigned to the department was appropriate and reflective of the business needs of the department. (DA, PWA, Sheriff)
4. **Employee Acknowledgements.** Signed acknowledgements of employee responsibilities were not always required to be obtained from employees who were assigned Voyager cards. (PWA)