



**Mecklenburg County
Department of Internal Audit**

Business Support Services Agency
Fuelman Gas Card Investigation Follow-Up Audit
Report 1467

February 25, 2014

**Internal Audit's
Mission**

Through open communication, professionalism, expertise and trust, Internal Audit assists executive management and the Audit Review Committee in accomplishing the Board's objectives by bringing a systematic and disciplined approach to evaluate the effectiveness of the County's risk management, control and governance processes in the delivery of services.

Internal Audit Contacts

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**Staff
Acknowledgements**

Crystal Turner, CDFM, Auditor-In-Charge

**Obtaining Copies of
Internal Audit Reports**

This report can be found in electronic format at
<http://charmeck.org/mecklenburg/county/audit/reports/pages/default.aspx>



MECKLENBURG COUNTY
Department of Internal Audit

To: Dena Diorio, County Manager
From: Joanne Whitmore, Director, Department of Internal Audit
Date: February 25, 2014
Subject: Fuelman Gas Card Investigation Follow-Up Audit Report 1467

The Department of Internal Audit has completed follow-up procedures on reported issues from the Fuelman Gas Card Investigation Report 1288 issued November 29, 2012. The objective of the follow-up review was to determine with reasonable but not absolute assurance whether management took effective and timely action on the issues presented in the audit report.

Internal Audit interviewed key personnel, observed operations, reviewed written policies and procedures and other documents, and tested specific transaction activity where applicable. Internal Audit conducted this audit in conformance with The Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.

RESULTS

As noted in the following **Follow-Up Results** section, there were two recommendations in the Fuelman Gas Card Investigation Report 1288. Internal Audit has determined the two recommendations were fully implemented.

The cooperation and assistance of the Business Support Services Agency–Business and Financial Management staff are recognized and appreciated.

c: Deputy County Manager
Assistant County Managers
Deputy County Attorney
Senior Associate Attorney
Board of County Commissioners
Audit Review Committee
Director, Business Support Services Agency

Follow-Up Results
Fuelman Gas Card Investigation Report 1288

- **Fully Implemented** – The audit issue has been adequately addressed by implementing the original or alternative corrective action (X).
- **Open/Partially Implemented** – The corrective action has been initiated but is not complete (P) or the audit issue has not been addressed but management fully intends to address the issue (O).
- **Not Implemented** – The audit issue has not been addressed and management has assumed the risk of not taking corrective action (NI).
- **Withdrawn** – The audit issue no longer exist because of changes in the auditee’s operation (W).

Issue	Risk Observation	Recommendation	Corrective Action Taken			
			Fully Implemented	Open/Partially Implemented	Not Implemented	Withdrawn
1	<p>While a BSSA-BFM staff has a process to review the Fuelman vendor exception report and send liaisons violation memos that require their research and formal response, there is no formally documented policy and procedure. Further, there is no formally documented policy and procedures for liaisons to follow to ensure a consistent reconciliation and oversight process.</p> <p>Formally documented policies and procedures, however, are important control activities to help ensure management’s directives are carried out while mitigating risks that may prevent the organization from achieving its objectives. Policy provides principles to guide decisions and procedures establish and define employees’ roles and responsibilities. Policies and procedures include a range of activities, such as approval, authorization, verifications, reconciliations, operational reviews, asset security and separation of duties.</p>	<p>Internal Audit recommends BSSA-BFM establish and implement a consistent, formally documented procedure for Fuelman gas card oversight. The policies and procedures should include, at a minimum:</p> <ul style="list-style-type: none"> • Liaison and BSSA-BFM Fuelman billing reconciliation process • Liaison and BSSA-BFM staff exception report review and response process • Liaison and BSSA-BFM roles and responsibilities • Liaison and BSSA-BFM use of Fuelman vendor website for research and oversight • Fuelman gas card user and oversight staff initial and ongoing training requirements • Fuelman gas card policies and procedures review and update requirements 	X			
2	Because some departments like the Sheriff’s Office or the Department of	Internal Audit recommends BSSA-BFM work with the Fuelman gas card vendor	X			

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Issue	Risk Observation	Recommendation	Corrective Action Taken			
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	Social Services have staff that needs to fuel vehicles after normal business hours and/or on weekend, BSSA-BFM had not requested Fuelman vendor exception analysis for after-hour and weekend usage. Nor does the vendor look for low miles per gallon, which could be another indicator the Fuelman gas card is being used to purchase fuel for other than the assigned County vehicle. While the recent misuse was initially identified based on odometer anomalies, after-hour and weekend usage and low miles per gallon analysis could provide additional information for gas card oversight.	to expand its exception report activities to include after hours and weekend usage where practical. Management should also consider including low miles per gallon in the vendor’s analysis. To facilitate reporting and response, BSSA-BFM may also want to consider using its SharePoint site to distribute exception reports, as well as receive and maintain liaison responses.				