

**PURCHASING DEPARTMENT
GASOLINE CREDIT CARDS
AUDIT 22-04
AUGUST 8, 2022**



City of Tampa

Jane Castor, Mayor

Internal Audit Department

315 E. Kennedy Boulevard
Tampa, Florida 33602
Office (813) 274-7159

August 8, 2022

Honorable Jane Castor
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: Purchasing – Gasoline Credit Cards, Audit 22-04

Dear Mayor Castor:

Attached is the Internal Audit Department's report on Purchasing – Gasoline Credit Cards.

We thank the management and staff of the Purchasing Department for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover
Internal Audit Director

cc: John Bennett, Chief of Staff
Gina Grimes, City Attorney
Dennis Rogero, Chief Financial Officer
Gregory Spearman, Purchasing Director
Deanna Faggart, Purchasing System Manager
Penny Hammock, Fuel Card Administrator
Carl Brody, Assistant City Attorney

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/s/ Matt Talbot

Senior Auditor

/s/ Christine Glover

Audit Director

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BACKGROUND

The City of Tampa (City) purchases gasoline procurement card services as an agent under a Master Agreement between the State of Florida's Department of Management Services and WEX Bank. The Purchasing Department administers the fuel card program and maintains the Fuel Card Policy.

Tampa Police Department (TPD) and Water Distribution make up the vast majority of approximately 1,700 total fuel cards. Use of fuel cards is restricted to official City business and during a state of emergency. WEX cards can be used at 95% of fuel stations nationwide and serve as an additional resource for fueling City vehicles.

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY 2022 Audit Agenda. The objectives of this audit were to ensure that:

1. The system of internal controls related to fuel card administration is adequate.
2. Monthly reconciliations and corresponding requisitions comply with the requirements of the Fuel Card Policy.
3. Card authorizations and training acknowledgements comply with the requirements of the Fuel Card Policy.
4. Fuel Card Cancellation Forms are on file, approved by the department reconciler, and completed in a timely manner.
5. Fleet inventory is complete, in that it contains, and is monitoring all active vehicles in WEX database inventory.

STATEMENT OF SCOPE

Our audit covered fuel card activities between January 2021 and May 2022 including cardholder transactional data, administrative files, department level fuel card records, and WEX vehicle inventory. Tests were performed to determine whether the Purchasing Department personnel were fulfilling their stated duties and responsibilities in an effective and efficient manner. Original records as well as copies were used as evidence and verified through observation and physical examination.

STATEMENT OF METHODOLOGY

The Fuel Card Policy, departmental fuel card procedures, vendor contract, and applicable laws and regulations were reviewed to gain an understanding of the program and determine the adequacy of the internal control system. Comprehensive interviews and process walk-throughs were conducted with Purchasing to understand processes involved in program administration.

A recent external service audit report was obtained that affirms the data reliability and operational effectiveness of the WEX online reporting system that was used in our audit testing. Fieldwork testing methodology included:

- Departmental reconciliation support was reviewed for appropriate approvals. Approval dates were compared to requisition creation dates to determine proper sequence.
- Card authorization and training acknowledgement forms were requested to review policy compliance.
- Card cancellation forms were obtained, compared to HR records for timeliness, and checked for appropriate approvals.
- Inventory completeness and monitoring effectiveness was determined by matching vehicle inventories between WEX and Fleet's FASTER system.
- Discussed with Purchasing Management and reviewed Tampa.gov, Intranet, and budget books for performance metrics related to the Gasoline Credit Card program. There are currently no relevant performance metrics for the Gasoline Credit Card program.

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT CONCLUSIONS

Based upon the work performed we conclude that:

1. The Fuel Card Program's system of internal control is adequate when functioning as designed.
2. Cardholder reconciliations and corresponding requisitions do not comply with the Fuel Card Policy.
3. Card authorizations and training acknowledgements do not comply with the requirements of the Fuel Card Policy.
4. Fuel card cancellations were on file, approved appropriately, and completed in a timely manner.
5. Fleet inventory is materially complete. It contains and monitors over 99% of all active vehicles in WEX inventory.

MONTHLY RECONCILIATIONS AND REQUISITIONS

STATEMENT OF CONDITION: Cardholder reconciliations and corresponding purchase requisitions are not completed in accordance with the “Monthly Reconciliation” schedule outlined in the Fuel Card Policy. Reconciliations are completed after purchase requisitions are submitted. TPD’s monthly requisitions are submitted without receipt of approved reconciliation support. Water Distribution obtains reconciliations, supporting the requisition amount, but do so after the monthly requisition has already been submitted.

CRITERIA: The Fuel Card Policy details that monthly cardholder reconciliations are completed and submitted, prompting the creation of a corresponding requisition. Best practice dictates confirmation of the accuracy of billing prior to payment being made.

CAUSE: Management has indicated that the volume of WEX cards prevents completion of all reconciliations prior to payment due date.

EFFECT OF CONDITION: WEX invoices are paid based on unreconciled, unapproved amounts. Any fraud or billing errors identified during subsequent reconciliation could result in vendor overpayment. The perceived importance of timely and complete cardholder reconciliation is undermined when it is not required as part of the payment process.

RECOMMENDATION 1: Management should review and assess policies and procedures related to WEX card reconciliations. If the existing policy is unrealistic and cannot be achieved, consideration should be given to modification and possible addition of other mitigating controls. If the policy is achievable, then procedures should be put in place to ensure adherence going forward.

MANAGEMENT RESPONSE: Management agrees with this finding. The policy was written when the program was first implemented and TPD was not utilizing the program. When TPD transitioned to the program the deadlines became unattainable due to volume. We will obtain feedback from the user departments and establish an achievable policy including procedures to ensure adherence.

TARGET IMPLEMENTATION DATE: January 1, 2023

CARDHOLDER AUTHORIZATION AND TRAINING ACKNOWLEDGEMENT

STATEMENT OF CONDITION: Prior to WEX card issuance, the Fuel Card Policy requires employees attend training and sign a Fuel Card Acknowledgement Form. A completed Fuel Card/WEX Access Authorization Request Form that includes Director approval is also required. Our review noted the following:

- Neither form is used by TPD. Training completion certificates are submitted by the Training Specialist and Director approval is not obtained as required.
- While Water currently follows the prescribed Fuel Card Policy, it failed to do so during the WEX onboarding process for prior Shell cardholders.

Our review did note that the semiannual card inventories do document Department Director approval; however, these are not intended as a substitute for authorized access requests.

CRITERIA: The Fuel Card Policy states the following:

- Fuel Card Authorization: “All requests for Fuel Cards must be approved by the employee’s Department Director then submitted to Fuel Card Administrator using Fuel Card/WEX Access Authorization Request form.”
- Training Acknowledgement: “Before a Fuel Card is issued, employees must attend a training class and must read and sign Fuel Card Acknowledgement form.”

CAUSE: The practice of not using required forms was adopted to expedite batch card requests.

EFFECT OF CONDITION: Controls established by the Fuel Card Policy are being circumvented, leaving the control ineffective.

RECOMMENDATION 2: Procedures should be put in place to ensure adherence to the established Fuel Card Policy or appropriate alternate procedures should be established to handle batch card requests.

MANAGEMENT RESPONSE: Every sworn Tampa Police Officer (approximately 1100) is issued a Fuel Card therefore we do not require the form to be completed. Officers complete training online and the Training Specialist informs the Card Administrator when they have successfully passed the training which triggers the card order.

In January 2017 Water Distribution moved to a new facility that did not offer adequate access to City Fuel and an Administrative directive was made to immediately issue WEX Fuel Cards to all Water Distribution employees responsible for driving City vehicles. A list of employees was provided by Water Distribution’s management and cards were issued for approximately 150 employees. It was not efficient to require a form be completed for each individual employee. The list was turned into a training sign in sheet and each employee attended training prior to receiving their card.

We are in agreement with the finding that an exception should be written into the procedure for situations where individual forms are not efficient. The Fuel Card Policy will be updated accordingly.

TARGET IMPLEMENTATION DATE: October 1, 2022