



**Mecklenburg County
Department of Internal Audit**

Asset and Facility Management
Fuelman Gas Card Program Follow-Up Audit
Report 2113

January 27, 2021

Internal Audit's Mission To support key stakeholders in cultivating an environment of accountability, transparency, and good governance.

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Staff Acknowledgements Eric Davis, CIA, CISA, CRMA, Auditor-in-Charge

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MECKLENBURG COUNTY
Department of Internal Audit

To: Dena Diorio, County Manager
County Manager's Office

From: Joanne Prakapas, Director
Department of Internal Audit

Date: January 27, 2021

Subject: Asset and Facility Management Fuelman Gas Card Program Follow-Up Audit Report 2113

The Department of Internal Audit completed a follow-up audit on reported issues from the Asset and Facility Management Fuelman Gas Card Program Report 1667 issued May 2, 2017. The follow-up audit objective was to determine with reasonable but not absolute assurance whether management took effective corrective action on the issues presented in the audit report.

Internal Audit staff interviewed key personnel; observed operations; reviewed written policies, procedures, and other documents; and tested specific transactions 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.

FOLLOW-UP SUMMARY

There were five recommendations in the Asset and Facility Management Fuelman Gas Card Program Report 1667. The following table provides the original number of recommendations and summarizes the follow-up audit results performed to date.

Fiscal Year	Audit Report	Implemented	Open	Not Implemented¹	Withdrawn	Total Carryforward
2017	1667 ²	N/A				5
2018	1823	1	4			4
2019	1918		4			4
2021	2113	2	2			2

¹ Management assuming risk for not taking corrective action

² Initial report

The attached **Follow-Up Results** matrix provides details for the most recent follow-up audit. Internal Audit will review any carryforward issues later to verify recommendations are fully implemented and working as intended.

The cooperation and assistance of the Asset and Facility Management staff are recognized and appreciated.

c: Deputy County Managers
County Attorney
Senior County Attorney
Board of County Commissioners
Audit Review Committee
Director, Asset and Facility Management

Follow-Up Results
Asset and Facility Management Fuelman Gas Card Program Report 1667

- **Implemented** – Audit issue has been adequately addressed by implementing the original or alternative corrective action plan (**I**)
- **Open** – Corrective action for audit issue initiated but not completed (**P**); Implemented but not operating as intended (**IO**); Not been addressed but management fully intends to address issue (**O**)
- **Not Implemented** – Audit issue not addressed and management has assumed the risk of not taking corrective action (**NI**)
- **Withdrawn** – Audit issue no longer exist due to operational changes (**W**)

				Implementation Status	
Risk Observation	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
1.2	<p>Internal Audit recommends management develop, regularly review, and follow up on routine exception reports to help detect anomalies or trends that are not compliant with the objectives and other requirements of the gas card program. Potential data analytics may include:</p> <ul style="list-style-type: none"> • Multiple fuel purchases per vehicle per day • After-hour purchases • Weekend purchases • Large quantity purchases • Non-gas related purchases • Duplicate transactions • Premium or diesel fuel purchases • Low odometer readings • Low miles per gallon • Large miscellaneous card purchases <p>We further recommend management follow up on anomalies identified during this audit and seek available resolution. Results of this follow-up and resolution should be documented.</p>	<p>AFM will work with Internal Audit and Fuelman on creating monthly exception reports for four of the ten most critical data analytics listed above (multiple fuel purchases per vehicle per day, large quantity purchases, duplicate transactions and large miscellaneous card purchases). AFM deems that these are critical in identifying potential misappropriation of fuel. All exceptions will be reviewed, and any exceptions deemed questionable will be forwarded to the proper fleet liaison for investigation and a follow up response. An Administrative Assistant III will review the exception reports and follow up, and their Supervisor will review exception reports monthly.</p> <p>AFM does not believe that monitoring of after-hour purchases, weekend purchases, low odometer reading and low miles per gallon are as beneficial to manage fuel risk, because there are numerous instances of these metrics with valid explanations, i.e., Park and Recreation and Youth and Family Services employees work regularly after hours and on weekends.</p> <p>AFM believes that non-gas related</p>	05/2017	I (2)	

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				Implementation Status	
Risk Observation	Recommendation	Management's Risk Mitigation Strategy	Original Implementation Date	Current Status	Comments
		purchases can only be car washes that an employee may have selected at the pump. This cannot be controlled because it is a service offered at the fuel pump and the system is unable to catch this. AFM has tested the use of fuel cards to make in store purchases and they were disallowed by the system.			
2.1	Internal Audit recommends management develop and implement processes for appropriate gas card program oversight to mitigate the risk resulting from the lack of separated duties.	AFM will have the supervisor review monthly exception reports developed based on management's response to recommendation 1.2 to ensure gas cards and PIN numbers are being handled appropriately. In addition, a monthly transaction report by employee has been requested from Fuelman.	05/2017	IO (2)	Internal Audit determined management's oversight activities did not include review of pool car transactions.