

DEPARTMENT OF REAL ESTATE AND ASSET MANAGEMENT
Fulton County Government Center

141 Pryor Street, SW
Suite G-119
Atlanta, Georgia 30303



Telephone: 404-612-5900

August 2, 2022

Anthony Nicks
Office of the County Auditor
141 Pryor Street, SW
Atlanta, GA 30303

RE: FUEL CARD AUDIT RESPONSE

Dear Mr. Nicks,

This letter serves as confirmation of the Department of Real Estate and Asset Management's receipt of findings and response to the audit performed by your office dated July 7, 2022.

Please note the following general items which will be critical for DREAM to implement and manage a successful program.

- DREAM will seek the necessary support and approval by County leadership to formalize the proposed policies submitted herein, to ensure effective and efficient program administration.
- A Standard Operating Procedure (SOP) draft has been developed that establishes clear protocols for DREAM's overall program administration. We are targeting September 2022 for implementation.
- DREAM will submit the draft SOP to Legal and Purchasing to ensure alignment to all preexisting ordinances and laws as the fuel card is in fact a County Purchasing card.
- If Board of Commissioners approval is required, DREAM will work with the County executive team to develop the appropriate request.

DREAM's audit responses are as follows:

FINDING 1 - LACK OF STANDARD OPERATING PROCEDURES

Auditor Recommendation

Management should develop departmental SOPs to reflect daily operations and efficient administration of fuel cards. Management should also ensure staff are informed of these procedures and the significance of adhering to the processes and procedures within.

DREAM Response

DREAM has developed a draft standard operating procedure (SOP) to correct the lack of a written formal process. We are targeting implementation for the month of *September 2022* once we have the necessary approvals from executive leadership, Purchasing, and the County Attorney's Office. Immediately upon approval, all relevant staff will be briefed and trained on the new SOP. To foster greater oversight, each user agency must identify a "Fuel Card Administrator" responsible for submitting all required documentation that includes the department/agency head signature.

FINDING 2 - LACK OF SEGREGATION OF DUTIES

Auditor Recommendation

We recommend segregating the duties surrounding the administration of fuel cards so no one individual is responsible for performing the tasks of authorizing or approving the fuel card, maintaining the custody of assets, performing recordkeeping, and conducting reconciliations of the program. We also recommend an increased level of management review to mitigate current risks.

DREAM Response

DREAM's new standard operating procedure includes the establishment of segregated duties related to fuel card user application approvals, receipt and ongoing storage of unissued fuel cards, monthly spending limit increases, and monthly policy compliance reviews. Once the program manager receives a new card request or a request to increase an individual card's monthly spending limit, it will be forwarded to the DREAM Fleet Administrator for an initial review and recommendation for approval/denial. Once the Fleet Administrator has reviewed the fuel card application/limit increase and use agreement, all applicable documents will be forwarded to the DREAM Director/Deputy Director for final approval/denial. Upon final approval, the fuel card program manager will proceed with the issuance of the new card/limit increase. Newly approved cardholders will receive their card from their departmental fuel card administrator.

Additionally, all newly received fuel cards and associated documentation will be jointly reviewed by both the fuel card program manager and DREAM's Fleet Administrator. The Fleet Administrator will produce a monthly report detailing the number of cards that have been received, activated, or deactivated due to potential misuse. This report will be forwarded to the DREAM Director as well as to the applicable department/agency heads.

FINDING 3 - INCONSISTENT ODOMETER READINGS

Auditor Recommendation

We recommend the department implement controls to effectively monitor fuel utilization, hold users and departments responsible for entering accurate odometer readings, and ensure proper record keeping of fuel usage within the County.

DREAM Response

DREAM acknowledges that there were inconsistent odometer readings due to 1) fuel cards being shared by multiple departmental employees, 2) employees using cards with multiple agency

vehicles due to agency programmatic challenges, and 3) certain retail gas stations not requiring the entry of a vehicle's mileage at the time of fueling. Unlike County fueling stations that have technology installed that confirms the County vehicle unit number, retail gas pumps are not equipped "read" the individual unit number of a County vehicle. To aid in correcting this matter, DREAM has inquired with WEX if there's an available programmatic resolution. If not, DREAM's SOP will advise ALL users that issued cards are to only be used for specific vehicles. The newly implemented monthly compliance review will readily reveal if a card was used to fuel more than one vehicle. If a card is found to have been used with more than one vehicle, that card will immediately be deactivated, and written notice of the deactivation will be sent to the agency/department head advising that the card in question was improperly used and can only be reactivated once written proof of counseling/disciplinary action is provided to the Fleet Administrator and DREAM Director. A second occurrence of this nature will result in permanent forfeiture of the card in question as well as the prohibition of any new cards to the user agency.

FINDING 4 – CARD USER APPLICATIONS AND AGREEMENTS NOT ON FILE

Auditor Recommendation

We recommend the department obtain completed and signed card user applications and agreements for all County personnel that encompass the guidelines for usage prior to issuance of a fuel card. Additionally, we recommend the implementation of an efficient process to ensure documentation is up to date, frequently reviewed by users and properly maintained.

DREAM Response

DREAM has substantially completed obtaining updated card user applications and agreements for all currently issued cards. Moving forward DREAM will ensure that all necessary documentation for card requests, monthly limit increases, usage reports, etc. are filed electronically in a network folder in addition to hard copies centrally maintained in the department for access by the Fleet Administrator, Deputy Director and Director of DREAM at any time. Files will also include any recommendations for action in cases of identified policy violations/abuse.

FINDING 5 – LACK OF TRAINING FOR CARD USERS

Auditor Recommendation

We recommend the department formulate suitable training for the purpose of informing and educating card users on the appropriate use of cards and departmental expectations. This training should be completed prior to the issuance of fuel cards.

DREAM Response

DREAM is developing a virtual training module for all agency heads, departmental card administrators, and users that covers all aspects of the new program. This virtual training module will be sent in PDF form to all user agency directors, agency card administrators, and individual training attendees as a reference. Virtual card user training will be conducted by DREAM each fiscal year in January. Additionally, any newly approved card request must be accompanied by a user attestation indicating that the user has either attended the annual training session and/or

received the PDF training manual with an overview conducted by the departmental/agency card administrator. A critical aspect of the training will be the conveyance of clear definitions of acceptable versus unacceptable card usage. The training module will also outline the repercussions for users/agencies that are found to be in violation of the established procedure. Repercussions may include, but are not limited to, deactivation of a fuel card, preclusion from future fuel card issuance, and potentially disciplinary action for “Theft” as defined by County policy. The training module will be presented to executive leadership along with the proposed SOP by September 2022.

FINDING 6 – INEFFICIENT COST SAVING MEASURES

Auditor Recommendation

We recommend the department implement measures to ensure County staff are properly informed of all County fuel station locations. We also recommend the department encourage users to utilize County fueling stations for maximum cost efficiency.

DREAM Response

DREAM will implement this recommendation by taking the following steps: 1) at the time of card issuance, a list of all County-owned fuel sites will be provided to the user agency card administrator, added to the individual use agreements for all new card holders, and referenced in the virtual training module; 2) as County-owned vehicles are brought in for service at DREAM’s maintenance facility, Fleet staff will place an informational card in the glove compartment that details all County-owned fueling stations and their respective addresses; 3) as new vehicles are purchased, the informational cards will be added to the insurance information that is already being provided prior to the vehicle being released for use to a user agency; 4) as part of DREAM’s monthly compliance review, all transactions that occur within a 10-mile radius of a County-owned fueling site will be flagged and reported to the department/agency head and the departmental fuel card administrator. A written justification for the use of nearby retail locations must be provided by the department/agency head. A second occurrence will result in the suspension of the card until the next scheduled annual training and a potential recommendation for disciplinary action according to County policy.

FINDING 7 – FUEL CARD CHARGES FOR EMPLOYEES NOT LISTED AS AUTHORIZED CARD USERS

Recommendation

The department should ensure all personnel assigned to fuel cards are approved by the proper authorities. In addition, each user should have a signed user agreement on file prior to the issuance of a fuel card. Adequate support for approval should be well documented and properly maintained.

DREAM Response

Programmatic challenges in user agencies resulted in fuel cards being shared with agency co-workers. The new SOP requires all agencies to be advised that ANY staff that may have a need for a fuel card MUST apply for a fuel card, submit a signed use agreement, and undergo annual

training prior to use. DREAM will explore the viability of limiting the number of fuel cards that can be assigned to a single agency, or defining which employees are eligible for the program. All County employees that use County-owned fuel sites are issued a fuel PIN that identifies the specific user. These PINs are also a required pump input when using a fuel card at a retail gas location. At the time of the audit, there was no inherent control in place that prevents a current PIN holder from using a 'borrowed' fuel card. Our Fleet Administrator is working with WEX to determine best practices to preclude card use by a PIN holder that has not been issued, or authorized to use, a WEX fuel card. The monthly compliance review will include this oversight gap as a focal point. Any card use by an unauthorized user will be reported to the department/agency head with subsequent occurrences potentially resulting in suspension of fuel card privileges and/or disciplinary action.

Finding 8 – INADEQUATE OVERSIGHT AND AUTHORITY FOR EFFICIENT PROGRAM ADMINISTRATION

Recommendation

We recommend the County reinforce the institutional structure surrounding the fuel card program to ensure adequate oversight and authority over the program. We also recommend the strengthening of internal controls to reduce the risk of potential fraud and abuse.

DREAM Response

DREAM will seek the review, approval, and authority from Senior Leadership, Legal, Purchasing, and the Board of Commissioners to implement an enforceable policy and procedure. Board approval may be necessary to ensure compliance by elected officials and others that are not under the purview of the County Manager.

Sincerely,



Joseph Davis
Director

xc: Dick Anderson, County Manager
Sharon Whitmore, Chief Financial Officer
Timothy Dimond, Deputy Director, DREAM
Shauna Herbert, Audit Manager, Office of the County Auditor
Jonah Williams, Internal Auditor III, Office of the County Auditor
Anthony Spencer, Administrator, DREAM
Kier Freeman, Fleet Manager, DREAM
Barbara Burden, Fleet Operations Manager, DREAM