

**DEPARTMENT OF REVENUE AND FINANCE  
ACCOUNTS PAYABLE DIVISION  
GASOLINE CREDIT CARD  
AUDIT 16-16  
FEBRUARY 17, 2017**



# CITY OF TAMPA

Bob Buckhorn, Mayor

Internal Audit Department

Christine Glover, Internal Audit Director

February 17, 2017

Honorable Bob Buckhorn  
Mayor, City of Tampa  
1 City Hall Plaza  
Tampa, Florida

RE: Gasoline Credit Card, Audit 16-16

Dear Mayor Buckhorn:

Attached is the Internal Audit Department's report on Gasoline Credit Card.

The Revenue and Finance Department along with the Tampa Police Department (TPD) have already taken positive actions in response to our recommendations. We thank the management and staff of both Revenue and Finance and TPD for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover

Christine Glover  
Internal Audit Director

cc: Dennis Rogero, Chief of Staff  
Sonya Little, Chief Financial Officer  
Eric Ward, Chief of Police  
Lee Huffstutler, Chief Accountant

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/s/ Vivian Walker

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Vivian Walker, Auditor

/s/ Christine Glover

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Christine Glover, Audit Director

**DEPARTMENT OF REVENUE AND FINANCE  
ACCOUNTS PAYABLE DIVISION  
GASOLINE CREDIT CARD PROGRAM  
AUDIT 16-16**

**BACKGROUND**

The City of Tampa has a contract with Equilon Enterprises, LLC, A/K/A Shell Oil Products to provide fleet fuel credit card services primarily for Tampa Police Department vehicles. Fuel is obtained at authorized Shell vendors. Revenue and Finance's Accounts Payable Section is responsible for reconciling purchase transactions to the vendor billing statements, credit card set up, maintenance, and cancellation.

**STATEMENT OF OBJECTIVES**

This audit was conducted in accordance with the Internal Audit Department's FY2017 Audit Agenda. The objectives of this audit were to ensure that:

1. Internal controls for requesting and disbursing new or replacement gasoline credit cards are adequate.
2. Cardholders complied with the established policy for gasoline credit card use.

**STATEMENT OF SCOPE**

The audit period covered gasoline credit card activity that occurred from July 2015 through June 2016. Tests were performed to determine whether the cardholders signed an agreement, submitted receipts to support purchases, and if timely notification was provided when cardholders were no longer employed by the City of Tampa. Original records as well as copies were used as evidence and verified through observation and physical examination.

**STATEMENT OF METHODOLOGY**

This audit included a review of documentation to support that the internal controls related to card issuance and use were functioning properly. As a result, testing was performed that traced issued cards to a signed Shell Credit Card Agreement. Additionally, actual credit card transaction receipts were reviewed to ensure only regular unleaded gasoline was being purchased (unless authorized), lost cards were being replaced after approval by a Supervisor, and that documented notification was submitted to Revenue and Finance when a cardholder terminated their employment with the City of Tampa.

**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 objective. 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 test work performed and the audit recommendations noted below, we conclude that:

1. Internal controls for requesting and disbursing new or replacement gasoline credit cards are adequate.
2. Documentation is not always maintained to support approval of purchases made with the gasoline credit cards. Additionally, improvements are needed to ensure compliance with established gasoline credit card policies and procedures.

## **POLICIES AND PROCEDURES**

STATEMENT OF CONDITION: Revenues and Finance’s procedure, “Processing of Shell on Line Data Base,” addresses reconciling gasoline purchase transactions to the cardholder’s billing statement. However, the current practices for credit card set-up, related maintenance, cancellation, or the return of fuel cards have not been formalized and approved.

CRITERIA: City of Tampa Ordinance Chapter 2, Division 2, Section 2-46(a) Duties of Department – “Departments shall create and maintain all records with adequate and proper documentation of the organization, together with the functions, policies, decisions, procedures, and essential transactions, of the department.”

CAUSE: Policies and procedures for the administration of the gasoline credit cards have not been documented.

EFFECT OF CONDITION: Non-compliance with COT Ordinance Chapter 2, Division 2, Section 2-46(a) Duties of Department, which could result in a lack of consistency in work performed or with established policy.

RECOMMENDATION 1: Revenue and Finance should compile formal written policies and procedures for the administration of gasoline credit cards.

MANAGEMENT RESPONSE: We agree with the comments and recommendations. While the Accounts Payable Section of the Accounting Division of the Revenue & Finance Department has existing written routine processes and procedures and the Tampa Police Department has existing written Standard Operating Procedures (SOPs) related to the Shell Gas Credit Cards, we agree with the recommendation to further compile formal written policies and procedures for the administration of the gasoline credit cards. Revenue and Finance will immediately translate these existing processes and procedures into formal written policies and procedures.

TARGET IMPLEMENTATION DATE: March 31, 2017

## **SEGREGATION OF DUTIES**

STATEMENT OF CONDITION: Duties and responsibilities related to gasoline credit card set up, account changes, and cancellation are not properly segregated. Currently, one individual requests new credit cards, submits requests to Shell for any account changes, maintains a stock of temporary cards, and requests cancellations for lost cards or when an employee leaves the City's employment.

CRITERIA: Best practices in internal controls require separation of duties between credit card issuance and account management.

CAUSE: Under the current process, the Accounting Technician II requests issuance of credit cards, submits account changes, and requests the cancellation of cards.

EFFECT OF CONDITION: Inadequate segregation of duties increases the risk of irregularities and exposure to loss from inappropriate acts.

RECOMMENDATION 2: Revenue and Finance should implement appropriate segregation of duties or compensating mitigating controls relating to the issuance and management of gasoline credit cards.

MANAGEMENT RESPONSE: We agree with the comments and recommendations. While the Accounts Payable Section of the Accounting Division of the Revenue & Finance Department has existing written routine processes and procedures and the Tampa Police Department has existing written Standard Operating Procedures (SOPs) related to the Shell Gas Credit Cards, we agree with the recommendation to implement segregation of duties or compensating mitigating controls relating to the issuance and management of gasoline credit cards. Revenue and Finance will immediately implement these controls.

TARGET IMPLEMENTATION DATE: March 31, 2017

## **LOST CREDIT CARDS**

STATEMENT OF CONDITION: Documentation for lost credit cards can be improved. A sample of 24 cardholders was selected to review the documentation available when a card is lost. The documentation maintained by Revenue and Finance did not identify when 16 (of an applicable 18) cardholders notified their Supervisor of the lost gasoline credit card. Due to the inability to identify when notification was given, there was no method available to determine if any transactions posted subsequent to the card being lost.

It was further indicated during a discussion with Revenue and Finance that the administrative fee was not always enforced. For example, in the sample noted above only six cardholders paid the administrative fee.

CRITERIA: Tampa Police Department's Standard Operating Procedure (SOP) 609.6 requires the user to notify their Supervisor if a card is lost, stolen, or misplaced. Additionally, the cardholder is instructed to complete the "Driver or User Report - Request to Replace Lost, Stolen, or Misplaced Credit Cards" and submit a check or money order for an administrative fee of \$10, unless the fee is waived.

CAUSE: Support personnel did not enforce the documentation or fee required by the SOP.

EFFECT OF CONDITION: Non-compliance with the SOP and loss of revenue from the administrative fee.

RECOMMENDATION 3: Revenue and Finance Management should enforce completion of the Request for Card Replacement form to provide a record of card loss and Supervisor approval. Additionally, the administrative fee should be enforced or documentation maintained if it is waived.

MANAGEMENT RESPONSE: We agree with the comments and recommendations. While the Accounts Payable Section of the Accounting Division of the Revenue and Finance Department has existing written routine processes and procedures and the Tampa Police Department has existing written Standard Operating Procedures (SOP) related to the Shell Gas Credit Cards, we agree with the recommendation to enforce completion of the Card Replacement Form and collect the administrative fee, or verify a waiver of the same. Revenue and Finance will immediately implement these controls.

TARGET IMPLEMENTATION DATE: Immediately

## **PURCHASE DOCUMENTATION**

STATEMENT OF CONDITION: Documentation to support gasoline credit card purchases should be improved. A sample of 24 cardholders was selected to review support for gasoline purchases during the months of August and December 2015 and January and June 2016. This review identified the following:

- Statements documenting review and approval – by the cardholder and Supervisor – could not be located for 13 cardholders (a total of 25 statements). Additionally, there were two statements reviewed that did not document approval by the cardholder’s Supervisor.
- Receipts for 14 cardholders (175 total receipts) could not be located to support purchases.
- Premium gasoline was purchased for two transactions.

CRITERIA: Tampa Police Department’s Standard Operating Procedure (SOP) 609.6 Fuel Credit Card Usage states that credit card purchases are to be reconciled on a monthly basis, notating original receipts. Additionally, reference is made to the City's policy for purchasing cards. The purchasing card policy requires that the cardholder maintain original receipts, if not available, a written description of the purchase along with a signed certification that the purchase was made in accordance with City policy should be provided. The SOP also requires the purchase of unleaded “Octane level 87” gasoline.

CAUSE: Lack of enforcement of the SOP by Police Department Management along with infrequent or no monitoring by Revenue and Finance.

EFFECT OF CONDITION: Missing receipts could result in unauthorized purchases going undetected.

RECOMMENDATION 4: Management should ensure cardholders comply with SOP 609.6 and remit documentation to support gasoline purchases on a monthly basis. Additionally, when a gasoline type other than regular is purchased, the cardholder should provide a written explanation, which should be reviewed and approved by the immediate Supervisor.

MANAGEMENT RESPONSE (POLICE DEPARTMENT): TPD will draft a standard form for any missing receipts to be signed by the user and attached to the reconciliation sheet. On the same form will be a correction or exception for the higher octane use. Many times the reconciliation form is indicated wrong and the correct octane (87) was purchased.

The Quality Assurance manager will add to his bi-annual audits an audit of a sampling of the reconciliation sheet from each division to monitor compliance to the Gas card program.

These two recommendations will be added to the current SOP 609.6

TARGET IMPLEMENTATION DATE: The SOP change and form design will begin immediately with an estimated approval and implementation to begin Jan 1, 2017. The first TPD audit will be scheduled approximately 6 months from the implementation date.