



Office of the County Auditor

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Cook County Auditor

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TONI PRECKWINKLE

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May 5, 2014

The Honorable Toni Preckwinkle, President
And Board of Cook County Commissioners
118 N. Clark Street, Room 537
Chicago, Illinois 60602

Dear President Preckwinkle and Board of Commissioners:

We have conducted an audit of the Motor Vehicle Fuel Cards for the period ended November 30, 2013. We conducted our examination in accordance with Government Auditing Standards where applicable as prescribed by the [Cook County Auditor Ordinance](#).

Our objectives for this examination were to determine that the internal accounting controls provide a satisfactory basis for safeguarding assets. The scope of our work consisted of reviewing and evaluating the internal accounting controls including accounting records and transaction analysis.

Please refer to the following audit report for the results of the audit. The audit report contains three audit findings. The [Executive Summary](#) provides an overview of the audit with the main finding areas.

We express our appreciation for the cooperation of the Cook County Sheriff's Office and various Cook County Agencies' staff extended to Ms. Nancy Campanella during the course of our audit. We have discussed our findings with the Cook County Sheriff's Office and various Cook County Agencies' staff and would be pleased to discuss our recommendations in greater detail in order to assist with their implementation of our recommendations.

Respectfully Submitted,

Shelly Banks, CPA
Cook County Auditor

cc: Zeldia Whittler, Under Sheriff
Kevin McGuire, Director Sheriff Vehicle Services
Alexis Herrera, Chief Financial Officer Sheriff's Office
Carl Byrd, Chief Administrative Officer



COOK COUNTY GOVERNMENT
OFFICE OF THE COUNTY AUDITOR

Motor Vehicle Fuel Cards

Internal Audit Report

Report Date:
May 5, 2014

Issued By:
Shelly Banks, County Auditor

Audit Conducted By:
Nancy Campanella, Audit Supervisor

EXECUTIVE SUMMARY

We have examined the card activity and inventory records of the Motor Vehicle Fuel Cards for the period ended November 30, 2013.

The Cook County Sheriff (Sheriff's Office) entered into a contract with Wright Express, LLC, which supplies fuel cards, monthly billing and provides detailed account information via their WEXOnline® system for the purpose of charging and monitoring fuel consumption as it pertains to County owned vehicles and equipment. The Sheriff's Office is the administrator of the contract and at the request of Department Directors (Directors) various Cook County Agencies (Agencies) also utilize this service. The Sheriff's Office provides monthly billing services to the various Agencies which then initiates chargebacks from the using departments to the Public Safety Fixed Charges and Special Purpose Appropriation Account.

The scope and objectives of the Motor Vehicle Fuel Cards Audit were designed to assess the internal control procedures of the Sheriff's Office and various Agencies.

The following findings are noted in the report with our recommendations:

- Cook County does not have in place a Countywide standard policy and procedures manual specific to vehicle fuel card usage, monitoring and safeguarding.
- An accurate fuel card inventory listing is not maintained.
- Administrative oversight is lacking over the usage of fuel cards.

The findings noted were presented to Sheriff's Office, Bureau of Administration and various Agencies. Please refer to the [Findings](#) section for more detail with the management responses, corrective action plans and estimated completion dates.

BACKGROUND

On July 21, 2009, the Cook County Board of Commissioners (County Board) approved contract #09-41-249, renewable through 2016, which allows the Sheriff's Office participation in the State of Illinois' Joint Purchasing Program with Wright Express, LLC, South Portland, Maine, for the purpose of providing the Sheriff's Office and other Agencies motor vehicle fuel cards. The contract has subsequently been renewed and approved by the County Board on June 14, 2011 and June 19, 2013 respectively.

Prior to the implementation of the fuel card program, Cook County maintained gas pumps located at various locations throughout Cook County. The Environmental Protection Agency (EPA) notified Cook County that in order to be in compliance with new standards the pumps would have to be modified. It was determined at that time that it would be more cost effective to remove the pumps and find an alternative fuel purchase solution.

AUDIT SCOPE AND OBJECTIVES

Our audit was designed to assess the internal controls and the operations at the Sheriff's Office and various Agencies that utilize motor vehicle fuel cards in order to reach a conclusion on our audit objectives. Our objectives were to analyze and evaluate that:

- Countywide standardized policy and procedures exist establishing procedural controls and assurance that those controls are in place and adhered to
- Vehicle fuel card inventory is distributed with appropriate authorization, accurately maintained and properly safeguarded
- Vehicle fuel card usage is monitored for usage and possible abuse

FINDINGS

Finding #1:

Although the Sheriff's Office and certain Agencies provided written policies and procedures, Cook County does not have in place a Countywide standard policy and procedures manual specific to vehicle fuel card usage, monitoring and safeguarding. A Countywide standard policy and procedures manual will strengthen the controls over the use of vehicle fuel cards for all user Agencies; and will ensure that there is a clear understanding of the guidelines and responsibilities for Agency management, fleet managers and drivers.

Recommendation

We recommend the Vehicle Steering Committee adopt a Countywide written policies and procedures manual. A manual provides quick references, instructions and guidelines for employee usage and management oversight. The manual should establish procedural controls and safeguards over fuel card authorization, driver identification number establishment and security. In addition, the manual should identify the Agencies' responsibilities in regards to reporting fuel cards at risk, including any driver or vehicle changes. The Sheriff's Office existing policies and procedures include these necessary controls and could be a resource in the development of a Countywide policies and procedures manual.

In addition, we recommend that any individuals assigned a fuel card be required to sign a form that they have reviewed the Countywide Policy and Procedures Manual and understand that they will be held responsible for any abuse or misuse of the fuel card. This practice is currently being utilized in the Sheriff's Office, and would be a valuable Countywide control.

Management Responses

Sheriff's Office

The Sheriff's Office has standard policies and procedures in place that include the necessary controls to ensure the proper use of fuel cards. We would welcome the opportunity to share our current policies with the Vehicle Steering Committee to assist in the development of a Countywide Policy and Procedure.

Bureau of Administration

The Vehicle Steering Committee will develop and adopt Countywide fuel card usage policy and procedures. The Sheriff's existing fuel card usage policy and procedures will be used as a guide to develop the document.

Estimated Completion Date

August 2014

Finding #2:

An accurate fuel card inventory listing is not maintained. The Sheriff's Office maintains an inventory listing of approximately 1,700 fuel cards of which 1,200 are assigned to the Sheriff's Office and 500 are assigned to the Agencies. Confirmations were sent to all twenty nine user Agencies requesting a listing of their fuel card inventory, the vehicle the card is assigned to and the driver(s) who were assigned driver identification numbers (DIN).

The confirmation responses resulted in the following exceptions:

- 10 fuel cards listed on the Sheriff's inventory could not be located by the using Agencies.
- The Agencies confirmed that 25 fuel cards listed on the Sheriff's inventory were either no longer in use or transferred to another Agency.

A cross analysis was also performed comparing the 1,700 fuel cards to fuel purchase activity identified on the WEXOnline® website for fiscal year ending November 30, 2013. We found that 55 fuel cards, which showed evidence of fuel purchase activity, were not listed on the Sheriff's Office inventory.

Recommendation

We recommend that the fuel card inventory be better maintained to accurately account for all fuel cards and to eliminate any fuel cards with no activity. In order to maintain an accurate fuel card inventory listing, fuel card activity should be continually monitored through practices such as requesting the Agencies to notify of any DIN user changes, periodic confirmations from the user Agencies and cross referencing gas card activity to the master inventory listing. We also recommend that the Sheriff's Office make the necessary adjustments to their inventory listing based on the aforementioned exceptions including canceling and removing DIN access for un-located and unused cards and verifying the activity and assignment of the additional 55 fuel cards with the using Agencies.

Management Responses

Sheriff's Office

An accurate fleet card inventory is maintained. The Sheriff's Office maintains the inventory based upon information received from using agencies. Using agencies do not update our office in a timely manner when their information changes. The Sheriff's Office agrees that this is an issue that needs to be addressed.

The Sheriff's Office contacted each agency listed in this finding to determine if the cards in question should be deactivated. For those departments that responded, we acted according to the agency's response. In addition we have sent inventory reports to all agencies and have asked them to re-verify each card assigned to the agency. We have asked that these verifications be returned to the Sheriff's Office by May 15, 2014. It is the intent of the Sheriff's Office to conduct this verification bi-annually.

Due to a lack of clarity, the inventory report provided to the auditor included only cards assigned to a specific vehicle. Sheriff's Office policy permits the assignment of a fleet card in lieu of a county owned vehicle based upon job assignment. 51 of the 55 cards reported in this finding are assigned for this purpose. The remaining 4 cards are assigned to other agencies.

Bureau of Administration

The BOA should be set up by the Sheriff's Office to receive the Countywide fuel card inventory list on a monthly basis. The BOA should also have access to fuel card usage and cost data (read only).

Estimated Completion Date

May 2014 and August 2014 respectively

Finding #3:

Although the Sheriff's Office requests using Agencies to review their monthly billing detail for excessive use and possible abuse, there is no follow up to ensure that this is being completed. Countywide administrative oversight is lacking over the usage of Agency fuel cards including identifying any possible incidents of theft or misuse.

By utilizing the WEXonline® website, we calculated and tested a sample of those gas cards exhibiting less than 10 miles per gallon (MPG) for possible irregularities. We noted the following:

- Drivers consistently were not properly entering the correct odometer reading when purchasing fuel.
- Single cards were used to purchase fuel for multiple vehicles and to fill up gas dispensers in order to fuel equipment. Best practices recommend that although multiple DINs per card are acceptable, each vehicle or piece of equipment should be assigned one card to better monitor fuel consumption.
- In a number of instances, Agencies could not justify the low MPG and further investigation is in process to determine if abuse is present.

If fuel transactions are not properly reviewed and exceptions, such as those noted above, are not investigated this could result in the County paying for improper fuel transactions.

Recommendation

We recommend that with the adoption of a Countywide written policies and procedures manual by the Vehicle Steering Committee that administrative oversight be improved and officially assigned to the Bureau of Administration Fleet Management. Countywide administrative oversight will provide employee accountability on a Countywide level, improved monitoring of Agencies' compliance to required policies and procedures, and the ability to quickly identify areas of theft or misuse.

In addition to the administrative oversight, we also recommend that additional safeguards are put in place to promote accountability and prevent theft and/or misuse of the County's motor vehicle fuel cards.

Additional safeguards would include:

- Limiting purchasing capability by the type of fuel, tank capacity, and/or maximum number of daily transactions;
- Requiring the use of unique driver identification numbers (DINs); and
- Requiring the input of odometer/meter readings.

The Sheriff's Office has implemented administrative oversight and additional safeguards within their office, and could be utilized as a resource in establishing a Countywide administrative oversight function.

The Office of the County Auditor will continue to work with those Agencies where exceptions have not been rectified.

Management Responses

Sheriff's Office

It is not, nor should it be the responsibility of the Sheriff's office to review or monitor other agency's fuel usage. Currently the Sheriff's Office uses Wright Express Fuel Alerts and Controls to monitor Sheriff's employee usage. We recommend that each using agency implement this valuable tool.

We welcome the opportunity to work collaboratively with each agency in the use of the Wright Express Alerts system, so that the Auditor's concerns can be addressed.

With regard to the bullet points in the finding the Sheriff's Office submits the following:

- If a driver enters an inconsistent odometer reading the Alerts System notifies the Sheriff's Office and the driver's supervisor is notified of the inconsistency. In addition, odometer entries are verified quarterly when the individual vehicle is brought in for preventive maintenance/oil changes.
- There are several instances in which equipment such as gas lawn mowers, graffiti equipment are fueled with the same card assigned to the vehicle transporting the equipment. The Sheriff's Office has begun assigning a separate card for the equipment.
- The Sheriff's Office did provide justification for each instance in which a low MPG was indicated. For the most part the vehicles in question are either very old, or were buses, vans and security vehicles that have higher than normal idle times and are stationary for long periods of time due to their assignment.

Bureau of Administration

The BOA should be set up by the Sheriff to receive fuel card usage and cost data (read only) as well as alerts of possible abuse for all departments excluding the Sheriff and possibly State's Attorney. Both of these offices have existing fleet management in place and enforce existing policies related to fuel card usage.

Estimated Completion Date

August 2014