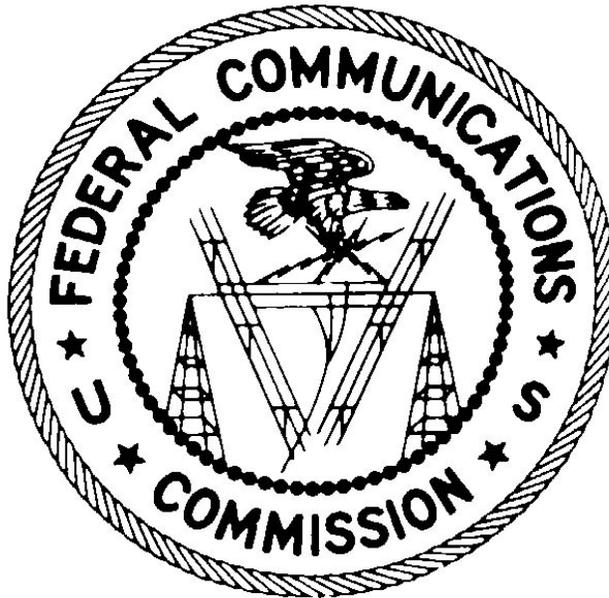


FEDERAL COMMUNICATIONS COMMISSION

OFFICE OF INSPECTOR GENERAL



Report on Special Review of FCC Fleet Card Program

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EXECUTIVE SUMMARY

At the request of the Commission's Managing Director, the FCC Office of Inspector General (OIG) has conducted a special review of the Commission's fleet card program. The purpose of this special review was to examine FCC employee usage of Government fleet cards and evaluate the Commission's program for ensuring compliance with fleet card policies and procedures. The specific objectives of this review included determining whether (i) Commission employees use fleet cards in compliance with prescribed policies and procedures; and (ii) whether fleet card program policies and procedures are adequate.

To accomplish the objectives of this review, we obtained an understanding of the specific management controls governing the Commission's Fleet Card Program. This special review was conducted in accordance with government auditing standards.

We found that Commission employees used fleet cards in compliance with the Commission's fleet card policies and procedures during FY 2001. We also found that the Commission's fleet card policies and procedures for fleet card use to be adequate and in compliance with the General Services Administration (GSA) SmartPay master contract¹ and Federal Management Regulations.²

REVIEW OBJECTIVE

As a result of recent Congressional interest³ and at the request of the Commission's Managing Director, the OIG has conducted a special review of the Commission's fleet card program. The purpose of this special review was to examine FCC employee usage of Government fleet cards and evaluate the Commission's program for ensuring compliance with travel card policies and procedures. The specific objectives of this review included determining whether (i) FCC uses fleet cards in compliance with prescribed policies and procedures; and (ii) Policies and procedures for using fleet cards are adequate.

REVIEW SCOPE

The scope of this special review incorporated all steps necessary to provide the Chairman a complete, independent and objective analysis of fleet card use by Commission employees. The scope of the review included:

- Reviewing the Commission's Fleet Credit Card Program Policies and Procedures;

¹ GSA SmartPay Master Contract Section CA – *Requirements Specific to the Fleet Card Program*.

² Federal Management Regulation, Subchapter B – Personal Property Chapter 102-34, Subpart H – *Motor Vehicle Fueling*.

³ May 1, 2001 hearing entitled *Implementation of the Travel and Transportation Reform Act of 1998: "Why Haven't Federal Employees Been Held Accountable for Millions of Dollars of Federal Travel Expenditures?"* conducted by the United States House of Representatives Government Efficiency, Financial Management and Intergovernmental Relations Subcommittee.

- Assessing control risk to use as a basis for planning the nature, timing, extent of testing;
- Examining, on a test basis, evidence supporting the amounts and disclosures in the data and records reviewed; and,
- Evaluating the overall data and records presentation.

This special review was conducted in accordance with government auditing standards.

BACKGROUND

In February 1998, the Commission selected the Bank of America [hereafter “BA”] from the General Services Administration’s (GSA) SmartPay Program⁴ as the vendor providing credit cards for fleet related transactions. The FCC established the fleet card program as the mandatory program for all charge card fleet business transactions for obtaining supplies, services, and repairs for motor vehicles, equipment, and boats owned or commercially leased by the Commission. The Commission has approximately 140 fleet cards assigned to vehicles and equipment that expended over \$74,000 during FY 2001 for fuel, oil, vehicle washes, and other vehicle related expenditures.

At the Managing Director’s request, we initiated a special review of the Commission’s fleet card program. On November 28, 2001, the OIG conducted an entrance conference with the Managing Director and his representatives and notified them of the special review goals and objectives and announced the beginning of fieldwork.

CONCLUSION

We found that Commission employees used fleet cards in compliance with the Commission’s fleet card policies and procedures during FY 2001. We also found that the Commission’s fleet card policies and procedures for fleet card use to be adequate and in compliance with the General Services Administration (GSA) SmartPay master contract and Federal Management Regulations.

During our review, we were informed that the Commission is currently updating and revising its vehicle operations policies and procedures manual as of this review date. During our discussions with Commission management, we recommended that management incorporate the FCC’s fleet credit card program policies and procedures into

⁴ Under the SmartPay program, the GSA contracted with the Bank of America under contract no. GS-23F-98004. Contract effective dates November 30, 1998 through November 29, 2003, with five additional one-year options to renew.

its vehicle operations manual. Making this change will ensure consistency between the two programs.

In addition, we were informed that the Commission is currently in the process of preparing and updating its draft Electronic Purchase Card Payment policies and procedures. Because processing fleet card transactions are the same as purchase card transactions, the FCC is adding fleet cards to its Electronic Purchase Card Payment policies and procedures.

On September 11, 2002, we held an exit conference and discussed the results of our review with the Chief Financial Officer (CFO) and Financial Operations Group representatives. Because no material exceptions were noted from our review, the CFO concurred that issuing the report in final form is appropriate.