



AUDIT REPORT

Internal Controls over Voyager Card Transactions – North Tryon Station, Charlotte, NC

July 19, 2016





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**Internal Controls over Voyager Card Transactions
– North Tryon Station, Charlotte, NC**
Report Number FT-FM-16-003

BACKGROUND:

The U.S. Postal Service Office of Inspector General (OIG) uses data analytics, including predictive risk models and tripwires, to identify financial anomalies. Tripwires are analytic tools that look at specific behaviors and patterns that are strong indicators of improper activity. The Voyager credit card tripwire identified purchases made outside of OIG-defined normal workhours (7 a.m. - 5 p.m.) at the North Tryon Station in Charlotte, NC. These types of purchases are considered suspicious and could indicate ineffective internal controls or fraud.

Every Postal Service-owned vehicle is assigned a Voyager card and every driver receives a personal identification number (PIN). The card is used to pay for fuel, oil, and routine vehicle maintenance. Site managers are responsible for verifying Voyager card transactions and all supporting documentation.

The objectives of this audit were to review the validity of transactions outside of normal workhours and assess internal controls over the Voyager card transactions at the North Tryon Station.

WHAT THE OIG FOUND:

The OIG Voyager credit card tripwire identified 29 of 82 transactions (35 percent) valued at \$988 that were made outside of OIG-defined normal workhours. However, during our site

visit, we verified the site had operating hours of 7 a.m. – 7 p.m. from Sunday through Saturday during November 2015 to January 2016, due to the holiday season. Therefore, we identified: 14 transactions that occurred outside of the site's workhours and 15 that did not occur outside of the site's workhours.

All 29 transactions were missing receipts; therefore, we could not determine the validity of the purchases. We referred the information to the OIG's Office of Investigation for further review.

In addition, we determined internal controls over Voyager card transactions needed improvement. Specifically, the designees responsible for overseeing the program did not:

- Secure and monitor card distribution.
- Deactivate PINs timely; 125 transactions valued at \$3,170 were made using PINs of employees no longer working at the site. We referred the information to the OIG's Office of Investigation for further review.
- Require drivers to submit receipts or the mandatory form to explain missing receipts for 71 of 82 transactions (87 percent) valued at \$2,230.
- Timely complete the dispute resolution process for 22 transactions valued at \$812. The site designee alleged the transactions

were made with a stolen PIN and started the process to dispute the transactions in FAMS; however, she did not complete the Postal Service Voyager Account Dispute Form and notify the OIG within 30 days of the charges first appearing. The designee stated she was not fully aware of the dispute process. We referred the information to the OIG's Office of Investigation for further review.

Finally, although outside our scope, we observed a stack of Forever stamps left unattended on the counter and accessible to the public and several secured doors in the dock entry area kept open during the day.

As a result of this audit, management required the designee to take site manager training. The site manager also established a process for maintaining and collecting Voyager cards and receipts and deactivated PINs assigned to employees no longer working at the site. In addition, the postmaster met with all employees to reiterate the importance of maintaining site security and the site manager instructed employees to secure the doors used to enter the site at all times.

WHAT THE OIG RECOMMENDED:

We recommended management establish controls to ensure the site manager and designees follow Voyager card standard operating procedures for PIN management and dispute resolution.

[Link to review the entire report](#)



July 19 2016

MEMORANDUM FOR: SANDY S. WYRICK,
DISTRICT MANAGER, MID-CAROLINAS

E-Signed by Asha Mede 
VERIFY authenticity with eSign Desktop

FROM: *for*
Lorie Nelson
Director, Finance

SUBJECT: Audit Report – Internal Controls over Voyager Card
Transactions – North Tryon Station, Charlotte, NC
(Report Number FT-FM-16-003)

This report presents the results of our audit of Internal Controls over Voyager Card Transactions at the North Tryon Station, Charlotte, NC (Project Number 16BG013FT000).

We appreciate the cooperation and courtesies provided by your staff. If you have any questions or need additional information, please contact Asha Mede, deputy director, Financial Controls, or me at 703-248-2100.

Attachment

cc: Corporate Audit and Response Management

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Introduction

This report presents the results of our audit of Internal Controls over Voyager Card Transactions – North Tryon Station, Charlotte, NC (16BG013FT000). The North Tryon Station is in the Mid-Carolinas District of the Capital Metro Area. This self-initiated audit is one of several Voyager card audits designed to provide U.S. Postal Service management with timely information on potential financial control risks at Postal Service locations.

We reviewed Voyager Fleet card¹ purchases and the related receipts from November 1, 2015, to January 31, 2016. We interviewed the site manager and other personnel responsible for oversight of the process. We relied on computer-generated data maintained by Postal Service systems, including the Enterprise Data Warehouse,² Fleet Commander,³ Fuel Asset Management System (FAMS),⁴ Time and Attendance Collection System,⁵ and the Web-based Complement Information System.⁶ We did not test the validity of controls over these systems; however, we verified the accuracy of the data by confirming our analysis and results with Postal Service managers. We determined that the data were sufficiently reliable for the purposes of this report.

We conducted this audit from May through July 2016, 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 objectives. We discussed our observations and conclusions with management on May 13, 2016, and included their comments where appropriate.

Transactions Outside Normal Workhours

The Voyager credit card tripwire identified 29 of 82 transactions (35 percent) valued at \$987.70 that were made outside of U.S. Postal Service Office of Inspector General (OIG)-defined normal workhours of 7 a.m. to 5 p.m. However, during our site visit, we

¹ Assigned to Postal Service vehicles and used to pay for fuel, oil, and routine vehicle maintenance.

² A repository intended for all data and the central source for information on retail, financial, and operational performance. Mission-critical information comes to the EDW from transactions that occur across the mail delivery system, points-of-sale, and other sources.

³ Provides total access to observe, update, track and manage fleet operations and fleet card accounts.

⁴ A cost management tool for managing and controlling fuel costs. The system allows authorized users to display and reconcile expenses for fuel, oil, repairs, washing, etc. that were charged to Voyager credit cards.

⁵ A system used by all installations that automates the collection of employee time and attendance information. It combines the functionality of several previously used time and attendance systems into one standard.

⁶ A web interface that displays and stores information about employee complement details down to the office or unit level. The system gives local management a resource for monitoring and tracking employee complement.

verified the site's operating hours from November 2015 to January 2016 were 7 a.m. to 7 p.m. from Sunday through Saturday due to the holiday season. Therefore, we identified:

- 14 transactions valued at \$440.20 occurred outside of the site's holiday season operating hours.
- 15 transactions valued at \$547.50 did not occur outside of the site's holiday season operating hours.

All 29 transactions were missing receipts so we could not determine the validity of the transactions. Also, the Voyager card policy did not set a specific timeframe for purchasing fuel. We referred the information to the OIG's Office of Investigations for further review.

Voyager Card Security

The site designee responsible for the Voyager cards did not always secure and monitor the distribution of the cards. Specifically, the site designee did not secure the gas book log used to maintain Voyager cards and driver sign-out sheets for each card. The log was kept on an unattended desk throughout the day. At the end of the day, the designee put the log in the site manager's office which had a broken lock. Further, on May 10, 2016, the log indicated nine cards were signed out; however, the next morning we observed that only five cards were returned.

This occurred because the site manager did not enforce the locally developed process which requires drivers to sign out the cards and turn them in daily. Postal Service policy states that site managers are responsible for the security of the cards. They must identify and implement appropriate card security procedures for their sites.⁷

If the site manager does not properly secure and monitor Voyager cards, the card information could be lost, stolen, or misused. As a result of this audit, the site manager established a process to account for the distribution and collection of Voyager cards at the end of the work day. Also, the log is now maintained in a locked vault with restricted access. Consequently, we are not making a recommendation regarding oversight of Voyager security.

Voyager Card Personal Identification Numbers

The site designee did not properly manage Voyager card personal identification numbers (PIN) assigned to drivers. Specifically, we identified two employees who left the site in October 2015 and February 2016, with active PINs. In addition, the site manager stated she sometimes shared her PIN in emergency situations when drivers were at the fuel pump and in need of fuel.

⁷ *Voyager Fleet Card Standard Operating Procedure*, Chapter 1, *Introduction and Responsibilities*, 1.3 Responsibilities, July 17, 2015.

There were 125 transactions valued at \$3,170.36 made with PINs of employees no longer at the site. We reviewed the receipts and verified that all of the purchases were for fuel or vehicle services.

The site designee stated she was not aware of the process for deactivating PINs when an employee left the site and believed supervisors were allowed to share their PIN with employees in emergency situations.

Postal Service policy⁸ states the site manager is responsible for keeping driver PINs updated. As soon as an employee leaves their unit, either permanently or on a detail, their PIN must be terminated. Further, each driver is assigned a unique PIN, which is a private number entered at the time of the transaction and must be used with each transaction to identify the individual authorizing the purchase. The policy does not allow supervisors to share PINs in emergency situations.

If management does not actively oversee driver PINs, they could be stolen and misused to make improper purchases. We classified \$3,170.36 of transactions made using the PINs of employees no longer working at the site as unsupported questioned costs.⁹

On May 11, 2016, the site designee contacted U.S. Bank and deactivated the two employees' PINs.

Receipts

We identified 71 of 82 (87 percent) transactions occurring between November 1, 2015, and January 31, 2016, valued at \$2,230.82 that did not have receipts or the documentation that is required to explain missing receipts (Voyager Fleet Card Transaction: No Receipt Form)¹⁰ (see [Table 1](#)).

⁸ *Voyager Fleet Card Standard Operating Procedure*, Chapter 2, *Fleet Card Use, Controls, and Merchant Acceptance*, 2.2.2 PIN Management.

⁹ A weaker claim and a subset of questioned costs. Claimed because of failure to follow policy or required procedures, but does not necessarily connote any real damage to Postal Service.

¹⁰ Fourteen transactions occurred outside of the site's normal business hours (7 a.m. – 5 p.m.).

Table 1. Transactions with Missing Receipts

Month	Number of Transactions Reviewed	Value	Transactions with Missing Receipts	Value of Transactions with Missing Receipts
November	41	\$1,177.16	38	\$1109.19
December	27	744.75	20	608.62
January	14	538.46	13	513.01
Total	82	\$2,460.37	71	\$2,230.82

Source: Fleet Commander System.

The site designee stated she was not properly trained on Voyager responsibilities and used the electronic invoice as supporting documentation instead of collecting and reviewing the actual receipts.

Postal Service policy states that any individual responsible for reconciling Voyager card activities must take eFleet Card: Site Manager training. In addition, the site manager or designee performing the reconciliation must certify that due diligence has been exercised in verifying transactions. Every attempt should be made to secure a receipt for each transaction. In cases where the receipt is missing, the site manager must:

- Contact the cardholder to determine why the receipt is missing
- Secure a signed Voyager Fleet Card Transaction: No Receipt Form
- Verify the purchase was valid
- Annotate the results of the determination in FAMS¹¹

If the site manager does not follow the policy to request receipts or the required form for missing receipts, the site manager cannot effectively mitigate the risk of unauthorized or improper purchases. We classified \$2,230.82 of transactions with missing receipts or the mandatory form to explain missing receipts as unsupported questioned costs.¹²

As a result of our audit, the district manager implemented a receipt collection and filing process that required the drivers to turn in and file their receipts nightly. In addition, the district office provided training to reinforce documentation collection and retention policies. Further, the site manager and his designees at the North Tryon Station completed the site manager's training. Consequently, we are not making a recommendation regarding receipts.

¹¹ *Voyager Fleet Card Standard Operating Procedure*, Chapter 4, Account Reconciliation, 4.1 Reconciliation Process, July 17, 2015.

¹² A weaker claim and a subset of questioned costs. Claimed because of failure to follow policy or required procedures, but does not necessarily connote any real damage to Postal Service.

Dispute Resolution Process

We identified 22 of 82 transactions (27 percent) valued at \$811.6313 that were made during our period of review using a PIN assigned to one employee at the unit. The site designee alleged the PIN was stolen and deactivated it on January 6, 2016. The site designee started the process to dispute the transactions in FAMS; however, she did not timely complete the Postal Service Voyager Account Dispute Form and notify the OIG, as required. The designee stated she was not fully aware of the dispute process.

Postal Service policy states the site manager must submit the Postal Service Voyager Account Dispute Form to U.S. Bank within 30 days from when the charge first appeared. In addition, if a site manager encounters instances of suspected fraud or misuse, they must notify the OIG.¹⁴

The Postal Service is not entitled to credits for the 22 suspicious transactions because the dispute form was not completed within 30 days from when charges first appeared; therefore, the Postal Service must pay for the suspicious transactions. We referred the information to the OIG's Office of Investigations for further review.

As a result of this audit, the site manager and his designees completed the site manager's training to reinforce the dispute resolution process.

Site Security

Although outside our scope, we observed a stack of Forever stamps left unattended on the counter and accessible to the public and several doors in the secured dock entry area kept open during the day. We entered and exited these doors on a daily basis while on site.

We discussed our observations with the manager, Customer Service Operations, on May 10, 2016. That same day, the manager discussed proper protocol for securing accountable items, such as stamps, with the two clerks working at the retail counter. On May 12, 2016 and during the exit conference, the postmaster reiterated to the site manager the importance of maintaining security at the site. The site manager also instructed the employees to secure the doors used to enter the site at all times.

¹³ The 22 transactions valued at \$811.63 were also missing receipts.

¹⁴ *Voyager Fleet Card Standard Operating Procedure*, Chapter 5, Disputes and Lost/Stolen Cards, Section 5.1 Disputes, July 17, 2015.

Recommendation

We recommend the manager, Mid-Carolinas District, instruct the postmaster, North Tryon Station, to:

1. Establish controls to ensure the site manager follows Voyager card standard operating procedures for personal identification number management and dispute resolution.

Management's Comments

Management did not state whether they agreed or disagreed with the findings; however, they agreed with the recommendation. Management did not completely agree with the monetary impact.

Management stated they did not completely agree with the monetary impact because simply not having paper receipts or other documentation will not lead to an additional loss to the Postal Service. Also, management stated the issue with the PINs being used by employees no longer working at the site could be an issue since purchases made and being charged to the facility will impact the total cost for the fleet management at the site. However, the cost does not necessarily impact the Postal Service as a whole.

Management will notify the postmaster to establish a procedure to ensure the issues identified in the audit have been rectified and do not recur. In addition, the district will reissue the standard operating procedures to all sites with Postal Service vehicles. Finally, the District's support personnel will conduct periodic site visits to ensure compliance with the policies and procedures. The target implementation date was July 14, 2016. See [Appendix A](#) for management's comments in their entirety.

Evaluation of Management's Comments

Regarding the monetary impact, questioned costs is the value of the transactions claimed because the site designee responsible for the Voyager cards did not always follow the required procedures. The claim does not necessarily indicate any real damage to Postal Service.

The OIG considers management's comments responsive to the recommendation in the report. We consider the recommendation closed with the issuance of this report.

Appendix A: Management's Comments



July 14, 2016

Sherry Fullwood
Acting Director Audit Operations
Office of Inspector General
United States Postal Service

Subject: Response to Draft Audit Report – Internal Controls over Voyager Card Transactions – North Tryon Station, Charlotte, NC (Report Number FT-FM-16-DRAFT)

Thank you for the opportunity to respond to the OIG Audit of Internal Controls over Voyager Card Transactions at North Tryon Station in Charlotte, NC. Mid-Carolinas District does agree with the recommendation made during this audit. We feel that card security as well as PIN management are important for the financial security of the postal service and will reiterate our position to the field.

Regarding the Monetary Impacts cited during this audit in the amount of \$5,401.18 listed as Unsupported Questioned Costs, Mid-Carolinas District does not completely agree that simply not having paper receipts or other supporting documentation has or will lead to an additional cost to the Postal Service. While verifying receipts to exceptional purchases is required in the SOP, all of the data that is shown on the receipt is available for review in the FAMS application. The issue with the PINs being used by employees no longer working at this site could be an issue since purchases made and being charged to this facility will impact the total cost for fleet management at the site, but do not necessarily impact the Postal Service as a whole.

Recommendation #1

We recommend the manager Mid-Carolinas District instruct the postmaster, North Tryon Station, to establish controls to ensure the site manager follows Voyager card standard operating procedures for personal identification number management and dispute resolution.

Management Response/ Action Plan

Mid-Carolinas District agrees with this recommendation and will notify the postmaster of Charlotte, NC to establish a procedure to ensure the issues discovered during this audit have been rectified and that no future issues similar to those findings will recur. The district will reissue the national Voyager SOP along with the Capital Metro Area SOP to all sites with postal owned vehicles.

Periodic site visits by District support personnel will be made to ensure compliance with these policies and procedures.

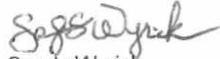
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Target Implementation Date

July 14, 2016

Responsible Official

Annette Thompson, Manager Finance



Sandy Wyrick
Mid-Carolinas District Manager