



**Tasmanian**  
Audit Office



**Report of the Auditor-General  
No. 11 of 2016-17**

**Use of fuel cards**

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## INTRODUCTION

Tasmanian General Government Sector entities (GGS entities) use fuel cards to purchase fuel for their light passenger and commercial vehicle fleets.

The use of government vehicles, including the consumption of fuel, is subject to considerations such as appropriate standards of probity, propriety and accountability.

The Department of Premier and Cabinet (DPAC) issued a *“Policy and Guidelines for the Allocation and Use of Motor Vehicles within the State Service”*. The policy applied to all State Service agencies in respect of all government owned and operated vehicles.

The objective of this examination was to assess the probity and propriety of the use of fuel cards.

The examination covered transactions for the 2015 calendar year (1 January 2015 to 31 December 2015). The examination covered all GGS entities that used fuel cards.

The examination criteria by major category are as follows:

### Fuel card purchases

- fuel purchased incompatible to assigned vehicle requirements
- multiple fuel purchases made within two hours, on same day or within 50 kilometres
- prohibited items purchased and charged to the fuel card
- amount of fuel (in litres) purchased above the fuel tank capacity of the assigned vehicle
- fuel purchases made on non-working days, including public holidays, or at unusual times (excluding vehicles operated on a 24/7 basis and private plated cars).

## Fuel card controls

- correct odometer reading provided or entered when refuelling, including readings
  - not provided or entered as zero
  - entered as the same value more than once
  - entered less than 100 kilometres
  - greater than 60 000 kilometres
  - entered as a default code such as '777'
  - out of sequence.
- whether security PINs were used.

## Fuel card transaction reporting and monitoring

- LeasePlan reporting and its use by GGS entities and State Fire Commission
- fuel cards used infrequently (no transactions or less than five recorded transactions)
- duplicate transactions.

## EXAMINATION FINDINGS

Based on our testing of fuel card purchases, we found:

- 3.1% of fuel purchases where fuel cards were used to purchase fuel different to vehicle requirements
- fuel purchases for other vehicles, pieces of equipment or containers
- non-fuel transactions identified as “Petrol Account Goods” for which we were unable to obtain sufficient evidence to support the nature of the purchases
- fuel purchased on non-working days or unusual times that could not be corroborated to log books
- a lack of supporting information related to specific transactions from our examination of logbooks maintained for the government plated vehicles

- several transactions that breached individual departmental vehicle policies
- weaknesses in Legal Aid Commission of Tasmania (LAC) controls related to identification of card users, which have subsequently been addressed
- instances where the correct odometer reading was not provided or entered. In analysing odometer reading data, we identified that no entity exceeded our acceptable error rate of 20% for recording odometer readings. However, this was in contravention of the “Drivers’ Responsibilities” document
- security PINs were not activated for all fuel cards used. We consider an active PIN is a strong control to prevent unauthorised use of fuel cards
- Seventy five percent of entities utilised LeasePlan reporting, however, we are unable to comment on the effectiveness of the reporting due to our inability to evidence how each entity used LeasePlan reports. We consider the new suite of LeasePlan reports will greatly assist entities in fleet and fuel card management
- Thirty one percent of fuel cards were unused or under-utilised. Entities indicated that spare pool cards are held for use in the event of unusually high activity and were used infrequently
- no duplicate transactions within the data obtained
- a number of instances where we were unable to obtain sufficient evidence to support the nature of the purchase identified as an anomaly or exception. In particular, our enquiries of SFC found a lack of supporting information to address anomalies and exceptions identified from their fuel data.

## **OVERALL CONCLUSION**

The anomalies and exceptions arising from our examination were not substantial in monetary terms, but represented weaknesses in the controls related to the use of fuel cards which exposed entities to a higher risk of misuse.

## LIST OF RECOMMENDATIONS

The Report contains the following recommendations:

REC		WE RECOMMEND THAT ...
1	All entities excluding Treasury, IC, OoHCC, PFT and RTBG	...entities comply with the “Drivers’ Responsibilities” document and restrict fuel cards allocated to a specific vehicle to the fuel type recommended by the manufacturer. The fuel type required should be made clearly visible in each vehicle to avoid confusion.
2	DoE, DPFEM, DPIPWE, DoJ, TasTAFE and SFC	...fuel cards allocated to a specific vehicle should not be used to fill other vehicles, vessels or equipment and a separate fuel card is used for ancillary fuel purchases. This would enable fuel used for other plant and equipment to be monitored.
3	DoE, State Growth and SFC	...fleet managers investigate controls to limit non-fuel purchases. Any other purchases should be made using normal procurement processes and delegations.
4	DoE, DHHS, DPFEM, TasTAFE and SFC	...entities monitor and investigate fills in excess of tank capacity.
5	DoE, DPIPWE and TasTAFE	...entities monitor and investigate fuel purchased on non-working days or unusual times for government plated motor vehicles.
6	DoE, DPIPWE, TasTAFE and SFC	...entities ensure logbooks are maintained to support the use of a government plated motor vehicles.
7	All	...entities comply with “Drivers’ Responsibilities” document and record the correct odometer reading when refuelling.
8	All	...all fuel cards are issued with a PIN to improve the level of security over fuel purchases. To overcome problems where there are a number of users of an unallocated fuel card, a “generic” PIN could be requested that is unique to the entity.

REC		WE RECOMMEND THAT ...
9	All	...entities access the new LeasePlan Analytics reports and implement procedures to ensure a timely review of fuel usage and scrutiny of unusual transactions.
10	All	...entities should implement procedures to monitor the utilisation of individual fuel cards and assess whether they are holding surplus cards.

**Notes:**



## Tasmanian Audit Office

**Phone** (03) 6173 0900  
**Fax** (03) 6173 0999  
**email** [admin@audit.tas.gov.au](mailto:admin@audit.tas.gov.au)  
**Web** [www.audit.tas.gov.au](http://www.audit.tas.gov.au)

**Launceston Office**  
**Phone** (03) 6173 0971

**Address** Level 8  
144 Macquarie Street, Hobart  
**Postal Address** GPO Box 851, Hobart 7001  
**Office Hours** 9am to 5pm Monday to Friday

**Address** 2nd Floor, Henty House  
1 Civic Square, Launceston