

DON Fleet Card Certification Course

Lesson 4

Establishing Management Controls



March 1, 2012

This is lesson 4 of your Fleet Card training, *Establishing Management Controls*

This lesson provides information for Commanding Officers and APCs to establish the necessary controls to operate, manage and provide oversight for the Fleet Card program. These controls include Internal Operation Procedures, periodic program reviews and monitoring techniques with program metrics such as delinquencies and card misuse.

Click the forward arrow and we will review this lesson's objectives.

Lesson 4: Major Topics

- Explain the need to establish, execute and maintain local Internal Operating Procedures (IOP)
- Explain the need for monthly reviews of potential fraud, misuse and abuse
- List four major indicators of fraud, misuse and abuse
- Describe internal controls to prevent delinquencies
- List the major elements of the Annual Fleet Card Review

March 1, 2012

The Commanding Officer and the APC need to put management controls in place to monitor their program. Whether or not you are a CO or an APC, as a participant in the Fleet Card program it is important to understand these controls. This lesson explains the minimum controls required. Read over these major topics and then proceed through this lesson.

When you are ready, please click the forward arrow to continue.

Internal Operating Procedures

- Identify Key Program Personnel Requirements
- Explain Procedures for Opening, Safeguarding and Maintaining Cards
- Establish Authorization Profiles
- List Restricted Purchases
- List Check-out Procedures for Departing Personnel

March 1, 2012

The Internal Operating Procedure, or IOP, is the local procedure developed under the guidance of the Commanding Officer and the Fleet Card APC. The IOP takes DoD and DON policies and tailors them to the activity's unique environment. The Fleet Card IOP provides operational guidance and procedural continuity for the local program. An IOP template is available on the CCPMD website under the Policies page.

The topics listed here are a sample of the content that belongs in your IOP. The IOP should provide guidance on how to select key program personnel. It should explain how to open, safeguard and maintain card accounts and how to establish proper spend limits using authorization profiles. It should list restricted purchases and include check out procedures for departing personnel.

The IOP is definitely an important management control for the Fleet Card Program.

Please click the forward arrow to review the next topic in this lesson, monthly program reviews.

Monthly Program Reviews

- Reviews for Infrequently Used Cards
- Delinquency
- Contact Information is Current
- Training Requirements are Met

March 1, 2012

“Infrequently Used Cards” encompasses cards not used within the past 300 days. When these cards are identified, they are automatically suspended. They will remain suspended until 365 days and will then be cancelled. Any card used for 1st responders must have a Profile that designates emergency responder vehicles.

In order to maintain a low delinquency rate, non-fuel charges must be paid at the activity level when the invoice is received. Account balances over thirty days are considered delinquent. Fuel charges are paid by DLA Energy at the pump price. DLA Energy then “interfunds” the activity at the standard price which is issue at the beginning of the fiscal year.

Ensure that the name, rank, phone, fax and email data are accurate in the card providers online system and sent up the hierarchy chain of command. All personnel must be current with the individuals role base training. New POC’s have 30 days from their assignment to complete the training requirement.

Monthly reviews are an important part of local program management. There are several major indicators of fraudulent use of a card. Knowledge of these indicators can help focus the monthly reviews. These indicators are our next topic.

Monthly Program Reviews

- Monthly Reviews for Potential Misuse, Abuse or Fraud
- Perform Screening for:
 - All Premium Fuel Purchases
 - ‘Miscellaneous’ Products
- Report Potential Fraud Findings to the DON CCPMD, and ...
 - Immediately Cancel the Card When Potential Fraud Is Detected

March 1, 2012

Monthly transaction reviews are one of the main management controls for the program. There are electronic systems available to help screen transactions for misuse, abuse and fraud. The card providers online access system has ad-hoc reporting tools that can quickly select transactions that include purchases of premium fuels or miscellaneous items. These purchases can then be reviewed in more detail to determine if they were inappropriate.

For example, if a card user inadvertently purchases a premium grade of fuel for a fleet vehicle, that could be unintentional misuse of the card. If a user puts premium fuel in a personal vehicle, that would be abuse. If an individual other than the card user fuels a personal car using the Fleet Card, that's fraud.

Monthly reviews for potential misuse, abuse or fraud must be performed. All instances of potential fraud must be reported to the DON CCPMD. Fleet cards involved in potentially fraudulent situations should immediately be cancelled.

Please click the forward arrow to continue.

Fraud, Misuse, and Abuse Indicators

- **Patterns of Lost or Stolen Cards, Returns, and Credits**
- **Patterns of Disputes on a Single Card or by the Same Individual**
- **Inquiry From Government Investigator, DoD Auditor or Vendor Official**

March 1, 2012

There are clear indicators of potential fraud, misuse or abuse of a Fleet Card. Transaction documentation can reveal irregularities in many ways. For example, some indicators of potential problems include photocopies instead of original documents, missing documentation, obvious changes or whitened-out information, backdated information or identical receipt signatures from different vendors. These irregularities can be indications of problems that require further investigation.

A pattern of lost or stolen cards, frequent returns and credits are also indicators of potential problems. A pattern of frequent disputed items on the same card or by the same individual warrant a follow up investigation. A singular occurrence of these situations should not be alarming; a pattern or reoccurrences, however, are cause for concern.

An inquiry from outside your activity concerning the appropriateness of a purchase is a major indicator of potential fraud, misuse or abuse. Government investigators, DoD auditors or vendor officials questioning the authenticity of a purchase requires an investigation of all circumstances and resolution of the issue.

Program officials, including Commanding Officers and APCs, need to be alert to all of these indicators.

Click the forward arrow to continue.

Annual Fleet Card Review

- Internal Operating Procedures
- Card Inventory
- Card Profiles
- Verification of Account Points of Contact
- Training Certification

March 1, 2012

The Fleet Card Program instruction mandates an Annual Review of the program at the local level. These reviews are an opportunity, at a minimum, to check four major aspects of the program.

During the annual review, ensure that the Internal Operating Procedures are complete and up-to-date.

A physical inventory of all cards should be conducted as part of the review to ensure that all cards are present and secured.

Each card should be reviewed to ensure the correct authorization profile is assigned and meets the demands of the activity. Annual Reviews help reduce the size of the Navy's total credit exposure.

Lastly all points of contact must be verified to ensure all hierarchy level APC's are correct as well as the AOs and Certifying Officers. Names, emails, phone numbers and addresses must be validated.

All program participants must be trained using this role base training curriculum.

In summary, the five minimum requirements for the Fleet Card Annual Reviews are to ensure there is an updated IOP, conduct a physical card inventory, card profiles are validated, points of contact information is updated and all program participants are trained to perform their roles.

This is the last topic of this lesson. Please click the forward arrow to review this lesson's objectives.

Lesson 4: Major Topics Review

- Explain the need to establish, execute and maintain local Internal Operating Procedures (IOP)
- Explain the need for monthly reviews of potential fraud, misuse and abuse
- List four major indicators of fraud, misuse and abuse
- Describe internal controls to prevent delinquencies
- List the major elements of the Annual Fleet Card Review

March 1, 2012

As we have just seen, the Fleet Card Program has controls in place to help manage the program. This lesson explained the minimum controls required. Review these major topics before proceeding.

When you are ready, click the forward arrow to continue.