

PRESS RELEASE

5 June 2012

The Auditor General, Alastair Swarbrick, made public today a follow-up report on his Office's February 2010 audit of *Fuel Card Usage and Management*. The report, based on work performed by the Government's Internal Audit Unit in August 2011, also provides information on how well the fuel distribution system is working in other areas of Government.

The Auditor General reported that between the times the two audits were conducted, the annual cost of fuel used by government entities decreased by approximately \$475,000 (23.5%). He also reported that the five agencies included in the 2010 audit have made progress to improve their practices to prevent abuse of the fuel distribution system. However, the Internal Audit Unit's second audit on the subject matter found that the rest of Government did very little to mitigate the risk of abuse in their entities.

"I am disappointed that appropriate action has not been taken across government in the last two years to develop better practices for the distribution of fuel," said Mr. Swarbrick. *"The opportunity for abuse of the system is still a significant risk today."*

Mr. Swarbrick said he would like to see better practices implemented across all government agencies and believes it would likely lead to further reduction in expenditures.

"The expenditures for fuel in the Government have gone down considerably since our last audit, but the reason for the decrease is not clear," said the Auditor General. *"Regardless of the reason for the reduction in fuel consumption, officials still have a duty to implement good controls that ensure there are no opportunities for abuse of the system."*

Mr. Swarbrick said he is pleased to see the immediate and positive response from the current Deputy Governor to take action to address the concerns discussed in his report.

The Auditor General includes details of the Internal Audit Unit's testing results in the next ten largest users of fuel. They found, for example, there are 97 gas cards still assigned to ex-employees and 65 cards assigned to employees who have no business need to have them in those agencies. The internal auditors also found 28 employees with more than one fuel card issued in their name.

More information about this report can be obtained by contacting Martin Ruben at the Office of the Auditor General at (345)244-3206. The report is available in PDF format at www.auditorgeneral.gov.ky.