

GALVESTON COUNTY



Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor
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722 Moody Ave 4th Floor, Galveston, TX 77550

November 27, 2023

Honorable Mark A. Henry, County Judge, and
Members of the Commissioners Court
722 Moody Avenue
Galveston, Texas 77550

Honorable Mark A. Henry and Members of the Court:

Attached to be received and filed is the internal audit report of the Countywide Fuel Usage Audit that covered the period September 1, 2022 through August 31, 2023. Also attached is the response letter from Lee Crowder, Road Administrator, dated November 14, 2023.

Sincerely,

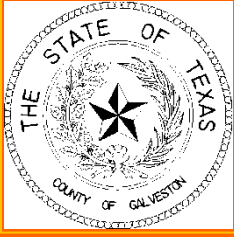
Randall Rice CPA

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Randall Rice CPA
County Auditor

cc: Lee Crowder, Road Administrator

Attachment: Countywide Fuel Usage Audit Report
Response Letter, Lee Crowder



Countywide Fuel Usage Audit

October 10, 2023

Galveston
County
Internal Audit Division

Randall Rice CPA
CITP CISA CIO CBM DABFA CGMA
County Auditor

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Executive Summary

Reliability and Integrity of Information (Pages 3-4)

- No exceptions were noted in the review of invoices from the City of Galveston.
- All monthly invoices reviewed for fuel card usage were properly supported and accurately paid by the county.
- No material discrepancies were noted in the review of gas can transactions.
- No material discrepancies were noted in the review of bulk tank transactions.
- Adequate controls are in place to monitor fuel usage and overrides.

Statistical Analysis (Page 5)

- Galveston County total fuel usage increased 2.29% from FY2019 to FY2022. Unleaded fuel usage increased by 21.53% and diesel fuel usage decreased 40.34%.

Introduction

The Internal Audit Division conducted an audit of the countywide fuel usage in accordance with Local Government Code §115. The internal audit covered the period September 1, 2022 through August 31, 2023. The audit was performed from September 6, 2023 through August 10, 2023.

The primary objective of the internal audit is to provide reasonable assurance concerning reliability and integrity of the information. The scope of the internal audit encompassed the administrative procedures related to countywide fuel usage. The internal audit included, but was not limited to, the books, accounts, reports, and records of the departments using county fuel. The internal audit also included reports and records of the County Auditor, other county officials and third-party entities.

The internal audit included examining fuel transactions on a test basis, and required exercising judgment in the selection of such tests. As the internal audit was not a detailed examination of all transactions, there is a risk that errors or fraud were not detected during the internal audit. The department heads therefore retain the responsibility for the accuracy and completeness of the information.

Because of certain statutory duties required of the County Auditor, we are not independent regarding the departments using county fuel, as defined by the AICPA professional standards. However, our internal audit was performed with objectivity and due professional care.

Lori McWhirter, Internal Audit Manager, performed the audit.

Reliability and Integrity of Information

Fuel Force Fuel Management System & FASTER Software

Fuel Force Fuel Management system and FASTER software are both used to manage fuel usage throughout the county. Fuel transactions are tracked in the Fuel Force system and are downloaded daily into the FASTER software through an interface program within the system. Each fueling station has a Fuel Force keypad where the employee enters the first letter of their last name, the last four digits of their social security number, a unique two-digit PIN number, the vehicle unit number, the mileage (requiring a regulated range to prevent inaccurate fueling) and the fuel pump identification number. The Fuel Force system tracks the number of gallons pumped into each vehicle and is used for fuel billing.

The information Fuel Force extracts to FASTER is used in determining the vehicle usage for tracking maintenance concerns such as excessive fuel consumption and overall cost of vehicle or equipment maintenance for any given time period. The FASTER system also tracks vehicle downtime, maintenance records and total vehicle or equipment costs to determine replacement times and total operational costs. Currently, the Fuel Force system and FASTER software are owned and maintained by the county.

City of Galveston Invoices

Galveston County employees are authorized to use fueling stations owned by the City of Galveston. The City of Galveston tracks fuel usage through FASTER software. The City of Galveston sends monthly invoices to Accounts Payable for payment of the fuel used by county employees. The invoice is sent to the Fleet Department for review and approval prior to being paid.

The auditor compared the invoiced amounts to the FASTER fuel log provided by the City of Galveston to verify accuracy. No exceptions were noted in the review of invoices.

Fuel Card Invoices

Employees purchasing fuel through non-county fuel locations may be issued a fuel card. The Sheriff's Office, District Attorney's Office and Juvenile Justice Department currently use fuel cards. IMPAC Universal is the county's fuel card vendor. Each month, the fuel card vendor submits invoices to Accounts Payable who then sends them to Fleet (for Sheriff's Office and District Attorney's Office) and Juvenile Justice requesting each department to verify the charges and provide the Purchase Order number to use for paying the invoice.

The auditor reviewed the monthly invoices for the audit period. All invoices were properly supported and accurately paid by the county.

Reliability and Integrity of Information (cont.)

Gas Cans

Gas cans are used to transport fuel to equipment when it is not feasible to bring the equipment to a fueling station (i.e., small tools, lawn equipment). The gas cans hold up to 10 gallons of fuel and are typically assigned to the crew leader of a department. For the period reviewed, the county utilized and tracked 13 gas cans in the Fuel Force system and FASTER software.

No material discrepancies were noted in the review of gas can transactions.

Bulk Tanks

Bulk tanks are used to transport fuel to tractors and heavy equipment when it is not feasible to bring the equipment to a fueling station. The bulk tanks hold 100-gallons of fuel and are attached to the bed of various county vehicles. The bulk tanks are assigned the same ID number as the vehicle it is attached to, with a 'B' at the end. When fuel is disbursed from the bulk tanks into equipment, a handwritten log is used to document details such as the date, unit number, beginning and ending pump readings, number of gallons, mileage/hours meter and employee name. For the period reviewed, the county utilized and tracked 15 bulk tanks in the Fuel Force system and FASTER software.

No material discrepancies were noted in the review of bulk tank transactions.

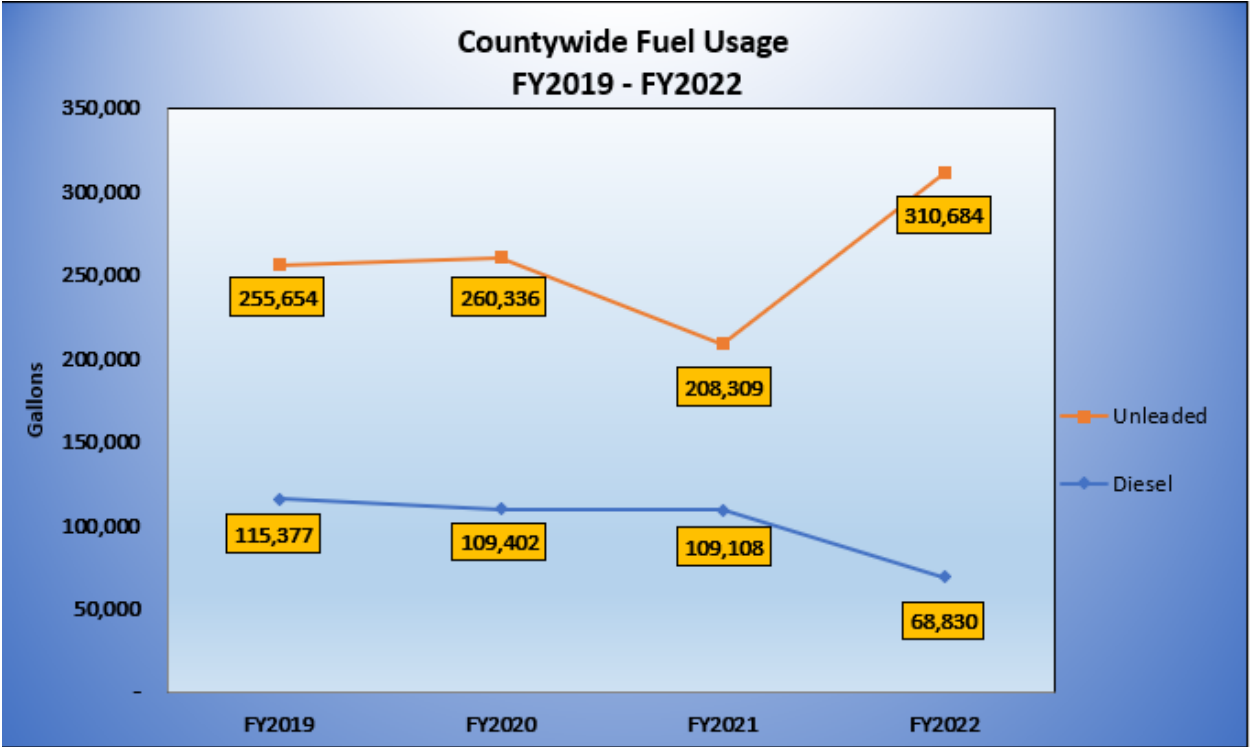
Fuel Reports

The Fleet Department monitors fuel transactions pumped at county fuel stations daily. Fuel Force variance reports are generated for the previous business day and reviewed for red flags or overrides. Overrides occur when the employee is unable to obtain fuel due to inaccurate data entered in the Fuel Force system. Only authorized personnel can override a transaction. The Fleet Department contacts the responsible department for the fuel transactions that are in question. In addition, monthly fuel usage reports are provided to each department head to monitor the fuel usage of their employees.

Controls are in place to monitor fuel usage and overrides.

Statistical Analysis

Galveston County overall fuel usage increased from 371,030 gallons in FY2019 to 379,514 gallons in FY2022, a 2.29% increase. From FY2021 to FY2022, unleaded fuel usage increased by 21.53% and diesel fuel usage decreased 40.34%. The chart below illustrates the total fuel usage for Galveston County from October 1, 2018 to September 30, 2022.





The County of Galveston

Road and Bridge Department
Seawall Maintenance Department
Bolivar Peninsula Beach Maintenance
Fleet Maintenance

Lee Crowder, Director of Road and Bridge Office 281-534-5152

Date: November 14, 2023

To: Randall Rice CPA
County Auditor

From: Lee Crowder 
Road and Bridge Director

Re: **Response to Countywide Fuel Usage Audit**

The Fleet Maintenance Department has reviewed the Countywide Fuel Usage Audit dated October 10, 2023 and accepts the report as submitted.

I would like to thank the staff of the Office of the County Auditor for the diligence and consultation provided during the audit process.