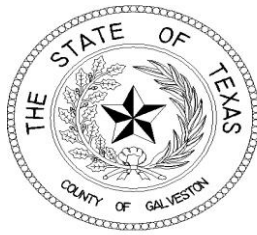


# GALVESTON COUNTY



## Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor  
Kristin Bulanek CIA, First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5304

722 Moody Ave 4<sup>th</sup> Floor, Galveston, TX 77550

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June 15, 2020

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:

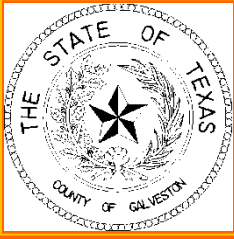
Attached to be received and filed is the internal audit report of the Countywide Fuel Usage Audit that covered the period March 1, 2019 through February 29, 2020. Also attached is the response letter from Lee Crowder, Road Administrator, dated May 26, 2020.

Sincerely,

Randall Rice CPA  
County Auditor

cc: Lee Crowder, Road Administrator  
Elizabeth Bryant, Fleet Administrative Manager

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



# Countywide Fuel Usage Audit

May 6, 2020

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)

- Fleet Department shall request adequate monthly support for 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 anomalies were noted in the review of gas can transactions.
- No material anomalies 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 has increased since the prior year; unleaded fuel usage increased and diesel fuel usage decreased.

## 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 March 1, 2019 through February 29, 2020. The audit was performed from March 31, 2020 through May 6, 2020.

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 with regard to the departments using county fuel, as defined by the AICPA professional standards. However, our internal audit was performed with objectivity and due professional care.

Lillian Arredondo, Internal Auditor, 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 sends monthly invoices to Accounts Payable for payment of the fuel used by county employees. The invoice is sent to Fleet for review and approval prior to being paid.

**Finding:** The City of Galveston is not providing adequate invoice support to ensure billing data is complete and accurate.

**Recommendation FUEL-20-01:** To improve the reliability and integrity of the information of the invoices, the Fleet Department shall request adequate monthly support to fuel invoices.

## Fuel Card Invoices

Employees purchasing fuel through non-county fuel locations can 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 sends the invoices to Accounts Payable (AP) who then sends them to Fleet (for Sheriff's Office and District Attorney fuel card use) and Juvenile Justice requesting each department to verify the charges and provide the Purchase Order (PO) 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 21 gas cans in the Fuel Force system and FASTER software.

No material anomalies 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. For the period reviewed, the county utilized and tracked 19 bulk tanks in the Fuel Force system and FASTER software, a decrease of 5 bulk tanks from FY2019. 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.

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

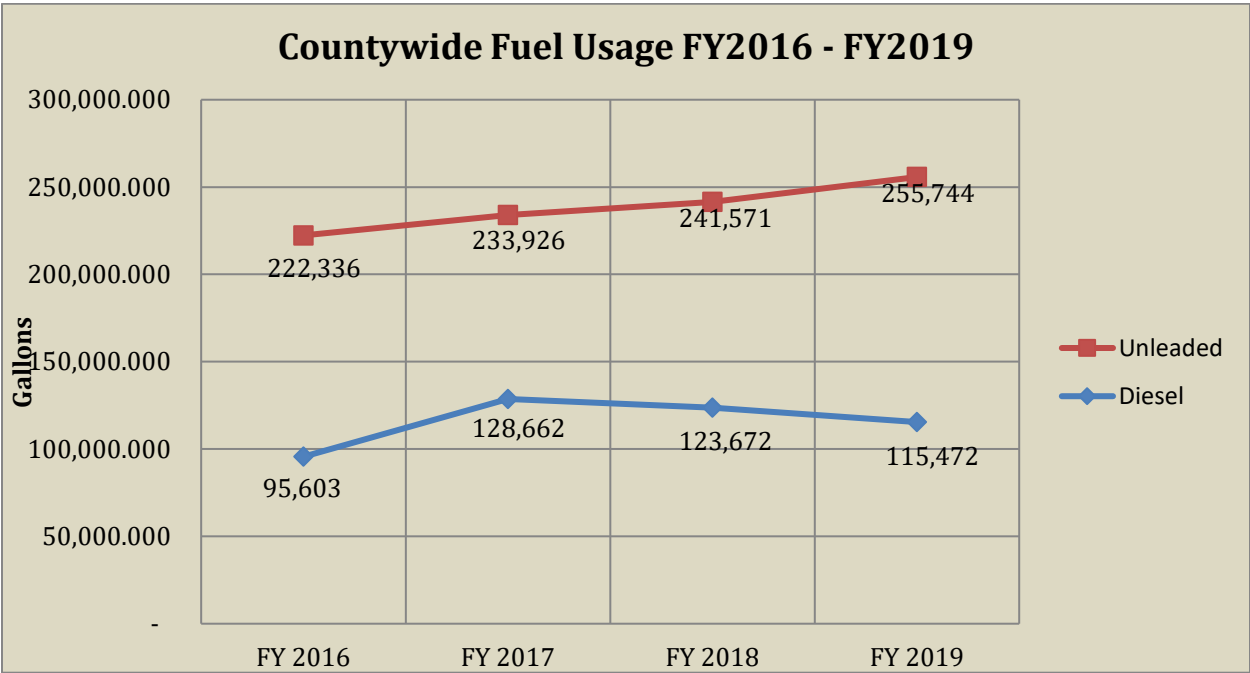
### **Fuel Reports**

The Fleet Department monitors fuel transactions pumped at county fuel stations on a daily basis. 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 have the ability to 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 has slightly increased from 365,243 gallons to 371,216 gallons, resulting in a 1.63% increase since last year. From FY 2018 to FY 2019, unleaded fuel usage increased by 5.86% and the diesel fuel usage decreased 6.63%. The chart below illustrates the total fuel usage for Galveston County from October 1, 2015 to September 30, 2019.



The table below reflects the departments in which fuel usage, reported in gallons, increased more than 10% from FY2018 through FY2019:

Department Fuel Usage Increases by At Least 10% Over Prior Year				
	Department	FY2018	FY2019	Percentage
<a href="#">ZCADMI</a>	SO ADMINISTRATION	9,863.25	15,686.60	59%
<a href="#">ZCCONS</a>	SO CONSTABLES	10,175.90	15,813.60	55%
<a href="#">ZCIDEN</a>	SO IDENTIFICATION	1,632.85	1,834.20	12%
<a href="#">ZCJAIL</a>	SO JAIL	10,253.85	13,321.50	30%
<a href="#">ZCMHMR</a>	SO MHMR	5,336.20	6,624.50	24%
<a href="#">ZDDATA</a>	DATA PROCESSING	242.10	315.35	30%
<a href="#">ZDINFO</a>	INFORMATION TECHNOLOGY	1,385.45	1,943.20	40%
<a href="#">ZDROEX</a>	EXTENSION	563.85	716.05	27%
<a href="#">SHERIFF</a>	SHERIFF'S OFFICE	2,070.40	7,690.20	271%



**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: May 26, 2020

To: Randall Rice CPA  
County Auditor

From: Lee Crowder, Road Administrator *LC*

CC: Elizabeth Bryant, Administrative Fleet Manager  
Lillian Arredondo, Internal Auditor

Re: **Response to Countywide Fuel Usage Audit May 26, 2020**

The Fleet Maintenance Department has reviewed the Countywide Fuel Usage Audit dated May 17, 2020 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.