

GALVESTON COUNTY



Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor
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March 28, 2017

Honorable Mark A. Henry, County Judge, and
Members of the Commissioners Court

Honorable Mark A. Henry and Members of the Court:

Attached for your consideration is the internal audit report of the Countywide Fuel Usage Audit that was conducted from November 28, 2016 through January 17, 2017. Also attached are the response letters from Sheriff Trochesset, dated March 6, 2017, Ms. Julie Diaz, dated March 13, 2017, Mr. Lee Crowder, dated March 15, 2017 and Mr. David Delac, dated March 21, 2017.

Sincerely,




Randall Rice CPA
County Auditor

cc: Henry Trochesset, Galveston County Sheriff
Julie Diaz, Director of Parks and Cultural Services
Lee Crowder, Director of Road and Bridge
David Delac, Chief Financial Officer

Attachments: Countywide Fuel Usage Audit Report
Response Letter, Sheriff Trochesset
Response Letter, Ms. Julie Diaz
Response Letter, Mr. Lee Crowder
Response Letter, Mr. David Delac



Countywide Fuel Usage Audit

January 13, 2017

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)

- The reliability and integrity of information can be improved by implementing the following recommendations:
 - To improve the monitoring of fuel usage as well as preventive maintenance, the county should consider purchasing both the Fuel Force system and FASTER software application.
 - While waiting for the county to purchase both the Fuel Force system and FASTER software application, the Fleet Director should request direct access to the City of Galveston's FASTER software application. Once direct access to FASTER is gained, the Fleet Director should export and distribute fuel usage data to each applicable department head to review for anomalies on a monthly basis.
 - The bulk tank logs should include the full names of employees fueling equipment from the tanks instead of their initials, and the driver of the bulk tank vehicle should provide their signature at the bottom of the completed logs. The logs should then be reviewed by the appropriate party within the department for discrepancies.
 - Complete the implementation of the Fuel Force system and FASTER software at the Bolivar location to properly track and record fuel usage to increase the reliability and integrity of the information.
 - While waiting for the Fuel Force system and FASTER software to be fully implemented in Bolivar, the manual fuel logs should be completed fully and accurately. Discrepancies shall be sent by the Fleet Director to the appropriate department head or outside entity. If logs cannot be completed as required, usage of the pump shall be reviewed for suspension.

Statistical Analysis (Page 5)

- Galveston County fuel usage has increased since the prior year in both unleaded and diesel fuel.

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 November 1, 2015 through October 31, 2016. The audit was performed from November 28, 2016 through January 13, 2017.

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.

Jordan Guss, Information Systems Audit Team Lead, 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 their driver's code (the last four digits of their social security number), the vehicle unit number, the mileage and the fuel pump identification number. The Fuel Force system tracks the number of gallons pumped into each vehicle. The information Fuel Force extracts to FASTER is used in determining the fuel billing, 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 City of Galveston.

Finding: The Fleet Director has limited access to the Fuel Force system and FASTER software and relies on the City of Galveston to provide monthly reports and information necessary for effective fleet management.

Recommendation FUEL-17-01: To improve the monitoring of fuel usage as well as preventive maintenance, the county should consider purchasing both the Fuel Force system and FASTER software application.

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. The county currently has 15 gas cans being tracked in the Fuel Force system and FASTER software.

Finding: The same employee used gas cans assigned to both the Mosquito Control Department (CMCAN) and the Sheriff's Office – Patrol (CSCAN).

Recommendation FUEL-17-02: While waiting for the county to purchase both the Fuel Force system and FASTER software application, the Fleet Director should request direct access to the City of Galveston's FASTER software application. Once direct access to FASTER is gained, the Fleet Director should export and distribute fuel usage data to each applicable department head to review for anomalies on a monthly basis.

Reliability and Integrity of Information (cont.)

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. The county has ten bulk tanks currently in use. 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.

Finding: The bulk tank logs consistently do not contain adequate information.

Recommendation FUEL-17-03: The bulk tank logs should include the full names of employees fueling equipment from the tanks instead of their initials, and the driver of the bulk tank vehicle should provide their signature at the bottom of the completed logs. The logs should then be reviewed by the appropriate party within the department for discrepancies.

Fuel Pump Locations

The county has three fueling stations: Santa Fe Fleet Service Center located at 5101 Avenue H, Dickinson Fleet Service Center located at 5115 Hwy. 3 and the Bolivar Fleet Service Center located at 920 Noble Carl Road, Crystal Beach. For convenience, the county is authorized to use the fueling station at the City of Galveston's main service facility located at 502 32nd Street.

Finding: The Fuel Force system and FASTER software have not been fully implemented at the Bolivar location. Fuel transactions are manually logged on a paper document.

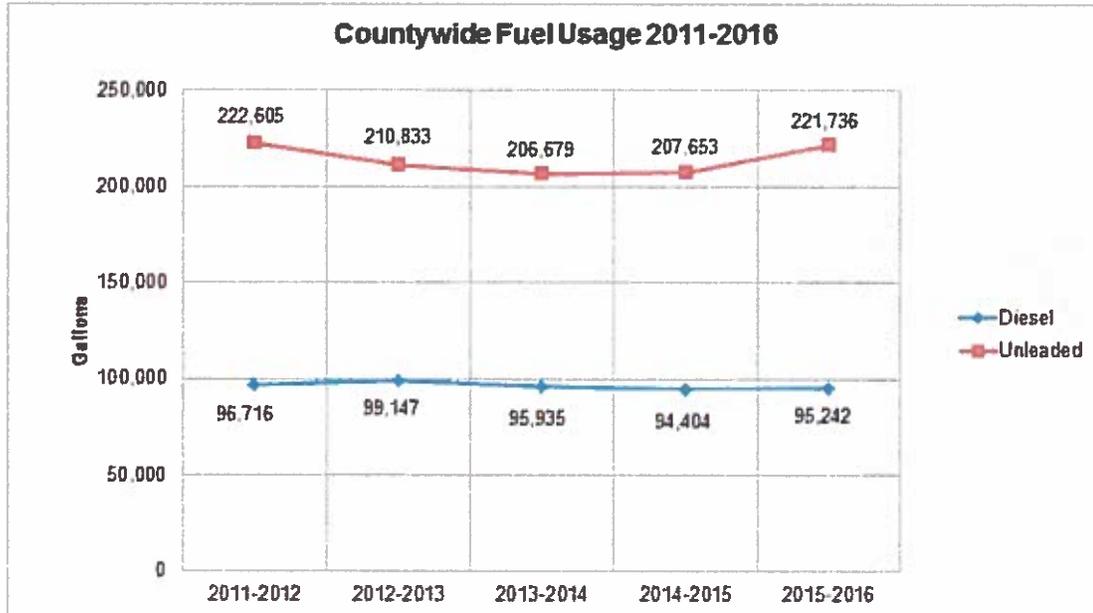
Recommendation FUEL-17-04: Complete the implementation of the Fuel Force system and FASTER software at the Bolivar location to properly track and record fuel usage to increase the reliability and integrity of the information.

Finding: A review of a sample of the manual logs found discrepancies were present in the logs, including but not limited to, illegible handwriting, non-sequential pump readings and blank pump readings.

Recommendation FUEL-17-05: While waiting for the Fuel Force system and FASTER software to be fully implemented in Bolivar, the manual fuel logs should be completed fully and accurately. Discrepancies shall be sent by the Fleet Director to the appropriate department head or outside entity. If logs cannot be completed as required, usage of the pump shall be reviewed for suspension.

Statistical Analysis

Galveston County fuel usage has increased since last year in both unleaded and diesel fuel. From 2015 to 2016, unleaded and diesel fuel usage increased by 7% and 1%, respectively. The chart below illustrates the total fuel usage for Galveston County from November 1, 2011 to October 31, 2016.



The table below reflects the departments in which fuel usage, reported in gallons, increased more than 10% from 2015 through 2016:

	Department	2014-2015	2015-2016	Change
ZCAUTO	SO Auto Crimes	5,219.100	7,737.900	48.3% increase
ZDINFO	Information Technology	920.550	1,364.500	48.2% increase
ZDAEOC	Emergency Operations Center	1,346.400	1,980.750	47.1% increase
ZDDISC	District Clerk	96.350	133.650	38.7% increase
ZDFLEP	Fleet Motor Pool	7,029.300	9,624.850	36.9% increase
ZDBUIL	Building Maintenance	6,038.050	8,148.100	34.9% increase
ZDDIST	District Attorney	4,152.950	5,465.350	31.6% increase
ZCADMI	SO Administration	8,538.050	10,854.100	27.1% increase
ZDJUVE	Juvenile Probation	3,215.400	3,940.250	22.5% increase



Henry A. Trochesset
Sheriff
Galveston County

March 6, 2017

Ms. J. Guss,

I understand your concerns regarding the fuel logs throughout our county. I have forwarded an agency wide e-mail instructing all employees to completely fill out each box of the fuel log emphasizing all hand writing is legible including initials. If you have any further questions, please don't hesitate to contact my office.

I would like to request a change regarding the fuel log. In order to better distinguish which employee has received fuel, we would like to replace the "initial box" to a "print name box". This will enable us to read the correct name in the future.

Respectfully,

A handwritten signature in cursive script that reads "Henry Trochesset".

Henry Trochesset
Sheriff

For more information please contact me at:

(409) 766-2301 or henry.trochesset@co.galveston.tx.us

To Protect and Serve

601 54th Street • Suite 2100 • Galveston, Texas 77551 • 409-766-2300



COUNTY of GALVESTON

Department of Parks & Cultural Services

4102 Main Street (FM 519) • LaMarque, Texas 77568
Phone: (409) 934-8100 • Fax: (409) 934-8140
www.galvestoncountytexas.gov/ps

March 13, 2017

Randall Rice CPA County Auditor
The County of Galveston
County Auditor's Office
P. O. Box 1418
Galveston, Texas 77553

RE: Response to Internal Audit Report

Dear Mr. Rice,

The purpose of this letter is to present the Department of Parks and Cultural Services response to your office's Internal Audit Report received on March 3rd, 2017, which covered the period November 1st, 2015 – October 31st, 2016.

The following will provide in numerical order the Findings, Recommendations, and our Response:

BULK TANKS

Finding: The bulk tank logs consistently do not contain adequate information.

Recommendation FUEL-17-03: The bulk tank logs should include the full names of employees fueling equipment from the tanks instead of their initials, and the driver of the bulk tank vehicle should provide their signature at the bottom of the completed logs. The logs should then be reviewed by the appropriate party within the department for discrepancies.

Response: We will revise the bulk fuel log we received from Fleet to include the full name of the employee fueling from the bulk tank and we will add a signature line for the driver of the bulk tank vehicle. See attached revision of the log. We will also do a bulk fuel/gas can training to go over the new items at our department quarterly meeting on March 24th and will have documents for staff to sign acknowledging receipt of new information.

FUEL PUMP LOCATIONS

Finding: A review of a sample of the manual logs found discrepancies were present in the logs, including, but not limited to, illegible handwriting, non-sequential pump readings, and blank pump readings.

Recommendation FUEL 17-05: While waiting for the Fuel Force system and FASTER software to be

fully implemented in Bolivar, the manual fuel logs should be completed fully and accurately. Discrepancies shall be sent by the Fleet Director to the appropriate department head or outside entity. If logs cannot be completed as required, usage of the pump shall be reviewed for suspension.

Response: We will do a review of the manual log for the Bolivar fuel station, to go over what needs to be completed and how at our department quarterly meeting on March 24th and will have documents for staff to sign acknowledging receipt of new information. We will explain if the log is not filled out accurately that it will result in suspension of fuel privileges.

I would like to thank the Auditor's Office for this internal audit review and the professionalism of your staff, Jordan Guss, as they conducted their day to day visits and interactions with staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Diaz", written in a cursive style.

Julie Diaz
Director
Parks and Cultural Services
Julie.diaz@co.galveston.tx.us
409.934.8114



The County of Galveston

Road and Bridge Department
Seawall Maintenance Department
Bolivar Peninsula Beach Maintenance

Lee Crowder, Director Road and Bridge

Office 281-534-5152

Date: March 15, 2017

To: Randall Rice
County Auditor

From: Lee Crowder 
Director Road and Bridge

Re: Countywide Fuel Usage Audit Response

In response to the findings from the draft internal audit report, dated March 2, 2017, the Road and Bridge Department has implemented a new bulk tank policy and improved bulk tank fuel usage logs. The Road and Bridge department has instructed all Bolivar employees to complete the Fleet Department's fuel log entirely, accurately, legibly and with full names.

On or before March 1, 2017, the Fuel Force system is operational at the Crystal Beach facility. At this time, the Fleet Department will determine the use of temporary manual fuel usage logs in the event of a power outage, IT software failure, etc. The Road and Bridge Department's employees will follow all the Fleet Department's policies for fuel reporting.

The Road and Bridge Department has improved the bulk tank fuel logs and implemented a new fuel usage policy to meet the recommendations provided. All Road and Bridge managers and supervisors have received written policy to report fuel usage accurately and legibly, including full names. The vehicles with bulk tanks are assigned to managers and supervisors. The heavy equipment operators in the field, access the bulk fuel tank to fill their equipment as needed. The Road and Bridge supervisors are responsible for reviewing their assigned vehicle's bulk tank fuel usage logs for accuracy, legibility and completion. The Road and Bridge managers will approve their supervisors' bulk tank fuel usage log.

Thank you for your guidance throughout the fuel usage audit, the recommendations and the Fuel force system will improve the fuel usage recording countywide.

LC/ejb

3 Attachments



The County of Galveston

Road and Bridge Department
Seawall Maintenance Department
Bolivar Peninsula Beach Maintenance

Lee Crowder, Director Road and Bridge

Office 281-534-5152

MEMORANDUM

Date: March 15, 2017

To: All Bolivar Road and Bridge Employees

From: Lee Crowder
Director Road and Bridge

Re: Fleet Department's Fuel Usage Log Instruction

As a result of the Galveston County Auditor's findings of multiple illegible, incomplete and inaccurate reporting of fuel usage logs, employees must comply with the following;

All Bolivar Road and Bridge employees are responsible for their individual recording of fuel usage. The Fleet Department's manual fuel usage log must be completed entirely and accurately. Employees must ensure the recordings are legible and full names are included.

All employees must comply immediately.

Signature: _____



The County of Galveston

Road and Bridge Department
Seawall Maintenance Department
Bolivar Peninsula Beach Maintenance

Lee Crowder, Director Road and Bridge

Office 281-534-5152

Road & Bridge Department
Standard Operating Procedure (SOP)
Front Office
Bulk Tank Fuel Logs

1. All Road & Bridge bulk tank fuel logs must be filled out entirely, legible and signed by the appropriate manager. No Exceptions.
 2. Any incomplete fuel logs will not be accepted. The fuel log must be returned to the appropriate manager for corrections. Continued submission of incorrect fuel logs can result in disciplinary action.
 3. A new bulk tank fuel log must be started at every new fill up.
 4. All completed fuel logs are to be submitted to the Dickinson administration office for record keeping.
 5. Dickinson administration is responsible for the record keeping of the Road & Bridge bulk tank fuel logs by unit number.
 6. All employees are accountable for keeping track of the fuel they receive.
-

Road & Bridge Diesel Bulk Tank Fuel Usage Log

Section: _____ Date/Time: _____

Unit #: _____ Supervisor: _____

Date / Time	Unit #	Vehicle Mileage / Hrs. Meter	Beginning Pump Reading	Ending Pump Reading	Gallons	Print First & Last Name

**** Daily limit: 100 gallons per bulk tank per day****
 Any additional fuel must have a written explanation from the appropriate supervisor. New form is required at every bulk tank refill.

Manager Signature: _____



COUNTY OF GALVESTON
Professional Services Department

DAVID M. DELAC, CHIEF FINANCIAL OFFICER

CDBG Housing Department
CDBG Non-Housing
Child Welfare
Fleet
Grants/FEMA

Budget
Financial Assistance
Guardianship Program
Indigent Burials
Indigent Health Care

March 21, 2017

RE: Response to Countywide Fuel Usage Audit

Finding: The Fleet Director has limited access to the Fuel Force system and FASTER software and relies on the City of Galveston to provide monthly reports and information necessary for effective fleet management.

Response: The CFO and Fleet Director are aware of the limited access that the County has with regard to the Fuel Force System and the FASTER software. During the FY 2018 budget process the Fleet Director will be requesting the County's separate Fuel Force System and FASTER software access. At the same time, the County will also meet with the City of Galveston to understand if there is any additional access that can be provided to the County to monitor the fuel usage and provide monthly reports.

Finding: The same employee used gas cans assigned to both the Mosquito Control Department (CMCAN) and the Sheriff's Office – Patrol (CSCAN)

Response: The County will request additional access to the City of Galveston's Fuel Force system and FASTER application.

Finding: The bulk tank logs consistently do not contain adequate information.

Response: The logs will be reviewed by the appropriate party within the department to determine discrepancies and provide written explanation for said discrepancies

Finding: The Fuel Force System and FASTER software have not been fully implemented at the Bolivar location. Fuel transactions are manually logged on a paper document.

Response: The Fleet Director is fully aware of the situation and the Bolivar location has experienced several setbacks in the implementation of the Fuel Force System and FASTER software recently. The Fleet Director has been very active in getting the Bolivar location on line and has worked with various County officials to insure the County is able to fully utilize the online versus manual system. Training is being provided to the various County employees and gas clients to ensure that the system is reading the information correctly and that the gas is being logged properly.

Finding: A review of a sample of the manual logs found discrepancies were present in the logs, including but not limited to, illegible handwriting, non-sequential pump readings and blank pumps readings.

Response: The Fleet or their designee will review the discrepancies and get with the appropriate department head or outside entity for written explanation. Further training will be provided.