

# GALVESTON COUNTY



## Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor  
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June 4, 2018

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 for your consideration is the internal audit report of the Countywide Fuel Usage Audit that covered the period February 1, 2017 through January 31, 2018. Also attached is the response letter from Lee Crowder, Director of Road & Bridge, dated May 29, 2018.

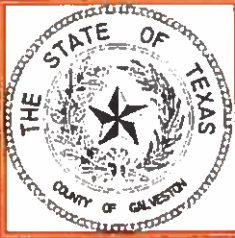
Sincerely,

A handwritten signature in blue ink, appearing to read "Randall Rice", with a stylized flourish at the end.

Randall Rice CPA  
County Auditor

cc: Lee Crowder, Director of Road & Bridge

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



# Countywide Fuel Usage Audit

April 23, 2018

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

## 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 February 1, 2017 through January 31, 2018. The audit was performed from February 9, 2018 through April 23, 2018.

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, Internal Audit Supervisor, 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 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. The Galveston County Fleet Department procured the Fuel Force upgrade during the audit period. The department is currently working with the Auditor's Office and IT to purchase the FASTER software so the county will not have to rely on the city.

## 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.

No exceptions were noted in the review of invoices from the City of Galveston.

## 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, Juvenile Justice Department and Auto Crimes Task Force 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), Juvenile Justice and Auto Crimes 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. The county currently has 13 gas cans being tracked in the Fuel Force system and FASTER software.

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

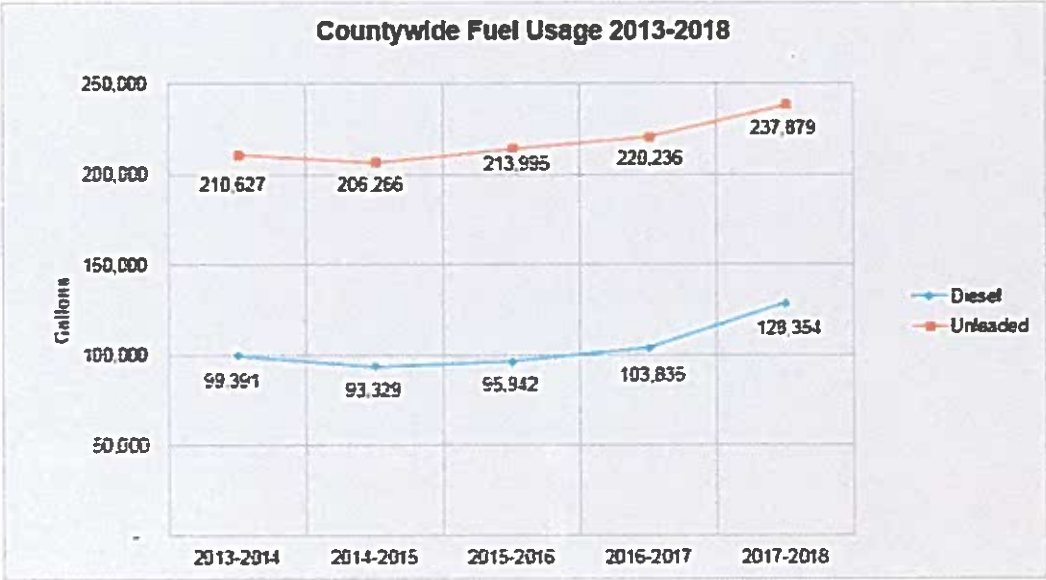
### **Bulk Tanks**

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. The county has 16 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.

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

# Statistical Analysis

Galveston County fuel usage has increased since last year in both unleaded and diesel fuel. From 2016-2017 to 2017-2018, unleaded and diesel fuel usage increased by 8% and 24%, respectively. Upon further review, the increase in fuel was largely due to increased activity surrounding Hurricane Harvey. The chart below illustrates the total fuel usage for Galveston County from February 1, 2013 to January 31, 2018.



The table below reflects the departments in which fuel usage, reported in gallons, increased more than 10% from 2016-2017 through 2017-2018:

Department		2016-2017	2017-2018	Change
ZDBPAR	Beach Parks	660	1,988	201% increase
ZCBOLV	SO Bolivar B/Patrol	1,105	2,993	171% increase
ZDFLEP	Fleet Motor Pool	18,656	33,063	77% increase
ZCNARC	SO Narcotics	787	1,367	74% increase
ZDAEOC	Emergency Operations Center	1,958	3,342	71% increase
ZCCIDI	SO CID	13,419	17,557	31% increase
ZDROAD	Road & Bridge	71,184	92,006	29% increase
ZDSEAW	Seawall Maint	1,179	1,499	27% increase
ZCMARI	SO Marine	4,390	5,566	27% increase
ZDCCON	Constable PC7	4,229	5,166	22% increase
ZDCONS	PC 8 Constable	877	999	14% increase



**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 29, 2018

To: Randall Rice CPA  
County Auditor

From: Lee Crowder   
Road and Bridge Director

Re: **Response to Countywide Fuel Usage Audit April 23, 2018**

The Fleet Maintenance Department has reviewed the Countywide Fuel Usage Audit dated April 23, 2018 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.