



**FUEL CARD AUDIT
FIRE & EMERGENCY
SERVICES DEPARTMENT**

**FOR THE PERIODS OF
JULY 1, 2019 – June 30, 2020**

**Ernest Harvin, CIA
Internal Audit Function
Doña Ana County**

Fuel Card Audit – Fire & Emergency Services Department
Table of Contents

EXECUTIVE SUMMARY	3
AUDIT SCOPE & OBJECTIVES	4
OPERATING & INTERNAL CONTROL RISKS	4
DETAIL OF AUDIT FINDINGS	4
FINDINGS & RECOMMENDATIONS	5

December 23, 2020

Cc: County Manager
Assistant County Manager (Operations)
Fire Chief
Internal Audit Advisory Committee

Doña Ana County Internal Audit Function
845 N. Motel Blvd
Las Cruces, N.M. 88007
Phone: (575) 525-5575

Fernando Macias, County Manager
Chuck McMahon, Assistant County Manager

EXECUTIVE SUMMARY

The Doña Ana County (DAC) Fleet Department contracts with outside vendors to provide fuel to all county departments. The staff provides fuel cards to users and monitors fuel usage. The department has two service trucks to fuel equipment and perform services out in the field, and one tow truck to recover county vehicles as necessary. As Fleet manages the fuel card program, discrepancies noted during a recent Fleet Audit prompted a review of fuel card activities for - the Roads Division of the Engineer/Roads Department, and - the Fire & Emergency Services Department. This report focuses upon fuel card transactions of the Fire & Emergency Services Department, and is intended for the management of Doña Ana County. The report highlights areas that were determined as needing improvement within the Fire & Emergency Services' Fuel Card program. More details about the department can be found by accessing the following link: [Fire & Rescue | Doña Ana County, NM \(donaanacounty.org\)](http://Fire & Rescue | Doña Ana County, NM (donaanacounty.org)).

The Audit reviewed ostensible anomalies in fuel card usage records, following up on refueling activities that appeared to be out of line with policy and common practice. As fuel cards are assigned to individual vehicles and fuel card pins assigned to individual staff, the Audit examined fuel card records that indicated when (1) one particular (individual) fuel card pin was repeatedly used to refuel an unusually high percentage of fire station vehicles, (2) no mileage or negative mileage use was recorded between refuelings for a particular vehicle, (3) records indicated the use of more than one fuel type for a particular vehicle, and (4) the use of one vehicle fuel card to refuel the same vehicle multiple times within a one-hour period of time. The Audit also inquired about individual vehicle fuel cards that indicated three or more transactions within a 24-hour period.

The Audit noted a number of minor discrepancies that proved to be repetitive in nature (amongst the fire stations). Herein, audit findings consisted of 1) inaccurate recorded odometer data, 2) the sharing of fuel card pins, 3) a misuse of fuel cards, and 4) incomplete as well as inaccurate fuel card records. Conversations with multiple Fire Station Chiefs revealed that there is an awareness of most of the discrepancies noted, however the deficiency appears to be in the lack of response to such discrepancies. This report is intended for the management of Doña Ana County, and highlights areas that were determined as needing improvement within the County's Fuel Card program. This report also acknowledges the participation received by the internal auditor during the audit, and credits the Fire & Emergency Services Department for its cooperation.

December 23, 2020

Cc: County Manager
Assistant County Manager (Operations)
Fire Chief
Internal Audit Advisory Committee

Doña Ana County Internal Audit Function
845 N. Motel Blvd
Las Cruces, N.M. 88007
Phone: (575) 525-5575

AUDIT SCOPE & OBJECTIVES

This current audit of the Fuel Card program is a modification of the primary internal audit schedule, which resulted from a countywide risk-assessment conducted by the Internal Audit Function. As the primary internal audit schedule allows for flexibility, an immediate audit of this program was deemed necessary based upon a review of Fleet fuel card records. This Fuel Card program audit covers the periods of July 1, 2019 to June 30, 2020. All findings are detailed in the “Findings, Recommendations, Management Responses and Auditor Comments” section of this report.

The Audit endeavored to follow up on anomalies found within fuel card transaction records, and to determine if transactions aligned with policy and sound practice. The discrepancies that prompted the audit and thereby defined the audits scope, include the following. The Audit reviewed:

- The possible sharing of fuel card pin numbers among fire fighters, to include Fire Station leadership.
- Inaccurate reporting of current miles driven, when refueling (some vehicles reported no mileage use while others purported negative mileage usage).
- The cross-use of vehicle fuel cards: Using a fuel card from one vehicle to refuel another vehicle or fuel container, to include the simultaneous refueling of different vehicles with the same fuel card.
- Large discrepancies in mileage usage such as the ending miles on Day 1, failing to equate to beginning miles on Day 2. Also mileage usage between refuelings sometimes indicated 4 & 5-digit miles of travel).
- An unusually large amount of unleaded fuel being dispensed for fire stations that have predominantly diesel-burning vehicles.

OPERATING & INTERNAL CONTROL RISKS

This report contains no (0) High-level risks, no (0) Moderate-level risks, and seven (7) Low-level risks. This report also includes the auditor’s Recommendations, Management Responses, and Auditor Comments (as applicable).

DETAIL OF AUDIT FINDINGS

Risk ratings are based on professional judgment to assess the extent to which deficiencies could adversely affect the performance of systems and controls of a process. More details about the risk rating in this report can be found by accessing this link:

[Audit Risk Ratings | Doña Ana County, NM \(donaanacounty.org\)](https://www.donaanacounty.org/Audit-Risk-Ratings)

December 23, 2020

Cc: County Manager
Assistant County Manager (Operations)
Fire Chief
Internal Audit Advisory Committee

Doña Ana County Internal Audit Function
845 N. Motel Blvd
Las Cruces, N.M. 88007
Phone: (575) 525-5575

FINDINGS, RECOMMENDATIONS, MANAGEMENT RESPONSES, & AUDITOR COMMENTS

The evidence obtained provides a reasonable basis for the findings and conclusions below, based on audit objectives. As a result of interviews, observations, reviews of Fleet Department SOPs, Regulatory Guidance, and tests performed, the following results were recorded. While management responses are included within this report, the Audit takes no responsibility for the sufficiency of said responses, nor for the effective execution of corrective actions taken or to be taken by management. **NOTE:** Manager Responses below are written in *italics*.

1. **Inaccurate Odometer Data. Low.**

Condition: For the period of July 1, 2019 – June 30, 2020, the Audit made 610 inquiries of 2,672 transactions (for a total of 34% of refueling transactions), noting 401 questionable recordings of current odometer mileage. While some errors resulted from the inputting of trip mileage rather than current odometer mileage, others were the result of operators inputting an arbitrary number (such as a vehicle number or repeated/sequenced numbers).

Effect: Inaccuracies in odometer recordings is a clear violation of the fuel card policy. Fuel cards are normally assigned to a particular vehicle, wherein it allows the fuel card vendor to retain a record of mileage usage for that vehicle. When inaccurate odometer data is inputted, tracking mileage via this method is prohibitive.

Criteria: Per the DAC Driver Fuel Policies, drivers are required to enter an accurate odometer reading upon refueling. This allows for accurate recordkeeping and tracking of the mileage concerning vehicle usage. The policy does not specifically address the refueling of fuel reservoirs/fuel cans, which would not accrue mileage, however the use of fuel cards (auxiliary) dedicated for such fuel transactions would be in line with the spirit of the policy, and support accurate recordkeeping.

Cause: Drivers have not consistently inputted the accurate, current odometer readings of the vehicle being refueled. *All volunteer Station Chiefs and their personnel have been instructed to inspect each apparatus at all of the fire stations, in order to ensure that the odometers are working properly. It has been announced at the Fire Officers Meetings, as well as the Standardization meetings held via WebEx monthly, the importance of accurately recording the mileage. As a secondary measure, we have reminded the volunteers to record mileage every time that an apparatus is inspected and fueled, in order to document "drive time" for continued training through Target Solutions.*

Recommendation(s): The Audit recommends that vehicle/machinery operators are retrained on the importance of following policy and inputting accurate, current odometer data. When refueling auxiliary units such as fuel cans or gasoline-burning apparatuses that are attached to

December 23, 2020

Cc: County Manager
Assistant County Manager (Operations)
Fire Chief
Internal Audit Advisory Committee

Doña Ana County Internal Audit Function
845 N. Motel Blvd
Las Cruces, N.M. 88007
Phone: (575) 525-5575

larger vehicles, auxiliary fuel cards should be used instead of the vehicle's fuel card. There should be a lower fuel limit on auxiliary fuel cards as these purchases are normally made in smaller amounts, rarely requiring the double-digit dispensing of fuel gallons.

As the fuel cards require a mileage or number to be inputted before fuel can be dispensed, management is advised to instruct operators to input a specific 4-digit number to serve as the mileage, for the refueling of containers or other auxiliary items. For example, the number sequence 1111 could be used when refueling fuel cans or pony tanks; the number sequence 2222 could be used when refueling a gasoline-burning auxiliary apparatus that is attached to a vehicle; and so on. Or, the Fire Administration could require that the station number be inputted in a repeated sequence for fuel/pony cans, or the vehicle number for auxiliary items.

Manager's Response: *Fire Administration has worked with the Fleet Department representatives, in order to establish when a fuel card is used to fuel a small engine fuel tank that is affixed to an apparatus (IE: Small Fire Pump or Generator). By keying in "1111" during fueling, this will indicate that the card was purposely used to fuel or top off the small engine or generator mounted to the unit/vehicle. The Fleet Department did not have any issues with this procedure.*

2. **Misuse of Fuel Cards.** *Low.*

Condition: For the period of July 1, 2019 – June 30, 2020, the Audit made 610 inquiries of 2,672 transactions (for a total of 34% of refueling transactions), noting 79 questionable transactions wherein operators used one vehicle's fuel card to refuel another vehicle, auxiliary apparatus, or fuel can.

Effect: Utilization of a fuel card for any other purpose than refueling the assigned vehicle causes inaccuracies in fuel usage records for the assigned vehicle. Fuel card usage inaccuracies are to be investigated for clarification.

Criteria: Fleet assigns a fuel card for each vehicle, and that fuel card is intended to refuel the assigned vehicle. This allows for the accurate tracking/recordkeeping for fuel usage by that particular vehicle.

Cause: *Volunteer Firefighters were never informed or properly trained on the use of fuel cards. Furthermore, it has been discovered that fuel cards were not issued to each apparatus at some of the stations, causing personnel to use a fuel card from another unit.*

Recommendation(s): Once again, the Audit recommends retraining. Please refer to the Manager's Response section of Finding #1, above, for further guidance. Fleet policy should clearly indicate the assignment of fuel cards to specific vehicles.

December 23, 2020

Cc: County Manager
Assistant County Manager (Operations)
Fire Chief
Internal Audit Advisory Committee

Doña Ana County Internal Audit Function
845 N. Motel Blvd
Las Cruces, N.M. 88007
Phone: (575) 525-5575

Manager's Response: *Fire Administration is (today) currently in the process of having all of the fuel cards returned in exchange for new cards "specific" to the unit at each station. Fire Administration is also working to ensure that fuel cards are "fuel type specific" in order to eliminate the potential for fueling both diesel and unleaded units.*

3. **Misuse of Fuel Pins. Low.**

Condition: When questioning Station Chiefs at 16 fire stations about the frequent usage of the same fuel pin for multiple vehicle refuelings at their fire stations for the period of July 1, 2019 – June 30, 2020, Station Chiefs at 8 stations (50%) purported that firefighters will often utilize the Station Chief's pin to refuel vehicles. The fuel card records corroborate that this has occurred as a practice at some fire stations; it also occurs amongst firefighters who utilize one another's fuel pin.

Effect: The sharing of pins is a violation of policy. This prevents clear oversight and accurate recordkeeping as to who actually conducted refueling transactions.

Criteria: Per the DAC Driver Fuel Policies, pins are given to the individual and are considered confidential. Individual pins are not to be shared, and if an individual suspects that someone else has his/her pin, the policy directs them to notify Fleet and acquire a new pin.

Cause: While some Station Chiefs have purported that there is difficulty in acquiring fuel card pins for firefighters, Fire Administration stated that the procedures to acquire pins are straight forward and simple to follow. *Fire Administration supports the Fleet Department when it comes to issuing fuel pins only during normal business hours. This is one area where BOTH Fleet and Fire Administration feel confident that volunteers can adjust their schedules and take the steps necessary for obtaining a fuel PIN.*

Recommendation(s): If Fire Administration does not acquire blocks of pins from Fleet as verbally suggested by the internal auditor (for fast and efficient distribution), they should re-educate Station Chiefs on the process to timely acquire fuel pins for qualified fire fighters. Also, the Station Chiefs and Firefighters who have shared their pins should request that their current pins be deactivated and take the steps to be issued replacement pins.

Manager's Response: *Fire Administration has directed the volunteers to refrain from sharing fuel PINS. It has been announced at both the Fire Officers Meetings and the Standardization Meetings. Fire Administration has also directed the volunteer fire officers to submit notification to Fire Administration as soon as a member has left the organization, so that Fleet can deactivate the fuel PIN no longer in use. **IF a firefighter does not have a fuel PIN, then they are not able to assist with [the] fueling of apparatus at the station.*

December 23, 2020

Cc: County Manager
Assistant County Manager (Operations)
Fire Chief
Internal Audit Advisory Committee

Doña Ana County Internal Audit Function
845 N. Motel Blvd
Las Cruces, N.M. 88007
Phone: (575) 525-5575

4. **Incomplete Fuel Card Records. Low.**

Condition: In multiple cases, the Audit found that Fuel Card records from Fleet did not match the FY20 Fire Station's records, as to which vehicles utilize which fuel cards. Herein for 15 vehicles at 3 Fire Stations, the Audit notes that Fleet Fuel Card records are missing the vehicle description and/or Vehicle Identification Number for the vehicle that was refueled, or has inaccurate records of which vehicle was refueled with a particular fuel card.

Effect: Fuel card records of the issuing department (Fleet) are inaccurate or incomplete.

Criteria: Upon request, Fleet issues a fuel card for a particular vehicle. Thus, each vehicle is assigned a specific fuel card.

Cause: There is a lack of communication between the Fire & Emergency Services Department and Fleet, in the area of coordinating fuel cards with vehicles for Fuel Card records. *Accountability and "span of control" has always contributed to the lack of information sharing and process.*

Recommendation(s): It is recommended that the Fire & Emergency Services Department corroborate with Fleet to ensure that fuel cards assigned to vehicles by Fleet, are utilized for those assigned vehicles. This may require a review of Fleet's records so that Fire Stations can match VINs to Fuel Card numbers, ensuring accuracy. Collaboration with Fleet to ensure that all vehicles are properly identified, as well as advising Station Chiefs of the criteria, could address this deficiency in recordkeeping.

Manager's Response: *Fire Administration (today) is in the process of "consolidating" stations into four specific areas known as "Districts".*

- **North-** Stations 1, 5, 6, 8, 11, and 12
- **South-** Stations 2, 4, 7, 9, 10, 13, 15, and 16
- **NMSU**
- **Santa Teresa**

This consolidation will aid with reducing the likelihood that a breakdown in communication between Fire Administration and the Fleet Department. This will aid with "span of control" issue that is constantly a problem.

5. **Missing Fuel Card. Low.**

Condition: The La Union Station Chief stated that there is no fuel card for Engine 701.

Effect: When there is no assigned fuel card for a vehicle, fuel usage records for that vehicle either do not exist or contain inaccuracies.

Criteria: Each vehicle is to be assigned a fuel card.

December 23, 2020

Cc: County Manager
Assistant County Manager (Operations)
Fire Chief
Internal Audit Advisory Committee

Doña Ana County Internal Audit Function
845 N. Motel Blvd
Las Cruces, N.M. 88007
Phone: (575) 525-5575

Cause: *Not purging “OLD” apparatus and destroying fuel cards that are no longer needed in a timely manner causes confusion on whether fuel cards are needed for new apparatus.*

Recommendation(s): It is recommended that a fuel card is acquired for Engine 701, via the appropriate channels. If missing, acquire a fuel card for each vehicle, a pin for each authorized driver, and at least one auxiliary card for the refueling of fuel containers and auxiliary apparatuses.

Manager’s Response: *Fire Administration (today) is working to ensure that specific information is reviewed in order to eliminate the possibility of stations using fuel cards for multiple units. IE: VIN Numbers, License Plate #, Vehicle or Apparatus ID #.*

6. Inaccurate Fuel Gage. Low.

Condition: The Deputy Fire Chief of the NMSU Fire Station stated that the fuel gauge on the Engine 302, is inaccurate.

Effect: Without an accurate odometer reading, fuel card records will not accurately track vehicle usage. In addition, compliance with the fuel card policy requires inputting an accurate odometer reading upon refueling.

Criteria: Fuel Card policy requires that an accurate odometer reading be entered upon refueling a vehicle.

Cause: The apparatus was not immediately repaired to ensure accurate fuel usage and reading.

Recommendation(s): The Audit recommends that functionality of the fuel gauge on Engine 302 is verified, and corrected if inaccurate.

Manager’s Response: *Fire Administration is working with specific stations to ensure that odometers and fuel capacities are accurate.*

7. Inaccurate Vendor Fuel Card Records. Low.

Condition: The purchase of large amounts of unleaded and unleaded plus fuel by Fire Stations that possess predominantly diesel-burning vehicles, prompted further investigation by the internal auditor. When questioned, Fire Station leadership was without valid explanations for such usage of gasoline products. During the investigation, the internal auditor requested and reviewed hard copy receipts from Auditees, and learned the following-

For the fuel stations below, the fuel records from Fleet labeled Diesel purchases as UNL and UNL+ purchases, respectively as indicated in the chart below.

December 23, 2020

Cc: County Manager
Assistant County Manager (Operations)
Fire Chief
Internal Audit Advisory Committee

Doña Ana County Internal Audit Function
845 N. Motel Blvd
Las Cruces, N.M. 88007
Phone: (575) 525-5575

Merchant (Brand)	Merchant Name	Merchant Address	Merchant City	Merchant State / Province
VALERO ENERGY CORPORATION	Chucky's Convenient	800 Thorpe Rd	Las Cruces	NM
HPS INDEPENDENT MERCHANTS	Pic Quik #78	8336 Highway 478	Vado	NM

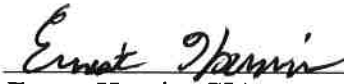
Effect: Inaccuracies such as the mislabeling of fuel/product types, is extremely suspect. When such inaccuracies exist they bring into question the accuracy of other vendor records. This also prompts the fuel card records reviewer (in this case, the internal auditor) to question the reason for the high use of a non-primary product.

Criteria: Accuracy in recordkeeping is vital if the data presented is to be depended upon.

Cause: *Response from WEX (credit card company) stated that this issue is directly coming from the fuel station where the unit was fueled. More likely a computer glitch, and something that WEX just receives from the fuel stations computer system so they are unable to change anything on their reports. WEX did state that as long as the hard copy receipt states the correct fuel received no further action is needed. WEX has no direct control of the fuel stations and their systems. From Fleets perspective, departments reviewing transactions and any discrepancies should be from the hard copy receipt.*

Recommendation(s): The Audit recommends that receipts are acquired and stored for a two-year period, when vehicles are refueled with diesel at the two fuel stations listed in the chart above.

Manager's Response: *Fire Administration is requesting that fire stations obtain fuel receipts from vendors, scan and store these receipts based on the year in a file on the stations computer system. This will ensure that accountability is adhered to more frequently. And "IF" at all possible, please avoid using these fueling stations.*

 19 September 2023
 Ernest Harvin, CIA Date
 Internal Auditor – Doña Ana County

10

December 23, 2020

Cc: County Manager
 Assistant County Manager (Operations)
 Fire Chief
 Internal Audit Advisory Committee

Doña Ana County Internal Audit Function
 845 N. Motel Blvd
 Las Cruces, N.M. 88007
 Phone: (575) 525-5575