



# **FUEL CARD AUDIT ROADS DIVISION**

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

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

**Fuel Card Audit – Roads Division**  
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January 29, 2021

Cc: County Manager  
Assistant County Manager – Operations  
County Engineer  
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. Per the DAC website, 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 Roads Division of the Engineer/Roads Department. More details about the department can be found by accessing the following link: [Engineering/ Roads | Doña Ana County, NM \(donaanacounty.org\)](http://Engineering/Roads | 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/or common practice. As fuel cards are assigned to individual vehicles and fuel card pins are assigned to individual staff, the Audit examined fuel card records that indicated when (1) there was no mileage, excessive mileage, or negative mileage use between refuelings for a particular vehicle, (2) there was dispensing of an amount of fuel beyond the fuel tank capacity for the vehicle being refueled, and (3) there were multiple fueling transactions for a vehicle during the same day.

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 Roads Division management and personnel for their cooperation.

The Audit noted discrepancies that proved to be repetitive in nature, such as the inaccurate input of odometer data, and incomplete as well as inaccurate fuel card records. Incidents wherein fuel appeared to be dispensed beyond a fuel tank's capacity were proven to be legitimate transactions as the vehicles in question housed larger tanks. Details of these findings are below, in the Findings, Recommendations, Manager Responses, and Auditor Comments section.

## AUDIT SCOPE & OBJECTIVES

This audit of the Fuel Card program varies from the progression 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 the Fuel Card Program was deemed necessary based upon a review of fuel card records. This Fuel Card program audit covers the periods of July 1, 2019 to June 30, 2020.

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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 audit scope, include the following:

- Inaccurate reporting of current mileage 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
- Dispensing more fuel than the normal tank size allows for a particular vehicle
- Large discrepancies in odometer readings indicating excessive mileage usage between refuelings (sometimes recording 4 & 5-digit miles traveled)

## **OPERATING & INTERNAL CONTROL RISKS**

This report contains no (0) High-level risks, no (0) Moderate-level risks, and three (3) 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/AuditRiskRatings)

## **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 – Firebird. *Low.***

**Condition:** For the period of July 1, 2019 – June 30, 2020, the Audit made 126 inquiries of 479 refueling transactions (for a total of 26% of refueling transactions), noting approximately 70 questionable recordings (23 with negative mileage; 11 with 0 mileage; 36 with excessive mileage use) of current odometer mileage. While some errors resulted from operators mistakenly inputting the incorrect mileage rather than current odometer mileage, others were

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the result of operators inputting an arbitrary number (such as a vehicle number or repeated/sequence of numbers).

**Effect:** Inaccuracies in odometer recordings is a clear violation of the Driver Fuel Policy. Fuel cards are normally assigned to a particular vehicle, wherein it allows the fuel card vendor to retain a record of mileage usage. When inaccurate odometer data is inputted, the current method of tracking mileage can be prohibited.

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

**Cause:** *Operator error and lack of training.*

**Recommendation(s):** The Audit recommends that vehicle/heavy equipment 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 larger vehicles, auxiliary fuel cards should be used instead of the vehicle's fuel card.

Because the fuel cards require a mileage or number to be inputted before fuel can be dispensed, a discussion with management resulted in the decision that staff would maintain their own refueling records as a subsidiary to Fleet's fuel card records. Herein, subsidiary records maintained on a daily basis would allow for a reconciliation of fuel use to Fleet's fuel card records. The Audit supports management's decision, and also recommends closer management oversight of all fuel card transactions. The level of details recorded in subsidiary records should be sufficient to leave an adequate audit trail.

**Manager's Response:** *Management agrees with the recommendations above, all Road staff will be retrained and be required to sign a statement acknowledging the training. Additionally management will coordinate with the Fleet Department to obtain the appropriate fuel cards and will coordinate with the Foremen to develop the appropriate procedures for recording the correct amount of fuel. The corrective actions will be complete by the end of the fiscal year.*

**Auditor Comments:** As some vehicles record hours of usage instead of miles traveled, hours of usage should be recorded as applicable.

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2. **Inaccurate Odometer Data - Brewer. Low.**

**Condition:** For the period of July 2019 – June 2020, the Audit made 608 inquiries of 1,670 Brewer refueling transactions (for a total of 36% of refueling transactions), noting such questionable mileage recordings as 115 incidents of 0, and 493 incidents of negative mileage recorded during refueling. While some errors resulted from operators mistakenly inputting the incorrect mileage rather than current odometer mileage, others were the result of operators inputting an arbitrary number (such as a vehicle number or repeated/sequence of numbers).

**Effect:** Inaccuracies in odometer recordings is a clear violation of the Driver Fuel Policy. Fuel cards are normally assigned to a particular vehicle, wherein it allows the fuel card vendor to record mileage or hourly usage. When inaccurate odometer data is inputted, the current method of tracking mileage can be prohibited.

**Criteria:** Per the DAC Driver Fuel Policy, drivers are required to enter an accurate odometer reading upon refueling. This allows for accurate recordkeeping and tracking of the mileage or hours concerning vehicle usage. While the policy does not specifically address the refueling of auxiliary units/items, which would not accrue mileage, the use of fuel cards (auxiliary) dedicated for such fuel transactions would be in line with the spirit of the policy, which supports accurate recordkeeping.

**Cause:** *Operator error and lack of training.*

**Recommendation(s):** The Audit recommends that vehicle/heavy equipment operators are retrained on the importance of following policy and inputting accurate, current odometer data (or as applicable, hour usage data). When refueling auxiliary units such as fuel cans or gasoline-burning apparatuses that are attached to larger vehicle, auxiliary fuel cards should be used instead of the vehicle's fuel card.

Because the fuel cards require mileage or a number to be inputted before fuel can be dispensed, a discussion with management resulted in the decision that staff would maintain their own refueling records as a subsidiary to Fleet's fuel card records. Herein, subsidiary records maintained on a daily basis would allow for a reconciliation of fuel use to Fleet's fuel card records. The Audit not only supports management's decision, but also recommends closer management oversight of all fuel card transactions. The level of details recorded in subsidiary records should be sufficient to leave an adequate audit trail.

**Manager's Response:** *Management agrees with the recommendations above, all Road staff will be retrained and be required to sign a statement acknowledging the training. Additionally management will coordinate with the Fleet Department to obtain the*

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*appropriate fuel cards and will coordinate with the Foremen to develop the appropriate procedures for recording the correct amount of fuel. The corrective actions will be complete by the end of the fiscal year.*

**Auditor Comments:** As some vehicles record hours of usage instead of miles traveled, hours of usage should be recorded as applicable.

3. **Refueling Discrepancies. Low.**

**Condition:** For the period of July 2019 – June 2020, the Audit noted incidents of refueling fuel tanks beyond the standard fuel capacity for the vehicles refueled. Herein, 126 Inquires of 479 Firebird Transactions (for a total of 26% of refueling transactions), resulted in 58 questionable refueling transactions amongst 6 vehicles.


**Effect:** If fuel tanks are refueled beyond their listed capacities, questions concerning the legitimacy of refueling activities may arise, as such activities could be viewed as suspect.

**Criteria:** While over fueling 2 - 3 gallons beyond a tank's listed fuel capacity may occur on occasion, over fueling by 5 or more gallons does not appear logical.

**Cause:** *The correct tank capacity on certain equipment is not documented.*

**Recommendation(s):** As Roads management has already agreed to develop and maintain internal records (see Manager Responses in Findings #1 & #2), the Audit recommends that vehicles with upsized fuel tanks be distinctively identified in those records for future reference, to include the vehicle fuel tank capacities.

**Manager's Response:** *Staff will coordinate with the Fleet Department to document the correct fuel tank volumes on their fleet management software. The corrective actions will be complete by the end of the fiscal year.*

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

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