



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#119967

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DATE: 05/05/2015

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT FOR THE REVIEW OF CONTROLS OVER COUNTY FUEL**

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's Report for the review of controls over the County's fuel sites.

BACKGROUND:

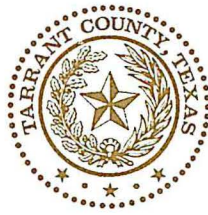
In an audit report presented to Commissioners Court on October 8, 2008, the Auditor's Office made recommendations to improve controls over the Phoenix Fuel System, unissued fuel cards, and the physical security over the County's fuel sites. The Auditor's Office performed a follow-up review to determine whether recommendations had been implemented and found that controls had been substantially improved.

FISCAL IMPACT:

There is no direct fiscal impact associated with this item.

SUBMITTED BY: Auditor's Office

PREPARED BY: S. Renee Tidwell
APPROVED BY:



TARRANT COUNTY

TARRANT COUNTY ADMINISTRATION BUILDING - ROOM 506
100 E. WEATHERFORD
FORT WORTH, TEXAS 76196-0103
817/884-1205
Fax 817/884-1104

S. RENEE TIDWELL, CPA
COUNTY AUDITOR
rtidwell@tarrantcounty.com

CRAIG MAXWELL
FIRST ASSISTANT COUNTY AUDITOR
cmaxwell@tarrantcounty.com

April 1, 2015

Mr. William Riley, Director, Transportation Services Department
The Honorable District Judges
The Honorable Commissioner's Court
Tarrant County, Texas

RE: Auditor's Report – Controls Over County Fuel


The Auditor's Office presented a report to Commissioners Court on October 8, 2008 related to the controls over the County fuel sites. The audit report contained recommendations to improve controls over the Phoenix Fuel System, unissued fuel cards, and the physical security over the County's fuel sites. We performed a follow-up review and found that controls had been substantially improved. Either the recommendations made in the audit report were fully implemented or other procedures had been established to strengthen controls over County fuel. Furthermore, the 2015 capital budget includes the installation of security cameras at the Central Garage.

One control that warrants special attention is the implementation of the user's unique PIN number and SAP personnel number for each fuel transaction. Specifically, the employee must enter *both* numbers to fuel. Several system reports can also be generated for management to monitor their employees' fuel activities. Since users must now enter their SAP personnel number for each fuel transaction, the Auditor's Office has the ability to identify employees who had a fuel transaction at a County fuel site and was reimbursed for mileage through payroll for the same day. This test is limited since it will identify only those employees who entered *miles by day* into the ESS Timesheet versus those employees who entered *miles in total* for a given time period. Ideally, employees should record mileage into ESS on the specific day(s) they traveled as recommended in the Review of Mileage Paid to County Employees audit report which will be presented to Commissioner Court in the next few weeks.

During the period of July 2014 through December 2014, nine County employees received mileage reimbursement through SAP Payroll totaling 1,518 miles and also obtained County fuel on the same day. We reviewed mileage logs for all nine employees and found that the mileage reimbursed was adequately documented and appeared accurate. One of the employees worked in Public Health and was reimbursed 1,298 miles, or 85.5%, of the total miles.

We appreciate the Transportation Department's cooperation and diligence in their efforts to strengthen controls over the County's fuel. If you have any questions concerning this report, please don't hesitate to call.

Sincerely,



S. Renee Tidwell, CPA
County Auditor

Attachment:
Management's response

Team:
Kim Trussell, Audit Manager
Maki Ogata, Senior Internal Auditor

Distribution:
G.K. Maenius, County Administrator
Joylee Russell, Director of Fleet Management, Transportation Services Department



TARRANT COUNTY
TRANSPORTATION DEPARTMENT

April 17, 2015

RE: Auditor's Report – Controls Over County Fuel

We are very satisfied with the Auditor's Office recent follow-up Audit review and findings regarding the Controls Over County Fuel. The first Audit was conducted in 2008 and since then there have been substantial improvements. Joylee Russell and the Central Garage staff have worked diligently implementing the previous audit recommendations, along with improving procedures to enhance the controls over fuel operations.

As pointed out in the current Audit Report, the improvements made in user identification for fuel transactions have given the Auditor's Office the ability to match the dates of fuel dispensing with the mileage claim dates. Although this particular control measure will assist in other ways, I do not believe Central Garage has the ability to implement any improvements to this control.

I appreciate the professional manner in which the Audit Office's staff conducted this follow-up review. If the Audit Office has any further questions or concerns, please let me know.

Sincerely, ¹



William C. Riley
Director, Transportation Services