



## COMMISSIONERS COURT COMMUNICATION

REFERENCE NUMBER \_\_\_\_\_

PAGE 1 OF 6

DATE: 08/01/2023

**SUBJECT: RECEIVE AND FILE THE AUDITOR'S REPORT ON THE  
CONTROLS OVER THE COUNTY'S FLEET FUEL CARDS**

### **COMMISSIONERS COURT ACTION REQUESTED**

It is requested that the Commissioners Court receive and file the Auditor's Report on the Controls Over the County's Fleet Fuel Cards.

### **BACKGROUND**

In accordance with the Local Government Code, the Auditor's Office reviewed controls over the County's fleet fuel cards as of March 31, 2023. The objective of the review was to determine whether the vendor invoiced the County in accordance with the terms of the contract and whether controls over the use of fuel cards were adequate.

### **FISCAL IMPACT**

There is no fiscal impact associated with this item.

SUBMITTED BY:	Auditor Office	PREPARED BY: APPROVED BY:	Kim D. Trussell Kimberly M. Buchanan
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## **TARRANT COUNTY**

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KIMBERLY M. BUCHANAN, CPA  
COUNTY AUDITOR  
kmbuchanan@tarrantcountytx.gov

June 28, 2023

Melissa Lee, Purchasing Agent  
The Honorable District Judges  
The Honorable Commissioners Court  
Tarrant County, Texas

Re: Auditor's Report – Controls Over the County's Fleet Fuel Cards

### **BACKGROUND**

In accordance with the Local Government Code, we reviewed controls over the County's fleet fuel cards as of March 31, 2023. The objective of our review was to determine whether 1) the vendor invoiced the County in accordance with the terms of the contract, and 2) whether controls were adequate over the use of fuel cards. Since July 2019, Tarrant County has contracted with James River Solutions to provide fleet card and fuel management services. As of March 31, 2023, there were 315 fuel cards issued to County departments. The fiscal year 2023 budget for fleet fuel is approximately \$1.1 million. Tarrant County paid approximately \$500,000 to the vendor during October 1, 2022, through March 31, 2023.

We observed that 1) the Oil Price Information Service (OPIS) stated in the terms of the contract specified bulk gas prices, not retail prices, and 2) the vendor did not retain documentation supporting the base price calculation billed to the County. Based on our testing, we believe that the amounts paid were reasonable. The Purchasing Department presented an addendum to the Commissioners Court on April 18, 2023 to clarify the base price calculation, but the addendum did not specify the region or the close date for OPIS pricing. The current contract expires in September 2023. The new bid clearly states the base price calculation, including the region and the close date, and requires that vendor retain all documentation supporting the amounts billed for twelve months *after* final payment of the contract. No recommendation is required.

We also observed that fuel card users did not always comply with the County's Vehicle Use Policy. Specifically, Personal Identification Numbers (PINs) were not always secured. Section D of the policy states, "*It is the cardholder's responsibility to safeguard fuel credit cards, outside vendor fuel cards, automated fuel cards, and fueling access codes.*" Therefore, we could not always determine the user of the card.

Also, we observed that the fuel cards were routinely used at retail gas stations within the County in lieu of the County's four bulk fuel sites located at the Central Garage and Precincts 1, 3, and 4. The policy states, "*Without prior authorization, credit cards or outside vendor fuel cards may not be used within the boundaries of Tarrant County.*"

Furthermore:

- Departments did not always maintain a listing of the location of assigned fuel cards.
- Departments did not always perform a reconciliation between fuel card receipts and the monthly invoice before the invoice is approved for payment.
- Terminated employees were not always deactivated from the fuel system in a timely manner.


To strengthen controls over fuel cards, the Purchasing Agent has agreed to develop a County-wide fuel card policy and provide to each fuel card user department. The policy should include the following language, at a minimum:

- PINs should *never* be shared or recycled among employees or managers. Each employee should establish their own unique PIN. The PIN should *not* be the same as their employee identification number or the same as their work or cell phone number.
- Unless it's not feasible, users should use the bulk fuel at the Central Garage or the precinct locations.
- Each department should maintain an inventory of *all* fuel cards (documenting the last 4 digits of the card) and the individual possessing the card. In instances where the fuel card is assigned to a specific vehicle instead of an employee, the inventory should describe the vehicle, including make, model, and VIN.
- Since the departments are responsible for the accuracy and validity of fuel card transactions, the fuel card receipts should be reconciled to the monthly invoice prior to approval for payment. This reconciliation should be approved by the department head or designee.
- At least two (2) authorized personnel or department head should have administrative access to their departments' JRS transactions and routinely monitor fuel transactions for reasonableness. These individuals should also deactivate employees who are terminated, no longer require use of a fuel card, or transfer to a different County department.

Last, County personnel authorized to use a fuel card should sign an acknowledgment attesting that they have read and understand the policy.

The observations and recommendations, as described above, were communicated to the appropriate departments. We appreciate the cooperation of the Purchasing Department and the fuel card user departments during our review. Please call me if you have any questions regarding the contents of this report.

Sincerely,

  
Kimberly Buchanan, CPA  
County Auditor

*Audit Team:* Kim Trussell, Audit Manager  
LaToya McMiller-Jenkins, Senior Internal Auditor  
Brandy R. Greene, Senior Internal Auditor

*Attachment:* Management's response



**TARRANT COUNTY PURCHASING DEPARTMENT**

**100 E. Weatherford St. #303 • Fort Worth, TX 76196 • (817) 884-1414 • (817) 884-2629 (Fax)**

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Melissa Lee, C.P.M., A.P.P.  
Purchasing Agent

Chris Lax, CPSM, CPSD, CPCP  
Assistant Purchasing Agent

July 10, 2023

Kimberly Buchanan, CPA  
County Auditor  
Tarrant County, Texas

Re: Response to Auditor's Report – County Fuel Cards Transactions

Thank you and your team for reviewing the Fuel Card Policy and Procedures. We have reviewed your observations and recommendations.

We concur. Management is in full agreement with the recommendations and as a result, Purchasing has approved the following plan:

1. As noted in the Auditor's report, the latest solicitation for Fleet Fuel Card and Management Services clearly defines the price calculation.
2. An Enclosure to this letter is a new *Fuel Card Employee Agreement* which must be signed by cardholders that highlights and reinforces the County's *Vehicle Usage Policy* that bars the sharing of fueling access (PIN) codes.
3. Purchasing will continue to monitor fuel cards used locally in Tarrant County without prior approval.
4. Purchasing will require that departments maintain a list of all fuel cards, including the terminating four digits as an identifier, and require that custody of cards and maintenance of information be updated as changes occur.
5. Purchasing will require that the departments quickly verify billing statements and denote any inconsistencies.
6. Purchasing will require two department designees, where feasible, that have administrative privileges and oversight to their department's transactions, auditing for compliance regularly.

Purchasing will continue to provide guidance to fuel card participants to increase understanding of policy requirements and compliance issues.

Purchasing will also strengthen and reinforce the approval process and monitor the process such that all required approvals are obtained and in compliance with County policy.

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

Melissa Lee, C.P.M., A.P.P.  
Purchasing Agent  
Tarrant County, Texas

Enclosure:

*FUEL CARD EMPLOYEE AGREEMENT*

## FUEL CARD EMPLOYEE AGREEMENT

I, \_\_\_\_\_, hereby request the use of a Tarrant County fuel credit card. As a user I agree to comply with the following terms and conditions regarding my use of the Card.

1. I understand that I am being entrusted with a fuel card and will be making purchases on behalf of the County.
2. I understand that the County is liable to the card company for all charges made on the credit card. I understand that I am liable for all charges not in compliance with this Agreement or with the Tarrant County Vehicle Usage Policy.
3. I agree to use this Card for purchases in compliance with the Tarrant County Vehicle Usage Policy and agree not to make purchases in violation of the policy set forth in the Tarrant County Vehicle Usage Policy.
4. I understand that the County Auditor will audit the use of the fuel card and that appropriate actions will be taken to enforce this agreement and violations of the Tarrant County Vehicle Usage Policy.
5. Failure to follow Tarrant County Vehicle Usage Policy may result in the revocation of my use of the fuel card and other possible disciplinary actions.
6. Purchasing may set restrictions and/or limits at any given time, if in the best interest of Tarrant County.
7. I understand that I must provide the correct vehicle mileage and my unique Driver Personal Identification Number, whenever prompted.
8. Personal Identification Number (PINs) should be protected and never shared.
9. I understand that the burden of proof will be upon me to show that the items purchased/charged were made in compliance with the policy as set forth in the Tarrant County Vehicle Usage Policy.
10. **Purchases made in violation of the policy as set forth in the Tarrant County Vehicle Usage Policy will subject me to liability for the total dollar amount of such unauthorized purchases.**

I have read and understand the Tarrant County Vehicle Usage Policy. I accept the responsibility of adhering to the Tarrant County Vehicle Usage Policy. I also understand that Tarrant County may, at the discretion of management, revoke my fuel card privileges at any time. If I use the fuel card for personal use or in any fraudulent manner, disciplinary action may be taken, up to and including termination of employment. In addition, criminal charges may be filed, and restitution may be required.

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Employee Signature	Department	Date
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Elected/Appointed Official or Department Head	Date
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