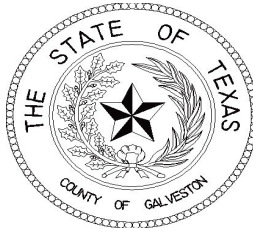


GALVESTON COUNTY



Office of the County Auditor

Sergio Cruz
County Auditor

Christie Motogbe, CPA
First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5300

722 Moody Ave, 4th Floor, Galveston, TX 77550

February 2, 2026

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 to be received and filed is the internal audit report of the Countywide Fuel Usage Audit that covered the period October 1, 2024 through September 30, 2025. Also attached is the response letter from Zachary Smith, County Road Administrator, dated January 14, 2026.

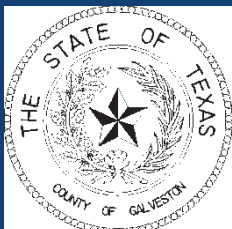
Sincerely,

A handwritten signature in blue ink that reads "Sergio Cruz".

Sergio Cruz
County Auditor

cc: Zachary Smith, County Road Administrator

Attachment: Countywide Fuel Usage Audit Report



Countywide Fuel Usage Internal Audit Report

January 8, 2026

Galveston County
Internal Audit
Division

Sergio Cruz
County Auditor

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Executive Summary

Reliability and Integrity of Information (page 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 discrepancies were noted in the review of gas can transactions.
- No material discrepancies were noted in the review of bulk tank transactions.
- Adequate controls are in place to monitor fuel usage and overrides.

Statistical Analysis (page 5)

- Galveston County Unleaded Fuel Usage increased from 305,536 gallons in FY2021 to 318,159 gallons in FY2025, a 4% increase. The Diesel Fuel Usage decreased from 124,908 gallons in FY2021 to 104,795 gallons in FY2025, a 16% decrease.

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 October 1, 2024 through September 30, 2025. The audit was performed from October 22, 2025 through December 5, 2025.

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 regarding the departments using county fuel, as defined by the AICPA professional standards. However, our internal audit was performed with objectivity and due professional care.

Celeste McGilberry, Internal Auditor II, performed the audit.

Reliability and Integrity of the 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 (requiring a regulated range to prevent inaccurate fueling) and the fuel pump identification number. The Fuel Force system tracks the number of gallons pumped into each vehicle and is used for fuel billing.

The information Fuel Force extracts to FASTER is used in determining the 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 county.

City of Galveston Invoices

Galveston County employees are authorized to use fueling stations owned by the City of Galveston. The City of Galveston tracks fuel usage through FASTER software. The City of Galveston sends monthly invoices to Accounts Payable for payment of the fuel used by county employees. The invoice is sent to the Fleet Department for review and approval prior to being paid.

The auditor compared the invoiced amounts to the FASTER fuel log provided by the City of Galveston to verify accuracy. No exceptions were noted in the review of invoices.

Fuel Card Invoices

Employees purchasing fuel through non-county fuel locations may be issued a fuel card. The Sheriff's Office, District Attorney's Office and Juvenile Justice Department currently use fuel cards. IMPAC Universal is the county's fuel card vendor. Each month, the fuel card vendor submits invoices to Accounts Payable who then sends them to Fleet (for Sheriff's Office and District Attorney's Office) and Juvenile Justice requesting each department to verify the charges and provide the Purchase Order 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. For the period reviewed, the county utilized and tracked 16 gas cans in the Fuel Force system and FASTER software.

During the audit period, there were 355 gas can fuel transactions totaling 2,922 gallons of fuel. There were no weekend transactions or transactions performed on a holiday.

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. 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. For the period reviewed, the county utilized and tracked 15 bulk tanks in the Fuel Force system and FASTER software.

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

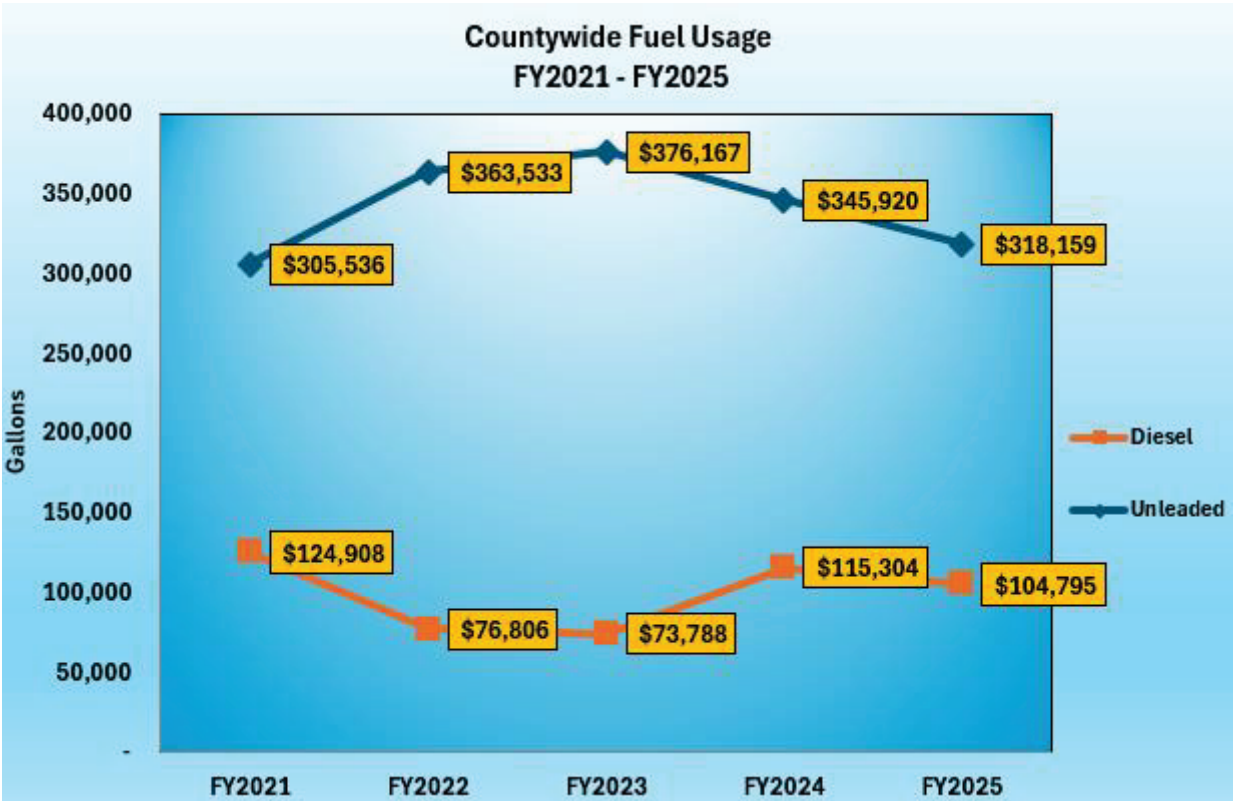
Fuel Reports

The Fleet Department monitors fuel transactions pumped at county fuel stations daily. Fuel Force variance reports are generated for the previous business day and reviewed for red flags or overrides. Overrides occur when the employee is unable to obtain fuel due to inaccurate data entered in the Fuel Force system. Only authorized personnel can override a transaction. The Fleet Department contacts the responsible department for the fuel transactions that are in question. In addition, monthly fuel usage reports are provided to each department head to monitor the fuel usage of their employees.

Controls are in place to monitor fuel usage and overrides.

Statistical Analysis

Galveston County Unleaded Fuel Usage increased from 305,536 gallons in FY2021 to 318,159 gallons in FY2025, a 4% increase. The Diesel Fuel Usage decreased from 124,908 gallons in FY2021 to 104,795 gallons in FY2025, a 16% decrease. The chart below illustrates the total fuel usage for Galveston County from October 1, 2020 to September 30, 2025.





The County of Galveston

Road and Bridge Department
Seawall Maintenance Department
Bolivar Peninsula Beach Maintenance
Fleet Service Department
Zach Smith, Road Administrator Office 281-534-5152

January 14, 2026

Sergio Cruz
County Auditor
722 Moody Ave
Galveston, TX 77550

Mr. Sergio Cruz

We accept the audit report as is, and thank you for your diligence in reviewing our records.

Very Respectfully,

A handwritten signature in black ink, appearing to read "Zachary Smith", is written over a light blue horizontal line.

Zachary Smith
Galveston County Road Administrator