



OFFICE OF THE CONTROLLER

***Luzerne County
Fuel Audit
for the Period
January 1, 2022- December 31, 2022***

April 11, 2023

Walter L. Griffith, Jr.
Luzerne County Controller

Fieldwork performed by:
Lisa Cope

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INTRODUCTION AND BACKGROUND:

Luzerne County owns 169 vehicles which provide an effective and efficient means of transportation for departments that must travel to fulfill the job responsibilities. This fleet is managed by the Fleet Manager and the Roads and Bridge Department who operate a fuel pump at their building location on Water Street. County employees utilize the fuel pump when utilizing county vehicles for job related travel. The Fleet Manager and Road and Bridge department maintain a Fuel Force secure system to provide fuel to county vehicles. This system requires county badge access, use of a unique keyless gas FOB for each vehicle and the need to enter the vehicle mileage. Training is performed by the Fleet Manager to each user of the fuel pump.

In 2021 the county spent \$125K on fuel (gas and diesel) and in 2022 expenditures were \$192K. The cost of a gallon of gasoline increased greater than 30% between January 2021 and December 2022 which justifies much of the increase in expenditures.

For vehicles traveling outside the fuel pump service area the county contracts with WEX Fuel Management system. A WEX card is issued to fuel vehicles that are used outside the service area of the county fuel pump. A pin number is required at the pump as well as the vehicle plate number and mileage to obtain gas. WEX cards are used predominantly by the Sheriff's department who routinely must travel far distances to transport prisoners. A Statement of Understanding is signed by each employee who utilizes the WEX card, and the department maintains a Policy and Procedure for use of the WEX cards. The card is only used for fuel purposes. The Sheriff's department maintains a log of fuel purchases and receipts. Training is performed by the Sheriff's department's Lieutenants.

In 2021 the county spent \$4,935 and in 2022 \$6,859 through use of the WEX cards.

Fuel Force and WEX Card systems allow for access to reports online to manage detail transactions by vehicle and run summary reports.

The Controller's Office conducted an audit entrance meeting with the Operational Division Head, Fleet Manager and Department of Road & Bridge at their office on Water Street. The Road and Bridge department maintains the motor vehicle fleet for Luzerne County as well as non-road equipment, compressors, and lawn mowers. The meeting included a review of audit questions concerning the security and use of the fuel pump and general questions on internal controls and any issues that may have been brought to management's attention.

Wex Card usage, internal controls and procedures was reviewed with the Sheriff's Department. The department has 6 WEX cards that are utilized to obtain fuel for 17 vehicles.

Auditors from the Controller's Department were given access to the Fuel Force System and were provided the master list of vehicles maintained by the Fleet Manager and Road

and Bridge. Many of these vehicles are assigned to specific department for use. Information on WEX card usage was obtained from the County's accounting system.

OBJECTIVE:

The objective of the review was to determine if internal controls were in place that would support the proper usage of fuel. The audit encompassed examination of expenses, contracts and agreements and procedures so that we could report on irregularities, potential efficiencies, and fraud if any were found. The audit methodology also included a review of fleet vehicles and their annual usage to determine if any opportunities exist to better utilize these resources.

The Luzerne County Controller's Office is authorized by the Home Rule Charter of Luzerne County (Charter) Section 3.08 to conduct fiscal, performance, management, contract, grant, compliance, and/or related audits of any County division, department, bureau, office, agency, authority, board, commission, elective office, the Judiciary, Office of Court Administration, or other administrative unit. This review is an internal function, authorized by the Charter. The Controller will also follow up on any audit recommendations, to the extent practical, to determine if they have been considered and/or implemented. Luzerne County Controllers Office Auditors report directly to the elected Controller. The audit staff is organizationally independent to conduct and report on the audit.

SCOPE AND METHODOLOGY:

The audit included selected testing for calendar year 2022. In order to accomplish the objectives, the Controller's Office obtained the following:

- Master Fleet Report maintained by the Fleet Manager and Road & Bridge Department
- Access to Fuel Force Reporting System
- A sample of the Sheriff's Department Transportation trip sheets
- WEX Fuel Purchase Activity Reports
- Fuel Expense Reports from New World Accounting System
- Road & Bridge excel worksheets documenting fuel usage
- Sheriff's Department Fuel Card Policy, Procedure and Statement of Understanding
- Educational materials used by Road & Bridges Department

Utilizing this information 53 of the 169 county vehicles were randomly selected and analyzed to verify if any issues were discovered regarding their access to fueling at the county pumps. This process included reviewing the department and employee utilizing the pump, the plate number on the master fleet sheet versus the plate number maintained in Fuel Force and the recording of miles in the Fuel Force System.

We also audited use of WEX cards by the Sheriff's Department by selecting 3 of the 6 cards used and verifying the accuracy of fueling logged on trip sheets to the WEX paid

invoices. The analysis included reviewing the average miles per gallon per fill up to look for discrepancies between fueling dates.

In our review we discovered several vehicles that appeared underutilized, so we expanded our analysis to include fueling occurrences as well as miles driven within a year.

FINDINGS AND OBSERVATIONS:

- 1) **Based on our testing we found no inappropriate or fraudulent activity in the process of fueling county vehicles at the fuel pump.**
- 2) **WEX cards used by the Sheriff's department in our testing was appropriate and accurate.**
- 3) **There are two master files used in the process of monitoring and tracking fuel and vehicle usage. In order to effectively and efficiently monitor fuel use these two-master files, Fuel Force and Luzerne County Fleet Master must be synchronized and maintain the same database to allow for effective utilization of data. During our review we discovered inconsistencies in the detail vehicle fields utilized in both files.**
- 4) **During the audit and review we found many vehicles that were underutilized or not used at all during 2022.**
 - a. **16 vehicles either got no gas or filled up once in 2022.**
 - b. **22 vehicles were driven less than 1,000 miles in 2022.**
 - c. **15 vehicles were driven less than 2000 miles in 2022.**
- 5) **Although the Fuel Force system has safeguards to prevent fueling unless accurate parameters are met, the sequential mile check was allowed to be overridden. 41 times vehicles were allowed to fuel, despite entering mileage that was out of sequence.**
- 6) **In order to appropriately account for expenses related to a specific grant, separate accounting procedures must be followed to isolate grant expenditures. We found several instances where grant related fuel expenses were expensed to county expense accounts versus the grant specific fund. Incorrect accounting could jeopardize grant eligibility.**

RECOMMENDATIONS:

- 1) Information regarding the two vehicle files, Fuel Force and Luzerne County Vehicle Master File should be synchronized and policy and procedures updated and followed to ensure new vehicles and plate numbers are entered with consistent data fields in each data base and retired vehicles are removed timely from both data basis.
- 2) Contact the Fleet Manager or Fuel Force vendor to program and institute a mileage requirement that can be effectively and efficiently monitored and thus improve the overall fueling security.
- 3) Determine the best vehicle identifier between Vehicle Identification Number and plate number and use just one for both files.
- 4) Operational Services Division Head and Fleet Manager should craft a policy and procedure for the best use of county vehicles. This may include broader use for county business travel using vehicles that are not being used on a daily basis to reduce mileage reimbursements or eliminating part of the vehicle fleet to reduce support time and expenses. As a result of the Fuel Audit, departmental low mileage vehicles should be monitored and used by various departments instead of being allocated to a specific department and under utilized, which increases the cost to the County due to unnecessary mileage reimbursement cost by departments when vehicles are available for their use.
- 5) Departments with grants should enhance their accounting procedures, possibly through the issuance of a WEX card to safeguard against incorrect recording of fuel expenses. The Controller's Office has communicated any instance of incorrect accounting of expenditures to the appropriate department.

Please Note:

Luzerne County Home Rule Charter: Section 3.08 (C) 3

The audited entity shall respond in writing, specifying agreement with the audit findings and/or recommendations or the reasons for disagreement with the findings and/or recommendations, along with any timetable for implementing remedies. The response shall be provided to the Controller within 14 days after the audited entity's receipt of the draft audit. The Controller shall include the audited entity's response in his/her final audit report.

Please respond to this audit as prescribed, by 5:00 pm, April 28, 2023

Signature Page
Luzerne County Fuel Audit
Period January 1, 2022 – December 31, 2022

Controller's Office:

Walter Griffith	Apr 11, 2023
Walter L. Griffith Jr., Controller	Date

Lisa Cope	Apr 12, 2023
Lisa Cope	Date

County Manager's Office:

Brian A Swetz	Apr 17, 2023
Mr. Brian Swetz, Acting County Manager	Date

Operational Services:

Mr. Gregory Kurtz, Operational Division Head	Date
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**Luzerne County
Fuel Audit
Calendar Year 2022**

This report was initially distributed to the following:

Brian Swetz	Acting Luzerne County Manager
Ms. Kendra Radle	Luzerne County Council Chair
Mr. Greg Kurtz	Operational Services, Division Head
William McIntosh	County Engineer and Fleet Manager
Brian Szumski	Sheriff

This report is a matter of public record and is available online at <http://www.luzernecounty.org>, found under Audit Reports on the Luzerne County Controller's section of the website. A hardcopy is also available at the Luzerne County Controller's Office. Media questions about the report may be directed to the Luzerne County Controller's Office at 20 North Pennsylvania Blvd., Suite 213, Wilkes Barre, PA 18701 or via email to Controllers.Office@luzernecounty.org.

Signature: *Brian A Swetz*
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