



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Internal Audit

CITY AUDITOR: Madison Rorschach

DATE: June 6, 2023

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding Audit Project 032 – Fleet Services Operations: Fuel Card Administration.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Pursue Organizational Excellence and Collaborative and Respectful Leadership.

BACKGROUND

City of Denton Charter Article VI, Section 6.04 states, the City Internal Auditor is responsible for providing an independent appraisal of City operations as directed by the City Council. These audits are conducted in accordance with *Generally Accepted Government Auditing Standards* promulgated by the US Government Accountability Office.

Per *Government Auditing Standards*, internal auditors should make audit reports available to the public and should communicate results to the parties who can ensure that the results are given due consideration. In order to meet these *Government Auditing Standards*, the City of Denton's Internal Audit Procedures Manual requires finalized audit reports to be presented to the City Council. Once presented, all published reports can be found on the City of Denton's [Internal Audit Webpage](#).

DISCUSSION

This audit project is intended to evaluate the effectiveness of the City's Fleet Services operations regarding fuel and vehicle management and has been broken into three phases. The third phase – Fuel Card Administration – is intended to provide assurance that the City has adequate controls in place to manage the fuel card program to ensure appropriate usage. Since fiscal year 2021-22 the City has spent about \$380,000 on fuel cards annually, which are inherently risky due to the ease with which employees may spend taxpayer funds. Initial, detailed findings from this audit project phase are presented in the attached Audit of Fleet Services Operations: Fuel Card Administration report.

RECOMMENDATION

Staff recommends closing Audit Project 032 – Fleet Services Operations: Fuel Card Management until a follow-up review is conducted to assess the implementation of the 9 issued recommendations. This follow-up review will likely take place in the next eighteen to thirty-six months.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Aug. 16, 2022: Fiscal Year 2022-23 Annual Internal Audit Plan Adopted

EXHIBITS

1. Agenda Information Sheet
2. Audit of Fleet Services Operations: Fuel Card Administration
3. Presentation

Respectfully submitted:
Madison Rorschach, 940-349-7228
City Auditor