



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 2

Agenda Date: September 10, 2024

In Control: Audit Committee

DEPARTMENT: Office of the City Auditor

DEPARTMENT HEAD: Kevin Barthold

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Acceptance of the Office of the City Auditor Report AU24-004 Audit of BESD Fueling Facilities.

SUMMARY:

Determine if adequate controls are in place in the fleet fuel inventory facilities.

BACKGROUND INFORMATION:

Background

The Building and Equipment Services Department (BESD) is responsible for daily operations and monitoring of the 11 fueling sites for approximately 5,400 City of San Antonio (COSA) active fuel users. BESD also provides fuel to external agencies Opportunity Home San Antonio and Lackland Independent School District.

Further, BESD is responsible for ordering fuel, receiving deliveries, and billing departments for

fuel usage. Applicable fuel includes unleaded gasoline, compressed natural gas (CNG), diesel, and propane fuel. BESD purchases the fuel for the City from TACenergy, which totaled approximately \$16.6 million for FY 2023.

Both the Environmental Protection Agency (EPA) at the federal level, and Texas Commission on Environmental Quality (TCEQ) at the state level, establish rules and regulations related to above ground and underground fuel storage tanks. To manage fuel operations and remain compliant with these standards, BESD utilizes four systems: Veeder-Root (continuous monitoring system for fuel, water, and temperature levels of the underground storage tanks), EJ Ward (captures each transaction from the fuel dispenser for vehicles authorized to fuel), FASTER (used for tracking sales and assets), and SAP (financial reporting system).

Scope & Methodology

The audit scope covered October 2022 through May 2024. It included compliance with TCEQ standards; analysis of fuel transactions; fuel ordering, delivery, and billing; and fueling facilities' physical security controls.

Conclusions

BESD has adequate controls in place over the fleet fuel inventory facilities. Vehicles were properly set up, fueling controls were working as intended, and departments were adequately billed. Further, preventive maintenance is adequately performed and BESD is in compliance with TCEQ requirements.

However, improvements could be made as it pertains to the fuel delivery process and policies and procedures. We made recommendations to improve these areas. Management agreed with the recommendations and developed positive corrective action plans.

ISSUE:

This item is presented for acceptance by the Audit Committee.

FISCAL IMPACT:

NA

ALTERNATIVES:

NA

RECOMMENDATION:

Staff recommends acceptance of this audit report.

