



Wicomico County, Maryland
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Internal Auditor's Report

The County Council and County Executive of Wicomico County, Maryland:

Pursuant to Section 305(D) of the Wicomico County Code and Council Resolution No. 86-2016, the Office of the Internal Auditor has conducted an inquiry of the Wicomico County gasoline purchasing system. A report is submitted herewith. The purpose of the inquiry was to evaluate a new system for dispensing gasoline implemented by the county ancillary to a new fleet leasing program.

The auditors conducted the inquiry with due professional care, and we planned and performed the inquiry to obtain reasonable assurance about whether the current gasoline dispensing protocol is in compliance with applicable policies and procedures and whether those policies and procedures are adequate to obtain an acceptable level of control.

The auditors extend appreciation to Management and Staff in Purchasing and numerous other departments for their timely assistance, cooperation, and candid assessment of the gasoline purchasing system.

Respectfully submitted,

J. Stephen Roser, CPA

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Inquiry Report

Background

Wicomico County Gasoline Purchasing Program

Wicomico County implemented a new gasoline purchasing system (WEX) in conjunction with a leasing program offered by Enterprise. The fuel system allows users to purchase gasoline at a large number of participating retailers including most convenience stores.

Objectives

The objectives of the inquiry were to:

1. Review and evaluate internal controls currently implemented for WEX fuel system
2. Gain an understanding of any new procedures, software, or third-party fuel systems that County has started using since most recent follow-up
3. Make recommendations (if appropriate)

Scope

The period examined on a test basis was July 2019 to date. The Scope was open ended. Observations, interviews, and Inquiries with appropriate personnel were conducted. The auditors performed inspections of selected documentation and systems including:

- Fuelmaster data
- WEX data
- Department level record keeping

Conclusion

Based on the information gathered in this process the administrative oversight procedures (especially on the department levels observed) are at a satisfactory¹ level of internal control compliance for the stated purposes.

Schedule of Findings and Recommendations

The current review of the gasoline purchasing protocol for Wicomico County revealed major changes. Purchasing is in the process of developing new controls in cooperation with the vendor. The findings listed below represent some key issues that warrant discussion.

¹ For the purposes of this audit, IA uses a three-tier grading system recommended by the International Professional Practices Framework (IPPF) as expressed by the [IPPF Practice Guide](#) issued March 2009. The three tiers are Inadequate System of Internal Control, Adequate System of Internal Control, and Satisfactory System of Internal Control. Satisfactory findings indicate that overall controls are satisfactory, although some enhancements may be recommended. It is the highest rating on the scale.

1. Record Keeping

Record keeping methodology varies by department. The Sheriff's Office along with Recreation and Parks use large amounts of gasoline and have multi-level review procedures in place that suit the particular needs of each department. Other departments have only a few number of users (e.g. five at the Airport) making it much less cumbersome to evaluate usage.

2. Usage

The auditors evaluated gasoline usage for July and August 2019 and discovered that overall unleaded gasoline usage in the county declined (year-over-year) in both months. This was due to the elimination of some non-county agencies that were allowed to purchase fuel at Roads Division in 2018. Some county departments, however, showed a slight year-over-year increase in usage. The auditors inquired and attributed the increases to the elimination of purchase card transactions evident in 2018 and diesel powered vehicles the county replaced with gasoline-powered vehicles.

3. Internal Control

Purchasing is in the process of working with the vendor to implement a more robust control regimen involving the use of artificial intelligence data management available through the WEX system. The Auditors recommend evaluation of additional controls and stand ready to assist in any cost-benefit analysis. Additionally, we recommend more department-level training related to internal controls.

Auditor's Closing Remark

The Wicomico County Office of the Internal Auditor would like to thank management and staff from the Department of Public Works, the Airport, the Sheriff's Office, Recreation/Parks, and Purchasing for their timely cooperation and assistance during the inquiry.