

**Date:** 2025-05-30

**Subject:** **Fuel Management Audit 2025 Report**

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**Report Number:** CAO's Office-2025-497


**Recommendations:**

1. That the report titled: Fuel Management Audit 2025 Report, to the Audit Committee Meeting of June 10, 2025, be received and the recommendations contained in **Appendix 1: Fuel Management Audit 2025 Report** be approved.

**Overview:**

- This audit identified key opportunities to enhance the City's fuel management practices, specifically in the areas of on-site fuel monitoring, fuel consumption analysis, oversight of off-site fuel card use and fuel inventory reconciliation.
- The issues and associated management action plans are detailed in the body of the audit report located in **Appendix 1: Fuel Management Audit 2025 Report**.
- **Appendix 2** contains the presentation slides for this audit report.

Internal Audit discussed the following improvement opportunities with Fleet.

Process	Finding	Rating
1. On-site Fuel Monitoring	A review of on-site fuelling transactions noted short-interval fuel-ups for the same vehicles and inconsistent use of jerry can key fobs. These irregular fuel transactions along with the absence of exception-based monitoring, limits Fleet's ability to detect and address anomalies or potential misuse.	
2. Fuel Consumption Analysis	A review of the fuel consumption monitoring process noted the following:	

	<ul style="list-style-type: none"> <li>• 48 non-operational Vehicle Data Units (VDU) which limits the automated capture of odometer readings during on-site fuelling.</li> <li>• Automatic Vehicle Location (AVL) is not integrated with M5 and is not currently utilized to support fuel consumption analysis.</li> <li>• Odometer readings for off-site fuelling are manually entered at pumps and re-entered into M5, increasing the risk of errors.</li> <li>• Fleet does not currently conduct an annual fuel consumption analysis which limits insight into fuel efficiency trends.</li> </ul>	P2
3. Off-site Fuel Card Oversight	<p>A review of the Off-site fuel card monitoring process noted the following:</p> <ul style="list-style-type: none"> <li>• No formal process to follow up with business units on potential fuelling exceptions, including out-of-town or premium fuel transactions, limiting accountability.</li> <li>• Business units do not receive Off-site Purchase Activity Reports and must rely on receipt submissions from staff or ad hoc calls from Fleet, resulting in inconsistent fuel monitoring.</li> <li>• Off-site reports are only available in PDF format and limited to the last 24 months, restricting the ability to perform detailed or long-term analysis.</li> <li>• Transactions do not capture employee IDs at the pump, reducing accountability.</li> </ul>	P2
4. Fuel Inventory Reconciliation	<p>A review of the reconciliation process for on-site fuel inventory noted the following:</p> <ul style="list-style-type: none"> <li>• For Coencorp managed sites, inventory reconciliations are not being performed or reviewed.</li> <li>• For AssetWorks managed sites, Fleet is not fully utilizing the system's reporting capabilities to perform fuel inventory reconciliations.</li> <li>• Manual dip readings are conducted, however they are not centrally stored or</li> </ul>	P2

	<p>consistently documented against system data, which may limit traceability.</p> <ul style="list-style-type: none"> <li>• A formal SOP outlining roles, responsibilities, and reconciliation procedures has not yet been developed, which may impact consistency across fuelling sites.</li> </ul>	
<p>These issues and associated management action plans are discussed in more detail in <b>Appendix 1</b>. These issues are rated as per the criteria described in <b>Appendix 1</b>.</p>		

## Conclusion:

Overall, several foundational controls are in place to support effective fuel management across City operations. Notable strengths include dual authorization for on-site fuelling, robust physical security around fuel storage tanks, and the use of automated systems – Coencorp, AssetWorks, and the off-site fuel card program for capturing fuel transactions.

However, this audit identified key areas where oversight, data accuracy, and accountability can be strengthened. Specifically, the lack of exception-based monitoring and regular fuel consumption analysis, limited oversight of off-site fuel card usage, and the absence of routine fuel inventory reconciliations present risks to operational efficiency and fuel accountability.

Implementing the recommendations outlined in this report will enhance Fleet’s ability to detect anomalies, improve the reliability of fuel data, and streamline fuel management processes. These improvements will support stronger accountability across user departments and provide more accurate information to guide operational and financial decision making.

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## Attachments:

- Appendix 1 – Fuel Management Audit 2025 Report

- Appendix 2 – Fuel Management Audit Presentation Slides