

## Fuel and Maintenance Card Program (WEX) Audit Report 202324-21

November 7, 2024

### Executive Summary

The Florida Department of Highway Safety and Motor Vehicles (Department) participates in the state's Fuel and Maintenance Card program established by the Florida Department of Management Services (DMS), the Florida Department of Financial Services (DFS), and WEX (Wright Express) Bank. The WEX card program is overseen by the Department's Division of Administrative Services (DAS). The WEX card program aims to improve efficiency in managing fuel and vehicle maintenance expenses. As of March 14, 2024, the Department had a total of 3,879 WEX card users. The total amount paid to WEX, Inc., for transactions from December 2023 through February 2024 was \$5,666,756.54.

The purpose of this audit was to review and evaluate the Department's WEX card program and determine compliance with applicable laws and Department policy and procedure. Our review included Department practices and WEX card transactions from December 2023 through February 2024. We reviewed user card agreements and training, card user purchases, receipt submission timeliness, card cancellation timeliness, and management oversight processes. We conducted testing of vehicle and driver card purchases to determine misuse, compared driver card transactions to active Department members, and whether vehicle cards were canceled before a vehicle was disposed.

We determined the WEX card oversight processes should be strengthened to ensure WEX card receipts are timely uploaded, WEX cards are timely canceled before the disposal of a vehicle occurs, and WEX card information is not being overwritten with new card information. Without these oversight processes, the Department could experience findings of noncompliance from DFS audits, instances of WEX card usage after vehicles are disposed, unallowable transactions, and inadequate records to support WEX card transactions due to overwritten card data. We recommend Bureau of Purchasing and Contracts (BPC) management strengthen WEX card oversight processes to ensure compliance with the *Fuel and Maintenance Card Procedures Manual*.

We also determined the *Fuel and Maintenance Card Procedures Manual* should be updated. We noted that the manual contains information inconsistent with the current organization and program practices. There are no specified timeframes for when WEX cards should be canceled when a vehicle is disposed, when a member separates from employment, or when a member moves to a different Division. There is no guidance on the process of canceling WEX cards when vehicles are disposed. Department



management has not updated WEX card procedures with current practices since approximately September 2019. We recommend BPC management update the procedure manual to establish clear responsibilities and accountability and implement a process to review and update the manual periodically.

BPC management concurred with the findings and recommendations and has begun implementing corrective actions.

## **Background and Introduction**

The Fuel and Maintenance Card program is a tool for managing the Department's fuel purchases and vehicle repairs under \$2,500. WEX card users may only use the card for state-owned vehicles and official state-related purposes. Some benefits of the program are:

- Simplifies the purchasing process for vehicle expenses;
- Reduces overhead cost per purchase;
- Provides online accountability and purchasing information;
- Reduces paperwork; and
- Lowers risk of nonpayment for vendors.

To ensure compliance with state purchasing laws outlined in Chapter 287, Florida Statutes, and state guidance provided by the DFS *Reference Guide for State Expenditures*, the Department has established the *Fuel and Maintenance Card Procedure Manual*.

The *Fuel and Maintenance Card Procedure Manual* states the Program Administrator is responsible for establishing agency plans and guidelines for the Fuel and Maintenance Card program. The manual explains how the WEX program works and provides guidelines for card users.

The Department currently issues the following types of WEX cards:

### Vehicle Cards

- Vehicle cards are assigned to a specific vehicle with the tag number embossed on the face of the card.
- Allowable uses: Purchases for fuel, car washes, oil changes, and other authorized vehicle maintenance purchases of \$250 or less.

### Driver Cards

- Driver cards are assigned to a specific individual with their name embossed on the face of the card. These cards will be issued to individuals in a supervisory capacity whose responsibilities include approving the repairs of subordinates'

vehicles. These cards are to be utilized only by the individual named on the card.

- Allowable uses: Purchases for fuel and maintenance of less than \$2,500.

## Training

To ensure WEX cards are used according to the *Department's Fuel and Maintenance Card Procedures Manual*, before being issued a WEX card, Department members are required to sign a user agreement acknowledging the receipt and review of the *Department's Fuel and Maintenance Card Cardholder/User Training Overview/Guidelines* and the terms and conditions for using the card.

We obtained six signed *Fuel and Maintenance Card Program User Agreement* forms from members who requested a WEX card from December 2023 through February 2024. We reviewed the forms to determine if the training was completed appropriately and if the member signed the agreement to confirm they completed training and were provided a copy of the *Department's Fuel and Maintenance Card Cardholder/User Training Overview/Guidelines*.

The DAS Acting Program Administrator from BOA advised that there was no evidence that the training guidelines were sent to card users. Therefore, we contacted the six WEX card users via phone and email to determine if they received the training guidelines. Four out of six individuals responded "yes", and two did not respond to our request. Overall, we determined that the training was adequate for the program.

## Card Use

The *Department's Fuel and Maintenance Card Procedures Manual* states the misuse of the WEX card can result in disciplinary action up to and including termination. Card users are expected to follow appropriate state laws and guidelines and use good and reasonable judgment when making purchases.

We received a WEX report of vehicle and driver card transactions for December 2023 through February 2024. We inquired why a transaction report was not sent for the office card. Office cards were issued to managers assigned to specific offices to purchase fuel or maintenance supplies for gasoline-powered equipment of \$100 or less. After inquiry, we learned management decided in approximately 2019, the Department would no longer use WEX office cards. While the office card is currently listed as one of the WEX card types in the *Fuel and Maintenance Card Procedure Manual*, we did not perform a test on office card transactions.

We sampled purchases based on the card type used for certain transactions which included:

Vehicle Cards:

- Allowable transactions;
- Duplicate charges;
- Within spending limits; and
- Charges occurring in close proximity.

Driver Cards:

- Adequate receipt timely uploaded;
- Within spending limits; and
- Ensure the vehicle tag number and odometer reading are on receipt.

We reviewed a random sample of 100 vehicle card and 60 driver card transactions to determine if the transaction was appropriate and within spending limits. Our review did not note any instances of noncompliance with the WEX vehicle card transactions during the review period. However, we noted that the oversight process could be strengthened to ensure members add non-fuel receipts to the BOA online receipt center within the five-day requirement for driver cards.

## Card Oversight Activities

### Exception Reports

The *Fuel and Maintenance Card Procedures Manual* states that spending limits and restrictions are determined by the agency. Each card user will be provided with guidelines showing authorized spending limits and examples of allowable/disallowable purchases. The spending limits will be defined as an amount per transaction and day. The user can only incur transactions up to a predetermined dollar amount within any defined period. An attempt to purchase excluded goods and/or services may restrict the purchase of disallowable commodities/services or an exception report may occur.

At the beginning of each month, the BOA's Financial Reporting and Asset Management section generates the WEX exception and transaction reports for the previous month from the WEX system. BOA's personnel review the reports for compliance and compare them to the receipts entered in the BOA receipt center. If receipts are not located, BOA will alert the appropriate card user or supervisor. Users are required to submit non-fuel-related receipts within five working days of the transaction. If the receipt cannot be located, the user must sign and submit a *Fuel Card Replacement Receipt* form. All fuel-related receipts must be kept on file by each office according to the *DFS Reference Guide for State Expenditures*.

If there are unallowable goods or services, or the WEX system detects suspicious activity, the system will suspend the user's card and generate an email to the Department. The Program Administrator will review the transaction for compliance and contact the WEX representative to reactivate the user's card or keep it suspended.

Once a month, a member of the BOA's Accounts Payable section, sends the WEX driver and vehicle transaction reports to the DFS for an audit of selected transactions.

## Department Member Separations/Division Changes

When members separate from the Department, the supervisor must submit a service ticket through the Department's online self-service portal, the Technical Assistance Center. This self-service ticket triggers email notifications to appropriate Divisions so that action can be taken to terminate access to Department systems and collect Department property. After notification, the Program Administrator terminates the active user in the WEX system and retains the supporting documentation in DAS' network drive.

In April 2024, the WEX program transitioned to the area of the DAS', BPC. We contacted the BPC Program Administrator to determine the timeframe to deactivate a WEX card when a member separates from the Department. BPC management stated that their process is to deactivate the WEX card immediately upon notification or the next business day.

When a WEX card user moves to a different Division, their supervisor notifies the Program Administrator via email. The Program Administrator will terminate the WEX card, if necessary, or change the status of the WEX card within the WEX system to the appropriate Division and the type of card required upon the notification.

After review, we determined overall the oversight processes are adequate for reviewing the exception WEX reports, comparing the transactions to the receipts, and ensuring WEX cards are canceled timely when employees transfer between Divisions or are no longer employed.

## **Card Transactions and Disposed Vehicles Test**

We received a report of driver card transactions for December 2023 through February 2024 from the WEX system. We also received a People First list of active Department members for the same period from the Bureau of Personnel Services. We randomly sampled 60 of 3,118 driver card transactions from the specified period and compared them to the People First active Department members list. We also reviewed the driver card transaction to the WEX system to determine if the card status was "active" or "terminated." Our review did not note any instances of noncompliance with WEX card



transactions and active Department members during our review period.

Additionally, we tested a sample of disposed vehicles and determined if the vehicle card was canceled before the vehicle was disposed. We reviewed a disposed vehicle report for December 2023 through February 2024 which was retrieved from the Florida Accounting Information Resource (FLAIR) system. We also reviewed a report on all current WEX cards reflecting a status of “active” and “terminated” by the WEX system.

We randomly sampled 25 of 133 disposed vehicles for the specified period. Overall, we determined the oversight process could be strengthened to ensure vehicle WEX cards were canceled before the vehicle was disposed. We also noted no written guidance on when or how to terminate a WEX card within the *Fuel and Maintenance Card Procedure Manual* when notifications are received for a disposed vehicle.

## Conclusion

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We determined the Department has established a system of internal controls that are generally effective in mitigating key risks associated with the Fuel and Maintenance Card program through guidance from the *Fuel and Maintenance Card Procedure Manual*. However, key control areas where improvements should be made include strengthening the WEX card oversight processes and updating the procedure manual to current practices.

## Findings and Recommendations

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### *Improved WEX Card Oversight Processes*

**Finding No. 1:** WEX fuel card oversight processes should be strengthened.

According to the *Fuel and Maintenance Card Procedures Manual*, the Program Administrator is responsible for the following:

- Administer the establishment of card users and maintaining agency profiles and accounting hierarchy;
- Issue and cancel WEX cards;
- Review reports for inappropriate activity;
- Coordinate training and confirm card user’s understanding of the Fuel and Maintenance Card program;
- Monitor the progress of the Department’s goals for WEX card usage; and
- Assist card users with daily issues.



We reviewed a random sample of 60 driver card transactions from December 2023 through February 2024 to determine if receipts were timely uploaded into the accounting's receipt center. During the review, we noted that 7 of the 60 (11.7%) driver card receipts were not added within the five working day requirement. Receipts were added between one to six days after the five-day due date.

The Accounts Payable personnel is not ensuring the driver card receipts are uploaded within the five working days due date.

We also randomly sampled 25 of 133 vehicles that were disposed during December 2023 through February 2024 to determine if the WEX vehicle cards were canceled before the disposal of the vehicle. During the review, we noted:

- 5 of the 25 (20%) disposed vehicles' WEX cards were still listed as an "Active" status in the WEX system after the disposal of the vehicle; and
- 17 of the 25 (68%) disposed vehicles' WEX cards could not be located in the WEX system due to being overwritten with new card information instead of canceling the card.

During the course of the audit, the WEX program transitioned from DAS', BOA to the BPC in April 2024. We contacted the BPC staff to understand the steps taken when a request is received to cancel a WEX card. BPC management mentioned that when a notification is received from the Florida Highway Patrol (FHP) Fleet and Property Management section to cancel a WEX vehicle card, the card is canceled within two business days. The Program Administrator adds the card information to a tracking list for internal reference with the date the card was canceled, and the email is saved to a DAS network drive.

We also inquired with BPC management to get an understanding of why 17 WEX vehicle cards could not be located in the WEX system. BPC discovered that due to the previous vehicle tag recycling process, which has been updated, and the limitations of the WEX system platform, WEX card profile information was replaced (i.e., overwritten) with new card information instead of being canceled to maintain vehicle prompt identifiers. Replacing the card information resulted in the loss of the card's historical transactions. This is no longer an issue. BPC management will not order any new WEX vehicle cards until an email is received from FHP Fleet and Property Management that the vehicle is ready to be placed in service.

Without adequate oversight and monitoring activities, the Department could experience:

- Findings of noncompliance related to the WEX card audits conducted by DFS;
- Use of card after the vehicle is disposed, if not canceled;
- Unallowable transactions; and
- Inadequate records to support the WEX card transactions due to overwritten card data.



## Recommendation

We recommend BPC management strengthen WEX fuel card oversight processes to ensure compliance with the Department's *Fuel and Maintenance Card Procedures Manual*. Specifically ensuring:

- Receipts are uploaded within the five working day requirement;
- WEX cards are canceled before the disposal date; and
- No overwriting of card data within the WEX system.

## Management Response

The BOA will ensure that receipts are uploaded to the Receipt Center within 5 working days of the submission of the invoice by WEX. To ensure receipts are uploaded on time, BOA will send periodic reminders to Division Directors asking that their staff submit WEX receipts to the Receipt Center within 5 business days. The WEX platform does not offer the functionality of notifying cardholders when transactions have been posted, therefore it would be a huge undertaking to ensure that receipts are uploaded within 5 working days of the transaction postdate. The WEX Program Administrator will ensure that WEX cards are canceled within 3 business days of notification of vehicle disposal. The WEX Program Administrator will ensure that cards are canceled, and new cards are assigned when vehicle tags are recycled instead of overwriting asset data.

## *Updated Procedure Manual*

**Finding No. 2:** *Fuel and Maintenance Card Procedure Manual* should be updated.

The *Fuel and Maintenance Card Procedure Manual* states the Program Administrator is responsible for establishing agency plans and guidelines within the Department Program.

During the review, we noted the *Fuel and Maintenance Card Procedure Manual* contains information inconsistent with the organization and program practices in place during the time of our audit. Specifically, the procedure states that office cards are still being issued to offices. Management stated during interviews that office cards have not been issued since approximately 2019.

We also noted in the procedure manual there is no specified time limit for when WEX cards should be canceled or a status change occurs when notifications are received for a vehicle being disposed, a member separating from employment, or when a member moves to a different Division.





Further, there is no written guidance on the process of canceling WEX cards when vehicles are disposed.

Updating written policies and procedures would help promote the quality and consistency of operations and ensure program personnel and WEX users understand and meet their responsibilities.

## **Recommendations**

We recommend BPC management update the procedure manual relating to the WEX program to establish clear responsibilities and accountability. Updated procedures should include requirements that specify:

- The process of canceling WEX cards when vehicles are disposed;
- Time limit cancelations and/or a status change to the card when a notification is received; and
- The use or removal of the office card type.

We also recommend BPC management implement a process to ensure WEX procedures are periodically reviewed and updated.

## **Management Response**

The BPC management will update the WEX *Fuel and Maintenance Card Procedure Manual* and implement a process to review and update the policies and procedures annually.



## **Purpose, Scope, and Methodology**

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The purpose of this engagement was to review and evaluate the Department's Fuel and Maintenance Card program and determine compliance with applicable laws and Department policy and procedure.

The scope of this engagement covered WEX card records and operation procedures for December 2023, January 2024, and February 2024.

The methodology included:

- Reviewing applicable statutes, rules, manuals, and procedures;
- Interviewing appropriate Department staff;
- Reviewing user card agreements and training;
- Reviewing a sample of WEX card purchases based on the type of card used;
- Reviewing a sample of driver card transactions and comparing them to active Department members;
- Reviewing a sample of disposed vehicles and determining if vehicle cards were canceled before the vehicle was disposed; and
- Reviewing the WEX card program oversight process.

## **Acknowledgment**

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We would like to thank the DAS', BOA, and BPC section personnel who assisted during the audit and express our appreciation for their cooperation during our examination.



## Distribution, Statement of Accordance, and Project Team

### **Distribution**

Dave Kerner, Executive Director  
Robert Kynoch, Deputy Executive Director  
Jennifer Langston, Chief of Staff  
Kevin Bailey, Director of Administrative Services  
Mark Hernandez, Bureau Chief of Purchasing and Contracts  
Cricket Lee, MyFloridaMarketPlace and P-Card Administrator/Team Supervisor  
Mike Alexander, Bureau Chief of Accounting  
Stephanie Cabrera, Deputy Chief of Accounting

Melinda M. Miguel, Chief Inspector General  
Sherrill F. Norman, Auditor General

### **Statement of Accordance**

Section 20.055, Florida Statutes, requires the Florida Department of Highway Safety and Motor Vehicles' Inspector General to review, evaluate, and report on policies, plans, procedures, accounting, financial, and other operations of the Department and to recommend improvements. This audit engagement was conducted in accordance with applicable *International Standards for the Professional Practice of Internal Auditing* published by the Institute of Internal Auditors and *Principles and Standards for Offices of Inspector General* published by the Association of Inspectors General.

### **Project Team**

Engagement conducted by:  
Kim Butler, Auditor

Under the supervision of:  
Erin Mook, Audit Director

Approved by:

  
Mike Stacy, Inspector General

## ATTACHMENT - Management Response



Dave Kerner  
Executive Director

2900 Apalachee Parkway  
Tallahassee, Florida 32399-0500  
www.flhsmv.gov

### MEMORANDUM

DATE: October 31, 2024  
TO: Kim Butler, Audit Supervisor  
FROM: Chelsea Flores, WEX Program Administrator  
SUBJECT: Management Response to the WEX Card Program Audit (202324-21)

The following is our response to the findings and recommendations presented in the report.

**Finding 1:** WEX fuel card oversight processes should be strengthened.

#### Recommendation

We recommend BPC management strengthen WEX fuel card oversight processes to ensure compliance with the Department's *Fuel and Maintenance Card Procedures Manual*. Specifically ensuring:

- Receipts are uploaded within the five working day requirement;
- WEX cards are canceled before the disposal date; and
- No overwriting of card data within the WEX system.

#### Management Response

Bureau of Accounting will ensure that receipts are uploaded to the Receipt Center within 5 working days of the submission of the invoice by WEX. To ensure receipts are uploaded in a timely manner, BOA will send periodic reminders to Division Directors asking that their staff submit WEX receipts to the Receipt Center within 5 business days. The WEX platform does not offer the functionality of notifying cardholders when transactions have been posted, therefore it would be a huge undertaking to ensure that receipts are uploaded within 5 working days of the transaction postdate. The WEX Program administrator will ensure that WEX cards are cancelled within 3 business days of notification of vehicle disposal. The WEX Program administrator will ensure that cards are cancelled, and new cards are assigned when vehicle tags are recycled instead of overwriting asset data.

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**Finding 2:** *Fuel and Maintenance Card Procedure Manual* should be updated.

### **Recommendations**

We recommend BPC management update the procedure manual relating to the WEX program to establish clear responsibilities and accountability. Updated procedures should include requirements that specify:

- The process of canceling WEX cards when vehicles are disposed;
- Time limit cancellations and/or a status change to the card when a notification is received; and
- The use or removal of the office card type.

We also recommend BPC management implement a process to ensure WEX procedures are periodically reviewed and updated.

### **Management Response**

The bureau will update the WEX Fuel and Maintenance Card Procedure Manual and implement a process to ensure the policies and procedures are reviewed and updated annually.