



DATE: April 11, 2023
TO: Larry Davis, Assistant City Manager
FROM: Internal Audit Division
SUBJECT: WEX Fuel Card Review
(No Response Required)

The Internal Audit Division has completed our review of the WEX Fuel Card Program for the year ended June 30, 2022 as administered by Financial & Administrative Services. Attached you will find our review report; the departmental response and our replies to their responses. We feel that our concerns have been sufficiently addressed as we move forward. If you have any questions or need additional information, please let us know. Thanks.



Len Lucas
Internal Audit Director

cc: Trey Davis, Assistant City Manager
Marlene Druga, Director of Financial & Administrative Services
G.J. (Jim) Robinson III, Fire Chief
John Thompson, Police Chief
Chris Payne, Deputy Director for Administrative Services
Jerry Gunter, Equipment Services Manager



DATE: March 17, 2023
TO: Marlene Druga, Finance Director
FROM: Internal Audit Division
SUBJECT: WEX Fuel Card Review for the fiscal year ended June 30, 2022
(Response Required by March 31, 2023)

The Internal Audit Division has completed a review of the WEX Fuel Card program expenditures, as administered by the Financial and Administrative Services Department, for the fiscal year ended June 30, 2022. The purpose of the Wright Express® Universal (WEX) Fuel Card program is to provide an option for refueling City fleet and rental vehicles. The WEX card gives City of Greensboro employees the flexibility to purchase fuel from a convenient commercial fuel station instead of the potentially more costly option of traveling to a City operated site. The Police Department, Fire Department, Field Operations Department and Water Resources Department have WEX cards assigned to City vehicles. The Equipment Services Division also maintains WEX travel cards for City employees that are renting vehicles.

The objectives of our review were to:

- Obtain copies of the WEX card statements for all months during the review period.
- Test transactions as noted below. Ensure that all WEX card policies appear to have been followed and appropriate corrective action was taken for any violations of policy.
 - a. Select a sample of out of town transactions. Attempt to determine if the transaction appears proper.
 - b. Identify instances of multiple purchases on the same day by the same individual. Select a sample of these multiple transactions and attempt to determine if the transactions appear proper.
 - c. Select a sample of premium fuel purchases. Attempt to determine if there were valid reasons for purchasing premium fuel.
 - d. Review all transactions for non-fuel purchases. Inquire of all such transactions and determine if the transactions appear proper.
 - e. Select a sample of large gas purchases (exceeding 24 gallons). Attempt to determine if these transactions appear proper.
- Select a sample of WEX card users and verify they have signed the User Agreement.
- Visit the Equipment Services division and physically inspect all travel cards. Ensure all travel cards are accounted for. Select a sample of travel cards with transactions. Verify Equipment Services has receipts for those transactions, as per the policy.
- Inquire of Police, Fire and Equipment Services if any cards/ID's were suspended or revoked during the review period.
- Test a sample of terminated employees during the review period to make sure their ID's or cards were made inactive. Test if there were any transactions using their ID after their termination date.

Monthly Reports

We obtained the Excel spreadsheets of WEX Card transactions for each month from Jerry Gunter, Equipment Services Manager in the Financial & Administrative Services Department. We noted the following total WEX Card charges by month:

<u>Month</u>	<u>Total Charges</u>	<u># Cards With Balances</u>
July 2021	\$ 121,629.47	498
August 2021	121,748.56	506
September 2021	107,226.09	477
October 2021	118,706.00	467
November 2021	114,100.56	462
December 2021	112,842.98	477
January 2022	116,964.67	458
February 2022	129,742.77	474
March 2022	178,007.45	486
April 2022	160,247.83	471
May 2022	197,567.01	505
June 2022	<u>216,125.35</u>	498
Total	\$1,694,908.74	

Transaction Review

We selected a sample of 20 “out of town” transactions. We selected 15 transactions from the Police Department and 5 transactions from the Fire Department. We were provided reasons for all 20 of the transactions. All transactions appear to be for a valid business reason and not violate policy.

We selected the largest transaction month during the review period (June 2022) to test multiple transactions on the same day. We scanned all transactions for June 2022 for all instances where there were multiple purchases on the same day on the same WEX card. There were 169 transactions we reviewed of these “same day” transactions.

Finding: We noted 8 instances in June 2022 of a WEX card being used to fuel two separate City vehicles. The City’s WEX Card policy states WEX cards are assigned to a particular vehicle and should be used for that vehicle.

Recommendation: Staff should continue to remind WEX users of the policy noted above.

We reviewed all premium fuel purchases for the fiscal year. We noted some City vehicles do require premium fuel per their manufacturer. For the vehicles that did not require premium fuel, we inquired of Police and Fire Department personnel for the transactions noted as anything other than 87-octane.

Finding: After excluding the transactions with valid reasons for purchasing premium fuel, it appears there were 2,291 gallons of premium fuel purchased instead of standard 87-octane fuel.

Recommendation: WEX card users should be reminded the policy requires the purchase of 87-octane fuel unless the vehicle requires a higher grade of fuel.

We reviewed all transactions for the fiscal year with a product type potentially something other than fuel, based on the transaction description. We identified 100 transactions with those product types. It appears all of the transactions were indeed fuel purchases, based on review and inquiries of the Fire and Police Departments.

We reviewed all purchases of fuel exceeding 24 gallons for the fiscal year. We noted there were 669 purchases during the review period exceeding 24 gallons. We summarized these purchases by vehicle and then verified the fuel capacity of each vehicle to determine if the purchased fuel exceeded the capacity per the vehicle specifications. We then inquired of the Police Department and Fire Department when the purchased fuel exceeded the vehicle fuel capacity.

Finding: We noted there were 7 transactions where purchased fuel exceeded the fuel capacity of the vehicle and there was no explanation of the reason.

Additional Facts: The Equipment Services Division is adding vehicle fuel capacity to the WEX Card system. This information is displayed on the monthly WEX transactions spreadsheet. This will help identify transactions where the amount of fuel purchased exceeds the fuel capacity of the vehicle.

Recommendation: Staff should continue to monitor and investigate situations where fuel purchases exceed the fuel capacity of the vehicles.

Other than the issues noted above, reviewed transactions appear proper and WEX card policies appear to have been followed.

User Agreements

We selected 20 cardholders for review. The sample was selected from cardholders that had transactions during the month of June 2022. There were a total of 695 users in June, 518 from the Police Department, 176 from the Fire Department and 1 user from the Water Resources Department. We used a random number generator to select the cardholder sample. We selected 10 cardholders from the Police Department and 10 cardholders from the Fire Department.

We were provided a copy of the signed user agreement for all 10 selected Fire Department employees. The Police Department uses an online system to have the employees view and sign an acknowledgement of the user agreement. We were provided a system generated list of employees that had completed the acknowledgements as of November 1, 2022. We noted all 10 of the selected Police Department cardholders had completed the acknowledgements.

Travel Cards

We visited the Equipment Services location on Patton Avenue on February 23, 2023. We viewed cards 1 through 7, cards 9 through 16 and cards 18 and 19 at Equipment Services. Cards 17 and 20 have been cancelled per Equipment Services. Card 8 was signed out by a Parks and Recreation Department employee. All cards were accounted for.

We selected the months of May 2022 and June 2022 to review the receipts for travel card transactions. There were 7 travel card transactions in May 2022 and 6 travel card transactions in June 2022. We were provided supporting documentation for all 13 of those transactions.

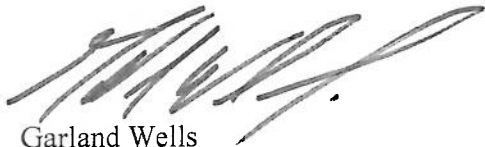
It appear policies are being properly followed for the travel cards.

Suspended and Terminated Employee Cards

We inquired of Sargent William Barham of the Police Department and Deputy Chief Brent Gerald of the Fire Department concerning suspended and cancelled WEX cards for fraud or policy violations. Both individuals noted there were no WEX cards suspended or revoked for disciplinary reasons during the review period due to policy violations or fraud.

We obtained the termination reports from Human Resources for various periods during the fiscal year ended June 30, 2022. We selected ten former employees for testing, six from the Police Department and four from the Fire Department. We reviewed the WEX spreadsheets for any transactions by those 10 former employees after their termination date through the remainder of the review period (June 30, 2022). We noted no WEX card transactions by those 10 former employees after the termination dates provided by Human Resources. It appears there are no issues with transactions from former employees after their termination dates.

We would like to thank the staffs of the Financial and Administrative Services Department, Fire Department, Human Resources Department and Police Department for their assistance and cooperation during this review. Please provide a written response by March 31, 2023. If there are any questions concerning the details of this review, please call us at (336) 373-2230.



Garland Wells
Internal Auditor



Len Lucas
Internal Audit Director

cc: Larry Davis, Assistant City Manager
Trey Davis, Assistant City Manager
G. J. (Jim) Robinson III, Fire Chief
John Thompson, Police Chief
Chris Payne, Deputy Director for Administrative Services
Jerry Gunter, Equipment Services Manager

Wells, Garland

From: Payne, Chris
Sent: Wednesday, April 5, 2023 2:51 PM
To: Wells, Garland
Cc: Druga, Marlene
Subject: Re: WEX Card Review Report For FY 2022

Hi Garland,

Sorry for the delay. I actually thought I had responded promptly.

Recommendation 1:

As recommended, ES staff will continue to remind WEX card users that cards are assigned to a single vehicle.

Recommendation 2:

As recommended, ES staff will continue to remind WEX card users to select the proper fuel type.

Recommendation 3:

As stated, ES staff is adding an additional report field to more closely monitor fuel purchases vs. vehicle capacity as part of the audit process.

Best,
-Chris

Chris S. Payne, C.P.M., CLGPO
Deputy Finance Director – Administrative Services
Financial and Administrative Services Department
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PO Box 3136
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www.greensboro-nc.gov

From: "Wells, Garland" <Garland.Wells@greensboro-nc.gov>
Date: Monday, April 3, 2023 at 2:15 PM
To: "Payne, Chris" <Chris.Payne@greensboro-nc.gov>
Subject: FW: WEX Card Review Report For FY 2022

Chris:
Good afternoon. Just a reminder about the response being due for the WEX Card review.

Take care.

Garland Wells, Internal Auditor
Internal Audit Division
City of Greensboro
Phone: 336-373-2230; Fax 336-373-4387
P.O. Box 3136

Greensboro, NC 27402-3136
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From: Wells, Garland
Sent: Friday, March 17, 2023 12:45 PM
To: Druga, Marlene <Marlene.Druga@greensboro-nc.gov>; Payne, Chris <Chris.Payne@greensboro-nc.gov>
Cc: Davis, Larry <Larry.Davis@greensboro-nc.gov>; Davis, N. <Nathaniel.Davis@greensboro-nc.gov>; Robinson, Graham (Jim) <Graham.Robinson@greensboro-nc.gov>; Thompson, John <John.Thompson@greensboro-nc.gov>; Gunter, Jerry R <Jerry.Gunter@greensboro-nc.gov>; Lucas, Len <Len.Lucas@greensboro-nc.gov>
Subject: WEX Card Review Report For FY 2022

Marlene and Chris:

Attached, please find the WEX Card Review Report for FY 2022. Please respond to the findings by March 31.

Please let me know if you have any questions. Thank you.

Please note: Internal Audit's Review Report, along with all responses and replies, will be made available to the public on the City's external website. Contact Internal Audit if you have any further questions or concerns.

Garland Wells, Internal Auditor
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DATE: April 6, 2023
TO: Marlene Druga, Finance Director
FROM: Internal Audit Division
SUBJECT: WEX Fuel Card Review Response for Fiscal Year 2022

The Internal Audit Division has received the response to the WEX Fuel Card Review Report for the fiscal year ended June 30, 2022. We find the response sufficient and no further action is required.

We would like to thank the staffs of the Financial and Administrative Services, Fire, Human Resources and Police departments for their assistance and cooperation during this review. If there are any questions concerning the details of this review, please call us at (336) 373-2230.

Garland Wells
Internal Auditor

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