




DATE: June 7, 2024
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, 2023 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
Steve Brady, Equipment Services Manager



DATE: June 3, 2024

TO: Marlene Druga, Finance Director

FROM: Internal Audit Division

SUBJECT: WEX Fuel Card Review for the fiscal year ended June 30, 2023
(Response Required by June 17, 2024)

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, 2023. 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, former 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 2022	\$ 183,325.23	484
August 2022	173,317.26	504
September 2022	152,213.24	508
October 2022	155,503.13	496
November 2022	132,317.57	460
December 2022	131,568.94	473
January 2023	140,618.91	470
February 2023	131,322.07	486
March 2023	143,175.27	495
April 2023	151,827.86	471
May 2023	152,642.31	505
June 2023	<u>143,364.56</u>	492
Total	\$1,791,196.35	

The City receives a monthly rebate on purchases through this program. We noted the total rebates for July 2022 through June 2023 were \$37,790.38.

Transaction Review

We selected a sample of 18 “out of town” transactions. We selected 11 transactions from the Police Department and 7 transactions from the Fire Department. We were provided reasons for 16 of the 18 transactions. Those 16 transactions appear to be for a valid business reason and not violate policy.

Finding: We were not provided a business reason for 2 “out of town” transactions.

Recommendation: Departments should continue to review monthly transactions and investigate and document findings.

We selected the largest transaction month during the review period to test multiple transactions on the same day. We scanned all transactions for May 2023 for all instances where there were multiple purchases on the same day by the same individual. There were 137 transactions we reviewed of these “same day” transactions.

Findings: We noted one instance of a WEX card being used to fuel two separate City vehicles. We also noted one instance of 2 transactions within a 3-hour period that was not explained. We discussed both these instances with the appropriate department.

Recommendation: Departments should continue to review monthly transactions and remind WEX users to utilize the card assigned to the vehicle.

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 potentially 3,509 gallons of premium fuel purchased instead of standard 87-octane fuel. Some of those purchases could have been to fill fuel containers, which is allowed.

Subsequent Actions: The Police Department has addressed this issue by proactively communicating with purchasers of premium fuel and they state the instances during the current fiscal year have significantly decreased.

Recommendation: Departments should continue to review monthly transactions and remind WEX users to only purchase premium grades of fuel when necessary.

We reviewed all transactions for the fiscal year with the product type potentially non-fuel (based on the transaction description). We identified 6 transactions with potentially non-fuel product types. It appears one transaction could have potentially been a \$5.00 non-fuel purchase. The Department reminded that employee to only purchase fuel with the WEX cards. It does not appear there is an issue with non-fuel transactions.

We reviewed all purchases of fuel exceeding 24 gallons for the fiscal year. We noted there were 612 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. We only noted 3 transactions during the year that exceeded tank capacity that were not explained. All 3 transactions exceed capacity by less than 8 gallons. Since documentation for every transaction is not required by WEX policy, it does not appear there is an issue with unexplained larger purchases of fuel.

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 2023. There were a total of 637 users in June, 502 from the Police Department, 134 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 January 16, 2024. 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 2 through 7, cards 9 through 16 and cards 18 and 19 at Equipment Services. Cards 17 and 20 have been cancelled per Equipment Services. Cards 1 and 8 were signed out by Parks and Recreation Department employees. All cards were accounted for.

We selected the month of March 2023 to review the receipts for travel card transactions. There were 10 travel card transactions in March 2023. We were provided supporting documentation for all 10 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 WEX Card suspensions and cancellations. Both individuals noted there were no WEX cards suspended or revoked for disciplinary reasons during the review period due to policy violations. The Equipment Services Division, who administers the WEX Card Program, also stated there were no suspensions or cancellations during the fiscal year ended June 30, 2023.

We obtained the termination reports from the People and Culture Department for various periods during the fiscal year ended June 30, 2023. We selected ten former employees, 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. We noted no WEX card transactions by those 10 former employees after the termination dates provided by the People and Culture Department.

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, People and Culture Department and Police Department for their assistance and cooperation during this review. Please provide a written response by June 17, 2024. 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
Nathaniel (Trey) Davis III, Assistant City Manager
G. J. (Jim) Robinson III, Fire Chief
John Thompson, Police Chief
Chris Payne, Deputy Director for Administrative Services
Steve Brady, Equipment Services Manager

Wells, Garland

From: Payne, Chris
Sent: Tuesday, June 4, 2024 4:09 PM
To: Wells, Garland
Cc: Davis, Larry; Davis, N.; Robinson, Graham (Jim); Thompson, John; Brady, Steve; Druga, Marlene
Subject: Re: WEX Card Review for FY 2023

The WEX card review indicates strong policy compliance. The Equipment Services Division staff will continue to remind cardholders of the policies and procedures in coordination with department/division leadership.

Best,
-Chris

Chris S. Payne, C.P.M., CLGPO
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VISION STATEMENT



*Greensboro will be a
community with endless
economic opportunities and
an exceptional quality of life.*

From: Wells, Garland <Garland.Wells@greensboro-nc.gov>
Date: Monday, June 3, 2024 at 11:59 AM
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>, Brady, Steve <Steve.Brady@greensboro-nc.gov>
Subject: WEX Card Review for FY 2023

Marlene and Chris:

Attached, please find the WEX Card Review Report for FY 2023. Please respond to our findings by June 17.

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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VISION STATEMENT



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DATE: June 5, 2024
TO: Marlene Druga, Finance Director
FROM: Internal Audit Division
SUBJECT: WEX Fuel Card Review Response for Fiscal Year 2023

The Internal Audit Division has received the response to the WEX Fuel Card Review Report for the fiscal year ended June 30, 2023. 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, People and Culture 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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