



Florida Department of Transportation
Office of Inspector General
Kristofer B. Sullivan, Inspector General

FleetWave System Control and Inventory Audit
Report No. 25P-010

DocuSigned by:
Kristofer B. Sullivan
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April 15, 2026

What We Did

The Florida Department of Transportation's (Department) Office of Inspector General conducted an audit of the Department's Fleet Management program under the management of the Office of Maintenance. The purpose of this audit was to determine whether the Department's fleet management and inventory control policies and procedures are in accordance with state statutes, rules, and other agency requirements. Additionally, the purpose was to determine whether the Department maintains accurate inventory records regarding vehicle/mobile equipment in accordance with state statutes, rules, Department requirements, Department of Highway Safety and Motor Vehicle (DHSMV) requirements, and Department of Management Services (DMS) requirements. Mobile equipment is defined by the Department as registered vehicles, watercraft, and equipment. This audit was conducted as part of our annual work plan for fiscal year 2024-25.

What We Concluded

We concluded the Department's Fleet Management program provides governance; however, improvements are necessary. Enhancements are needed in areas of oversight, risk management, performance management, and quality assurance processes to ensure compliance with applicable Florida Statutes and Florida Administrative Code.

We determined the Department's policies and procedures pertaining to fleet management and inventory controls do not specifically reference 10 of 13 applicable requirements from state statutes, rules, and DMS governing documents.

We determined the Department's mobile equipment inventory records are generally in accordance with requirements.

What We Recommend

We recommend the Director of the Office of Maintenance coordinate the:

- update of the Mobile Equipment Manual to incorporate the following 10 requirements to ensure it contains current state statutes, rules, and other agency requirements regarding fleet management and inventory controls to:
 - notify DMS within 30 days of the sale or transfer of a motor vehicle;
 - prohibit altering the appearance of a motor vehicle license plate;

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- return the license plate to the DHSMV upon sale, trade, or transfer;
 - add new Department equipment to the reporting system within 30 days from the date the equipment is received, delete equipment from the system within 30 days from the date of disposal, and input any changes or corrections as needed;
 - ensure a complete physical inventory of all property is taken at least once each fiscal year;
 - use forms to record the physical inventory and display date of inventory, name of person conducting inventory, etc.;
 - create an inventory form for any unrecorded property identified during an inventory;
 - compare data listed on the inventory forms with individual property records and investigate and correct any discrepancies;
 - report and investigate items not located during the inventory process; and
 - obtain approval from the State Chief Financial Officer prior to the disposition or removal of unaccounted for items from the property records.
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- communication between the Districts, SMO, and FTE regarding the development and maintenance of the written Standard Operating Procedures and Quality Control Plans to ensure they are complete and sufficiently in compliance with fleet management and inventory controls, statutes, rules, and other agency requirements.

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BACKGROUND AND INTRODUCTION

The Central Office, Office of Maintenance (Central Office) develops and provides policies, procedures, training, criteria, and standards for the maintenance of Florida's bridges and roadways. The functional areas include Contract Management, Motor Carrier Size and Weight, Performance Management, Program Resources, Roadway Operations, and Structures Operations.

Roadway Operations is responsible for developing policies and procedures, providing technical support, and conducting quality assurance reviews in the areas related to traffic services, roadway permits, roadway and roadside maintenance, and fleet management. Other responsibilities include managing the State Sign Shop, maintaining and reviewing the maintenance rating program statewide, managing the Department of Transportation's (Department) in house and commercial fuel program, and reviewing all District mobile equipment purchase requisitions.

The Department's Fleet Management Program oversees the purchase, operation, maintenance, and disposal of its motor vehicles and watercraft. To ensure effective management, the Department requires accurate records and data on mobile equipment inventory location, condition, utilization, fuel usage, vehicle use, and operating cost. This data is kept in various systems including the Florida Accounting Information Resource (FLAIR) and the Department of Management Services (DMS) FleetWave system.

Fleet management and inventory controls are guided by Policy Topic No. 400-000-001 Mobile Equipment Manual, which documents the procedures, standards, and accountability for the specification, procurement, identification, use, management, maintenance, and disposal of titled, registered vehicles, watercraft, and equipment (mobile equipment) by the Department. The manual is distributed to the Central Office, Districts, State Materials Office, and Florida's Turnpike Enterprise to ensure compliance with applicable statutes, rules, and departmental requirements.

The Central Office is responsible for maintaining the Mobile Equipment Manual and issuing updates as changes occur. Within each District, the District Maintenance Engineer/Administrator ensures adherence to all guidelines and operating procedures. Districts are accountable for the acquisition, assignment, use, disposal, and monthly reporting of mileage and condition of their mobile equipment inventory. Oversight is provided by the Department's State Fleet Manager who monitors District activities to ensure compliance with fleet policies and procedures.

Our audit will review the Department's fleet management and inventory control policies and procedures specific to mobile equipment inventory.

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RESULTS OF REVIEW

We concluded the Department's Fleet Management program provides governance; however, improvements are necessary. Enhancements are needed in areas of oversight, risk management, performance management, and quality assurance processes to ensure compliance with applicable Florida Statutes and Florida Administrative Code.

The purpose of this audit was to determine whether the:

- Department's fleet management and inventory control policies and procedures are in accordance with state statutes, rules, and other agency requirements; and
- Department maintains accurate inventory records regarding vehicle/mobile equipment in accordance with state statutes, rules, Department requirements, Department of Highway Safety and Motor Vehicle (DHSMV) requirements, and DMS requirements. This audit was conducted based on a risk assessment process.

Finding 1 – Policies and Procedures

We determined the Department's policies and procedures pertaining to fleet management and inventory controls do not specifically reference 10 of 13 applicable requirements from state statutes, rules, and DMS governing documents.

Section 334.048(3), Florida Statutes, (F.S.) (2025), requires the Department to implement accountability and monitoring systems to evaluate whether the Department's goals are being accomplished efficiently and cost-effectively, and ensure compliance with all laws, rules, policies, and procedures related to the Department's operations. Specifically, the Central Office shall adopt policies, rules, procedures, and standards which are necessary for the Department to function properly, including establishing accountability for all aspects of the department's operations.

We identified 13 requirements regarding fleet management and inventory controls that should be addressed by the Department in the policies or procedures (see Appendix B). Other requirements identified were specific for other state agencies and not tested.

We reviewed all written policies and procedures supplied by the Central Office, all Districts, State Materials Office (SMO), and Florida's Turnpike Enterprise (FTE) to determine if the Department's fleet management and inventory control policies and procedures are in accordance with the 13 state statutes, rules, and other agency requirements.

Of the 13 requirements, the following 3 were specifically addressed in the Department's Mobile Equipment Manual:

- Motor vehicles which become excess shall be reported to the DMS within 45 days upon becoming excess.

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- Equipment shall not be cannibalized without prior approval of the DMS.
- Equipment having no salvage value may be donated, cannibalized, destroyed, or scrapped with prior approval of the DMS.

The other 10 requirements were not specifically referenced within the Department's manual.

In addition, District Four has procedures in place to ensure a physical inventory of all property is conducted at least once each fiscal year, but this requirement is not addressed statewide.

We identified a cause for this deficiency as insufficient coordination between the Central Office, Districts, SMO, and FTE to ensure the Department's Mobile Equipment Manual includes all required fleet management and inventory controls.

We recommend the Director of the Office of Maintenance coordinate the:

- update of the Mobile Equipment Manual to incorporate the following 10 requirements to ensure it contains current state statutes, rules, and other agency requirements regarding fleet management and inventory controls to:
 - notify DMS within 30 days of the sale or transfer of a motor vehicle;
 - prohibit altering the appearance of a motor vehicle license plate;
 - return the license plate to the DHSMV upon sale, trade, or transfer;
 - add new Department equipment to the reporting system within 30 days from the date the equipment is received, delete equipment from the system within 30 days from the date of disposal, and input any changes or corrections as needed;
 - ensure a complete physical inventory of all property is taken at least once each fiscal year;
 - use forms to record the physical inventory and display date of inventory, name of person conducting inventory, etc.;
 - create an inventory form for any unrecorded property identified during an inventory;
 - compare data listed on the inventory forms with individual property records and investigate any discrepancies;
 - report and investigate items not located during the inventory process; and
 - obtain approval from the State Chief Financial Officer prior to the disposition or removal of unaccounted for items from the property records.
- communication between the Districts, SMO, and FTE regarding the development and maintenance of the written Standard Operating Procedures and Quality Control Plans to ensure they are complete and sufficiently in compliance with fleet management and inventory controls, statutes, rules, and other agency requirements.

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Finding 2 – Mobile equipment inventory records

We determined the Department's mobile equipment inventory records are generally in accordance with requirements.

Policy Topic No. 400-000-001 Mobile Equipment Manual, Chapter 3, Fleet Management Information Systems, Section 3.1.1. states all Department mobile equipment is listed in FLAIR and the FleetWave systems. All mobile equipment must appear in both systems for the monthly accounting of mobile equipment to be correct.

The Department's State Fleet Manager supplied us with reports from FLAIR indicating 4,827 mobile equipment records and from FleetWave indicating 4,672 equipment records, active as of August 14, 2025. The main reason the FLAIR and the FleetWave system reports do not match is because a portion of mobile equipment inventory in FLAIR is being disposed of or already disposed but remains in the system for one year. When the reports were created, the Department had 1,477 items in the disposal process. Additionally, we analyzed the FLAIR and the FleetWave system's records and identified 13 mobile equipment inventory records in FLAIR were not in the FleetWave system. During a follow-up meeting on November 7, 2025, the Department's State Fleet Manager confirmed the location of the 13 items had been verified and the FleetWave system had been updated.

We have no recommendations at this time, as we found the area under review to be generally in accordance with the requirements.

Opportunity for improvement

Although the Department's mobile equipment inventory records were generally in accordance with the requirements we reviewed, we observed an opportunity for improvement to the Department's guidance relating to the disposal of license plates.

We observed the Department does not fully adhere to Section 320.0609, F.S., Transfer and Exchange of License Plates. We identified 1,575 of the 5,374 Department mobile equipment inventory records in the DHSMV system were not found in the FLAIR system, as of August 14, 2025. This discrepancy indicates license plates of vehicles being auctioned or disposed of are not being properly reconciled between the DHSMV and the Department. The Central Office should consider updating the Mobile Equipment Manual to include a procedure for plate removal, surrender, and reporting. This procedure may include a standardized checklist for vehicle disposal and plate removal, and conducting periodic reconciliations between the Central Office, Districts, the SMO, and the FTE mobile equipment records and the DHSMV inventory records. The procedures would be followed by the Central Office, Districts, SMO, and FTE.

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APPENDIX A – Purpose, Scope, and Methodology

The **purpose** of this audit was to determine whether the Department’s fleet management and inventory control policies and procedures are in accordance with state statutes, rules, and other agency requirements. Additionally, to determine whether the Department maintains accurate inventory records regarding vehicle/mobile equipment in accordance with state statutes, rules, Department, DHSMV and DMS requirements.

The **scope** of this audit included reviewing:

- Florida Statutes;
- Florida Administrative Codes; and
- Department policies, procedures, associated documents, and data related to Fleet Management during calendar year 2025.

The **methodology** included:

- reviewing applicable state laws;
- reviewing applicable Department manuals, policies, and procedures;
- reviewing District documentation on the FleetWave system; and
- interviewing Department staff.

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APPENDIX B – Criteria

Table 1: Criteria

| Source | Criteria |
|--|--|
| Section 319.22(2)(b), Florida Statutes, (F.S.) (2025) | 2(b) notify the department within 30 days after the sale or transfer. |
| Section 320.061, F.S. (2025) | Unlawful to alter motor vehicle registration certificates, license plates, temporary license plates, mobile home stickers, or validation stickers or to obscure license plates; penalty. |
| Section 320.0609(2)(a), F.S. (2025) | (2)(a) upon a sale, trade, transfer, or other disposition of a motor vehicle, the owner shall remove the registration license plate and either return it or transfer it. |
| Rule 60B-1.010(3), Reports and Records, Florida Administrative Code (F.A.C.) | (3) the Department must add new equipment to the reporting system within 30 days from the date the equipment is received, delete equipment from the system withing 30 days from date of disposal and input any changes or corrections as needed. |
| Rule 60B-3.004(1), Reporting and Approval Procedures, F.A.C. | Motor vehicles, watercraft, and aircraft which become excess shall be reported to the Division: (1) within 45 days upon becoming excess. |
| Rule 60B-3.004(2), Reporting and Approval Procedures, F.A.C. | (2) Equipment shall not be cannibalized without prior approval of the Department of Management Services. |
| Rule 60B-3.006, Equipment Having No Value, F.A.C. | equipment having no salvage value may be donated, cannibalized, destroyed, or scrapped with prior approval of the Department of Management Services. |
| Rule 69I-72.006(1), Inventory of Property, F.A.C. | (1) ensure a complete physical inventory of all property is taken at least once each fiscal year. |
| Rule 69I-72.006(2), Inventory of Property, F.A.C. | (2) forms should be used to record the physical inventory and display date of inventory, name of person conducting inventory etc. |
| Rule 69I-72.006(3) Inventory of Property, F.A.C. | (3) unrecorded property found during an inventory should have an inventory form created and an investigation to establish ownership of the item. |
| Rule 69I-72.006(6), Inventory of Property, F.A.C. | (6) data listed on the inventory forms shall be compared with individual property records. |
| Rule 69I-72.006(6)(b), Inventory of Property, F.A.C. | 6(b) Items not located during the inventory process shall be promptly reported to the custodian or the custodian's designee and the custodian will investigate. |
| Rule 69I-72.006(7), Inventory of Property, F.A.C. | (7) State's Chief Financial Officer must approve any disposition or removal of unaccounted for items from the property records. |

Source: Auditor created based on Florida Statutes, Florida Administrative Code, and DMS requirements.

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APPENDIX C – Management Response

The Office of Maintenance Roadway Maintenance Engineer, Kristin Tadlock, provided the following response by email on April 6, 2026:

Finding 1 – Policies and Procedures

Finding: We determined the Department’s policies and procedures pertaining to fleet management and inventory controls do not specifically reference 10 of 13 applicable requirements from state statutes, rules, and DMS governing documents.

Recommendation: We recommend the Director of the Office of Maintenance coordinate the:

- update of the Mobile Equipment Manual to incorporate the following 10 requirements to ensure it contains current state statutes, rules, and other agency requirements regarding fleet management and inventory controls to:
 - notify DMS within 30 days of the sale or transfer of a motor vehicle;
 - prohibit altering the appearance of a motor vehicle license plate;
 - return the license plate to the DHSMV upon sale, trade, or transfer;
 - add new Department equipment to the reporting system within 30 days from the date the equipment is received, delete equipment from the system within 30 days from the date of disposal, and input any changes or corrections as needed;
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 - report and investigate items not located during the inventory process; and
 - obtain approval from the State Chief Financial Officer prior to the disposition or removal of unaccounted for items from the property records.
- communication between the Districts, SMO, and FTE regarding the development and maintenance of the written Standard Operating Procedures and Quality Control Plans to ensure they are complete and sufficiently in compliance with fleet management and inventory controls, statutes, rules, and other agency requirements.

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Response to Finding: We concur with the finding and recommendation.

Corrective Action: The Office of Maintenance will incorporate these recommendations within Policy Topic 400-000-001, Mobile Equipment Manual in the upcoming revisions. We will also coordinate with the districts, SMO and Turnpike on the Standard Operating Procedures and Quality Control Plans to ensure they are in compliance.

Estimated Completion Date: September 2026

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DISTRIBUTION

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STATEMENT OF ACCORDANCE

The Department's mission is to provide a safe transportation system that ensures the mobility of people and goods, enhances economic prosperity, and preserves the quality of our environment and communities.

The Office of Inspector General's mission is to provide independent and objective investigative and audit services that promote accountability, integrity, and efficiency within the Florida Department of Transportation and its partners.

This work product was prepared pursuant to section 20.055, Florida Statutes, in accordance with the Association of Inspectors General *Principles and Standards for Offices of Inspector General*, and conforms with The Institute of Internal Auditors' *Global Internal Audit Standards*.

Please address inquiries regarding this report to the Department's Office of Inspector General at (850) 410-5800.

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