

Final Audit Follow-Up

As of September 30, 2007



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City Auditor

Fire Operations

(Report #0612 issued April 25, 2006)

Report #0802

December 3, 2007

Summary

This is the third and final follow-up on the action plan steps originating from the Fire Operations Audit (#0612) issued April 25, 2006. Applicable City departments have completed 19 of the 20 (95%) action plan steps developed to address issues identified in the audit report.

In audit report #0612, issued April 25, 2006, we identified issues related to: 1) retaining fire vehicles for longer time periods; 2) complying with volunteer fire department (VFD) mutual agreements regarding the leased fire vehicles; 3) improving the consistency and quality of hydrant testing and reporting of deficiencies, maintenance and reporting of completed repairs, and notification of newly installed hydrants; 4) ensuring that ladders and hoses are properly identified, tested, and tracked; and 5) ensuring fire trucks have the appropriate equipment in the proper location. We provided specific recommendations to address these issues.

During the period April 1, 2007, through September 30, 2007, the Fire Department (Fire) took the following actions to complete two of the three remaining action plan steps due for the audit:

- Implemented a process to update the Geographical Information System (GIS) mapping data on their mobile computers so that current hydrant information is available in the field.
- Developed and implemented a process

to uniquely identify, inventory and track the acquisition, testing, and disposition of fire hoses using the Fire Report Management System.

The remaining outstanding action plan step due is for the Department of Management and Administration (DMA) to review the Fleet Management Policy and work with Fleet to ensure the vehicle replacement rate calculation meets the policy's intentions. This final action step has been turned over to management for resolution.

Scope, Objectives, and Methodology

We conducted this audit follow-up in accordance with the International Standards for the Professional Practice of Internal Auditing and generally accepted government auditing standards. Those standards require that we plan and perform the audit follow-up to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit follow-up objectives.

Report #0612

The scope of report #0612 included a review of selected fire operations during selected periods from 1987 through 2004. The primary objectives were to determine whether the:

- 1) Acquisition and disposal of fire vehicles were in accordance with City policies and procedures;

- 2) Inspection, testing, repairing, and accounting for fire hydrants, ladders, and hoses were in accordance with Fire and City policies and procedures and industry standards; and
- 3) Methodology utilized by DMA provides an adequate accounting for the funding and replacement of vehicles acquired and used by Fire.

Report #0802

This audit follow-up is to report on the progress and status of efforts by applicable City departments to complete the three remaining action plan steps due for completion during the period April 1, 2007, through September 30, 2007. This is our third and final follow-up on action plan steps identified in audit report #0612. To determine the status of the action plan steps, we interviewed staff, reviewed the relevant documentation, and observed system processes.

Background

Fire provides professional fire protection, rescue, and basic life support services from 15 stations and advanced life support services from five stations. These stations are located throughout Tallahassee and unincorporated Leon County. The response area covers 671 square miles and serves a population of approximately 260,000.

The City and Leon County have a fire services agreement describing the fire protection services to be provided to the citizens, and the responsibilities of the City and the County. Included in the agreement is the recognition of and cooperation with County VFDs. There are six County VFDs that have entered into separate mutual aid agreements with the City: 1) Chaires-Capitola; 2) Lake Jackson; 3) Lake Talquin; 4) Miccosukee; 5) Woodville; and 6) Lake Iamonia. Responsibilities related to the VFDs and the City Fire Department are dictated through the Fire Services Agreement and related amendments, policy clarification letters, and VFD mutual agreements and vehicle lease agreements.

Fire departments draw on a variety of resources to provide fire protection services, including:

- Employees - firefighters and administrative support staff;
- Buildings - fire stations, training facility, and storage;
- Vehicles - ladder, pumper, tanker, and brush trucks;
- Fire hydrants; and
- Equipment - including, but not limited to, hoses, ladders, hydrant wrenches, "jaws of life" tools, chain saws, ropes, portable breathing apparatus, flashlights, and radios.

Fire has developed standard operating procedures to provide guidelines for testing fire hydrants, hoses, and ladders, as well as the minimum training requirements for firefighters. In addition, firefighters perform inspections on vehicles and equipment at prescribed intervals (i.e., at each shift change, once a week, quarterly, yearly). All of these procedures are safeguards to ensure that staff and equipment are "ready" to respond to fire emergencies.

City fire services activities are accounted for in an enterprise fund. Enterprise funds are used to report activity for which fees are charged to external users for goods or services provided. For this type of fund, fees and charges should be established to recover all costs, including capital costs such as depreciation and debt service.

Fire vehicles, as well as all other City vehicles (with the exception of StarMetro buses and vehicles), are managed and maintained by the City's Fleet Management Division. All City vehicles are accounted for as assets of the Fleet Management Division within the City's financial statements. Similarly, related depreciation is recorded as an expense of the Fleet Management Division. The Fleet Management Division is also responsible for managing the Fleet Reserve Fund, which is used to procure replacement vehicles for all City vehicles including Fire. At the time of the original audit report (April 2006), Fire had a total of 96 vehicles costing approximately \$17 million, consisting of 49 fire trucks (ladder, pumper, and brush), 28 automobiles and pickup trucks, 14 trailers, and 5 boats.

Previous Conditions and Current Status

In report #0612, we noted that improvements could be made in the areas related to: 1) retaining fire vehicles for longer time periods; 2) complying with VFD mutual agreements regarding the leased fire vehicles; 3) improving the consistency and quality of hydrant testing and reporting of deficiencies, maintenance and

reporting of completed repairs, and notification of newly installed hydrants; 4) ensuring that ladders and hoses are properly identified, tested, and tracked; and 5) ensuring fire trucks have the appropriate equipment in the proper location.

The action plan steps identified in audit report #0612 to address specific issues related to the above five areas and their current status are addressed below in Table 1.

Table 1
Action Plan Steps from Audit Report #0612
Due as of September 30, 2007, and Current Status

Action Plan Steps Due as of September 30, 2007	Current Status
<i>Retain fire vehicles for their maximum useful life.</i>	
<ul style="list-style-type: none"> Review the expected life of fire response vehicles, determine whether it would be more cost-efficient and effective to extend the useful life prior to disposal, and make changes in life expectancy as determined. 	✓ Completed in a prior period.
<i>Comply with mutual agreements regarding the leased fire vehicles.</i>	
<ul style="list-style-type: none"> Develop a process to ensure lease agreements are executed with all VFDs for the leased fire vehicles on an annual basis. 	✓ Completed in a prior period.
<ul style="list-style-type: none"> Ensure lease agreements are properly executed for the current lease period. 	✓ Completed in a prior period.
<ul style="list-style-type: none"> Establish a methodology (based on industry standards) that can be consistently applied to establish the cash value of the leased fire vehicles and equipment. 	✓ Completed in a prior period.
<ul style="list-style-type: none"> Establish a process to ensure cash value information is provided to the VFDs in a timely manner prior to their annual insurance renewal deadlines. 	✓ Completed in a prior period.
<ul style="list-style-type: none"> Develop a process to ensure leased fire vehicles have been properly insured on an annual basis. 	✓ Completed in a prior period.
<ul style="list-style-type: none"> Review the VFDs' actual maintenance costs to determine if the maintenance payment should be revised in the mutual lease agreement. 	✓ Completed in a prior period.

<ul style="list-style-type: none"> Implement a process to ensure that the amount paid to the VFDs for vehicle maintenance complies with the fire services agreement. 	<p>✓ Completed in a prior period.</p>
<p><i>Improve the consistency and quality of hydrant testing and reporting of deficiencies, maintenance and reporting of completed repairs, and notification of newly installed hydrants.</i></p>	
<ul style="list-style-type: none"> Develop a written agreement and process identifying the responsibilities of each department related to the inspection and maintenance of fire hydrants. 	<p>✓ Completed in a prior period.</p>
<ul style="list-style-type: none"> Execute and implement the written agreement identifying the responsibilities of each department related to the inspection and maintenance of fire hydrants. 	<p>✓ Completed. The agreement was signed in October 2006, but Fire staff needed to resolve issues related to updating the GIS maps in a timely manner. During this period, staff developed a process for using wireless connections that can be implemented when the City completes its procurement of wireless services for its mobile computers. Staff anticipates having the wireless services implemented in the beginning of 2008.</p> <p><u>Audit Comment:</u> Some challenges still remain related to correcting hydrant system data and extracting specific data for hydrant inspections, but overall departments are working together to better maintain the fire hydrants.</p>
<ul style="list-style-type: none"> Develop and implement a process to uniquely identify fire hydrants by all parties related to the inspecting, testing, and maintenance of fire hydrants. 	<p>✓ Completed in the prior period.</p>
<ul style="list-style-type: none"> Develop and execute a written agreement between the City and Talquin Electric Cooperative, Inc., (Talquin) identifying each organization's responsibilities related to the inspection and maintenance of fire hydrants and the process to notify Fire when new hydrants are added to the Talquin water system. 	<p>✓ Completed in the prior period.</p>
<ul style="list-style-type: none"> Review the related fire services agreement between the City and Leon County to determine whether the agreement needs to be revised to ensure that Talquin will be required to work with the City related to the inspection, maintenance, and notification of fire hydrants. 	<p>✓ Completed in the prior period.</p>

<ul style="list-style-type: none"> As deemed necessary in the above step, revise and execute the identified fire services agreement. 	<ul style="list-style-type: none"> ✓ Deleted in a prior period, as it was no longer deemed necessary.
<p>Ensure that ladders and hoses are properly identified, tested, and tracked.</p>	
<ul style="list-style-type: none"> Develop and implement a process to inventory and track the acquisition, testing, and disposition of fire hoses. 	<ul style="list-style-type: none"> ✓ Completed. Fire has developed and implemented a process to inventory and track the acquisition, testing, and disposition of fire hoses using the Fire Report Management System. With their process implemented, Fire is now working to resolve challenges to maintain accountability of hoses and tracking of testing results since the movement of hoses between vehicles and stations is not currently tracked.
<ul style="list-style-type: none"> Develop and implement a process to inventory and track the acquisition, testing, and disposition of fire ladders (including consistently marking each ladder in a unique manner). 	<ul style="list-style-type: none"> ✓ Completed in the prior period.
<p>Ensure fire trucks have the appropriate equipment in the proper location.</p>	
<ul style="list-style-type: none"> Develop a process to periodically update the apparatus checklists to reflect what equipment is needed in specific locations on the various types of fire trucks. 	<ul style="list-style-type: none"> ✓ Completed in the prior period.
<ul style="list-style-type: none"> Update the current apparatus checklists to reflect what equipment is needed in specific locations on the various types of fire trucks. 	<ul style="list-style-type: none"> ✓ Completed in the prior period.
<p>Determine and implement the most appropriate accounting practice for the funding of City vehicles.</p>	
<ul style="list-style-type: none"> DMA conduct further research and consult with the Office of the City Auditor to determine the most appropriate accounting practice for the funding of City vehicles. 	<ul style="list-style-type: none"> ✓ Completed in a prior period. <u>Audit comment:</u> DMA conducted and provided research to the Office of the City Auditor. Agreement on the most appropriate accounting practice is ongoing.
<ul style="list-style-type: none"> DMA review the Fleet Management Policy and clarify the language to ensure that the vehicle replacement rate calculation meets the policy's intentions. 	<ul style="list-style-type: none"> ♣ Behind Schedule. DMA indicates that the development of vehicle replacement rates was delayed as a result of fiscal year 2008 budget discussions and a commitment by management to come back with recommendations related to reductions in the City's fleet. Once a determination is made on the level of reductions in fleet, DMA will finalize recommendations related to vehicle replacement rates.

Table Legend:

● Issue addressed in the original audit

✓ Issue addressed and completed

♣ Issue turned over to management for ultimate resolution

Conclusion

This is the final follow-up audit report on the Fire Operations Audit. Fire, Water, Fleet, and Accounting Services completed 95% (19 of 20) of action plan steps identified for this audit.

The remaining step to be completed requires the clarification of the Fleet Management Policy to ensure that the vehicle replacement rate calculation meets the policy's intentions. This final action plan step has been turned over to management for resolution.

We appreciate the cooperation and assistance provided by City staff from Fire, Water, and DMA during this final audit follow-up and commend their efforts to implement steps to address the issues identified in the original audit report.

Appointed Official's Response

City Manager:

I appreciate the significant efforts of the Auditors and staff from Fire, Water, and DMA in bringing this audit to a successful completion. The audit originally identified 20 opportunities for improved efficiency. Of those, 19 have been completed, and I am confident that both customer service and Fire operations have been improved in the process. I'd like to thank all involved for their continued efforts in process improvement and dedication to the City's Mission.

Copies of this audit follow-up (#0802) or audit report #0612 may be obtained from the City Auditor's website (<http://talgov.com/auditing/index.cfm>) or via request by telephone (850 / 891-8397), by FAX (850 / 891-0912), by mail or in person (Office of the City Auditor, 300 S. Adams Street, Mail Box A-22, Tallahassee, FL 32301-1731), or by e-mail (auditors@talgov.com).

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