

Audit

Follow Up

As of March 31, 2007



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Fire Operations

(Report #0612 issued April 25, 2006)

Report #0723

July 16, 2007

Summary

Applicable City departments have completed 17 of the 20 action plan steps developed to address issues identified in audit report #0612, Audit of Fire Operations. Three action plan steps due have not been completed, and their estimated completion dates have been revised accordingly.

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 October 1, 2006, through March 31, 2007, the Fire Department (Fire), Fleet, and Department of Management and Administration (DMA) have taken the following actions:

- Fire and Fleet have completed the one action plan step related to evaluating and revising the expected life of the fire response vehicles.

- Fire has completed all seven action plan steps related to VFD leased vehicles and agreed-upon maintenance payments for the VFD owned vehicles.
- Fire completed five of the six action plan steps related to hydrant testing, maintenance, reporting, and notification. Fire still needs to implement a systematic process to periodically update the hydrant locations on their computers to better locate the hydrants that need to be inspected.
- Fire completed one of the two action plan steps related to the inventory, testing, and tracking the conditions of hoses and ladders. All steps are completed for the ladders, but Fire still needs to finish entering hose information into their tracking system and develop queries and periodic inventory procedures.
- Fire completed both action plan steps related to updating inventory checklists for apparatus on the fire response vehicles.
- DMA completed one of the two action plan steps related to the researching and accounting practices for funding of City vehicles and clarification of the Fleet Management Policy regarding vehicle replacement rate calculations. DMA is currently reviewing the policy to determine new replacement rates for the FY 2008 budget.

Scope, Objectives, and Methodology

The original audit and this subsequent follow up were conducted in accordance with Generally Accepted Government Auditing Standards and Standards for the Professional Practice of Internal Auditing and accordingly, included such tests of the records and other auditing procedures as were considered necessary.

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 Department of Management and Administration (DMA) provides an adequate accounting for the funding and replacement of vehicles acquired and used by Fire.

Report #0723

This audit follow up is to report on the progress and status of efforts by applicable City departments to complete action plan steps due for completion during the period October 1, 2006, through March 31, 2007. This is our second 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 provided by the Fire, Fleet, Accounting, DMA, and Water, and conducted testing as needed.

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
- 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 March 31, 2007, and Current Status**

Action Plan Steps Due as of March 31, 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. 	<ul style="list-style-type: none"> ✓ Fleet and Fire Department representatives inquired of industry experts as to the average length of service for fire response vehicles and determined that 12 years was a good average. This represents a 20% increase to the City's current ten-year replacement policy for most fire response vehicles. Fire and Fleet representatives agreed to increasing the life to 12 years for the large fire vehicles as well as increasing the life of light duty vehicles from 7 years / 84k miles to 10 years / 100k miles. We verified that the expected life of the fire response vehicles was changed in the Fleet system.
<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. 	<ul style="list-style-type: none"> ✓ The Fire Department developed and implemented Standard Operating Policy (SOP) #1204, "Volunteer Fire Department Apparatus Lease Procedures." This policy provides for a "lease contract" for each vehicle to be issued annually in September following the receipt of a completed vehicle inspection form from the City's Fleet Department. Fleet will contact each lease holder in August to set up appointments for the required

	inspection, allowing ample time for completion prior to October 1 (see below step). We verified that there were executed agreements for each of the VFD leased vehicles.
<ul style="list-style-type: none"> • Ensure lease agreements are properly executed for the current lease period. 	<ul style="list-style-type: none"> ✓ Fire SOP #1204 provides for leased vehicles to be inspected and new lease agreements to be established annually by October 1. We verified that agreements were executed for each of the VFD leased vehicles.
<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. 	<ul style="list-style-type: none"> ✓ Fire SOP #1204 includes a process for determining the cash value of the leased value. A third-party consultation will be obtained during the annual inspections of the vehicles.
<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. 	<ul style="list-style-type: none"> ✓ Fire SOP #1204 includes the determination of cash value during the annual inspection of the leased vehicles. This is to be reported to the VFDs as part of the inspection form. We verified that the cash value, attached to the 2007 lease agreements, was provided to the VFDs in a timely manner.
<ul style="list-style-type: none"> • Develop a process to ensure leased fire vehicles have been properly insured on an annual basis. 	<ul style="list-style-type: none"> ✓ Fire SOP # 1204 requires proof of insurance prior to lease processing. We verified that leased vehicles were adequately insured for fiscal year 2007.
<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. 	<ul style="list-style-type: none"> ✓ This is no longer applicable. Fire does not have access to verify the VFD expenditures related to vehicle maintenance. Instead, Fire will pay the annual maintenance amount as dictated in the contract.
<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. 	<ul style="list-style-type: none"> ✓ An annual maintenance payment schedule was established increasing the yearly payments by previous year's Consumer Price Index. We verified that selected payments provided to the VFDs were for the appropriate amounts.
Improve the consistency and quality of hydrant testing and reporting of deficiencies, maintenance and reporting of completed repairs, and notification of newly installed hydrants	
<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. 	<ul style="list-style-type: none"> ✓ Water and Fire developed and approved a memorandum of agreement for Inspection and Maintenance of Fire Hydrants, dated October 11, 2006.
<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. 	<ul style="list-style-type: none"> ◇ The agreement, signed on October 11, 2006, is being implemented. Water has completed their responsibilities. Fire, however, has yet to resolve system related issues to fully implement their responsibilities related to inspecting and recording inspections. Fire needs to develop and implement a process to periodically update the hydrant locations on computers in a timely manner so they

	<p>can determine the location of all hydrants that need to be tested. The completion date has been amended to September 30, 2007.</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>✓ This is no longer applicable. Section 633.093, Florida Statutes, requires public and privately owned fire hydrants to be inspected annually and records of such inspections to be forwarded to the agency having jurisdiction. This new statute negates the need for a written agreement. Fire is working with Talquin to determine the most effective manner for Talquin to submit the hydrant information.</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. 	<p>✓ Deleted in the prior period, as it was no longer deemed necessary.</p>
<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. 	<p>◇ A process has been developed and is currently being implemented. Each piece of hose (inclusive of diameter or length) is marked with a unique identifier. This identifier is entered in the hose inventory upon acquisition, and records are updated to record repairs, annual test results, and retirement. Fire has also developed a process to track and maintain the hose inventory electronically. However, staff is still in the process of inputting all hoses into the database and developing reports to assist during the testing and inventory procedures (for example, a report to identify which hoses have not been tested). The completion date has been amended to September 30, 2007.</p>
<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). 	<p>✓ A process has been developed and implemented. Fleet is responsible for testing Fire ground and aerial ladders. Fleet hires a third party vendor to conduct the proper testing procedure and documentation. Fire has modified their record-keeping of ladders by assigning unique identification numbers to all</p>

	<p>ladders that do not have a readily visible identifier provided by the manufacturer, and managing their ladder inventory and testing results electronically. This identifier is entered in the ladder inventory upon acquisition, and records are updated to record repairs, annual test results, and retirement.</p>
<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. 	<p>✓ Fire established an Apparatus Committee to periodically meet and recommend amendments to the equipment complement on each type of fire apparatus. These recommendations will be reviewed by administration to balance equipment requests, the need for additional equipment training, and the available funds to fulfill the need/request. When the equipment requirements change, modifications will be made to the electronic master apparatus inventory sheet.</p>
<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. 	<p>✓ Fire updated all apparatus checklists to reflect the current equipment carried on the respective apparatus. These sheets are now completed and filed electronically. The tools and equipment requirements for each apparatus are continually under review by the Fire Apparatus Committee. Fire staff can access each apparatus's unique master checklist electronically. Daily, the Fire driver-operator conducts an inventory of the apparatus, completes the form electronically by marking missing and/or damaged equipment, and sends the completed inventory to the proper Battalion Chief (and substitute Battalion Chief, if applicable) for review and to the administrative assistant for electronic storage.</p>
<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. 	<p>✓ Completed in the prior period. <i>Audit comment: DMA conducted and provided research to the Office of the City Auditor. Agreement on the most appropriate accounting practice is ongoing.</i></p>
<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. 	<p>◇ DMA is currently reviewing policy and working with Fleet in reviewing fleet replacement rates and determining new rates. The Interim DMA Director anticipates that new rates will be incorporated into the FY 2008 budget. The completion date has been amended to September 30, 2007.</p>

Table Legend:

● Issue addressed in the original audit

✓ Issue addressed and completed

◇ Partially completed

Conclusion

Fire, Water, Fleet, and Accounting Services have completed 85% (17 of 20) of action plan steps identified for this audit. The three remaining steps to be completed include:

- Fire needs to implement a process to periodically update the hydrant locations on their computers to better locate the hydrants that need to be inspected.
- Fire needs to enter the hoses into their tracking system and develop queries and periodic inventory procedures.
- DMA needs to complete their review of the Fleet Management Policy to determine new replacement rates for the FY 2008 budget.

We appreciate the cooperation and assistance provided by City staff from Fire, Water, Fleet, and DMA during this 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 and thank the audit staff for the thoroughness of the Fire Operations audit and their continued work monitoring the progress of the action step plan. I am very happy with the progress of the action plan to date. Of the 20 items due, 17 have been completed and the remaining three are expected to be completed by the end of the fiscal year. We appreciate the work on this follow up by staff from the Fire Department and Auditor's Office. I'm confident the improvements that have been implemented will enhance customer service and Fire Department operations.

Copies of this audit follow up (#0723) 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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