



INTERNAL AUDIT PERFORMANCE AUDIT FIRE ADMINISTRATION

June 4, 2007

Roanoke City Council Audit Committee
Roanoke, Virginia

We have completed our audit of the Fire Administration division of the City of Roanoke Fire Department. Our audit was performed in accordance with generally accepted government auditing standards.

BACKGROUND

The mission of the Fire Department is “to protect and preserve the lives and property of residents and visitors of the City of Roanoke from damage or loss due to fire, medical emergencies, environmental hazards and traumatic accidents.” In support of this mission, the Fire Department operates 12 stations within the city and jointly staffs the Clearbrook station in Roanoke County. The department is organized into four distinct divisions: Fire Administration, Fire Support, Fire Operations, and Fire Airport Rescue. This audit addresses only the Fire Administration division.

The Fire Administration division is responsible for overseeing the business processes within the Fire Department. This includes processing payroll and personnel transactions, budget development and administration, purchasing, maintaining inventory and asset records, coordinating facilities maintenance, initiating billings, grant writing and grant administration. The division also supports fire station operations by providing stations with necessary appliances and general supplies.

The Fire Department adheres to citywide policies and procedures for the general business processes such as payroll, accounts payable, accounts receivable, purchasing, budgeting, p-card transactions, and personnel matters. There are also a number of internal directives that have been developed by the Fire Department for fire/EMS operations. The general business processes, excluding budgeting, are divided among the administrative secretary, the executive secretary, and the support assistant. The support administrator manages the budgeting activities for the entire department. The information education specialist acts as the department’s grant writer. The remaining business processes under the oversight of the support administrator are described as follows:

General station supplies are the various supplies needed to operate each station. Thirteen stations house firefighters ranging from three to 13 personnel depending upon apparatus assigned to the station. Required staffing is 67 per shift with a maximum of 85 working during any 24-hour shift. The stations use supplies as a normal household would such as soap, toilet paper, dish-washing liquid, laundry detergent, various cleaning supplies, bed linens, towels, pots and pans, paper products, dishes, motor oil, utensils, etc.

The support administrator works with the captain of Station No. 13 to carry out the duties of purchasing and distributing station supplies.

Turnout gear is specialized protective gear that firefighters wear. It generally consists of: boots, trousers, coat, gloves, hood, and helmet. It is technically referred to as "Personal Protective Equipment" or "PPE" and includes the SCBA (self contained breathing apparatus). Turnout gear is highly sensitive and specialized and must be appropriately cared for including proper cleanings, repairs and testing. The support administrator works with the staff at Station No. 4 in the coordination of maintenance, repair, and testing of used turnout gear. The repairs are made and testing performed per National Fire Protection Association (NFPA) standards. The support administrator is responsible for ordering and distributing replacement gear. As each suit must be custom made, a spare inventory of the gear is available for use when new gear is on order. The SCBA equipment is repaired at Station No. 6.

Dash pumps are portable water pumps that can propel 200 gallons of water per minute. There are seven such pumps throughout the city. The pumps are exclusively used for the benefit of our citizens. In areas of extreme flooding, a dash pump can be used to remove the water. The use of dash pumps allows fire trucks to remain readily available for more crucial incidents. The support administrator coordinates the dash pump system and usage.

Equipment includes fire fighting apparatus and small equipment such as fire extinguishers, flashlights, nozzles, power tools, chain saws, etc. The staff at Station No. 1 is responsible for the repairs of such equipment.

Grants are available for various fire and EMS functions. The Fire Department applies for and receives grants each year. Grants awarded and accepted range from those having very specific spending and reporting requirements to those with very general terms. Grant agreements specify the frequency of required reports and how funds are to be received. Grants can be on a reimbursement basis or be provided up front. There are also some grants that provide non-monetary items such as smoke detectors and batteries. In addition to grants, the Fire Department also receives unrestricted donations from local merchants such as Sam's Club, Wal-Mart, and Target. These donations are usually relatively small in amount. The support administrator approves and monitors all grant expenditures and works with the information education specialist to comply with grant reporting requirements.

In fiscal 2006, the Fire Department had an operating budget of \$17.58 million with 272 full time equivalent positions. Fire Administration had a budget of \$779,609 with seven (7) positions.

SCOPE

Our audit focused on procedures in place as of May 31, 2006, and transactions occurring from July 1, 2005, through June 05, 2006.

OBJECTIVES

The purpose of this audit was to evaluate the design and operation of the system of internal controls related to the following:

- overtime expenditures
- small asset purchases
- grant administration

METHODOLOGY

We developed our understanding of the processes in place in the Fire Administration division by reviewing policies, procedures, forms, and reports, as well as interviewing division staff. Our test work included:

- Testing a sample of daily staffing sheets from various stations to verify staffing levels complied with the Fire Department's established standards.
- Testing a sample of payroll records to verify that overtime was documented, adequately justified, and appropriately approved in accordance with Fire Department policies.
- Evaluating overtime routinely paid on the basis of Fair Labor Standards Act [FLSA] requirements under a platoon, shift-based system. We estimated overtime for one pay period based on average shift salaries and compared the estimate to actual overtime paid per the payroll report.
- Verifying equipment purchased for stations was on hand when we visited and fit the description listed on the related invoice.
- Verifying that invoices were paid in accordance with prompt payment laws, that purchases were coded to the proper accounts, and that equipment was included on the Fire Department's durable equipment list if appropriate.
- Verifying required documentation for grant-related expenditures was on file, that only qualified expenditures were made, that grant funds were spent within the time frame specified by the grant, and that required reports were filed in accordance with the grant requirements.

RESULTS

We determined that daily staffing sheets were properly completed and that the staffing levels complied with the Fire Department's standards. Overtime appeared reasonable and was documented in accordance with policy. Equipment purchases tested were located at the appropriate stations and agreed to the department's records. Overall, invoices were paid in accordance with prompt payment laws and any delayed payments could be justified. Grant expenditures were in accordance with

grant requirements, adequately documented, and made within the time frame specified by the grant. Overall, we found required reports were filed in accordance with grant requirements. We noted some minor exceptions in our test work that were communicated to management in a separate letter.

CONCLUSION:

We conclude that the system of internal controls is adequately designed and operating as intended, providing reasonable assurance that overtime expenditures are appropriate, small asset purchases are reasonable and the equipment safeguarded, and grant funds are administered in accordance with grant requirements.

We would like to thank the Fire Administration and firefighters for their help and cooperation during the audit.

Pamela C. Mosdell, CISA, CIA
Information Systems Auditor

Drew Harmon, CPA, CIA
Municipal Auditor