



# **Internal Audit Committee of Brevard County, Florida**

## **Internal Audit Review of**

### **Fire Rescue**

**Prepared By:**

**Internal Auditors of Brevard County**

**November 10, 2005**

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November 10, 2005

The Audit Committee of  
Brevard County, Florida  
Viera, Florida 32940-6699

Pursuant to the provisions of Section 125.01(1)(s), Florida Statutes, and the approved 2004/2005 internal audit plan, we hereby submit our internal audit report covering Fire Rescue. We will be presenting this report to the Audit Committee at the next scheduled meeting on January 27, 2006.

Our report is organized in the following sections:

<b>Background</b>	This provides an overview of Fire Rescue.
<b>Objectives and Approach</b>	The internal audit objectives and focus are expanded upon in this section as well as a review of the various phases of our approach.
<b>Issues and Recommended Actions</b>	This section gives a description of the issues, the impact and recommended action. Management's response has been incorporated into this section as well.

We would like to thank the Fire Rescue department and all those involved in assisting the Internal Auditors regarding this report on the department. We found the Fire Rescue staff to be receptive to the recommendations and, as noted in our report, they have already begun making the recommended improvements.

Respectfully Submitted,

***INTERNAL AUDITORS***

# **Background**

# Background

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## **Authorization for Emergency Services (Fire Rescue)**

The provisions of Florida Statutes Sections 125.01(1)(d) grants boards of county commissioners the power to provide fire protection, including the enforcement of the Florida Fire Prevention Code. The Department of Fire Rescue is governed by Florida Statutes Sections 633 and 401, as well as Chapter 42 (Emergency Services) and Chapter 50 (Fire Prevention) of Brevard County, Florida, Code of Ordinances.

## **Organization and Overview of Fire Rescue Department**

Fire Rescue consists of numerous activities and responsibilities to the community, as follows:

- **EMS – Ambulance Assessments & Billing**  
The Tax Collector is responsible for collecting ambulance assessments (also called service availability fees), based on information provided by the Property Appraiser’s system of billable locations. Fire Rescue is responsible for investigating and correcting assessment discrepancies reported by citizens. Ambulance billing was audited by the internal auditors during 2003, therefore, this area will not be included in this audit.
- **Emergency Rescue – Fire Assessments**  
The Tax Collector is responsible for issuing and collecting fire rescue millage assessments from citizens based on billable unit information obtained from the Property Appraiser’s computer system.
- **Fleet Maintenance**  
The Fleet maintenance section is responsible for the periodic maintenance and repairs of the fire engines and fire rescue units.
- **Dispatch**  
Dispatch personnel receive 911 calls and dispatch them to the appropriate station with initial incident information.
- **Ocean Rescue**  
The Chief of Operations is responsible for obtaining the contracts with beachfront communities and securing employees to provide for lifeguards on the numerous area beaches during the summer months.
- **Staffing**  
The Staffing section ensures all shifts are covered by appropriate personnel at the fire stations.
- **Fire Prevention**  
Fire prevention includes the inspections on new construction as well as the annual and tri-annual inspections of established buildings. The Fire Rescue department is responsible for billing and collections of the annual and tri-annual inspections. Inspections and re-inspections on new construction is collected with the building permit fees.

# Background - continued

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## **Organization and Overview of Fire Rescue Department, continued**

- Supply  
The supply section ensures all fire stations, fire engines and fire rescue units contain all necessary supplies to carry out their duties.
- Human Resources (HR)  
The Fire Rescue HR section ensures only those persons with appropriate qualifications and backgrounds are hired by the department.
- Contracts/Grants  
The Fire Rescue department engages in numerous contracts with other municipalities and departments to provide and receive services. In addition, the Fire Rescue department has received several grants for the purchase of equipment.
- Finance  
The Finance section ensures the fiscal responsibility of the department by monitoring budgets, ensuring proper payment of payroll, expense reimbursements, grant management and contract management.
- Employee Training  
The training section ensures employees maintain the proper certifications as required by state law and department policy.

## **Staffing**

Key personnel from the Fire Rescue department that are involved in the operations are as follows:

<b>Name</b>	<b>Title</b>
William Farmer	Director, Fire Chief
Dennis Neterer	Assistant Fire Chief of Operations
Patricia Thomas	Assistant Chief of Logistics
Orlando Dominguez	Chief of EMS and PTO
Jeff Money	Assistant Chief of Training
Brad Hall	Battalion Chief of Operations
Janelle Ashley	Fire Rescue Finance Manager
Wendy Andrew	Fiscal Analyst

# Background - continued

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## Selected Statistics

Fire Rescue responds to approximately 68,000 emergency 911 calls and provides approximately 48,000 emergency medical transports each year. The busiest rescue unit in calendar year 2004 responded to 4,405 calls, or approximately 12 calls per day. The busiest fire engine in calendar year 2004 responded to 3,455 calls, or approximately 9 calls per day.

The breakdown of the Fire Rescue department revenues and expenditures for the fiscal years ended September 30, 2004 and 2005 are as follows:

	<b>September 30, 2005</b>	<b>September 30, 2004</b>
Revenues	\$ <u>58,999,491</u>	\$ <u>52,356,529</u>
Salaries	31,946,914	32,165,835
Capital Outlays	3,031,256	1,150,835
CIP	91,669	99,619
Principal	160,000	80,000
Interest	2,777	2,093
Other Debt Service	797	1,358
Other Expenditures	9,323,811	14,311,997
Transfers	<u>1,813,355</u>	<u>1,957,565</u>
Total Expenditures	<u>46,370,579</u>	<u>49,769,302</u>
Revenue over Expenditures	\$ 12,628,912	\$ 2,587,227

NOTE: Fiscal year 2005 and 2004 information obtained from SAP reports for the Fire Rescue department only and will not agree to CAFR. The 2004 information has been audited by the external auditors. The 2005 information has not.

## **Objectives and Approach**

# Objectives and Approach

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## Objectives

The internal audit objectives in the Fire Rescue function include the following:

<input type="checkbox"/>	Determine that policies and procedures are in place to assure assessments and other fees are calculated, billed, and collected in accordance with County policies and regulations.
<input type="checkbox"/>	Verify the accuracy of assessments and other billings.
<input type="checkbox"/>	Verify compliance with state and department hiring policies.
<input type="checkbox"/>	Ensure compliance with grant and contract requirements.
<input type="checkbox"/>	Ensure compliance with internal policies and procedures.
<input type="checkbox"/>	Ensure accurate timekeeping and payroll functions.
<input type="checkbox"/>	Verify accuracy and proper tracking of capitalized inventory.
<input type="checkbox"/>	Verify accuracy and proper tracking of supply inventory.
<input type="checkbox"/>	Verify accuracy and appropriateness of employee reimbursements.

## Approach

Our audit approach consisted of four phases:

### Understanding and Documentation of Process

During phase one, we held an entrance conference with the Director of Fire Rescue and other personnel to discuss the scope and objectives of the audit work, obtain preliminary data, and establish working arrangements. We then conducted interviews with responsible Fire Rescue managers and personnel and documented their roles in the process.

### Population and Sample Determination

The time period covered by the testing was October 1, 2004 through September 30, 2005.

### Detailed Testing

The purpose of this phase was performance of testing procedures based on our understanding of the Fire Rescue operations, applicable county ordinances, and federal and state statutes. Our procedures included observation and inquiry, walk-throughs, and testing of individual transactions.

Our procedures included, but were not limited to, testing:

- |  |   |
|--|---|
| <input type="checkbox"/> Ambulance assessments   | <input type="checkbox"/> Staffing                       |
| <input type="checkbox"/> Fire Rescue assessments | <input type="checkbox"/> Grants and contract compliance |
| <input type="checkbox"/> Fire prevention fees    | <input type="checkbox"/> Employee reimbursements        |
| <input type="checkbox"/> Payroll & Timekeeping   | <input type="checkbox"/> Supply procedures              |

# **Objectives and Approach - continued**

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## **Reporting**

During this phase, we summarized our findings, based on our detailed testing, into a report format and conducted an exit conference with management and incorporated their response into our report.

## **Issues and Recommended Actions**

<b>Issue # 1</b>	<b>Fire Prevention Fees</b>
	<p>The Fire Rescue department is responsible for performance of all fire prevention inspections. However, they are responsible for the billing and collection of fire prevention fees only on the annual and tri-annual inspections of existing structures. Collection of fees for inspections on new construction is the responsibility of the Building Department.</p> <p>We reviewed 25 fee invoices for inspections performed during the 2004/2005 fiscal year. During discussion and testing, we noted:</p> <ul style="list-style-type: none"> <li>• One employee is responsible for tracking, billing and collecting inspection fees for the annual and tri-annual building inspections.</li> <li>• Of the 25 invoices selected for testing, one was calculated incorrectly. The fee charged was \$175 and should have been \$190.</li> <li>• There is no verification of invoice accuracy before input into the system.</li> </ul> <p>Having one person responsible for all areas of a receivable cycle with no periodic review is considered a separation of duties issue. A lack of separation of duties can result in the misappropriation of assets. In addition, no verification of fee calculations can result in incorrect billings.</p> <p><b>Recommended Action</b></p> <p>We recommend the Fire Rescue department perform the following:</p> <ul style="list-style-type: none"> <li>• assign an employee, other than the one doing the billing, the responsibility for the collection of fire prevention fees or implement a procedure of periodic review of the inspection billings and collections, including any write-offs.</li> <li>• review calculated inspection fees for accuracy prior to input in the system and invoicing the customer.</li> </ul>
<b>Management Response and Action Plan</b>	
<b>Response</b>	<p>Management agrees with the Auditor's comments. Fire Prevention fees, invoices and payments will be reviewed by the Fire Marshal and the Fiscal Analyst will compare the budget to actual revenues of the department. These reviews will be done quarterly. Discrepancies will be brought to the attention of the Assistant Chief in charge of Fire Prevention, and the Fire Chief.</p>
<b>Time Frame</b>	May 1, 2006
<b>Person Responsible</b>	Fire Marshal and Fiscal Analyst

## ***Issue # 2***

## ***Ambulance (EMS) Assessments***

All properties, with the exception of not-for-profits and government owned properties, in Brevard County are billed an EMS assessment each year by the Tax Collectors office. The Tax Collector uses property information obtained from the Property Appraiser's computer system to calculate these assessments. The Property Appraiser is responsible for maintenance of property information in their internet based system. The Fire Rescue department maintains a program used to convert the Property Appraiser's codes into billable unit information for the Tax Collector. If the Property Appraiser changes their use codes (e.g. change fruit grove to more detail of orange grove, lemon grove or grapefruit grove) then the Fire Rescue program will not properly convert the codes to billable units unless the conversion program is updated. The Property Appraiser does provide use code changes to the Fire Rescue department.

Each year, the Property Appraiser provides billable unit information to the Fire Rescue department for review prior to the November 1<sup>st</sup> billing. The Fire Rescue department signs off on the information as accurate and forwards it to the County Commission for review. The Fire Rescue department does not, however, actually review the information due to lack of personnel and the extensive amount of information contained on the disk (e.g. more than 275,000 billable locations to verify).

The Fire Rescue department is responsible for investigating and correcting assessment billing errors reported by citizens when they receive their tax bills. The Fire Rescue department does not make any changes to property information unless a citizen calls to report an error. Corrections made to the Property Appraiser's website information must be downloaded by the Property Appraiser for records to be updated. The Fire Rescue department is unaware of how often or when the Property Appraiser's office performs downloads.

During testing of the ambulance assessments billed on November 1, 2004, we noted the following:

- Two of the five government owned properties selected were incorrectly billed for EMS assessment. These billings for fiscal year 2004/2005 totaled \$101.
- One government owned property was correctly billed by the Tax Collector, but the information in the EMS assessment database used to test the calculations was incorrect (showed 1 billable unit rather than 0).
- Two of the remaining 20 properties were billed for the incorrect number of units.
  - One property was billed for 60 units consistent with the Fire Rescue system information. The Property Appraiser website shows 69 billable units. This property was under-billed by 9 units for a total under-billing of \$455.
  - Another property was billed for only one unit although the Saturn system and the Property Appraiser's website both show 8 billable units for a total under-billing of \$354.

<b>Issue # 2</b>	<b>Ambulance (EMS) Assessments (Continued)</b>
	<p>Incorrect or outdated information in the Property Appraiser’s computer system results in incorrect billings/assessments by the Tax Collectors office. Failure to update the Fire Rescue billable unit program for use code changes results in incorrect billings/assessments by the Tax Collector’s office. In addition, employee time is unnecessarily expended to investigate and correct these errors.</p> <p>After the tax roll is issued on November 1<sup>st</sup>, changes to a taxpayer’s bill can only be accomplished by issuance of an Error and Insolvency (E&amp;I). The Fire Rescue department has a procedure for handling taxpayer issues regarding the assessments. One employee is responsible for investigation and correction of E&amp;I issues for the department. During testing we noted:</p> <ul style="list-style-type: none"> <li>• Of 25 E&amp; I issues investigated by Fire Rescue department personnel, none had supervisor review and approval.</li> </ul> <p>Lack of secondary review and approval of adjustments can result in errors, miscalculations or fraud.</p> <p><b>Recommended Action</b></p> <p>We recommend the Fire Rescue department perform the following:</p> <ol style="list-style-type: none"> <li>a) ensure use code changes by the Property Appraiser are being reported to the IT department so that the billable unit program can be properly and timely updated.</li> <li>b) hire personnel responsible to review and reconcile billable unit information when use code or property changes are made.</li> <li>c) ensure that all government owned properties are identified in the system as not to be charged an EMS assessment.</li> <li>d) return monies improperly billed to government entities.</li> <li>e) bill for unbilled assessments noted during testing.</li> <li>f) issue a written procedure for investigation, correction, review and approval of E&amp;I issues.</li> </ol>
	<b>Management Response and Action Plan</b>
<b>Response</b>	<p>a) &amp; b) The Department agrees with the Auditor’s comments. In fact Management identified these potential issues prior to the audit. As a result Fire Rescue proposed and the Board approved a new position to review and reconcile the EMS Assessment Program and to coordinate with the IT department. This person has been hired and is reviewing the codes.</p> <p>c) &amp; d) Letters have been sent to all of the municipalities to ensure compliance with the Board’s direction not to charge government properties. Refunds have been made as applicable.</p> <p>e) E and I for monies owed to the County cannot be accomplished at this time due to the pending lawsuit regarding collection of the EMS Assessment.</p> <p>f) Written procedures will be completed, depending on the outcome of the lawsuit.</p>

<b><i>Issue # 2</i></b>	<b><i>Ambulance (EMS) Assessments (Continued)</i></b>
	<b><i>Management Response and Action Plan-continued</i></b>
<b>Time Frame</b>	<ul style="list-style-type: none"> <li>a) September 15, 2006</li> <li>b) Immediate</li> <li>c) September 15, 2006</li> </ul>
<b>Person Responsible</b>	Fire Chief

<b>Issue # 3</b>	<b>Staffing, Time Reporting and Overtime</b>
	<p>Employees are responsible for reporting their time worked on handwritten time sheets, which are reviewed and approved by their supervisor and then by the appropriate District Chief, before being forwarded to the payroll employee for entry into the SAP system. Shift exchanges are not reported on employee timecards but are tracked by the station Lieutenant and the staffing department. We noted the following:</p> <p><u>Station Activity Documentation</u>  Per SOP 3401, shift trades must be approved by the District Chief. We requested documentation of District Chief approval of shift trades for six individuals. Two of the six shift trades tested did not have District Chief approval or station documentation. The FLSA recommends that shift trades not be tracked.</p> <p>A shift exchange checklist is utilized by the District Chief to log any changes made during the day. Sometimes this checklist is provided to the staffing department and sometimes it is not. This results in the staffing reports being deemed unreliable as a source of factual information.</p> <p><u>Time Reporting Errors</u>  On one staffing report out of twenty-five (25) selected, Employee A was scheduled to take 9 hrs of admin leave, while Employee B incurred those 9 hours of OT to cover this portion of Employee A's shift. However, Employee A called in sick for the remaining 15 hours; and as a result Employee B worked the entire shift, incurring a total of 24 hours of OT. The shift exchange checklist properly indicates this change; however, Employee A's timesheet failed to indicate the admin leave for 9 hours, and the sick leave for 15 hours. These hours showed as if Employee A worked his scheduled hours. This resulted in Employee A being paid for regular shift time and maintaining sick time in his bank.</p> <p>The Professional Standards Officer for the Fire Rescue department is performing an audit of all calendar year 2005 time cards, in an effort to identify reporting errors. Once identified, employees will be given the choice of paying back the overpayment or having their vacation or leave banks charged.</p> <p><u>Overtime</u>  Per SOP 3403 and 3404, when a shift needs to be filled, the staffing personnel first utilize a voluntary overtime list to contact staff. The person with the least amount of overtime is contacted first. If they are unable to obtain a volunteer for the open shift, they will use the mandatory overtime list. Staffing personnel review the hours worked by each employee and call those with the least amount of overtime first.</p> <p>According to staffing personnel as they go down the list of employees on the voluntary overtime sheet, they tend to skip over those who have a tendency of not wanting to work the overtime, and call those who prefer to work the overtime first. In addition, when they speak with an employee they will offer them the opportunity to take two overtime shifts. As a result, Staffing personnel are not tracking when an employee is declining an overtime offer.</p>

<b>Issue # 3</b>	<b>Staffing, Time Reporting and Overtime (Continued)</b>
	<p><u>48 Hour work limit</u>  Article 14.02(E) of the Labor Agreement states that “no unit member shall work in excess of 48 consecutive hours at any employment without the explicit permission of the Fire Chief or his designee. A twelve (12) hour break must occur prior to returning to shift after completion of 48 consecutive hours.” During time sheet and overtime testing, we noted 6 instances out of 25 employees selected that worked more than 48 hours at a time.</p> <p>Lack of proper controls and supporting documentation for employee time reporting can result in fraud as well as non-compliance with state and local laws and ordinances.</p> <p><b>Recommended Action</b></p> <p>We recommend the Fire Rescue department:</p> <ol style="list-style-type: none"> <li>a) evaluate time reporting, shift exchange and overtime procedures, as necessary, for reasonableness and if deemed reasonable ensure all employees are trained in the current SOPs.</li> <li>b) monitor SOP compliance on an ongoing basis.</li> <li>c) reiterate to field employees the labor union and department policy regarding number of work hours.</li> <li>d) require the use of overtime slips for reporting overtime shifts.</li> <li>e) although not recommended by the FLSA, implement a procedure to track shift exchanges.</li> <li>f) require accurate and consistent time reporting to the staffing department by District Chiefs.</li> <li>g) correct time reporting error identified during testing.</li> <li>h) complete time report audit initiated by PSO and correct all errors identified.</li> </ol>
	<b>Management Response and Action Plan</b>
<b>Response</b>	<ol style="list-style-type: none"> <li>a) The Department agrees with the Auditor’s comments. This need was identified by Fire Rescue Management prior to the audit. Fire Rescue Management has requested an automated staffing system to assist with the accuracy, distribution/use and tracking of time entry, shift trades (exchanges), and overtime in the 05/06 budget process.  This program was approved and the Department is in the purchasing/implementation phase.</li> <li>b) This software, once implemented, will also allow management to monitor SOP and contract compliance.</li> <li>c) The Fire Chief will distribute an email to all employees regarding compliance with the new SOP and will ensure the information is implemented into new hire orientation.</li> <li>d) During the SOP review process, the overtime SOP will be changed to require the use of overtime slips and their attachment to time sheets as a requirement for payment.</li> <li>e) The new software, once implemented will track shift exchanges.</li> </ol>

<b>Issue # 3</b>	<b>Staffing, Time Reporting and Overtime (Continued)</b>
	<b>Management Response and Action Plan-continued</b>
	<p>f) Fire Rescue will evaluate the ability to integrate the Department's timecard data entry into the staffing program noted above. In addition, a written SOP for proper Time Sheet/Card processing is being reviewed presently. The SOP will be completed and all frontline supervisors and above will be trained on its application by May 1, 2006.</p> <p>g) The department is working with County Finance (payroll) to correct the errors found during the internal audit.</p> <p>The department is in the process of completing its internal time report audit and working with County Finance to correct any errors found.</p>
<b>Time Frame</b>	<p>a) June 1, 2006</p> <p>b) June 1, 2006</p> <p>c) Immediate</p> <p>d) May 1, 2006</p> <p>e) June 1, 2006</p> <p>f) June 1, 2006</p> <p>g) June 1, 2006</p> <p>h) June 1, 2006</p>
<b>Person Responsible</b>	Finance Manager and Assistant Chief Operations

<b>Issue # 4</b>	<b>Asset Management</b>
	<p>Per Administrative Code BCC-23 and Florida Statute Chapter 274, the Fire Rescue department is required to record and track all inventory asset purchases, transfers and disposals of items with an original cost greater than \$750. The Fire Rescue department maintains its asset listing in an Access database on the Master Inventory List. The database can be used to print asset listings for each fire station and/or department location.</p> <p>During the inventory walk through at Station 23, a radio considered a spare, was not listed in the Master Inventory List.</p> <p>During the inventory walk through at Station 82 a Hurst Cutter was not accounted for on an engine. The inventory manager stated the piece of equipment had been relocated to Station 81.</p> <p>Failure to track all assets, including “spares” and transfers can result in misplaced or stolen items and non-compliance with County policy and Florida Statute.</p> <p><b>Recommended Action</b></p> <p>We recommend the Fire Rescue department implement a written procedure for tracking inventory assets, including purchases, disposals and transfers. Employees should be educated on the policy and reporting requirements.</p>
	<b>Management Response and Action Plan</b>
<b>Response</b>	<ul style="list-style-type: none"> <li>a) The Department will develop the procedures as noted by the Auditor. These procedures will substantially mirror AO-24.</li> <li>b) A training procedure/outline will be developed and presented at the officer’s meeting, along with a copy of the procedure.</li> </ul>
<b>Time Frame</b>	<ul style="list-style-type: none"> <li>a) March 1, 2006</li> <li>b) October 15, 2006 (scheduled mandatory in-service for department.)</li> </ul>
<b>Person Responsible</b>	Assistant Chief Logistics

<b><i>Issue # 5</i></b>	<b><i>Supplies/Inventory</i></b>
	<p><u><i>Supply Department</i></u>  The Supply Department has no computer based inventory system to track approximately \$425K of supplies on hand at any time. Due to the lack of software, the Logistics Manager is unable to track supplies on hand at the fire stations, supplies on hand in the warehouse or historical use.</p> <p>Because quantities on hand are not tracked when a physical inventory count is performed in the warehouse at year end, quantities (units) on hand are not compared to what should be on hand per manual inventory records. Instead, the total dollar amount of inventory is calculated and compared to the amount in the inventory records.</p> <p>In addition, there were a number of items in the warehouse that did not appear on the inventory listing during the time of the physical inventory procedures. These items were identified by an orange dot during the inventory count. The internal auditors toured the facility noting numerous orange dots on items.</p> <p>Currently the Supply department is sharing space at Fire Station 43 with an active Fire Rescue unit. Supply items do not have a designated area due to the limited amount of space at the station. Most items are not in secure locations within the station. It is noted that medications were appropriately locked in lockers, and only two supply personnel having the key to the lockers. Other supplies were not secured at the time of our visit.</p> <p>Supplies are not organized using a “bin” system, meaning one type of supply may be in several locations throughout the station. At times it is difficult for the supplies team to locate items requested, which can lead to ordering additional items that are already in stock in the warehouse.</p> <p>The Logistics Manager is responsible for approving supply orders, placing the order, receiving the order and distributing the order of supplies and capital equipment for the Department. This is deemed a problem in segregation of duties.</p> <p>A lack of proper controls over inventory can result in over-ordering supplies, station stock piling, obsolete inventory in the warehouse, inventory losses, and inventory shortages when supplies staff overlook an item that is low in quantity on the shelf.</p> <p><u><i>Fire Rescue Unit Supplies</i></u>  Under the Florida Statute, each emergency vehicle should have a pediatric I.V. arm board or splint appropriate for I.V. stabilization. During inspection at Station 82, this item was not included in the supplies maintained on the Fire Rescue unit.</p>

**Issue # 5**

**Supplies Inventory (Continued)**

**Recommended Action**

We recommend the Fire Rescue department:

- a) purchase an inventory control system.
- b) develop written procedures (SOP) for purchasing, receiving, distribution and tracking of inventory in all locations. These procedures would include instructions to:
  - track quantities of inventory on hand (preferably via an inventory control system) so that when a physical inventory count is performed quantities are compared to the records to determine where quantity amounts are inaccurate.
  - enter supply purchases into an inventory control system upon receipt so that items are not being added to inventory at the time of the inventory count.
  - set up bin locations for each item with an item number and description listed on the bin. The inventory items should be organized in a logical manner (i.e. by product type, number, etc.).
  - perform cycle counting and year end inventory counts.
- c) consider developing a standard inventory of supplies to be maintained at the stations so that appropriate levels of supplies are on hand.
- d) assign responsibility for supply order review and approval to someone other than the person placing, receiving and distributing the order.
- e) have separate facilities for the supply department from the Fire Station so that items can be properly secured and more easily tracked.
- f) follow the requirement listed in the Florida Statute for stocking rescue units.

**Management Response and Action Plan**

**Response**

- a) Fire Rescue has attempted two (2) purchases of an inventory control program, which would meet the needs noted by the Auditor. To date, the Department has been unable to afford the program, and/or software possibilities did not come to fruition. Fire Rescue will continue to review this option and hopes to present a purchasing option to the Board of County Commissioners during the 06/07 budget process.
- b) Once an inventory system is in place, written procedures for inventory tracking can be developed.
- c) A standard inventory will be established. Purchasing the software noted above will facilitate tracking of this system.
- d) Fire Rescue will develop an SOP for approval, ordering, receiving and distributing supplies that will ensure segregation of duties.
- e) Fire Rescue agrees with the Auditor's comments that a central facility is needed. Fire Rescue did purchase such a central facility and is waiting action to renovate the building.
- f) Fire Rescue will create a non-rewriteable, electronic, standardized check-out sheet for all emergency vehicles, (including rescues). Additionally, Fire Rescue will label all interior compartments to ensure easy identification of where equipment/supplies are located.

<b><i>Issue # 5</i></b>	<b><i>Supplies Inventory (Continued)</i></b>
<b><i>Management Response and Action Plan-continued</i></b>	
<b>Time Frame</b>	<ul style="list-style-type: none"> <li>a) January 31, 2007</li> <li>b) February 28, 2007</li> <li>c) Minimum and maximum pars established by March 1, 2006, Inventory Software Completed by January 2007.</li> <li>d) March 1, 2006</li> <li>e) Completion dependent on Facilities Department; Fire Rescue has been told the facility will be ready for operation by June 30, 2006.</li> <li>f) June 1, 2006</li> <li>g) June 1, 2006</li> </ul>
<b>Person Responsible</b>	Assistant Chiefs Operations, and Logistics

<b>Issue # 6</b>	<b>Employee Reimbursements</b>
	<p>There are two types of Preceptor payments made to employees. Field employees with extensive experience can earn an extra \$1 per hour for taking part in orientation as a preceptor (mentor) to a new hire employee; or a preceptor works as a teacher for student going through a paramedic training program.</p> <p>Preceptors to students in the paramedic training program complete a time sheet signed by themselves and the student. This timesheet and a copy of the student's evaluation are forwarded directly to Fire Rescue department finance. The staff accountant prepares a memo to County Finance summarizing the employees' names and the hours spent 'in class'. The memo is sent directly to County Finance for payment to the employees.</p> <p>These Preceptor payments require no supervisor approval prior to payment. It is noted that Fire Rescue management maintain files on all persons authorized for paramedic school. This information is not provided to the finance department staff accountant nor are Preceptor payment requests reviewed by management prior to payment. Although no errors have been identified, no review has been performed by Fire Rescue department personnel.</p> <p>While there were no exceptions for employee reimbursement testing, we note that the finance person responsible for employee reimbursements spends a great deal of time contacting employees for documentation because travel requests, expense reimbursements, tuition reimbursements, etc. are not properly submitted.</p> <p><b>Recommended Action</b></p> <p>We recommend the Fire Rescue department:</p> <ul style="list-style-type: none"> <li>• implement a policy of management review and approval of Preceptor payments.</li> <li>• train employees in department and county requirements/policies of submitting for reimbursements. Reimbursements that are submitted with all appropriate documentation can be processed more quickly and efficiently by department and County Finance personnel.</li> </ul>
<b>Management Response and Action Plan</b>	
<b>Response</b>	<p>a) Fire Rescue will develop the written procedure as noted by the Auditors.</p> <p>b) Personnel will be trained as noted by Auditors in the above procedure.</p>
<b>Time Frame</b>	<p>a) May 1, 2006</p> <p>b) October 15, 2006</p>
<b>Person Responsible</b>	Assistant Chiefs Operations, and Training and Finance Manger

<b>Issue # 7</b>	<b>Grant Management</b>
	<p>Per department policy (unwritten) grants are required to be monitored by the person who applied for and received the grant. That person is also responsible for providing the department Fiscal Analyst a budget for the grant. Procedures for managing, monitoring and tracking grants are at a minimal due to lack of personnel. During testing, four outstanding grants, totaling approximately \$510K, were identified. The department Fiscal Analyst was unaware of one matching grant, in the amount of \$88K, that had been received and as such the matching funds had not been accounted for in the 2005-2006 budget. It is also noted that there is no carry forward of the previous Grant Management SOP (new SOPs are currently in draft form and being reviewed).</p> <p><b>Recommended Action</b></p> <p>We recommend the Fire Rescue Department:</p> <ul style="list-style-type: none"> <li>• hire personnel responsible for coordination, tracking and compliance of grants,</li> <li>• update the previous Grant Management SOP to ensure appropriate reporting and monitoring procedures are in place.</li> </ul>
	<b>Management Response and Action Plan</b>
<b>Response</b>	<p>Fire Rescue agrees that this issue is important. Additionally, Fire Rescue agrees with the Auditors comments that a position needs to be created to perform this function. Fire Rescue will evaluate whether there is a current position, which can assume this function.</p> <p>If current staff cannot assume these additional duties, then the Fire Chief will propose an additional position in his budget request to the County Manager.</p> <p>Pending the decision/disposition of a new position, Fire Rescue will continue the current process of having the Author of the grants track and coordinate all “terms and conditions” of the various grants with the Finance Section.</p>
<b>Time Frame</b>	April/May 2006 (depending on budget submittal date)
<b>Person Responsible</b>	Fire Chief