



Audit of Fire Rescue

Division of Inspector General **Neil Kelly, Clerk of the Circuit and County Courts** **Audit Report**

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November 18, 2016

Board of County Commissioners

We have conducted our audit of the Fire Rescue Division of the Board of County Commissioners' Public Safety Department, as scheduled per the Clerk's Annual Inspector General Audit Plan.

We appreciate the cooperation and assistance provided by the Public Safety Department and also other local county and governmental entities contacted during the course of our audit.

Respectfully submitted,

Bob Melton

Bob Melton
Inspector General

cc: The Honorable Neil Kelly, Clerk of Circuit & County Courts
David Heath, County Manager
John Jolliff, Director, Public Safety Department

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INTRODUCTION

Scope and Methodology

We conducted an audit of the Fire Rescue Division of the Board of County Commissioners' Public Safety Department, as scheduled per the Clerk's Annual Inspector General Audit Plan. Our audit objectives were:

1. To determine whether receipts and disbursements have been accounted for properly and received and disbursed in accordance with laws, regulations, and principles.
2. To determine the reasonableness of overall application controls over selected software systems.
3. To determine opportunities for improvement.

To determine whether receipts and disbursements have been accounted for properly and received and disbursed in accordance with laws, regulations, and principles, we reviewed the Lake County Code, resolutions, ordinances, policies, and procedures, obtained financial reports, inventory listings, and training records, sampled transactions and tested the samples on certain criteria, interviewed Fire Rescue and Budget Office staff, compared actual expenditures to budgeted amounts, researched detail in the accounting system, observed inventories, analyzed transactions using data analytics, analyzed trends and fluctuations, recalculated amounts, reviewed the fire assessment study, researched grant opportunities, reviewed county processes, and reviewed contracts and aid agreements.

To determine the reasonableness of application controls over new systems, we reviewed information about selected software systems in use by Fire Rescue, interviewed staff about the software systems, reviewed the number of current licenses, and researched other available systems.

To determine opportunities for improvement, we interviewed Fire Rescue management, staff, and Budget Office personnel, obtained reports and reviewed financial documentation, reviewed policies and Standard Operating Guidelines, reviewed the collective bargaining agreement, researched and reviewed Florida Supreme Court and Attorney General Opinions, obtained a report from the Property Appraiser's office, selected and tested a sample of properties, and researched the fees in other counties.

Our audit included such tests of records and other auditing procedures as we considered necessary in the circumstances. The audit period was October 1, 2014 through September 30, 2015. However, transactions, processes, and situations reviewed were not limited by the audit period.

Overall Conclusion

We conclude that receipts and disbursements have been accounted for properly and were received and disbursed in accordance with laws, regulations, and principles. We conclude that the overall application controls over the systems are reasonable. Opportunities for Improvement are included in this report.

Background

Lake County Fire Rescue provides services to 300,000 residents as well as visitors in a 1,100 square mile area with 25 staffed fire stations (including one seasonally staffed), 17 of which provide advanced life support (ALS) services. Fire Rescue responded to 21,079 emergency and non-emergency calls in 2015. Fire Rescue is divided into two sections.

The Administrative section provides support which includes in-service training and recertification of all Fire Rescue personnel, medical quality assurance, state reporting, and inventory control as well as personnel and facilities support services. Oversight of all public assets assigned to the Fire Rescue Division is also provided, including scheduling maintenance of Fire Rescue facilities.

The Operations section provides the daily response to emergency and non-emergency calls. The section consists of personnel trained in structural firefighting, emergency medical advanced life support services, vehicle firefighting and patient extrication, hazardous materials mitigation and special operations such as confined space and high-angle rescue. The personnel are dual certified as either Firefighter/Emergency Medical Technician (EMT) or Firefighter/Paramedic. The Fire Rescue Special Operations Response Team (SORT) is a collaborated effort between the Fire Rescue and Emergency Management divisions. SORT also collaborates with the Lake County Sheriff's Office. Fire Rescue's SORT is ready to respond to local, regional, or state emergencies. The Operations section also oversees the fleet support services with County Fleet Management.

Fire Rescue partners in automatic aid agreements with six cities in the County, through which the city Fire Departments respond to, and in support of, calls in Fire Rescue's area, and vice versa.

A new Insurance Service Office (ISO) classification was received in late 2015 with an effective date of March 1, 2016. This classification, a number from 1 to 10, can impact a property owner's fire insurance premium. According to the ISO, "Class 1 represents an exemplary fire suppression program, and Class 10 indicates that the area's fire suppression program does not meet ISO's minimum criteria." Lake County's new classification is 4 for urban and 4X for rural, an improvement over the previous classification of 6 for urban and 9 for rural. The classifications have changed since the previous evaluation; the 4X classification is now used in place of the previous 9 although it represents the same grade.

Lake County Fire Rescue responds to calls from several styles of stations.



Station 76 in Yalaha, built in 1987 as a volunteer fire station, was not originally designed to house firefighters.



Station 77 in Astatula is a 2012 mobile home for the firefighters and a metal awning for the fire vehicles.



Station 78 in the Lake Jem area was built in 2008 with quarters for the firefighters and a lieutenant.



A permanent station for Station 90 in the Clermont area, shown under construction, is to house staff and equipment that have been housed in temporary quarters. Another new station in the Altoona area is scheduled to replace an older facility there.



March, 2016



May, 2016

Station 90 under construction in Clermont.

Fire Rescue is funded by the annual Fire Assessment Fee, a Municipal Service Taxing Unit (MSTU), the General Fund, grants, and other revenues. The assessment fees that are used primarily for personnel and operating expenses are not eligible for homestead exemption as the fees are non-ad valorem assessments (that is, the fees are not based on property value); however, the early payment discount does apply.

LAKE COUNTY FIRE RESCUE	2015 ACTUALS
REVENUE	
Ad Valorem Tax-Current	\$ 3,734,052.01
Ad Valorem Tax-Delinquent	\$ 108,978.26
Fire Rescue Assessment Fees	\$ 16,177,251.41
Firefighters Supplement	\$ 39,846.88
Motor Fuel Tax Rebate-State	\$ 12,071.99
Interlocal Services-Tavares	\$ 5,300.00
Interlocal Services-Groveland	\$ 8,350.00
Interlocal Services-Clermont	\$ 37,000.00
Interlocal Services-Mascotte	\$ 1,250.00
Interlocal Services-Minneola	\$ 2,350.00
Interlocal Services-Leesburg	\$ 56,600.00
Fire Inspection Fees	\$ 750.00
Surplus-Furn/Fixtures/Equipment Sale	\$ 10,995.00
Donations	\$ 150.00
Reimbursements	\$ 11,040.14
Other Misc. Revenues	\$ 8,176.34
Interfund Transfer-Ambulance Fund/Fleet Inventory	\$ 307,928.00
Interfund Transfer-General Fund	\$ 838,761.00

Excess Fees-Tax Collector	\$ 46,355.80
Excess Fees-Property Appraiser	\$ 253.79
Interest Revenue	<u>\$ 29,630.13</u>
TOTAL REVENUE	<u>\$ 21,437,090.75</u>
EXPENSES	
Personal Services	\$ 16,611,185.15
Professional Services	\$ 150,104.93
Contractual Services	\$ 34,440.56
Interlocal Services-Tavares	\$ 11,300.00
Interlocal Services-Groveland	\$ 51,300.00
Interlocal Services-Clermont	\$ 48,850.00
Interlocal Services-Mascotte	\$ 30,400.00
Interlocal Services-Minneola	\$ 17,750.00
Interlocal Services-Leesburg	\$ 140,100.00
Travel And Per Diem	\$ 4,919.82
Communications	\$ 137,989.63
Freight And Postage	\$ 2,440.40
Utility Services	\$ 177,063.31
Rentals And Leases	\$ 31,246.84
Insurance	\$ 197,047.00
Repair/Maintenance	\$ 1,237,015.38
70027 Repair/Maintenance	\$ 81,579.24
IT Repair/Maintenance	\$ 50,617.27
Printing/Binding	\$ 109.75
Reprographic Charges	\$ 10,528.30
Other Current Charges/Obligations	\$ 1,599.71
Office Supplies	\$ 100,905.27
Info Tech Supplies	\$ 35,407.67
Operating Supplies	\$ 488,300.35
Motor Fuel	\$ 269,673.68
Books/Publications/Dues	\$ 3,644.26
Training	\$ 29,084.91
Buildings	\$ 26,349.60
Machinery/Equipment	\$ 123,729.49
Transfer-Property Appraiser	\$ 27,799.12
Transfer-Tax Collector	\$ 396,194.97
Transfer-General Fund	\$ 35,295.00
Administration Costs	<u>\$ 1,030,246.00</u>
TOTAL EXPENSES	<u>\$ 21,594,217.61</u>
NET EXPENSES IN EXCESS OF REVENUES	<u>\$ (157,126.86)</u>

OPPORTUNITIES FOR IMPROVEMENT

Our audit disclosed certain policies, procedures, and practices that could be improved. Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed.

1. Property Owners Are Subsidizing Vacant Properties Not Assessed For Fire Services.

Vacant properties in Lake County are not assessed a fire assessment fee. As a result of not assessing vacant properties, other Lake County property owners that are assessed the fire fee are subsidizing the vacant properties by \$866,244 based on our methodology. This amount could be significantly higher based on the methodology utilized and analysis of properties that are actually assessed.

A Florida Supreme Court decision issued May 7, 2015, affirmed that the City of Cape Coral could levy a special assessment against all real property in the city, both developed and undeveloped. The City apportioned the costs in two tiers, one of which was based on the general availability of fire protection services to everyone. The Supreme Court cited a previous case where they found that “fire protection services do, at a minimum, specially benefit real property by providing for lower insurance premiums and enhancing the value of the property.”

Three Florida counties – Columbia, Walton, and Broward – assess vacant properties. The rates used by these counties are the following:

Property	Columbia County	Walton County	Broward County
LAND			
< 160 acres (per parcel)	\$53.74		
> 160 acres (per acre)	\$0.2711		
< 10 acres (per parcel)		\$11.18	
> 10 acres (per acre)		\$0.16	
Vacant Lot			\$10.00
Acreage (per acre)			\$28.00

New legislation in 2016 amending Section 125.01, Florida Statutes, prohibits counties from levying special assessments on agricultural lands under Section 193.461, Florida Statutes, for the provision of fire protection services. For the purpose of our estimated revenue calculation, we removed these and

other properties with special exemptions from the original 27,131 vacant properties in the unincorporated county.

A total of 21,621 vacant unincorporated Lake County properties were determined to be assessable. The calculation of the potential revenue from these properties used the following hybrid rate (based on rates from the three counties that are assessing vacant properties):

Revenue Using Hybrid Rate	Lake County
Base acreage	100 acres
Rate on 100 acres or less	\$40.00
Rate per acre greater than Base acreage (> 100 acres)	\$0.25
Potential Fire Assessment Revenue From Vacant Properties	\$866,244

Costs are being incurred on these types of properties; yet owners of vacant property are not required to pay the fire assessment that other types of property owners pay. The result is that the property owners of other types of property and/or all County taxpayers are subsidizing the costs incurred relating to vacant properties. This revenue would offset those costs and could allow for the reduction of rates on other land uses. The cost of services should be assessed to all those who benefit from the services.

We Recommend management work with the Board of County Commissioners to consider assessing vacant properties under the annual fire assessment fee (in light of the recent court decision).

Management Response:

Fire Rescue concurs. The County currently has a contract with Tindale – Oliver to provide an annual fire assessment update. A work session is scheduled for January 2017.

2. The Uses Of The Fire Rescue MSTU Should Be Specifically Identified And All Revenues Should Be Tracked According To Allowable Use.

During our review of Fire Rescue’s revenue sources and fund balance, we noted the following concerns:

- A. Certain types of emergency medical services, such as advanced life support, are being funded through the Fire Rescue Municipal Service Taxing Unit (MSTU). However, the broad description of the "provision of fire protection" in Ordinance 2006-115 does not make it clear that emergency medical services are allowable costs under the MSTU. The MSTU is used to fund costs incurred by Lake County Fire Rescue that cannot be funded by the fire assessment fee.

In the past, Lake County used the Fire Assessment Fee (in addition to other sources) to fund emergency medical services. However, the Supreme Court of Florida ruled in a case involving the City of North Lauderdale that this was an improper practice and assessment fees should not be used for emergency medical services. A class action lawsuit was filed against Lake County regarding this practice. The final judgment in this lawsuit was signed in February 2016; the settlement amount of \$6,500,000 included the following:

Description	Amount	Details
Attorney's Fees	\$1,760,678.50	May be paid in two installments
Attorney's Costs	\$125,569.61	
Class Representatives Service Awards	\$10,000.00	Paid to the Four Plaintiffs
Notice of Proposed Settlement costs	\$32,490.26	Paid to Class Counsel (McLin Burnsed) for mailing to record title owners of real property
Net Fund Value	\$4,571,261.63	Allocated among the Settlement Class in the form of future Fire Rescue Special Assessments in an amount lower than the maximum amount allowed by law until the Net Fund Value is exhausted; distributed over a period of five years until the Net Fund Value is reduced to zero; includes \$1,930,925 distributed in Fiscal Year 2015-2016
Gross Settlement Fund	<u>\$6,500,000.00</u>	

In the settlement, Lake County agreed to charge less than the maximum Fire Assessment Fee to property owners. As a result of the past prohibited practice, Lake County must now exclude the cost of emergency medical services from the budget amount that is funded by the special assessment for fire rescue services. The cost of emergency medical services includes advanced life support treatment and some basic life support functions, including on-site medical procedures and medications.

Lake County Ordinance 2006-115 established "The Lake County Municipal Service Taxing Unit for Fire Protection Number Two" for the "provision of fire protection" through levying ad valorem taxes. This taxing unit is being used to pay, in part, for medical services administered by County Fire Rescue. The tax is assessed on the unincorporated county and brought in \$3,843,030 during the Fiscal Year ended September 30, 2015. The estimated medical expenses based on the 25% non-assessable costs are \$5,132,504, an amount greater than the MSTU revenue alone. Although the actual revenue sources were indeterminable, after reviewing the other revenue sources, we calculated the following revenue sources that could cover the \$5,132,504 costs:

2015 Fiscal Year Revenue Source	Amount
MSTU/Ad Valorem Tax-Current	\$3,734,052
MSTU/Ad Valorem Tax-Delinquent	\$108,978
Interfund Transfer-Ambulance Fund/ Fleet Inventory	\$307,928
Interfund Transfer-General Fund	\$838,761

Firefighters Supplement	\$39,847
Motor Fuel Tax Rebate-State	\$12,072
Surplus-Furn/Fixtures/Equipment Sale	\$10,995
Reimbursements	\$11,040
Other Misc. Revenues	\$8,176
Excess Fees-Tax Collector	\$46,356
Excess Fees-Property Appraiser	\$254
Interest Revenue	\$29,630
Total Revenue Sources	\$5,148,089

Because of the ambiguity in the language of the Ordinance regarding the uses of these MSTU funds, questions could arise as to whether the use of fire protection funds is allowable for medical services performed by Fire Rescue. Further clarification of the allowable uses of the funds, including emergency medical services, would show the costs for medical services can clearly be funded by the MSTU.

- B. As various revenue sources are combined in one Fire Rescue fund, it is unclear whether the reserves, or fund balance, are being used in accordance with restrictions placed on the revenue sources. For example, Fire Assessment Fees cannot be used for advanced life support (ALS) costs; however, MSTU revenue can be used for ALS and other costs. The Fire Rescue fund balance does not differentiate between the specific sources contained in it. The establishment of a method to track the revenue sources based on the allowable uses would provide assurance that the funds are being used in accordance with the restrictions.

We Recommend management:

- A. Work with the Board of County Commissioners to determine a means which would clarify the use of MSTU funds for medical services.
- B. Establish a means to track the revenue sources based on how the revenues are allowed to be used.

Management Response:

- A. Fire Rescue concurs. The County currently has a contract with Tindale – Oliver to provide an annual fire assessment update. The update identifies use of revenue for types of services provided.
- B. Fire Rescue Concurs. The County currently has a contract with Tindale – Oliver to provide an annual fire assessment update. The update does not identify tracking revenue, but a method may be created in-house.

3. Overtime Should Be Budgeted By Job Class And Evaluated For Adding Positions.

Fire Rescue employees were paid significant amounts of overtime at the regular hourly rate and at a rate 1.5 times the regular hourly rate (or time-and-a-half). During our review of overtime, we noted the following concerns:

- A. The total overtime paid in 2015 was about \$2.0 million; \$1.7 million overtime was paid at time-and-a-half. This means that over \$550,000 was paid beyond the comparable amount if straight-time employees had worked those hours.

Overtime scheduling is facilitated by use of an automated scheduling system. The scheduling system generates a list of employees available for call out by looking at unassigned employees first. The system automatically fills position for position, for example, Firefighter/Paramedic for Firefighter/Paramedic. However, employees are allowed to volunteer for overtime by entering full or partial days in the system when they are available to work overtime. If a volunteering employee has the specialties that are required for the position needed, then the system will automatically assign the time to that employee. As a result, an employee can work significant amounts of overtime. We noted that the top ten employees based on actual overtime hours in fiscal year 2015 worked and earned the following:

Employee	Position	Normal Hours	Actual Overtime Hours Worked	Base Earnings	Overtime Pay	Total Earnings Including Overtime
1	LT/PM	2,756	2,019	\$58,930	\$56,123	\$115,053
2	LT/PM	2,756	1,254	\$58,968	\$36,221	\$95,189
3	FF/EMT	2,756	1,181	\$42,823	\$25,497	\$68,321
4	LT/PM	2,756	1,121	\$57,057	\$33,082	\$90,139
5	FF/EMT	2,756	952	\$49,904	\$24,239	\$74,143
6	FF/PM	2,756	886	\$45,304	\$20,558	\$65,862
7	BC	2,730	850	\$79,916	\$35,672	\$115,588
8	FF/PM	2,756	839	\$43,681	\$18,973	\$62,654
9	FF/PM	2,756	818	\$45,488	\$18,921	\$64,409
10	LT/PM	2,756	817	\$53,647	\$20,837	\$74,484

- Notes:**
1. LT = Lieutenant, FF = Firefighter, BC = Battalion Chief, PM = Paramedic, EMT = Emergency Medical Technician.
 2. The overtime includes 156 hours of normal scheduling paid at time-and-a-half as the standard hours worked per year are 2,912 (2,756 regular time + 156 overtime).
 3. For purposes of this presentation, Base Earnings includes other incentives, if applicable.

The positions with generally the highest hours of overtime were the Firefighter/Paramedics and the Lieutenant/Paramedics. With a significant amount of overtime paid at time-and-a-half, it could be more cost-effective to add positions such as these rather than pay overtime rates. Analysis should be performed to determine how the \$550,000 overtime pay in excess of straight-time might be used more effectively to reduce the excess overtime in these positions by hiring additional employees.

Reviewing the overtime another way, we noted that the top ten employees based on overtime pay in fiscal year 2015 worked and earned the following:

Employee	Position	Normal Hours	Overtime Hours	Base Earnings	Overtime Pay	Total Earnings Including Overtime
A	LT/PM	2,756	2,019	\$58,930	\$56,123	\$115,053
B	LT/PM	2,756	1,254	\$58,968	\$36,221	\$95,189
C	BC	2,730	850	\$79,916	\$35,672	\$115,588
D	LT/PM	2,756	1,121	\$57,057	\$33,082	\$90,139
E	BC	2,756	537	\$67,286	\$28,821	\$96,107
F	BC	2,756	809	\$67,556	\$28,240	\$95,796
G	FF/EMT	2,756	1,181	\$42,823	\$25,497	\$68,321
H	FF/EMT	2,756	952	\$49,904	\$24,239	\$74,143
I	BC	2,756	582	\$68,833	\$21,171	\$90,004
J	LT/PM	2,756	817	\$53,647	\$20,837	\$74,484

Working excessive overtime may not be sustainable over the long term; overworking can reduce the productivity and effectiveness of an employee. The lack of job alertness from excessive overtime could place the firefighters and citizens at risk.

- B. The overtime budget for fiscal year 2015 was based on an estimate; it was not created by projecting the overtime by job class. The 2014 budget was originally projected as \$2.06 million based on the 2013 actual amount of \$1.9 million. However, the 2014 budget did not originally include the Florida Retirement System (FRS) and other benefits adjustments, so the 2014 overtime amount was reduced to \$1.6 million to absorb those adjustments. This \$1.6 million overtime amount from 2014 was used again for the 2015 budget. The 2015 actual overtime exceeded this budget amount.

The overtime budget should be based on the projected use by job class for a more accurate representation of the overtime needs of Fire Rescue. Budget calculations for overtime should be projected based on expected usage. Otherwise, the overtime may not be adequately funded for the year.

We Recommend management:

- A. Evaluate the overtime to determine if adding Firefighter/Paramedic and Lieutenant/Paramedic positions is more cost-effective than paying overtime.
- B. Budget the overtime by job class for a more accurate representation of need.

Management Response:

- A. Fire Rescue concurs.

B. Fire Rescue concurs.

4. Items Related To Vehicles Should Be Improved.

During our review of items related to Fire Rescue’s vehicles, we noted the following concerns:

A. Fire Rescue uses the Fleet Management division to perform repairs and maintenance on its vehicles. We reviewed a sample of work orders from Fleet Management. Work orders with work done by Fleet Management contained detail of the labor hours and charges for parts. However, work orders where the work was outsourced by Fleet contained only a total amount and did not provide detail of the costs included in the outsourced work. During our review, we determined the amount of the outsourced work on the work order included a surcharge of 15% over the vendor’s invoice. In several instances, this was a significant amount. The surcharges on major projects outsourced in the sample ranged from \$564 to \$4,175, as noted in the chart below:

Vehicle	Related Work Performed	Total Work Order Amount	Surcharge Amount
2000 International Engine	Transmission	\$5,533.30	\$568.88
2014 Freightliner Pierce	Body Damage	\$8,443.85	\$1,101.37
2007 Pierce Enforcer	Engine Replacement	\$30,586.61	\$3,989.56
2009 Pierce International Pumper	Engine Replacement	\$27,935.17	\$3,537.51
2000 International Engine	Engine Rebuild	\$13,336.44	\$1,638.93
2005 Pierce Pumper	Engine Replacement	\$33,819.94	\$4,175.12
2007 Pierce Enforcer	Suspension Check	\$4,327.45	\$564.45
2010 Pierce Enforcer Pumper	Turbo Replacement	\$5,681.81	\$741.10
Total Surcharge			\$16,316.92

The surcharge does not reflect work done by Fleet; the work was outsourced to private garages. The surcharge should be based on the actual costs incurred by Fleet in outsourcing the work. The repair costs should demonstrate the value received and adequate detail of the outsourced costs should be provided.

B. Fire Rescue previously had its own Fleet Management facilities and employees. In fiscal year 2012, Fire Rescue’s Fleet Management was merged into County Fleet Management. The value of the inventory transferred from Fire Fleet during the merger was determined in March 2013 to be \$108,506. The first transfer payments totaling \$7,928 from Fleet Management related to this inventory were received by Fire Rescue in fiscal year 2015. No transfer payments have been received in fiscal year 2016. Over \$100,000 of the remaining inventory value transferred has not

been paid to Fire Rescue; Fire Rescue has not been regularly or timely reimbursed for these prior costs. As a result, Fire Rescue has not had these reimbursement funds available for other needs.

- C. A comparison of the vehicle listing obtained from Fire Rescue with the vehicle listing obtained from Fleet Management showed that Fleet Management listed 12 more vehicles (or 14% more than the 86 vehicles the two lists have in common). These additional vehicles listed by Fleet Management, with their status as determined during our review, were the following:

YEAR	MAKE/DESCRIPTION	MODEL	STATUS
2014	Kawasaki	KAF620REF	Fire Rescue asset
2007	John Deere	T5103	Fire Rescue asset
2001	International	4900	Disposed in 2010
2001	International	4900	Disposed in 2010
1995	Mickey	16AT	Fire Rescue asset
1991	Ford	F350	Disposed in 2014
1986	Golf	Cart	Unknown – possibly disposed
1986	Ford	Tanker	Fire Rescue asset
1985	Ford	9000	Fire Rescue asset
1984	Mack	HM Truck	Transferred to Fleet in 2013
1969	Sort	Tractor	Disposed in 2007
1964	White	6x6 Truck	Disposed in 2004

Asset records should be comparable across those entities tracking the assets. The records should be reconciled regularly to ensure the records are comparable and that all assets are accounted for properly.

We Recommend management:

- A. Work with the Fleet Management Division to:
 - 1. Receive adequate detail of the labor hours and part costs included in outsourced work on a regular basis.
 - 2. Determine a reasonable surcharge, if any, based on Fleet Management’s actual costs.
- B. Work with the Budget Office to receive the amount of inventory credit negotiated with Fleet Management.
- C. Regularly reconcile the Fire Rescue vehicle listing with that of Fleet Management and ensure all vehicles are located and accounted for properly.

Management Response:

- A. Fire Rescue concurs.
- B. Fire Rescue concurs.

C. Fire Rescue concurs.

5. Interim Assessment Fee Process Needs Improvement.

When a new building permit is issued, an interim fire assessment fee should be charged. However in three commercial permits out of eight permits reviewed (37.5%), no fire assessment fee was charged. By not charging the appropriate fee, these fire assessment fees are being lost. Because of the wide variance in the amounts due for the residential and commercial fire assessment fees and the flaw in the reporting capture process, we are unable to project the amount of revenue being lost during the audit period because of the errors in not charging the interim fire assessment fees.

During our review, the process did not capture all permits subject to interim assessment. As a result, properties were not assessed the applicable fee. An interim fire rescue assessment may be imposed against all property for which a building permit is issued. When a permit is issued, the Building Services division adds the fire assessment fee code to the permit charges. The Assessment Specialist runs a report weekly to list the permits with this fire assessment fee code. The Assessment Specialist then calculates the fee and adds the interim assessment fee to the permit charges.

We selected a sample of eight permits, residential and commercial, to determine whether the interim fire assessment had been charged. In three of the commercial permits, the fire assessment fee code was not added to the permit charges. As a result, the permits did not appear in the report run by the Assessment Specialist and the interim assessment fee was not charged. One permit was for a grocery strip center. The amount of the interim assessment should have been \$1,654. The other two permits were for airplane hangars. The interim assessment should have been \$77 for each hangar.

A process should be in place that ensures all interim assessments allowed to be imposed are assessed and included in the permit fees. Otherwise, Fire Rescue may not receive all allowable fees.

We Recommend management establish a process to ensure all permits subject to the interim fire assessment are reviewed and assessed.

Management Response:

Fire Rescue concurs.

6. Inspections Should Be Conducted and Adequately Documented.

Inspections related to Fire Rescue operations, such as fire hydrants and protective clothing, are conducted internally or by other entities. During our review, we noted the following concerns:

- A. Fire hydrant inspection reports are not routinely provided to Fire Rescue. As the county is not the owner of the systems, Fire Rescue is not required by statute to perform tests on fire hydrants. However, Section 633.312(3), Florida Statutes, states that Lake County should be provided a copy

of the inspection report for fire hydrants by the utility companies. The reports are not being provided; Fire Rescue has to request the reports and still may not receive them. The utility companies should provide the reports to the county when hydrant inspections are made.

- B. Routine inspections of protective clothing should be performed upon issue and after each use according to Chapter 6.2 of National Fire Protection Association (NFPA) 1851, Standard on Selection, Care, and Maintenance of Protective Ensembles for Structural Fire Fighting and Proximity Fire Fighting. Documentation showed that routine inspections of the protective clothing were conducted in 2013 and 2015, although no inspections were documented in 2014. However, the 2015 inspection forms reviewed during the audit were incomplete, as forms were neither signed by the employee or an inspector, nor marked as to pass/fail of a garment based on the criteria listed on the form.
- C. Advanced inspections of the protective clothing were only completed in the area of the repair when repairs were made by the contractor. Chapter 6.3.3 of NFPA 1851, Standard on Selection, Care, and Maintenance of Protective Ensembles for Structural Fire Fighting and Proximity Fire Fighting, states “advanced inspections of all protective ensemble elements that are issued shall be conducted at a minimum of every 12 months, or whenever routine inspections indicate that a problem could exist.” Chapter 6.3.1 of NFPA 1851 states “Advanced inspection and any necessary testing shall be performed by the element manufacturer, a manufacturer trained organization, a verified organization, or a verified ISP [independent service provider].” Fire Rescue staff is not trained and does not have the equipment needed to conduct these inspections. To comply with the standard, a full advanced inspection of the protective clothing should be conducted. The contract rate in 2015 for advanced inspections was \$45 per set. The number of in-service sets that would need to be inspected is about 400, for a cost of approximately \$18,000.



Protective Clothing Lockers
Station 76, Yalaha



Protective Clothing Lockers
Station 78, Lake Jem

Inspections should comply with the related laws and standards. The lives of both citizens and firefighters are at risk when appropriate inspections are not conducted.

We Recommend management:

- A. Work with the utility companies to ensure the county receives a copy of the inspection report for the hydrants owned by utilities as required under section 633.312(3), Florida Statutes.
- B. Ensure routine inspections of the protective clothing are regularly performed and adequately documented.
- C. Ensure advanced inspections of the protective clothing are conducted on an annual basis to comply with the standard.

Management Response:

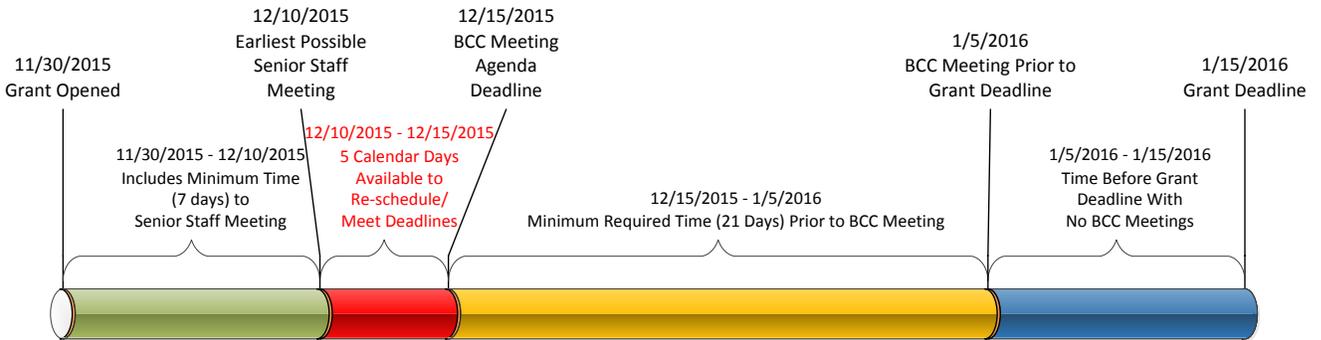
- A. Fire Rescue concurs.
- B. Fire Rescue concurs.
- C. Fire Rescue concurs.

7. Grant Application Process Needs Streamlining And Improvement.

Fire Rescue has received funding through grants. During our review of grant applications, we noted the following concerns:

- A. The internal grant application process is cumbersome. A grant summary form must be submitted to the Budget Office one week prior to a Senior Staff meeting. The grant must then be scheduled for Senior Staff review prior to inclusion on the Board of County Commissioners' (BCC) agenda. The grant is then placed on the agenda for a BCC meeting to receive approval to apply. The process to get on the agenda for a BCC meeting can take 21 calendar days. However, the timeframe of accepting grant applications can be 46 calendar days or less.

In the case of one grant accepting applications from November 30, 2015 through January 15, 2016, these 46 days included holidays, which reduced the available time to schedule meetings to apply for the grant. Applying the process above to this grant can be depicted as:



This approval process shows a very narrow window of five calendar days for any variance in the process. The time constraints in the process impose significant restrictions. The approval process should include flexibility for matters requiring a quick turnaround. Streamlining this process by pre-approving anticipated grants under certain parameters such as no requirement of matching county funds, a previous grant provider, or a targeted need would provide such flexibility.

- B. Fire Rescue has received several grants, such as an EMS Grant, a Staffing for Adequate Fire and Emergency Response (SAFER) grant, a grant from Firehouse Subs, and others. Fire Rescue typically learns of a grant when word is received from a previous grantor that a granting opportunity is open for application. Fire Rescue does not have a process to research and locate other available grants and then apply for them. As a result, Fire Rescue may not be receiving all the grant monies that are available.

Diversity in sources of funding provides for the sharing of expenses. Additionally, grant funding allows work to be accomplished that might not be done otherwise.

We Recommend management:

- A. Work with the county manager to streamline the process for applying for grants.
- B. Establish a process to locate available grants and apply for them.

Management Response:

- A. Fire Rescue concurs.
- B. Fire Rescue concurs.

8. Employees Should Meet Training Goals And Cost-Tracking Should Be Performed.

Lake County Fire Rescue is not meeting all recommended training hours established by the National Fire Protection Association, which are also used by the Insurance Services Office, as the training goal. The recommended number of hours is:

Type of Training	Number of Hours
Facility	18
Company (16 hours per month)	192
Officer	12
New Driver/Operator	60
Existing Driver/Operator	12
Hazardous Materials	6
Recruit	240

Fire Rescue uses an online training system that tracks the hours of training on a calendar year basis by employee. Outside training completed by an employee can also be logged in this training system.

The 2015 new recruit training report showed that all sixteen recruits received the stated 240 hours of training. In comparing the 2014 and 2015 driver and officer training reports, we noted a significant improvement over the prior year. However, more than half in each group in 2015 did not complete the recommended training:

Percentage of Training Completed	Driver Training		Officer Training	
	2014	2015	2014	2015
100%	0	38	0	19
75-99%	4	88	2	33
51-74%	42	0	23	0
50% or less	66	0	27	5
Total Employees	112	126	52	57

The 2015 expenditures were well below the budgeted amount for outside training; however, internal training and development costs were not tracked. Tracking of these costs would illustrate the value of the training provided internally.

Industry-standard training goals should be met and the training costs should be tracked. Inadequate training could increase the liability risk to the county. Lack of training could also create higher insurance costs to residents as training is an item the ISO assesses during its review when determining the county’s classification for insurance purposes.

We Recommend management:

- A. Ensure training goals are met by the employees each year.
- B. Perform tracking of training costs.

Management Response:

- A. Fire Rescue concurs.

B. Fire Rescue concurs.

9. Processes Over Supplies And Inventories Should Be Improved.

Fire Rescue carries various supplies and inventories to fulfill its responsibilities: station supplies, medical supplies for both basic life support (BLS) and advanced life support (ALS), and pharmaceuticals. During our review of the supplies and inventories, we noted the following concerns:

- A. The fire stations ordered station supplies as needed; 520 different items were ordered during 2015. Several stations ordered one brand or style of item while other stations ordered another brand or style. Some purchases seemed unreasonable because of the high quantity or the type of item ordered (e.g., four black-handled decanters, coffee, etc.). The station supplies available for order should be standardized and limited by quantity. Otherwise, waste and abuse could occur.
- B. Fire Rescue does not have a process in place to generate a year-end supplies inventory or an inventory of furnishings and equipment, for items like recliners and mattresses. An inventory should be maintained for tracking and monitoring of purchases throughout the year. This inventory would also assist in budgeting for replacement of higher cost items such as the furnishings and equipment.
- C. At one station visited during our review, the storage location for the fire trucks was not enclosed; the parking bay is a detached metal structure. This metal structure is partially open on three sides and completely open at the entrance. Although the structure generally protects the trucks from the weather, it does not protect them from other risks. As a result, inventory on the fire truck is not adequately secured at this station without a fully enclosed and locking garage. We were informed during our review that the ISO did not recognize this station in their evaluation due to the inadequacy of the parking structure.



This open-sided metal structure does not provide adequate security for the fire vehicles.

- D. Both the ALS and the BLS stations have standard medical supply lists of the items and quantities to stock. The medical supplies inventory is taken regularly at each station in order to fill out a supply order and ensure that the appropriate quantities are on hand. The medical inventories were observed either stored in medical bags on the fire trucks or in cabinets in the stations. However, there is no summary of the medical supplies for the year or tracking of the purchases in total, either by station or the division.



All inventories should be adequately tracked and stored. Inadequate tracking and security of the inventories could result in possible loss or misuse of inventory.

We Recommend management:

- A. Limit the varieties and quantities of supplies that can be ordered by the stations.
- B. Develop an inventory process to track the station supplies, furnishings, and equipment, monitor purchases, and assist in budgeting for replacement furnishings and equipment.
- C. Ensure fire trucks are enclosed in secure areas.
- D. Establish an inventory system to periodically balance the medical inventory to the physical count and review for trends.

Management Response:

- A. Fire Rescue concurs.
- B. Fire Rescue concurs.
- C. Fire Rescue concurs.
- D. Fire Rescue concurs.

10. Application Systems Need Improvement.

During our review of selected application systems, we noted the following concerns:

- A. The records management system is reasonably efficient and performs the necessary tasks; however the software version the County is using is a few releases behind. Some of the lesser-used modules, such as those for moving vehicles between stations, generating graphs, and creating new queries, do not work consistently and are not user friendly. Additionally, there are licensing issues with the software in that there are not enough of them. The County currently owns 15 licenses for 25 fire stations (not including two Battalion stations and the Training facility). This presents a problem at times for multiple users being able to access the system at the same time.

In order for fire station personnel to adequately perform their administrative job duties, they should be able to access the system at any given time without having to wait for a license to become available. Updates should be kept current to help maximize the efficiency and effectiveness of the system and to ensure the functions are reliable.

During our research, we learned of free software available from the State of Florida, The Florida Fire Incident Reporting System (FFIRS). This system performs similar tasks to the current records management system.

- B. The workforce management and scheduling software application system is very efficient and performs the necessary tasks; however, there is a lack in administrative user knowledge. Only one user has been trained and is fully knowledgeable about the system.

Application systems are administered by users with elevated access in order to perform certain security and setup functions. A backup person should be trained in case the primary person is not available to perform these functions for any reason.

We Recommend management:

- A. Work with the County Information Technology Department on upgrading the system to a newer version and consider buying additional licenses for the records management system application. As an alternative, management could inquire about and consider the FFIRS.

- B. Ensure the data technician receives training in the workforce management and scheduling software application.

Management Response:

- A. Fire Rescue concurs.
- B. Fire Rescue concurs.

11. The Administrative Fee Charged Should Be Based On Actual Costs.

The Fire Rescue fund could be overpaying or underpaying the administrative fee. Under the County's Administrative Fee Allocation Plan, the administrative fee is charged against the non-General Fund funds. The departments and offices that provide administrative services (central services) under this allocation include: Board of County Commissioners, County Attorney, County Manager, Budget, Procurement, Human Resources, Information Services, Facilities and Capital Improvements, and the Clerk's Office. The administrative cost allocation is included in the total assessable costs in the calculation of the fire assessment rate. The allocation uses an estimated 5% administrative fee rate; the rate was not calculated using actual costs. As a result, the rate based on actual costs could be higher or lower than the current 5% rate; the rate charged may not be the correct rate. The administrative fee rate should be based on actual costs.

We Recommend management determine the administrative fee allocation rate based on actual costs, including allocation of central service costs.

Management Response:

Fire Rescue concurs.

12. Process Assigning Fees Under Inter-local Service Boundary Agreements Could Be Improved.

Fire Rescue has entered into aid agreements (Inter-local Service Boundary Agreements, or ISBAs) with six municipalities: Groveland, Minneola, Mascotte, Clermont, Leesburg, and Tavares. The agreement allows for the nearest available unit to be dispatched between the two jurisdictions (county and municipality) covered by the agreement. Lake Emergency Medical Services (Lake EMS) provides the dispatch for the calls and maintains the call data. Calls responded to in the other agency's jurisdiction are determined using this call data. Medical calls are compensated at \$100 per call. Fire calls are compensated at \$500 per call. A call that is dispatched but subsequently canceled by the dispatcher is calculated as ½ of a call. The costs of all the calls are then combined between the county and the municipality to determine the net amount owed monthly. During our review of a sample of the monthly charges, we noted the following concerns:

- A. Fire Rescue uses a manual process for calculating the amounts due. After downloading the call information from Lake EMS's system into an Excel spreadsheet, the fees are manually entered into the spreadsheet. Options may exist within Excel, or other available software, to automatically enter the fees. Automation would reduce the possibility of human error and the associated review time.
- B. The fee schedule lists "common Run cards call types," however in some instances, the fee schedule does not align with the terminology used in the protocols as shown in the reports from Lake EMS dispatch. For example, "Structure Fire," "Traffic/Traffic Accident," "Stage in the Area," "Smoke Investigation (Outside)" are not listed on the fee schedule. Although it would be difficult to compile a complete, exhaustive list of all fees, coordinating the wording of the fee schedule with the reported protocols would make assigning and reviewing the fees more straightforward for financial and operations personnel.

We Recommend management:

- A. Automate the process of assigning fees to the reported calls under the ISBAs.
- B. Consider aligning the wording of the fee schedule with the terminology in the protocols.

Management Response:

- A. Fire Rescue concurs.
- B. Fire Rescue concurs.

13. Purchasing Card Purchases Should Be Properly Authorized And Cost-Effective.

Purchasing card directives should be followed by the cardholder when using the card. During our review of a sample of purchasing card (P-card) transactions, we noted the following concerns:

- A. Purchases of computer monitors did not have the approval attached from the County Information Technology Department (IT), as required in section 602.26(i) of the Purchasing Card Manual. Although IT allows some leniency for Fire Rescue since their equipment may stop working over the weekend or at night when IT is not available, one purchase of monitors made on a weekday morning did not have approval attached from IT. Without IT approval, equipment could be purchased that is not compatible with other county systems, causing user difficulties.
- B. A cardholder had not signed the monthly cardholder statement as required in section 601.41(m) of the Purchasing Card Manual. The cardholder should sign the monthly statement to confirm that the purchases listed were valid and for authorized County purchases.
- C. The sample of P-card transactions reviewed during the audit period included several purchases of appliances made from various stores. Although the single transactions contained documentation

of price comparisons, a competitively bid contract for a group of appliances should be considered to ensure the best value is received.

We Recommend management:

- A. Ensure computer hardware purchases are items approved by the Information Technology Department.
- B. Ensure procurement cardholders sign the monthly transaction transmittals.
- C. Consider competitively bidding appliance purchases as a group to ensure the best value is received.

Management Response:

- A. Fire Rescue concurs.
- B. Fire Rescue concurs.
- C. Fire Rescue concurs.