

# Audit Highlights

June 2015

The audit of FP was performed as part of the Internal Audit Office's annual audit plan. FP was ranked relatively high in our overall citywide risk assessment. Internal Audit collaborated with the Department's management to discuss and confirm the relative risk of this unit within the Department.

## **Audit Objectives:**

### **Determine whether:**

- ◆ FP has a clear mission and strategic vision;
- ◆ Proper controls exist over the cash-handling process to ensure that all revenue due is collected and accounted for;
- ◆ There are adequate internal controls to ensure an effective and efficient fire inspection program;
- ◆ There are adequate controls to ensure an effective and efficient fire investigation program;
- ◆ An effective public education program is provided;
- ◆ There are appropriate controls over contracts, agreements, and grants;
- ◆ Adequate controls exist to safeguard the division's assets; and
- ◆ Opportunities exist to enhance general operating efficiency and effectiveness.

City of Tempe Internal Audit Office

## Audit of Fire Prevention



### **Background:**

The Tempe Fire Medical Rescue Department (the Department) is led by the Fire Chief and supported by three (3) Assistants, and seven (7) Deputy Chiefs. In August 1997, the Department became the first fire department internationally accredited by the Commission on Fire Accreditation International (CFAI). CFAI re-accredited the Department in August 2012.

Fire Prevention (FP) is currently led by an Acting Fire Marshal reporting to the Assistant Chief over Fire Prevention, Special Operations, and Public Education. As a function within the Community Risk Reduction Unit of this area, FP is staffed with six (6) Senior Fire Investigator/Inspector positions, one (1) Fire Investigator/Inspector, and a Public Education Specialist. FP investigates fires, inspects new and existing construction, and provides public fire education.

Our audit focused on Fire Prevention. This was not an audit of the entire Department.

### **Conclusion:**

**Internal Audit found that the department has a clear mission and detailed strategic plan in place to provide solid guidance for the future.**

**Internal Audit identified opportunities to bolster the internal control environment to support and enhance revenue collection and cash handling procedures and fire inspection and investigation operations. We also found opportunities to more effectively manage grants and agreements and improve record keeping functions related to the education program. Security enhancement opportunities to protect operating assets and system data were also identified.**

**Throughout the report we list additional opportunities to enhance operating effectiveness and efficiency.**



City of Tempe Internal Audit Office



31 E. 5th Street  
Tempe, AZ 85281

Barbara Blue, City Auditor  
Phone: 480-350-8982  
Fax: 480-858-2375  
E-mail: barbara\_blue@tempe.gov

## SUMMARY OF AUDIT RECOMMENDATIONS:

(see full report for all observations and recommendations)

<p><b>Section 1:</b> <b>Mission and Vision</b></p>	<ul style="list-style-type: none"> <li>• No Recommendation—The department has a clear mission and an established strategic plan to provide direction and fulfil its operational goals</li> </ul>
<p><b>Section 2:</b> <b>Revenues and Cash Handing</b></p>	<ul style="list-style-type: none"> <li>• Strengthen internal controls over cash handling</li> <li>• Document policies and procedures to support consistent transaction processing</li> <li>• Perform routine reconciliation procedures to ensure timely and accurate revenue deposits</li> <li>• Compliance with City’s Petty Cash Policy</li> <li>• Automate manual processes</li> <li>• Review potential to enhance customer service by accepting credit or debit card transactions</li> </ul>
<p><b>Section 3:</b> <b>Fire Inspection</b></p>	<ul style="list-style-type: none"> <li>• More timely address updates to the FH database</li> <li>• Establish a set of risk-based selection criteria for the inspection process to direct resources towards higher risk areas</li> <li>• Increase the frequency of inspections</li> <li>• Document the methodology used for formulating fee rates</li> </ul>
<p><b>Section 4:</b> <b>Fire Investigation</b></p>	<p>Improve management controls to:</p> <ul style="list-style-type: none"> <li>• Address potential conflicts of interest,</li> <li>• Ensure proper management review of reports,</li> <li>• Track pending investigations, and</li> <li>• Ensure the completeness of investigations are warranted.</li> </ul>
<p><b>Section 5:</b> <b>Education Program</b></p>	<ul style="list-style-type: none"> <li>• Consistently track attendance for all public education classes and activities through FH</li> </ul>

<p><b>Section 6: Grants, Contracts, and Agreements</b></p>	<ul style="list-style-type: none"><li>• Coordinate inspection efforts with the ASU Fire Marshal</li><li>• Document and communicate effective grant monitoring policies and procedures</li><li>• Assign a FH contract administrator to ensure only agreed upon rates are paid for goods and services</li></ul>
<p><b>Section 7: Operating Assets and Systems</b></p>	<ul style="list-style-type: none"><li>• Limit the type of sensitive data maintained in the FH database</li><li>• Ensure FH system patches are updated as required</li><li>• Strengthen FH access policies and procedures</li><li>• Document a data security plan to establish automatic logoff functions, and to research and correct known system glitches</li><li>• Review user access privileges periodically</li><li>• Develop database backup and recovery procedures</li><li>• Establish SMART goals to facilitate managing critical technology needs in a timely manner</li><li>• Develop and implement a succession plan for FH administration and other critical tasks to prevent the loss of important departmental knowledge and to decrease the impact upon daily operations due to staff transitioning out of the department</li><li>• Develop and document policies and procedures for managing computer assets</li></ul>

