

Fire Department Fiscal Management Audit

July 2016

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City Auditor's Office

July 6, 2016

Honorable Mayor and Members of the City Council:

The City Auditor's Office has completed the Fire Department Fiscal Management Audit. The purpose of the audit was to review and evaluate concerns expressed by the Arlington Professional Firefighters Association (APFF) to determine if there were opportunities for improvement in the areas identified in the APFF Issues Book.

Management's response to our audit findings and recommendations, as well as target implementation dates and responsibilities, are included following the report.

We would like to thank the Arlington Fire Department staff for their full cooperation and assistance during the project.

Lori Brooks

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Executive Summary

The City Auditor's Office has completed the Fire Department Fiscal Management Audit. The performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. The audit objective was to review and evaluate concerns expressed by the Arlington Professional Firefighters Association (APFF) to determine if there were opportunities for improvement.

The City Auditor's Office noted strengths in the Fire Department related to the following areas:

- Monitoring, managing and analyzing the budget
- Planning for anticipated workforce retirements
- Developing programs that address community needs

We noted potential opportunities for improvement in the following areas:

- Evaluation of overtime/staffing as it relates to Apparatus Operators and Lieutenants
- Review and classification of exempt/non-exempt status of the Battalion Chief position
- Monitoring and oversight of annual fire inspections to ensure timeliness
- Accountability for financial and operational effectiveness of new programs
- Documentation of policies and procedures related to liquidated damages
- Revision of budgeting practices for greater transparency
- Documentation of professional development policies and procedures and tracking of expenditures

Details of audit findings, conclusions and recommendations are included in the following report.

Audit Scope and Methodology

The audit was conducted in accordance with generally accepted government auditing standards. The following methodology was used in completing the audit.

- Interviewed Fire Department staff and management
- Interviewed staff from other departments
- Reviewed Fire Department staffing methodology and other operational processes
- Reviewed relevant information from the Lawson (Financial/Accounting) and Kronos (timekeeping) systems
- Reviewed numerous client prepared reports, spreadsheets and other documentation
- Researched relevant City and Fire Department policies and procedures
- Reviewed relevant local, federal and other codes and regulations related to Fire operations and salaries/overtime requirements
- Performed specific benchmarking with other localities

Background

In June 2015, the APFF prepared and presented a document (APFF Issues Book) to City Management and subsequently to the Mayor and City Council outlining their concerns about certain fiscal policies, practices and financial management within the Arlington Fire Department. The following specific issues or concerns were discussed in the book:

- Over-Hire System
- Fee Revenue
- Implementation of New Programs
- Liquidated Damages
- Professional Development
- Uniforms
- Gas Well Program Expenditures

Other concerns, related to relationship challenges between the APFF and Fire Administration, were included in the book as well. However, these issues were not explored within the scope of this audit. Other City resources were employed to review and address those areas.

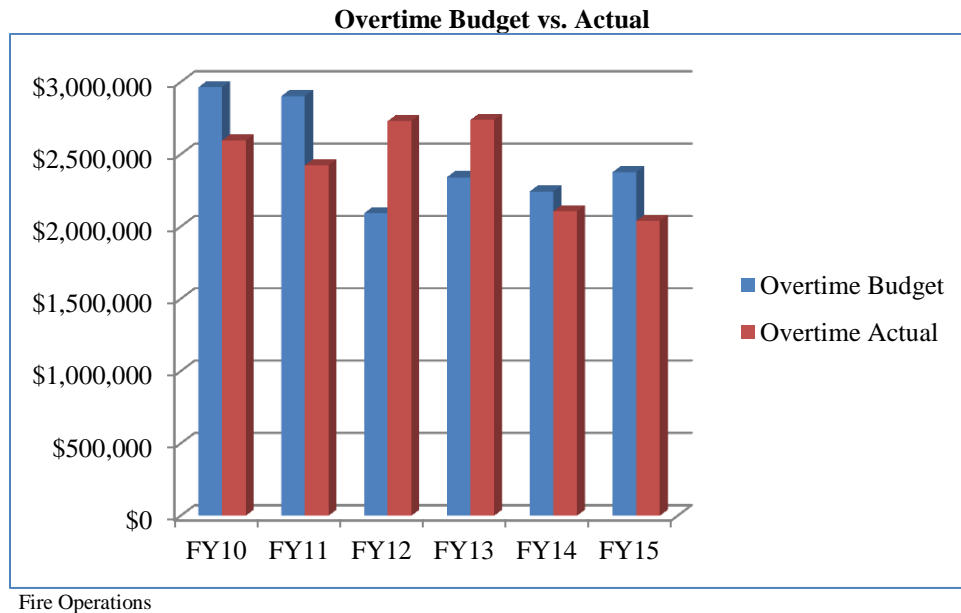
Audit Results

Over-Hire System

Background

The Arlington Fire Department’s budget includes ten Accounting Units. Among these are Operations, Administration, Office of Emergency Management, Fire Prevention, Resource Management, etc. A significant percentage (94%), but not all, sworn personnel are paid from the Operations Accounting Unit.

The following graph illustrates the history of budgeted and actual overtime expenses from 2010 through 2015 for the Fire Department Operations Accounting Unit:



In fiscal years 2010 and 2011, overtime costs were under budget (\$367,500 and \$478,368, respectively). In FY12, the budget for overtime was reduced by more than \$800,000. Per Fire Administration, this was an executive management decision to move budgeted resources from overtime to regular salaries to accommodate staffing costs for the new Viridian Fire Station. As shown in the above graph, overtime costs actually increased in FY12 over the previous year, resulting in a budget overrun of \$637,895. Again in FY13, overtime was over budget by nearly \$400,000. Consequently, the department budget had to be balanced using funds allocated for other expenses and programs. Since FY13, however, overtime expense has been reduced and has remained stable.

The City of Arlington is not alone in its challenges with overtime costs in the Fire Department. Due to firefighters' schedules and FLSA requirements, other cities across the country have been struggling with how to manage overtime costs. Additionally, the City of Arlington Fire Department is facing a "retirement bubble," as approximately 26% of the workforce is eligible to retire.

In order to address budget overages related to overtime, in FY13 the Fire Department determined that a change in staffing philosophy was necessary. The Fire Department proposed an "over-hire" staffing model to City Management. This model would assist in addressing the expected vacancies due to retirements and separations as well as help control the overtime expenditures. The proposed hiring plan consisted of hiring 26 new Firefighter candidates.

This "over-hire" model appears to be effective in addressing the challenges related to the retirement bubble and related increase in overtime costs. The following paragraphs detail the analysis performed by the City's Auditor's Office.

Evaluation of Over-Hire Decision

At the request of the City Manager's Office in FY13, the Fire Department prepared a "Gap Analysis" worksheet that compared the costs of paying an "average" Firefighter (5 year) overtime to cover anticipated vacancies with the costs of hiring new Firefighters to cover the vacancies. In addition to the salary and benefits costs, additional costs for training and equipping the new Firefighters were added to the final figures. The results of the projections determined that approximately \$73,754 would be saved during the period of May – September 2013 if the proposed 26 new firefighters were hired.

Internal Audit reviewed the worksheet prepared by the Fire Department. The figures included in the worksheet were traced to supporting documents that contained calculations for salary and benefit costs. The calculations in the worksheet appear to be based upon reasonable estimates and projections. However, the following was noted related to the information used in the calculations:

1. The EMT training costs were not taken into consideration. These include EMT Training for \$19,200, wages for EMT trainees of approximately \$79,000, and additional miscellaneous expenses of approximately \$2,000. Costs for EMT training had already been paid outside of the Fire Department's operating budget, from Liquidated Damages (discussed in greater detail in this report).
2. The additional FLSA required overtime of approximately \$19,079 for the new Firefighters was also not taken into consideration on the worksheet.
3. Five-year Firefighter rates were used for the analysis, to create the lowest reasonable expense. In actuality, overtime is hired at all ranks, so costs for overtime would have been greater than those estimated.

By implementing this program in FY13, the department was better able to control and predict the overtime expenses. After implementation of the "over-hire" system in April 2013, overtime expenses in Fire Operations for the last six months of the fiscal year were almost 50% less than in the first six months of the fiscal year. The salary expenditures in Fire Operations for the last six

months of the fiscal year increased approximately 5% over the salary expenditures in the first six months.

The following table depicts the salary and overtime expenses in Fire Operations for the first six months of FY13 and the last six months of FY13 after the implementation of the over-hire program:

	1 st 6 Months	2 nd 6 Months	Variance
Salary	\$ 9,254,588	\$ 9,703,929	\$ 449,341
Overtime	\$ 1,838,595	\$ 900,054	(\$ 938,541)
Total	\$ 11,093,183	\$ 10,603,983	(\$ 489,200)

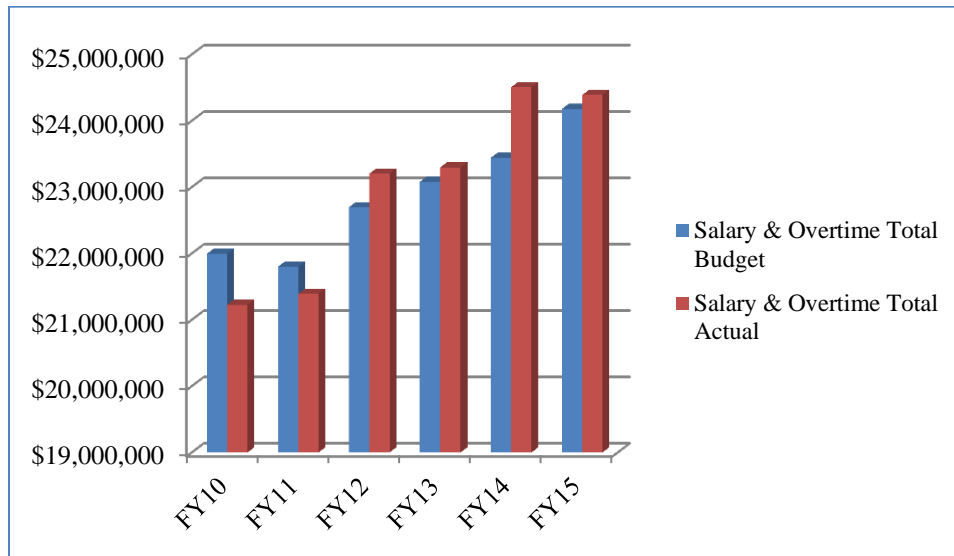
While some of the one-time onboarding costs of these new Firefighters were not taken into account as noted above, these costs are not significant in relation to the benefits of the program. In addition, these onboarding costs would still have been incurred upon the hiring of replacement Firefighters. The over-hire program allowed the Firefighters to be hired in advance of an anticipated vacancy, thus reducing the time an assignment at a station remained staffed through overtime. This allows the Fire Department to maintain a stable workforce during a period of increased retirements. An additional benefit noted is that the over-hire program allows for more consistency and predictability in the overtime expenses. This in turn allows for better financial management of the Fire Department.

The following table demonstrates the impact of the over-hire program that was implemented mid-year in FY13 on the average monthly overtime expense for Fire Operations.

Year	Average Monthly Overtime Expense
2010	\$ 216,331
2011	\$ 201,975
2012	\$ 227,472
2013	\$ 228,220
2014	\$ 175,501
2015	\$ 169,914

Total Operations salaries and overtime, including all pay types, have increased since FY13, but appear to have now stabilized. It is important to note that terminal pay associated with retirements and approved salary increases have contributed to the overall increase in total costs. The following graph illustrates the increase.

Salaries and Overtime Budget vs. Actual



Fire Operations

In addition to the above analysis, Internal Audit performed a detailed review of sworn personnel salaries and overtime expenses to identify any areas that might need further review.

Detailed Review of Sworn Personnel Salaries and Overtime Pay

A detailed review of sworn (uniformed) Fire personnel compensation throughout the department (includes Operations, Fire Administration, Medical Operations, Fire Training, Special Events and Gas Well accounting units) was performed for fiscal years 2013 through 2015.

Sworn Fire personnel are employed by the City in 17 Fire stations and include command staff members who oversee Fire operations. Most sworn Fire personnel work 24-hour shifts. The Fire Department has three 24-hour shifts referred to as A, B and C shifts. Once the 24-hour shift is completed, Fire personnel are off duty for 48 hours. Hourly (non-exempt) sworn personnel are also assigned a specific rank that ranges from F1 to F5.

Some sworn Fire personnel work an eight hour, five day a week schedule. These employees perform various administrative tasks and include members from each rank. As of January 2016, a total of 15 sworn Fire personnel were assigned to administrative tasks.

Some basic information about sworn Fire personnel is listed in the table below. The pay rates were effective as of fiscal year 2015, and the table shows average base salaries paid in each rank.

Rank	Position	Head Count	Avg. Salary Year*	Avg. Salary Hour*
F1	Firefighter	165	\$63,627	\$21.85
F2	Apparatus Operator	72	\$77,284	\$26.54
F3	Lieutenant	54	\$89,718	\$30.81
F4	Captain	19	\$101,454	\$34.84
F5	Battalion Chief	12	\$119,624	\$41.08
M19	Assistant Chief	3	\$126,171	N/A
E22	Fire Chief	1	\$164,748	N/A

*Base Only

In addition to base salary, sworn Fire personnel may receive the following additional pay categories.

Pay Type	Amount	Eligibility
Paramedic	\$100/mo.	All sworn personnel
EMT	\$100/mo.	All sworn personnel
Hazmat	\$100/mo.	Station 6 staff only
Language pay	\$50/mo.	All sworn personnel
Educational pay 30 hrs.	\$25/mo.	All sworn personnel
Educational pay 60 hrs.	\$50/mo.	All sworn personnel
Educational pay 90 hrs.	\$75/mo.	All sworn personnel
Associate degree	\$50/mo.	All sworn personnel
Bachelor's degree	\$110/mo.	All sworn personnel
Stability/Longevity pay*	Up to \$1200/yr.	All sworn personnel
Positional pay	5% of wages	Administrative sworn personnel
High angle rescue	\$50/mo.	Station 8 staff only
Diver Pay	\$50/mo.	Station 7 staff only
Gas well response	\$50/mo.	Station 1 and 9 staff only

*Based on years of service

Step Increases

In addition to annual market-based pay raises, the additional pay categories shown above, and overtime pay, hourly Fire sworn personnel also receive step increases. These are programmed increases in employee rate of basic pay based on time in each rank. The average step increase is approximately five percent. F1 Firefighters receive seven step increases between the date of hire and 240 months of employment. All other Fire sworn ranks, F2 to F5, receive one step increase after twelve months in their position.

Overtime

Sworn Fire personnel, from rank F1 to F5, are paid overtime at a rate of 150% of regular pay (base pay plus additional pay types). Staff members on 24-hour shift schedules accrue overtime after 212 hours during a monthly pay cycle. Under the Fair Labor Standards Act (FLSA), approximately 156 hours of “built-in” overtime is paid to each employee annually as a consequence of the 24-hour work schedule.

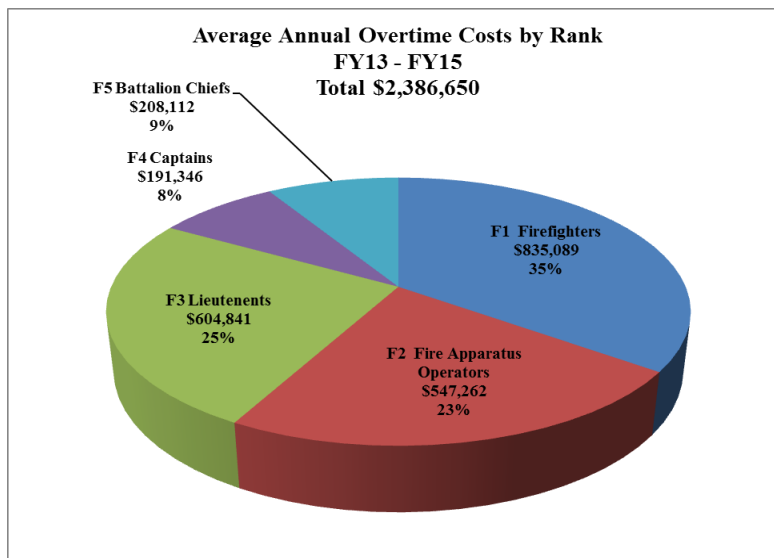
In addition to built-in overtime, Fire personnel work overtime based on operational needs. This includes filling in for staff on vacation or sick leave, extra work hours due to Fire-related activity throughout the City, special events in Arlington, or to attend special training events. Once the 212-hour threshold is met, all work and leave hours except sick leave are paid at the overtime rate; sick leave is excluded from overtime calculations for all City personnel.

The current minimum daily staffing requirement is 84 uniformed staff for the 17 Fire stations throughout Arlington. The Battalion Chief on duty determines daily overtime assignments, based on the minimum daily staffing requirement and consideration of scheduled and unscheduled leave. Employees may sign up for overtime on a volunteer basis. When the volunteer firefighter list is exhausted, mandatory overtime is initiated. Staffing reports are prepared daily (am/pm), documenting assigned personnel, scheduled leave, unscheduled leave and overtime hired.

An analysis of overtime costs incurred for Fire sworn personnel was conducted for fiscal years 2013 through 2015. The overtime costs shown below include the previously described built-in overtime plus additional overtime hired due to daily staffing shortages, incidents in progress after shift change, meetings and special assignments. The Fire Department is unable to maintain itemized costs for the built-in overtime due to payroll system limitations.

	2013	2014	2015	3 Year Total
Total Overtime	\$2,882,646	\$2,179,737	\$2,097,568	\$7,159,951
F1 Firefighters	\$898,296	\$782,250	\$824,722	\$2,505,268
F2 Fire Apparatus Op.	\$680,766	\$494,833	\$466,187	\$1,641,786
F3 Lieutenants	\$771,695	\$553,979	\$488,848	\$1,814,522
F4 Captains	\$261,229	\$163,846	\$148,964	\$574,039
F5 Battalion Chiefs	\$270,660	\$184,829	\$168,847	\$624,336

The graph below shows the *average* overtime costs and percentage for each Fire rank.



The following table includes the high, mid-point and low overtime and total pay for Fire sworn staff by rank for fiscal years 2013 - 2015. Total pay includes base pay, overtime pay, additional pay types, and stability pay. Note: The “Low Total Pay by Rank” includes some partial-year employees (hired on or separated during the year).

		Overtime Pay by Rank			Total Pay by Rank		
		2013	2014	2015	2013	2014	2015
F1 Firefighter	High	\$22,998	\$17,445	\$15,423	\$ 92,430	\$ 90,870	\$ 75,173
	Mid	5,993	4,593	4,777	66,381	65,187	50,785
	Low	57	86	107	22,226	10,011	8,182
F2 Apparatus Operator	High	21,477	15,673	12,553	95,798	92,490	83,413
	Mid	6,540	5,408	5,700	76,648	79,231	61,231
	Low	606	933	900	25,183	22,654	5,959
F3 Lieutenant	High	30,200	17,949	17,846	109,414	104,426	91,549
	Mid	12,703	8,880	8,375	90,619	92,521	82,127
	Low	433	872	412	32,738	27,532	7,301
F4 Captain	High	30,212	15,469	25,019	123,818	117,083	107,594
	Mid	11,299	7,983	8,271	102,911	103,986	90,362
	Low	1,640	236	589	89,326	10,559	76,101
F5 Battalion Chief	High	26,985	35,511	23,489	131,119	148,142	119,893
	Mid	15,110	10,242	10,303	121,843	120,997	111,397
	Low	\$ 7,004	\$ 2,246	\$ 1,939	\$103,531	\$32,716	\$34,536

Average overtime hourly rates are shown in the table below.

Rank	Position	Average Overtime Hourly Rate
F1	Firefighter	\$31.90
F2	Apparatus Operator	\$40.21
F3	Lieutenant	\$44.89
F4	Captain	\$53.78
F5	Battalion Chief	\$60.00

An examination of overtime costs indicates 48% of overtime expenses are for ranks F2 (Apparatus Operator) and F3 (Lieutenant). New staff members are hired at the F1 Firefighter rank.

Out of class pay, a special pay category, is given when a member of a lower rank is assigned to one rank higher. These employees are given a five percent premium over their current pay rate. The Fire Department uses out of class assignments to fill vacancies with available personnel while providing an opportunity for Fire personnel to develop skill sets for promotions and future assignments. In relation to overall Fire payroll, the associated cost is negligible. However, at times, staff members are paid overtime to work out of class assignments, indicating a greater staffing need in a higher rank. Out of class overtime also occurs when personnel work out of class on their regular shift after they reach 212 hours during the pay cycle. Overtime out of class assignments may be more costly, considering the five percent premium plus the hourly overtime rate.

The following table illustrates out of class overtime costs for Firefighters (F1) and Apparatus Operators (F2).

	Out Of Class Overtime Type	Cost
FY 2013	Firefighter to Apparatus Operator	\$147,035
	Apparatus Operator to Lieutenant	\$110,116
FY 2014	Firefighter to Apparatus Operator	\$137,906
	Apparatus Operator to Lieutenant	\$120,892
FY 2015	Firefighter to Apparatus Operator	\$153,182
	Apparatus Operator to Lieutenant	\$ 90,151

Out of class overtime accounts for approximately twenty percent of the overtime paid to Firefighters and Apparatus Operators. This may indicate a need to further evaluate the staffing mix in the over-hire model.

Recommendation:

- 1. The City Auditor's Office recommends that the Fire Chief consider further analysis of the adequacy of staffing within the various firefighter ranks.***

Minimum Daily Staffing

The APFF Issues Book identified instances when daily staffing fell below the minimum requirement. Internal Audit's review of daily staffing reports showed variations from the minimum daily staffing target of 84 members. Internal Audit noted the following:

- Some firefighters were assigned to training sessions or other activities within city limits, but could be called back to duty if necessary.
- There were instances when staffing was below 84 either in the AM or PM due to short periods of leave taken by firefighters for personal reasons.

According to the Fire Chief, these variances have been allowed for over 30 years without impacting operations.

Exempt vs. Non-Exempt Status for Fire Department Positions

Internal Audit reviewed job descriptions for the Fire Department positions. We identified and reviewed Fair Labor Standards Act (FLSA) regulations regarding exempt vs. non-exempt classification. The job duties of the Fire Chief, Assistant Fire Chiefs and Battalion Chiefs closely align with the exempt classification.

According to the U.S. Department of Labor, an exempt position is excluded from minimum wage, overtime regulations, and other rights and protections afforded to non-exempt workers. Employers must pay a salary rather than an hourly wage for a position to be exempt. Generally, two requirements must be met to classify an employee as exempt: 1) They must earn a salary and 2) hold a position with duties the U.S. Department of Labor designates as appropriate for exempt positions. Those positions generally fall into six categories: executive, administrative, learned professional, computer professional, creative professional and outside sales.

As it relates to Fire Department positions, the two categories most likely to be applicable are the Executive Employee Exemption or the Administrative Employee Exemption. The Fire Chief and Assistant Fire Chief positions meet the executive and/or the administrative exemptions. However, other lower rank positions, such as the Battalion Chief, may or may not, depending upon the types and frequency of duties performed and the management or administrative functions they are responsible for completing.

To qualify for the Executive Employee Exemption, the employee must meet all of the following requirements:

- 1) The employee must be compensated on a salary basis at a rate not less than \$455 per week.¹
- 2) The employee’s primary duty must be managing the enterprise, or managing a customarily recognized department or subdivision of the enterprise.
- 3) The employee must customarily and regularly direct the work of at least two or more other full-time employees or their equivalent.
- 4) The employee must have the authority to hire or fire, or the employee’s suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees are given particular weight.

To qualify for the Administrative Employee Exemption, the employee must meet all of the following requirements:

- 1) The employee must be compensated on a salary basis at a rate not less than \$455 per week.¹
- 2) The employee’s primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer’s customers.
- 3) The employee’s primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.

We surveyed exemption status of Fire Department personnel in other cities. The results are included in the following table.

City Surveyed	Exempt Positions	Non-Exempt
Grand Prairie	Fire Chief	All other Firefighters
Dallas	Fire Chief and Asst. Chief	All other Firefighters
Mansfield	Fire Chief and Asst. Chief	All other Firefighters
Grapevine	Fire Chief and Deputy Chief	All other Firefighters
Keller	Fire Chief and Battalion Chief*	All other Firefighters
Fort Worth	Fire Chief and Asst. Chief	All other Firefighters
Austin	Fire Chief and Asst. Chief	All other Firefighters
Houston	Fire Chief, Executive Asst. Chief, and Asst. Chiefs	All other Firefighters
Seattle, Washington	Fire Chief and Asst. Chief	All other Firefighters
Portland, Oregon	Fire Chief, Division Chief and Deputy Chiefs	All other Firefighters
Overland Park, Kansas	Fire Chief, Asst. Fire Chiefs, Battalion Chiefs, Captains	All other Firefighters

*No Assistant or Deputy Chief Position

It should be noted that many cities in north Texas are governed by Texas Local Government Code Chapter 143 and are known as “civil service cities.” The chapter provides specific requirements for hiring, promotions, benefits, etc. for Firefighters and Police Officers. Arlington’s Fire and Police Departments are not under Chapter 143. As shown, there are no local Texas jurisdictions that have applied the exempt status to Battalion Chiefs, with the exception of the City of Keller. In this case, the Battalion Chief is the highest ranking position below the Chief.

¹ Effective December 1, 2016 the dollar amount increases from \$455 to \$913 per week. Source: Department of Labor

Additional information provided by the Fire Department indicates the following cities classify the Battalion Chief position as exempt:

- Peoria, Arizona
- Richmond, California
- San Mateo, California
- West Sacramento, California
- Olathe, Kansas
- Portland, Oregon
- Greenville, South Carolina

Applying these exemptions to Fire Department personnel has generated litigation in other jurisdictions and must be carefully evaluated prior to making any changes to classification.

Recommendation:

2. ***The City Auditor's Office recommends that the Fire Chief, in consultation with the Human Resources Department and the City Attorney's Office, perform an analysis of the current Battalion Chief position to determine if there is an opportunity to reclassify the non-exempt status.***

Fee Revenue

In FY11, the Arlington Fire Chief proposed a new recruitment program that included hiring a recruitment Lieutenant with the intent of attracting a more diverse work force and addressing the need to replace the growing number of retirements in the Fire Department. The program in 2011 included the introduction of applicant fees (first in North Texas), and use of fire inspection and permit fees to help offset the Lieutenant salary and related training costs.

The APFF members have expressed concerns to City executive management as well as elected officials that these revenues have been declining and the recruitment and training costs have been covered by other resources. The APFF believes that Fire management has not been transparent regarding the program costs and proposed offsetting revenues.

It is important to note that funding for the operations of the Fire Department is provided by the City of Arlington General Fund. The Fire Department competes with other City departments for budgetary resources. Revenues generated by or as a result of their operations, such as applicant fees and fire inspection fees, are not "assigned" to the Fire Department for their exclusive use. These revenues are combined with other City resources, such as property and sales taxes, to be distributed to all General Fund departments. These departments request General Fund resources annually as part of the budget process. Funds are distributed based on operational, safety, financial and community needs, as well as Council stated priorities. That being said, there has been a decline in revenues related to applicant fees and fire inspection/permits fees in recent years. As such, Internal

Audit performed a limited review to identify reasons for the decline and if there are any operational or financial risks or impacts for the City.

Applicant Fees

Internal Audit noted that the Applicant Fees have declined from \$70,000 in FY12 to \$34,000 in FY15. It appears the decline is likely due to lack of interest by the potential applicant pool. Their interest is dependent upon the economy and other job opportunities available.

Consistent with the APFF's concerns, we noted that a change in provider resulted in an increase in costs for medical services training for new firefighters, which was to be covered by applicant fees. The previous provider, Methodist Health Systems, discontinued their program. As a result, Fire Administration determined that Tarrant County Community College, unlike other area vendors, offered a program that met State of Texas standards. Previous vendor costs were about 63% less than TCC; however, it appears the cost increase is unavoidable. The *amount* of the applicant fee could be analyzed for reasonableness or appropriateness; however, this was deemed beyond the scope of this audit.

Fire Inspection Permit Fees

Internal Audit noted that revenues for fire inspections and permits have not declined significantly, but have not consistently met budget expectations for FY12 – FY15. Fire safety inspections are authorized by ordinance for commercial businesses throughout Arlington. Business entities are categorized by an occupancy rating system. This rating system is based on particular fire and life safety risks. The Fire Prevention Unit within the Arlington Fire Department is responsible for conducting fire inspections. For operational reasons, fire inspections are prioritized based on risk and geographic location. Entities with a lower priority, such as those having no specific fire suppression systems requiring inspection and low occupancy, may not be inspected each year due to staffing limitations. According to Fire Administration, in recent years the Fire Prevention Unit has experienced both significant turnover and difficulty attracting experienced Fire Inspector applicants, due to salary limitations. The Fire Department conducted an analysis of the Fire Prevention Unit in 2015 and has since worked with the City Manager's Office to address this issue.

The permitting system, Amanda, lists approximately 10,860 business entities that require annual Fire inspections throughout Arlington. Data extracted from Amanda shows more than 900 commercial properties have not been inspected for fire safety since December 31, 2014. The current city ordinance authorizes the Fire Department to conduct annual fire safety inspection for any commercial entity within Arlington City limits. These commercial entities range from small offices to facilities with a large square footage and high occupancy, such as schools and sports facilities.

The following table indicates the number of entities in each category that have not been inspected since 2014.

Occupancy Category	Description	Number of Entities
Assembly Groups A1 & A2	Restaurants	63
Assembly Groups A3	Churches	112
Education Groups E	Schools	34
High Hazard Group H3 & H4	City and Industrial Facilities	5
Residential Groups R1	Hotels	12
Factory and Industrial F1	Manufacturing Facilities	29
Storage Group S1 & S2	Storage and Industrial Storage	183
Business Group B	Low Risk Businesses	401
Mercantile Group M	Grocery, Convenience Stores, Car Dealers	85

Although the lost revenue of approximately \$37,000 is fairly insignificant, the exceptions include key City of Arlington facilities, such as City Hall and water treatment facilities, as well as large employers and prominent schools. Also included are businesses with prior fire code failures, which required a re-inspection that was never conducted.

Delinquent annual fire inspections may present a safety risk to citizens. Entities with previous fire code failures that were not re-inspected may also pose a liability risk to the City of Arlington for failure to initiate corrective action for known violations.

The fire inspectors receive an Amanda system generated list of inspections due monthly. For those lower priority inspections that cannot be completed, the Fire Prevention staff is rolling the inspection due dates to a future date. Due to potential coding issues in Amanda, due dates for high priority properties were inappropriately rolled forward as well. The Amanda system generated list does not include the date of the last inspection; therefore, some properties could be rolled forward multiple times without an inspection being performed. According to Fire Administration, the current coding/reporting process associated with the calculation of inspections lacks a verification element that may be resolved through a programing/reporting adjustment in AMANDA.

There appears to be a lack of management oversight to ensure properties are being inspected in a timely manner. The City Auditor's Office also observed other types of fire inspection categories, such as fire inspections for certificate of operations, fire inspections based on complaints, fire inspections required for fire prevention equipment, and final fire inspections that may not have been inspected timely. A detailed examination of these categories was beyond the scope of this audit.

Recommendations:

3. ***The City Auditor's Office recommends that the Fire Chief provide adequate resources to ensure delinquent inspections are performed as soon as possible and that in the future, fire inspections are conducted in a timely manner as authorized by city ordinance.***
4. ***The City Auditor's Office recommends that the Fire Chief establish criteria for managing and monitoring postponements of annual fire inspections.***

Implementation of New Programs

The APFF Issues Book asserts that the Fire Department implemented programs originally claimed to be cost saving or no cost programs, but did not provide any tangible evidence that the programs actually saved any money or were cost neutral.

The concern is that after a new program is implemented, it is not later evaluated to ensure its cost effectiveness. The APFF members interviewed believe new programs should be tracked separately (for transparency) to ensure funds are not diverted from other areas to sustain these new programs. The following paragraphs describe some of the programs and related concerns.

Recruitment Program

As discussed earlier in the report under the section titled “Fee Revenue,” the purpose of the program is to provide a full-time Fire Lieutenant to conduct on-going community outreach for career awareness of the Arlington Fire Department. Efforts are directed primarily to historically under-represented members of the community, including women and minorities. It is to serve as a resource for potential applicants who are unfamiliar with the selection process. According to Fire Administration, this program has resulted in increased diversity within the Fire Department. Hiring records indicate that since 2011, 38% of new Firefighters are women and/or minority individuals.

According to the memo, “Straight from the Chief” dated August 6, 2010, this program would be cost neutral, because it would be offset by an increase in fire inspection fees and current recruiting account reductions. As noted earlier in the report, revenue from fee accounts (firefighter applicant fees, inspections fees and fire permit fees) are simply part of the City’s overall revenue used to support the Fire Department programs as well as other General Fund departments. Accordingly, there was no offsetting revenue or cost avoidance noted on the FY11 Budget Proposal for the Recruitment Lieutenant, and City Council adopted this FY11 budget request without requiring an identified offsetting revenue.

Light Response Vehicle (Squad) Program



The purpose of the Light Response Vehicle (LRV) Program is two-fold: 1) reduce overall costs of providing emergency responses in an area of high medical volume, while enhancing the existing response capacity provided by the existing heavy Fire apparatus; and 2) extend the useful life of the heavy fleet and reduce fuel costs by using smaller vehicles (Tahoe vs. Fire Truck) to respond to emergency calls.

Staffing for the Squad Program includes two people on each squad (one Apparatus Operator and one Firefighter). Currently, there

are two squads. The squads were originally staffed with two Firefighters per unit on each shift (12 Firefighters total). Subsequently, six Firefighters were promoted to Apparatus Operators to staff each vehicle with one Apparatus Operator and one Firefighter. The incremental cost for the promotions was absorbed in the Fire Department's operating budget. Associated expenditures include firefighters' salaries, vehicle and fuel costs. There is no specific cost center to track expenditures for this program. Costs for this program are included with other expenditures recorded in Fire Operations.

The Fire Chief provided analyses following the implementation of each of the Squads that included operational efficiencies as well as financial information. The analyses indicated annual savings of approximately \$12,000 in fuel cost avoidance for the engines. Although the analyses indicated reduced mileage on the heavy fleet, we did not identify where there was a calculation of savings due to the extension of the life of the heavy fleet.

According to the Fire Department FY15 Annual Report, the two Squads responded to 4,947 of the 52,635 calls for service that year. A review of call responses during the first quarter of FY15 showed that the units responded alone, sparing the use of heavy fire apparatus, in 83% of the responses.

AISD Fire Academy



The purpose is to plan, organize, coordinate and oversee the Arlington Independent School District (AISD) Fire Academy program. This is a partnership between the Fire Department, AISD and Tarrant County College (TCC). The program provides the required training for a student to become State certified as a firefighter and an emergency medical technician. A Lieutenant is responsible for this program. To date, six graduates

have been hired as Arlington Firefighters and several more work for the City's ambulance contractor or other fire departments. This program addresses the City Council's priority to "Support Quality Education." Also, in recognition of the Fire Academy program, the City received a 2014 Municipal Excellence Award in Public Safety from the Texas Municipal League.

This program is partially funded by AISD. The AISD made payments totaling \$75,000 in FY15 and will make payments totaling \$76,500 during FY16 in support of the program. Additionally, the City has received donations of \$30,000 from the Arlington Tomorrow Foundation and \$5,000 from the Fleetwood Foundation.

The expenditures associated with this program have included personnel costs of the responsible Lieutenant, totaling approximately \$113,000 (FY14); \$110,000 (FY15); and \$105,000 (FY16). The contract with AISD also states that the Lieutenant will be allowed to use a City vehicle for this

program; however, no vehicle is specifically assigned to the Lieutenant. Additionally, a radio is used for the program. There were no other General Fund expenditures identified relating to this program.

Revenues and expenditures are not tracked separately for this program. The expenditures are included with other expenditures recorded in the Fire Training accounting unit, and revenues/donations are posted to a donation account.

Community Paramedic Program



The Greater Arlington Lions Club presented Apparatus Operator Jason Adams and Firefighter Danny Martin their 2015 Firefighter of the Year Award. The pair was awarded for their efforts to pioneer the Community Paramedic Program in the City of Arlington.

The purpose of the Community Paramedic Program is to: 1) improve the overall health and quality of life for the AEMSS (Arlington Emergency Medical Services System) frequent user group, and 2) reduce the system demand for the AEMSS. As a result of this program, the City recently received the 2016 Outstanding Achievement City Livability Award for populations 100,000 and above from The United States Conference of Mayors.

A 90-day pilot program was initiated on February 26, 2015 and completed on May 27, 2015. Two personnel, an Apparatus Operator and a Firefighter, were designated to participate in this program. After the pilot was completed and determined to be successful, a one-year in-depth study began and will be reviewed throughout FY16. During the one-year study, there will be one Firefighter or Apparatus Operator assigned to the project at any given time, along with an AMR paramedic who is assigned to the project at no cost to the program.

During the 90-day pilot program, the City received \$27,000 in support of the program from Texas Health Arlington (AMH). Medical Center Arlington (MCA) also provided in-kind support of \$38,000 with the purchase of a Life Pac 15 Cardiac Monitor. The AFD retained possession of the monitor after the pilot was completed.

During the one-year study, AMH will provide \$9,100 per month in support of the program. For the first two Quarters of FY16, AMH has paid a total of \$54,600 (total to be paid for the year will be \$109,200).

The expenditures associated with this program during the one-year study will include personnel costs of approximately \$90,000. Vehicle and technology costs are not specifically identified. Again, there is no separate tracking of revenues or expenditures.

Recommendation:

5. *The City Auditor’s Office recommends that the Fire Chief, in consultation with the Chief Financial Officer, establish a process by which an analysis is performed subsequently on all new programs to ensure transparency and demonstrate that the program saves money, is cost neutral, or provides a significant community benefit.*

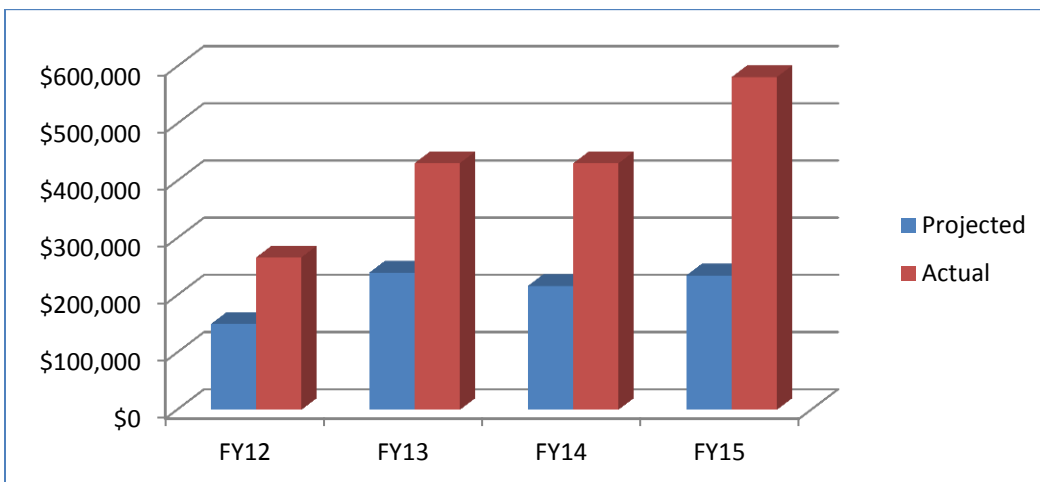
Liquidated Damages (Ambulance Contract)

The contract between the City and American Medical Response (AMR), the ambulance service provider, allows for the City to charge AMR for liquidated damages, arising from AMR’s lack of contract compliance related to maximum response times and ambulance availability expressed in the contract. The APFF has expressed concerns to City management and the City Council that the Fire Chief has projected declining revenue (liquidated damages) for years, and has advocated returning two positions funded through liquidated damages to the General Fund budget, when in fact revenues are increasing; and, the Fire Chief is using the actual revenues to fund other programs, as discussed earlier in the report.

Revenue and expenditures from liquidated damages are estimated and projected annually in the City of Arlington’s Adopted Budget and Business Plan. Liquidated damages revenues are separate from the City’s budgeted revenues. Estimating liquidated damages is challenging, since there can be significant variances in performance from one period to another.

The following graph illustrates projected and actual revenues for liquidated damages for fiscal years 2012 – 2015.

**Liquidated Damages
Projected vs. Actual Revenue**



The Fire Department performs monthly audits to identify penalties, but there are challenges in gaining consensus with AMR about the monthly audit findings and associated fines. Negotiations are sometimes required. Invoices are prepared and sent quarterly to AMR for liquidated damages.

Invoices to AMR and reported revenues during FY12-15 were reviewed. We noted that during FY12-14, invoicing was not consistent, delaying posting of revenue. However, since FY15, invoicing has been much more consistent and performed approximately quarterly. The prior inconsistent and untimely invoicing has been attributed to issues with the CAD system implementation and availability of needed performance information. This lack of information resulted in inaccurate projections of revenue.

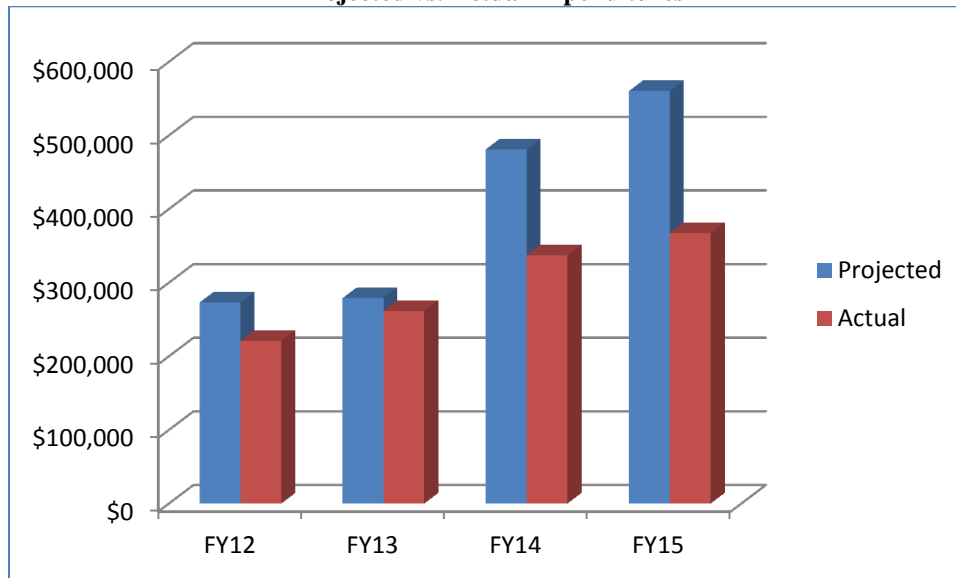
We were not able to identify specific policies/procedures, guidelines or restrictions that govern how liquidated damages are to be used by the Fire Department. Supplemental information in the City's adopted annual budget document states the following regarding use of these funds by the Fire Department:

“Funds in this account are used to ensure the stability and performance of the Arlington EMS System....this account funds enhancements to EMS response equipment, professional development training for Fire EMS responders, and maintenance costs for the Fire/EMS record management system; funds the City’s Public Health Authority; and retains an industry consultant who supports the Fire Department’s Medical Operations Section....in addition, the account funds the salary and benefits costs for two occupied EMS Coordinator positions. The Fire Department’s intent is to eventually return these positions to the General Fund Budget....”

Expenses are also projected for the upcoming fiscal year in identifying the projected ending balance of the Liquidated Damages Fund presented in the annual budget document. Most fund expenditures are easily estimated, such as personnel costs, software maintenance for the Firehouse record management system and the Health Authority Contract. However, with some projected expenses, there can be unforeseen challenges or issues that preclude use of the funds precisely as projected. It appears the Fire Department staff performs due diligence in preparing the supplemental information for the budget book; however, because of uncertainties, there is no guarantee that their estimates and projections will be accurate.

The following graph illustrates projected and actual expenditures of liquidated damages for fiscal years 2012 – 2015.

**Liquidated Damages
Projected vs. Actual Expenditures**



We reviewed a sample of transactions paid from the account. The expenditures appeared to be directly or indirectly related to the types generally outlined above.

As stated earlier, there is no formal written policy that specifically addresses how the liquidated damages received by the City from the ambulance contractor should be utilized. A policy would ensure that guidance exists for properly allocating these collections, when available.

Recommendation:

- 6. ***The City Auditor’s Office recommends that the Fire Chief, in consultation with the Chief Financial Officer, develop a written policy for approval by the City Manager that specifically states what types of expenditures shall be paid from the liquidated damages funds, when funds are available.***

Budget Management and Transparency

Because the City does not require line item budgeting, the APFF has expressed concerns when budgets for particular line items are not fully expended for the intended purpose. The APFF Issues book has identified three areas of particular concern. These include professional development, uniforms, and the gas well program. They state that the budgets were not fully expended and would like to understand where these budgeted funds were spent.

Fire Department expenditures were slightly under budget for the period reviewed. The Fire Chief is required to stay within his overall departmental budget. However, there is no requirement that

Accounting Units and line items be kept within individually established budgets. The Fire Chief has the discretion to use funds budgeted in one Accounting Unit and/or line item to cover expenses in other Accounting Units and or line/items. However, variances greater than five percent or \$50,000 at the Accounting Unit level must be explained to the Budget Office, City Manager and City Council. While line item variances are similarly explained in small departments (only one Accounting Unit), it is not required for larger more complex departments (multiple Accounting Units). For the most recent completed fiscal year, the Fire Department explained all variances for each of the Accounting Units. The explanations provided some clarification as to how shortages in particular Accounting Units were addressed with savings from other Accounting Units. Because there is no requirement for budget transfers among Accounting Units and line items, it cannot be determined exactly where unspent allocations are utilized.

Budgets are only estimates at a given point in time, and changes in circumstances will dictate how funds are actually spent during any given fiscal year. Therefore, the ability to maintain flexibility within departmental budgets is essential.

Recommendation:

- 7. The City Auditor's Office recommends that the Chief Financial Officer consider requiring budget transfers/adjustments between revenue and expenditure line items and Accounting Units when budgeted amounts are exceeded; and/or requiring enhanced budget variance analysis and reporting, to increase transparency of budget management.***

The following sections outline our review of the APFF's concerns regarding professional development, uniforms, and gas well expenditures.

Professional Development

The Fire Department includes a unit whose objective is to conduct in-house training for firefighters. This includes a basic training school for recruits, continuing education classes, fire officer training programs, driver operator classes, and special events training. In addition, firefighters receive professional development through external sources paid with departmental funds as well as grant funds. However, during periods of budgetary pressure, the funding for these professional development opportunities may be limited or frozen.

The APFF Issues Book included concerns related to Professional Development. The specific concerns regarding Professional Development centered on the fact that the Fire Chief had requested an increase in funding for professional development in FY16. However, they state, "budgeted dollars within the Travel/Training area of Professional Development, has been underspent each year since 2011, except in the area of gas well training." Additionally, they expressed concerns regarding the lack of tracking of expenditures by special operations units (Haz-mat, Swift Water Rescue, Technical Rescue, etc.).

The 2016 budget for Professional Development within the Fire Operations Accounting Unit increased by \$9,000. This increase was to fund Swiftwater Rescue Training and Rope Operations Training for the Viridian Fire Station. The increase of \$51,750 that APFF noted was in the Fire

Department financial forecast, which is only an identification of future needs and not a request for funding.

Internal Audit also reviewed the Fire Operations and Gas Well training budgets and expenditures and identified variances between budget and actual. The results of this review support the statement from the Association that, “budgeted dollars within the Travel/Training area of Professional Development, has been underspent...” However, indication from the Association that all budgeted funds for gas well training had been fully expended, is inaccurate. While it is true that gas well training expenditures exceeded the budget in 2012 and 2013, the expenditures in 2014 and 2015 were well below budget.

Internal Audit also reviewed detailed budget requests for the training line item in the Fire Operations accounting unit for the period of 2012 – 2015. These budget detail sheets include funding that is earmarked for Special Operations. However, this funding is not divided into separate allocations for each special operations unit. Additionally, the expenditures are not tracked by unit. Therefore, training expenditures per unit are not easily identifiable in the financial system. The expenditures in the Fire Operations accounting unit for training were under budget in each of the years reviewed, with FY13 having the highest budget variance. In the years since, the budget variance has decreased. It is important to note that grant funds may be available for some types of Special Operations training and is leveraged where appropriate.

Internal Audit noted there is no formal written policy that specifically addresses professional development. A policy would ensure that guidance exists for properly allocating training funds when available.

Recommendations:

8. ***The City Auditor’s Office recommends that the Fire Chief establish a written professional development policy.***
9. ***The City Auditor’s Office recommends that the Fire Chief, in consultation with the Chief Financial Officer, consider the feasibility and potential benefits of establishing sub-accounts for tracking training costs by special operations unit.***

Uniforms

The APFF expressed concerns about Firefighters not receiving four Nomex uniform pieces annually as stated by the Fire Chief in budget documents. APFF representatives stated Firefighters had not received new uniforms in several years and the money is only being spent for new recruits or on items other than uniforms.

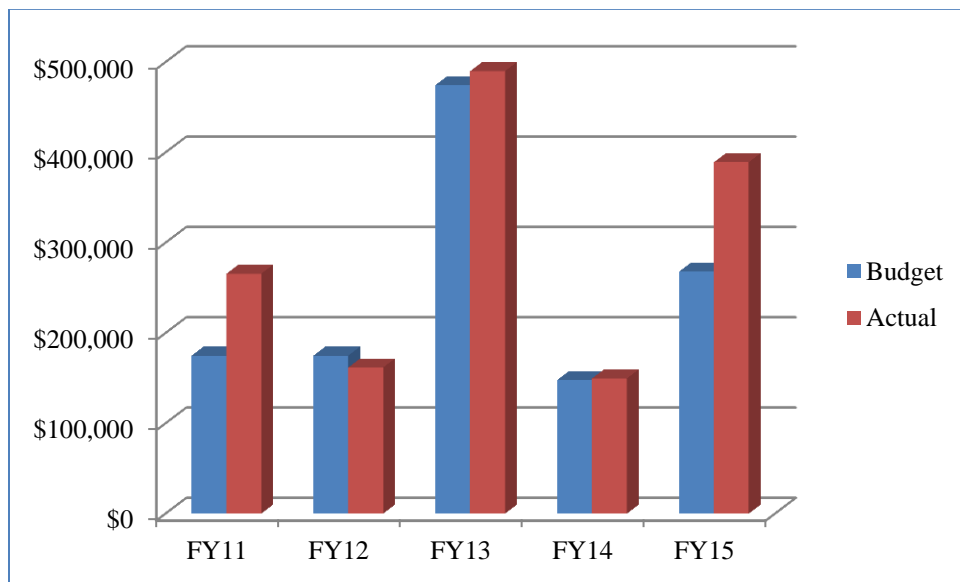
We reviewed expenditures for FY11 through FY15. In FY11, each person was given the opportunity to order up to four Nomex uniform pieces. These items were ordered in September 2011, but were not received and distributed until later in 2012. It was also noted that during FY13 through FY15, most of the new Nomex uniforms were purchased for new hires. However, there were purchases of Nomex uniforms for veteran Firefighters, as well as bunker gear and winter jackets. In FY15, all Fire personnel hired before January 6, 2014 could order four pieces of Nomex

uniforms. These items were ordered in September 2015 and were received and distributed in December 2015.

Bunker gear has a 10-year life, which is regulated by the Texas Fire Commission on Personnel Standards and Education, in alignment with National Fire Protection Association recommendations. The Fire Department tracks the age of the bunker gear to ensure compliance with this standard. There is no similar guidance concerning a standard useful life for Nomex uniforms. As long as the clothing looks good (not faded or torn) and has not been contaminated, it can be used for an unlimited number of years.

The following graph illustrates budget vs. actual expenditures for uniforms.

**Uniforms
Budget vs. Actual Expenditures**



In conclusion, we noted the Fire Chief has stated in past financial forecasts that personnel will be provided four replacement Nomex pieces each year. However, this did not occur during the period under review, as personnel were only provided replacement pieces in two of the last four years. In the 2016 financial forecast, the Fire Chief stated that the Fire Department has not been able to sustain a regular replacement strategy and has asked for additional funding due to the retirement bubble and the resulting need for uniform purchases for new hires. Based on discussions with Fire Department personnel and APFF members, it was noted that at no time during the period under review did the lack of replacement Nomex pieces create a safety issue.

Expenditures Related to the Gas Well Program

In the APFF Issues Book, the Association expressed concerns that the amount budgeted for the gas well program is not being fully expended. They are concerned that the remaining budget is being diverted for other programs or expenditures.

There are approximately 350 well heads in the City of Arlington. The gas well response team was established in FY13 to address risks associated with gas well operations. Generally, Firefighters at stations 1 and 9 have specialized gas well training. A separate Accounting Unit within the Fire Department was established to track expenditures associated with the program.

City management and elected officials, due to the risks these wells pose, instituted a gas well annual operational permit fee to fund the necessary Fire personnel and equipment. The initial budget was set at \$780,000 annually, which included hiring of eight additional Fire personnel. Due to a pending lawsuit filed by gas well operators, the City ceased collecting the annual fee. Prior to the lawsuit, the City collected approximately \$165,000 in annual gas well operational permit fees in FY13. At this point, City management did not fill six of the dedicated gas well positions and the annual expenditure budget was reduced to \$452,730, which covers the cost for two staff, training and equipment. The budget in FY15 was \$452,392 and \$426,704 in FY16.

The expenditures in the gas well accounting unit were under budget \$137,973 for FY14 and \$176,735 for FY15. In FY15, the Fire Department's total budget was underspent by approximately \$240,000, some of which may be represented by the underspent gas well funds. Again, because there is no requirement for budget transfers among Accounting Units and line items, it cannot be determined exactly where unspent allocations are utilized.

Conclusion

Internal Audit reviewed the concerns expressed in the APFF Issues book related to the fiscal management of the Fire Department and did not identify any violation of policies and procedures, laws, rules or regulations related to their concerns. The majority of the concerns were related to the methodology used by the City of Arlington for budgeting and accounting for revenues and expenditures and a perceived lack of transparency.

Although we noted potential opportunities for improvement in financial transparency as well as enhancing policies and procedures, new methodologies and programs implemented in recent years in the Fire Department have resulted in decreased overtime costs, increased financial and workforce stability, and additional community services.

Additionally, as a result of our review of the APFF concerns, we identified issues related to the timeliness of fire inspections. Recommendations to address these issues were included with this report.

AUDIT RECOMMENDATION	CONCUR / DO NOT CONCUR	MANAGEMENT'S RESPONSE	RESPONSIBLE PARTY	DUE DATE
<p>1. <i>The City Auditor's Office recommends that the Fire Chief consider further analysis of the adequacy of staffing within the various firefighter ranks.</i></p>	<p>Concur</p>	<p>The Department will conduct a retrospective analysis of out-of-class assignments to determine whether upgrading existing F1 positions would be more cost effective than current practices. Arlington's over-hire personnel are at the F1 Firefighter rank. Analysis will be completed to coincide with the beginning of the FY18 budget development process.</p>	<p>Bill McQuatters Michael Lark</p>	<p>April 2017</p>
<p>2. <i>The City Auditor's Office recommends that the Fire Chief, in consultation with the Human Resources Department and City Attorney's Office, perform an analysis of the current Battalion Chief position to determine if there is an opportunity to reclassify the non-exempt status.</i></p>	<p>Concur</p>	<p>The Fire Department will provide all documentation and support necessary to work with Human Resources and the City Attorney's Office to evaluate Battalion Chiefs' FLSA classification.</p>	<p>Don Crowson Kari Zika City Attorney TBD</p>	<p>October 2016</p>
<p>3. <i>The City Auditor's Office recommends that the Fire Chief provide adequate resources to ensure delinquent inspections are performed as soon as possible and that in the future, fire inspections are conducted in a timely manner as authorized by city ordinance.</i></p>	<p>Concur (with stipulations)</p>	<p>The Fire Department will request additional support from Information Technology to develop Amanda reporting tools. Inspections will be conducted as expediently as possible with existing staffing. Any additional resources, including additional staff to expedite inspections, would require a funding source.</p>	<p>Jim Self Darin Niederhaus Jay Hinkle</p>	<p>August 2016</p>

AUDIT RECOMMENDATION	CONCUR / DO NOT CONCUR	MANAGEMENT'S RESPONSE	RESPONSIBLE PARTY	DUE DATE
<p>4. <i>The City Auditor's Office recommends that the Fire Chief establish criteria for managing and monitoring postponements of annual fire inspections.</i></p>	<p>Concur</p>	<p>Fire Prevention will develop specific guidelines for low-risk occupancies that may be assigned to variable schedules.</p>	<p>Jim Self Darin Niederhaus Jay Hinkle</p>	<p>August 2016</p>
<p>5. <i>The City Auditor's Office recommends that the Fire Chief, in consultation with the Chief Financial Officer, establish a process by which an analysis is performed subsequently on all new programs to ensure transparency and demonstrate that the program saves money, is cost neutral, or provides a significant community benefit.</i></p>	<p>Concur (with stipulations)</p>	<p>The Fire Department will work with the CFO to evaluate future new programs for cost savings, efficiency, or increased community service.</p>	<p>Don Crowson</p>	<p>TBD</p>
<p>6. <i>The City Auditor's Office recommends that the Fire Chief, in consultation with the Chief Financial Officer, develop a written policy for approval by the City Manager that specifically states what types of expenditures shall be paid from the liquidated damages funds, when funds are available.</i></p>	<p>Concur</p>	<p>The Fire Department's practice has been to use these funds to support Arlington's medical service delivery mission. This practice will be formally documented in an internal memo and will continue to be stated in the City of Arlington Annual Operating Budget and Business Plan.</p>	<p>Don Crowson David Stapp</p>	<p>August 2016</p>

AUDIT RECOMMENDATION	CONCUR / DO NOT CONCUR	MANAGEMENT'S RESPONSE	RESPONSIBLE PARTY	DUE DATE
<p>7. <i>The City Auditor's Office recommends that the Chief Financial Officer consider requiring budget transfers/adjustments between revenue and expenditure line items and Accounting Units when budgeted amounts are exceeded; and/or requiring enhanced budget variance analysis and reporting, to increase transparency of budget management.</i></p>	<p>Concur</p>	<p>The Chief Financial Officer concurs with the audit recommendation.</p>	<p>Mike Finley</p>	<p>February 2017</p>
<p>8. <i>The City Auditor's Office recommends that the Fire Chief establish a written professional development policy.</i></p>	<p>Concur</p>	<p>Currently, the Fire Department's "Promotions" Standard Operating Procedure (SOP) addresses professional development requirements. The Fire Department will issue an SOP that addresses the processes that will be used for personnel to request training, subject to operational need and available resources.</p>	<p>David Stapp</p>	<p>January 2017</p>

AUDIT RECOMMENDATION	CONCUR / DO NOT CONCUR	MANAGEMENT'S RESPONSE	RESPONSIBLE PARTY	DUE DATE
<p>9. <i>The City Auditor's Office recommends that the Fire Chief, in consultation with the Chief Financial Officer, consider the feasibility and potential benefits of establishing sub-accounts for tracking training costs by special operations unit.</i></p>	<p>Concur (with stipulations)</p>	<p>The Fire Department does not support establishing Lawson sub-accounts for tracking training costs by Special Operations unit. However, the Department can provide officers on Special Operations Teams with a simple spreadsheet so they can track their teams' training costs and provide reports to the appropriate Chief Officer responsible for budget management of special operations issues.</p>	<p>Bill McQuatters Spec Ops Teams Captains</p>	<p>August 2016</p>