

AUDIT REPORT

**MARION COUNTY
FIRE/RESCUE SERVICES DEPARTMENT
FLEET FACILITY OPERATIONS REVIEW**



Internal Audit Division

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CLERK OF THE CIRCUIT COURT
MARION COUNTY, FLORIDA*



Wallace K. Watford, Internal Auditor

MARCH 2003
AUDIT REPORT No. 2003-01



Clerk of the Circuit Court Board of County Commissioners

Marion County



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March 3, 2003

The Honorable Board of County Commissioners

RE: AUDIT REPORT: FOLLOW-UP REVIEW OF FIRE/RESCUE SERVICES DEPARTMENT'S FLEET FACILITY OPERATIONS

The Internal Audit Division has performed a follow-up review of the Fire/Rescue Services Department Fleet Facility Operations Review (*Report No. 2001-04, dated September 28, 2001*) to report on the status of recommendations contained therein. This review was conducted in accordance with Division Policy and Procedure #3.5 to "determine the extent of actions subsequently taken by County management in response to the findings and recommendations included in the report."

The follow-up review procedures principally consisted of management inquiries, review of written documentation and on-site observations. This report addresses only the specific recommendations and management responses contained within the original report.

As disclosed in the attached summary, there were six recommendations made in the original report. Of these recommendations, five were implemented and one is in the process of implementation. We commend management for the fully implemented recommendations and encourage management to ensure the remaining recommendation is implemented to the extent practicable in the earliest possible time.

We would like to express our appreciation to the Fire Chief and department staff for their assistance and cooperation during this follow-up review.

David R. Ellspermann
Clerk of the Circuit Court

Wallace K. Watford
Internal Auditor

c: Patrick G. Howard, County Administrator
Janet Y. Tutt, Deputy County Administrator
M. Stuart McElhaney, Fire Chief

**FIRE/RESCUE SERVICES DEPARTMENT, FLEET FACILITY OPERATIONS
FOLLOW-UP REVIEW**

<u>RECOMMENDATIONS</u>	<u>Management Responses</u>	<u>Current Status</u>	<u>COMMENTS</u>
1. Management consider these identified enhancements to operations.	Concur	Implemented	Management addressed and accomplished each audit suggestion.
2. Management devise and maintain a methodology for review and approval of Fire Shop work orders.	Concur	Implementation In Progress	Management has acquired a computer application which should allow each responsible station officer to perform on-line review of work orders and compare to budgeted amounts. In the interim, the Deputy Fire Chief continues to spot check work orders. Also, Fire Shop has recently copied work request forms to be given to station officers. These forms show the work accomplished and the hours and materials involved.
3. Management consider these identified enhancements to inventory controls.	Concur	Implemented	These enhancements were addressed in July and August, 2002. Two previous complete inventories have occurred and a complete, audited physical inventory at 9/30/02 was performed. We suggest that mechanic tool inventories be taken at least twice annually; to date, only one has been performed. <i>(See last report section for additional discussion.)</i>
4. Management ensure the continuation of a compatible, control-oriented working relationship between the Shop Supervisor and Staff Assistant positions.	Concur	Implemented	Management has continued this important separation of duties. The working relationship appears appropriate and both employees expressed satisfaction with the arrangement. Management has recently implemented an organizational structure that has a Captain in charge of Logistics/Supply, to whom the Staff Assistant II now reports. Both Logistics/Supply and the separate Emergency Vehicle Repair (Fire Shop) report to the Division Chief of Support Services. This should ensure the continued control-oriented working environment.

<u>RECOMMENDATIONS</u>	<u>Management Responses</u>	<u>Current Status</u>	<u>COMMENTS</u>
5. Management consider the identified improvements to computer security.	Concur	Implemented	Management has implemented the suggested improvements.
6. Management require periodic meetings between Fire and Fleet to address and/or resolve issues common to their working relationship.	Concur	Implemented	Although no formal or scheduled meetings have been established, Fire and Fleet administrative staff periodically meet to discuss common issues pertaining the RTA System that both department use. We still believe that continued open communication between the departments, particularly by respective management personnel, can more easily resolve situations arising from the common use of facility.

FIRE/RESCUE SERVICES DEPARTMENT
FLEET FACILITY OPERATIONS FOLLOW-UP REVIEW

ADDITIONAL DISCUSSION

Inventory Control Issues (Recommendation #3)

The original audit report noted a number of inventory control issues that required prompt corrections and system improvements. These have been substantially accomplished and we believe that inventory controls are presently adequate in the particular circumstances, as were presented in our original report.

As noted in the original report, Fire Shop personnel consist of the Shop Supervisor and five Fleet Technicians. These individuals have routine and unrestricted access to the vehicle and equipment parts and are part of the inventory ordering process. There is no centralized, locked parts room staffed with a dedicated Parts Technician, such as that of the Fleet Management Department. A compensating control, as mentioned in the status of recommendation #4, is the separate Staff Assistant III position that is outside of the reporting structure of the Fire Shop. This position provides independent control over parts purchasing through accounts payable and recording of parts usage through work order preparation. Additionally, this position has been very involved with the internal inventory counts and reconciliations performed by department personnel. Further, there will be annual inventory counts that will be observed by Internal Audit, the first of which was at September 30, 2002 and was reported in Audit Report 2002-03.

Inventory control of Fire Shop parts and supplies has been a continuing concern of Fire management officials, who have expressed to us that inventory controls could be better enhanced and which they have been considering. Such enhancements can have significant costs and could divert resources from other department needs.

Among the further control enhancements considered by management is the personnel addition of a Parts Technician, which position would be in charge of the parts room, and would order parts and issue requisitioned parts to the Fleet Technicians. This position would also perform other duties that would relieve the Fleet Technicians of non-repair duties, and thereby allow them to concentrate more on repair activities. Another consideration is redesigning the present parts room to be a locked, centralized storage room to be under the control of the proposed Parts Technician. This would require a significant change within the facility to ensure a sufficient storage area to securely contain the number of parts items, much of which is presently located in various areas within the facility. These possible changes, of course, are subject to budgetary limitations and alternative needs of personnel and other budgeted resources.

Management has also acquired a sophisticated software system, which should provide the department with a number of management control enhancements over both parts inventories and fixed assets (equipment and vehicles) inventories. We commend management for their commitment to inventory control of all department assets