

# 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*

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**Clerk of the Circuit Court**  
**Board of County Commissioners**  
Marion County  
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**Internal Audit Division**

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September 28, 2001

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The Honorable Board of County Commissioners

RE: REVIEW OF FIRE/RESCUE SERVICES DEPARTMENT'S FLEET FACILITY OPERATIONS

The Internal Audit Division has completed an operational review of the Fire/Rescue Services Department's Fleet Facility Operations. The review was performed as a related issue of our recently completed operational review of the Fleet Management Department, as reported in Audit Report 2001-02.

This operation was not included in the Fleet Management review because this facility is an internal operating division of the Fire/Rescue Services Department and provides services directly to the department under a separate budget and structured table of organization. We performed a separate review because there are certain operational similarities to, and a continuing relationship with, Fleet Management. This review focused on the operational activities of the facility and involved examinations of pertinent documents and records, site visits to observe departmental operations, interviews with department staff and management, and observations of procedures and employee activities.

Based on this review, we have concluded that the operations of the Fire Fleet Facility are adequate in relation to the duties performed and staffing level. Certain enhancements to operations and internal controls are appropriate, which are identified in the report. We will perform a follow-up review within the next twelve months to ascertain and report on the status of our recommendations.

There have been significant organizational changes during the past year and the effectiveness of some changes are not presently measurable. These are discussed in the report and include autonomy over the computer system and full accountability for inventory. We therefore may include other matters in the follow-up review.

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

David R. Ellspermann  
Clerk of the Circuit Court

Wallace K. Watford  
Internal Auditor

c: James L. Lowry, County Administrator  
Janet Y. Tutt, Assistant County Administrator  
Edwin L. Smith, Assistant County Administrator  
M. Stuart McElhaney, Fire Chief

## FIRE/RESCUE SERVICES FLEET FACILITY OPERATIONS

### **BACKGROUND**

The Fire/Rescue Services (Fire) Department has had substantial changes in obtaining its fleet maintenance services over the past few years. At present, the Fire fleet facility (known internally as the Fire Shop) is part of the Fire Operations Division and reports to the Deputy Fire Chief of Operations. Daily operational responsibilities are assigned to the Shop Supervisor.

Through August 1998, Fire fleet maintenance services were provided by the Fleet Management Department (Fleet), which controlled all the mechanics, performed the repairs on Fire vehicles and equipment and billed Fire for mechanic labor, repair parts and other maintenance costs. Beginning September 1998, the Fire fleet operations were organizationally separated from Fleet and transferred to Fire. This included the responsibility for five mechanics assigned to work only on the Fire vehicles and equipment. Fleet continued the parts ordering function and charged Fire for parts used for its repairs. The vehicle maintenance history was kept on the RTA fleet management system.

Changes in the relationship between Fleet and Fire continued to occur so that, by late 2000, Fire was ordering and paying for all of its parts and was responsible for preparing work orders on all of its repairs. Fleet work orders were eliminated and Fire was responsible for maintaining its own inventory. Effective October 2000, Fire had full autonomy and responsibility for the Fire Shop operations. The RTA system was changed to allow Fire to maintain its own inventory and separately input and track its own repairs through work orders. The current routine billing from Fleet pertains to fuel used by Fire vehicles and for certain shared costs (electric, water) of a common location.

The Fire Shop is staffed with a Shop Supervisor and five Fleet Maintenance Technicians (mechanics) who perform all repairs and maintenance to the Fire apparatus, equipment and vehicles. The Shop Supervisor reports directly to the Deputy Fire Chief and attends the regularly scheduled Battalion Chiefs meetings. A Staff Assistant, assigned to the Administrative Division, has duties related to inventory control, Fire Shop purchases, accounts payable invoice processing, and work order creation based on Vehicle Repair Request (VRR) forms completed by mechanics.

The Fire mechanics presently have the same personnel classifications and pay grades as those of Fleet Management. Fire requires its mechanics to obtain and maintain the professional designation of Emergency Vehicle Technician. This is being achieved through a series of formal training courses and tests specifically designed for emergency vehicles repair and servicing.

We were able to observe a significant benefit of having the Fire Shop as an internal division within the Fire/Rescue Services Department. Fire Shop personnel were assigned to provide on-site servicing of vehicles and equipment while on the fire line during the recent fires in the Citra area. Mechanical problems were handled immediately and some potential problems were averted so that necessary equipment maintained effective operation and service availability. Fire's direct control of personnel provided the ability and flexibility to assign mechanics to perform significant overtime and revise work schedules. We commend the Fire Shop personnel for their actions during this situation. In addition, Fire Shop personnel have received specialized training in heavy duty rescue operations and are called to vehicle accident and/or emergency scenes from time to time to provide expertise in stabilizing damaged vehicles and accessing trapped occupants.

## FIRE/RESCUE SERVICES FLEET FACILITY OPERATIONS

### **I. FIRE SHOP MANAGEMENT AND OPERATIONS**

The operating rules and regulations of the Fire Shop are not established by Marion County Code. The County Administrator and Fire Chief are responsible for developing and maintaining operating rules and regulations. The Fire/Rescue Services Department is subject to the approved Policies and Practices Employee Manual and the procurement policies established pursuant to Chapter 2, Article VII of the Marion County Code. There are no formal policies and procedures developed specifically to Fire Shop operations.

Fire Shop operations are similar to the operations of Fleet Management, as identified in report 2001-02. The significant difference is that the Fire Shop performs services directly for the Fire/Rescue Services (Fire) Department. This operational difference can require separate approaches and procedures that may not necessarily apply to another department. The fundamental concern is whether the controls (supervisory, inventory, budgetary, etc.) are adequate for the specific operation and number of people of the Fire Shop.

To make this determination, the Internal Auditor observed the operations of the Fire Shop. This included physical observations over several days, examination of supporting documents, conversations with employees and discussions with Fire management personnel. We concluded that Fire Shop operations and internal controls are adequate for the services provided and staffing level, and that there have been improvements over the past year. Further improvements could be made if management would address the following operational matters:

- Management devise a formal Fire Shop operating procedures manual. These policies should include inventory control procedures and the authorized tool policy for mechanics, which could be similar to that of Fleet Management.
- Ensure better tracking of vehicle repairs by requiring consistent completion and usage of Vehicle Repair Request (VRR) forms by the user (preferably): (1) filling in all applicable spaces, especially the date vehicle brought into shop and the section that asks “has vehicle been in for same problem in 30 days”; (2) circling whether the written number actually represents mileage or hours.
- Shop Supervisor to: (1) signify his review and approval by signature or initials on all VRRs prepared by mechanics; (2) review the work orders prepared by the Staff Assistant to verify the accurate input of information on the respective VRRs.
- Acquire a better printer at the Fire Shop office to more efficiently print work orders and other documents. The present dot matrix printer is relatively old and becoming unreliable and difficult to maintain.
- Management consider physical changes to the outside vehicle lift to increase safety and ease of use. The present configuration does not allow the most safe opening and closing of vehicle doors when a mechanic is on the lift. (Management should determine whether a mechanic should be on the lift when it is elevated.) Also, the lift’s location requires vehicles to be backed out into a congested area that has limited visibility. Structural changes could be made to allow a vehicle to be driven on and off in same direction, which would require an extension to the concrete lift pad and an additional segment at one end of lift.
- Management consider physical changes to the facility. We noted an apparent drainage problem in the vehicle driving and parking area behind the Fire Shop, which has resulted in flooding during heavy rains and can impede repair operations. The potential damage from rain and dirt from the unpaved areas comprising the Fleet/Fire complex was addressed in our Fleet Management report. Further, there is no appropriate area to perform required fire pump testing, which sometimes results in driveway erosion

## FIRE/RESCUE SERVICES FLEET FACILITY OPERATIONS

and potholes.

**We recommend that** management consider these identified enhancements to operations.

**MANAGEMENT RESPONSE:** We concur. Fire shop personnel are currently in the process of developing a shop procedures manual which will, in many cases, mirror the Fleet shop manual. Specific areas that will differ involve the refurbishment shop where emergency vehicles are built from the ground up as well as specialized repair work specific to emergency apparatus. This type of work includes pump repair and rebuilding, work on aerial apparatus, etc. The manual should be completed early in 2002.

Shop supervisor and staff assistant are currently revising the Vehicle Repair Request (VRR) form to provide better information and will re-evaluate the entire process of requesting repairs and documenting such requests. Operations staff will then be instructed in the proper use of the forms and be held accountable for following proper procedures. Recommendations on review and signature by shop supervisor of VRRs have already been implemented.

Both the shop computer and printer are being replaced this fiscal year. The computer used for repair orders is called a "data brick" which is very limited in its usage and is quite outdated. The dot matrix printer has also reached the end of its useful life. The computer will be replaced with a Dell Optiplex GXA desktop with Pentium II processor operating at 266 Mhz. The "data brick" will be removed from service. Its replacement is a "stepped down" computer, but is a significant improvement which can be used for access to the county intranet and for on-line mechanic training among other things. The printer will be replaced with a four-year old HP Laserjet 4P that is currently in the Prevention Division and is scheduled for replacement this year. The dot matrix printer will be retired.

Much of the physical layout of the fire shop and surroundings has been inherited and changes to provide a safer, more user-friendly work environment have already been made. The lift referred to was put in place prior to its being turned over to the fire shop. It is not currently set up in the most advantageous manner. We will be working with County Administration and Fleet to make necessary improvements as the entire layout of the facility is addressed in FY 01/02. Drainage issues and installation of a drafting pit for required annual fire pump testing will also be taken care of this year.

In our Fleet Management report, we noted that repair work orders have to be approved by the user departments before funds can be transferred for payment. This necessitates a review by the user department, who has the ability and authority to question the accuracy or reasonableness of hours and parts billed. This procedure is an effective control that can measure the department's effectiveness in performing repairs. A similar review process of work order billings was in place when the three MSTU stations were in existence. The review of work orders to evaluate the cost-effectiveness of labor hours and cost of parts of individual repairs could be established throughout the Fire MSBU.

Fire Shop daily operations and mechanic performance is the responsibility of the Shop Supervisor, who reports directly to the Deputy Fire Chief. The Deputy Fire Chief, as part of his duties, performs periodic unannounced observations of operations and analyzes and compares the Fire Shop total expenditures to the budget line items to ascertain budgetary compliance. There is a method for feedback on the adequacy and effectiveness of repairs of this internal service division: the battalion chiefs report any dissatisfaction with Fire Shop performance through the chain of command. Because the battalion chiefs are not involved in

## FIRE/RESCUE SERVICES FLEET FACILITY OPERATIONS

“paying” for the services, there is no formal process to evaluate the number of labor hours charged for a repair (which are not assigned a dollar amount) or the dollar amount of parts used for the repair. We believe that Management should establish a process to review, on a scheduled or periodic basis, the appropriateness of individual work orders. This could be done on a sampling basis, but should be sufficient to determine the appropriateness and cost effectiveness of individual repairs. Management’s review should be noted by signature on the work order or on a list of work orders. Management could require routine involvement of battalion chiefs in this review process so that they will have a better understanding of repair costs.

**We recommend that** management devise and maintain a methodology for review and approval of Fire Shop work orders.

**MANAGEMENT RESPONSE:** We concur. Long-term, our goal is to have individual station officers reviewing work orders for their own apparatus. This will require a budgeting and accounting process that is capable of operating at a station or project level. The IS Department is in the process of developing the software (a Microsoft Access database) that can handle station budgeting and accounting. Once this occurs, a station officer will be responsible for developing a budget item for repair and maintenance of the apparatus assigned to their station. They will then have responsibility to review all repairs to their equipment and compare that to budgeted amounts. There will be interaction with their battalion chief officer as well, particularly with regard to emergency repair work or construction of apparatus through the refurbishment program as one station may exceed its allotted budget amount. This review process is analogous to that used by the company officers for the individual fire MSTUs that were having work performed by the fire shop. An extensive training program for company officers in budgeting, accounting and shop procedures will be implemented to provide for better tracking and accountability.

In the short-term, several staff assistants and fire shop personnel have been working diligently to completely inventory all parts and pieces so that whenever a part (stocked or otherwise) is used on an apparatus, that part and its cost show up directly on the work order. This inventory and parts cost assignment should begin in mid-October. In addition, the RTA system is capable of assigning mechanic or labor costs to each work order. As the mechanics currently put their hours worked (with their specific code) on the work orders already, it will be easy to assign a labor rate to each work order. This will also begin in October. Lastly, the shop will obtain a manual such as “Chilton’s” that list standard hours allotted for various procedures on various vehicles. Procedures included would be brake jobs, tire replacement, A/C service, various PM service, etc. This will be relatively easy for light and medium duty trucks and passenger vehicles. However, no such manual exists for heavy fire apparatus. The fire shop supervisor has been asked to develop guidelines for time to perform PM service and other “standard” tasks on heavy-duty emergency apparatus. These guides can be used by the staff assistant to spot check hours charged in the near-term and by company officers in the long-term.

## II. INVENTORY AND PURCHASING CONTROLS

Internal controls over inventory assets (parts, tools and equipment) and general departmental purchasing procedures were part of our review. We examined inventory records, purchasing documentation and inventory control procedures. We included on-site observations of inventory controls, parts ordering and issuing procedures and discussions with Fire personnel.

We noted recent improved changes to inventory controls, a significant contribution to which was the creation of the Staff Assistant position who is not involved in repair operations and who has significant duties related to accounting for inventory and compliance with purchasing procedures. The employee filling this position has recently completed the required probationary period and has been involved in enhancing controls over inventory and purchasing.

Mechanics call in the parts orders to vendors if the parts are not in stock. The Staff Assistant records the vendor invoices in the RTA system when received and processes the invoices for payment. Mechanics list the parts used on the VRR forms, which are entered into the RTA system by the Staff Assistant for work order creation. There is only one Purchasing Card issued, to the Shop Supervisor, which is used for telephone orders. Items purchased on the card are processed by the Staff Assistant. Parts purchased are recorded in a recently designed computer spreadsheet (previously on a manual log). Bulk supplies of oil, lubricants and non-repair items that have been sent to individual stations are recorded in a manual log by Fire Shop personnel. The log is used by the Staff Assistant to create a separate monthly work order for each station.

Before we began our review, Fire had planned the complete identification of inventory items and the taking of a physical inventory of parts and supplies. We agreed with this and believe this physical inventory should be completed soon and must be reconciled to the perpetual inventory maintained on the RTA system, which must be adjusted accordingly. Thereafter, at a minimum of twice a year, comprehensive physical inventories should be taken and reconciled to the perpetual records. One inventory should be taken at fiscal year end. Management should be promptly informed of the results and resolution of any discrepancies. Physical inventories, to provide a benefit to management, must be taken quickly and promptly reconciled to applicable records.

The following are further suggestions for improving inventory controls:

- Perform complete physical inventory of parts in all inventory areas, then reconcile to perpetual inventory and financial records. Update the RTA perpetual inventory to the verified physical inventory. Management is to be promptly informed of the results.
- Consolidate to the extent practicable the parts inventories located in various sections of the Fire garage.
- Identify and segregate all obsolete inventory items. Management should decide if items are to be auctioned or offered/returned to vendors. This process should be evaluated to ensure that currently used or usable inventory is maintained in stock and in the appropriate level.
- Management to review and approve the most recent tool inventory to verify if complete and if the items listed are appropriate. Such review and approval should be noted by signature.
- Perform tool inventories at least twice a year and compare results to the approved list by mechanic.

Management should also review our report (2001-02) on Fleet Management Department operations to understand other similar issues not directly addressed in this report.

## FIRE/RESCUE SERVICES FLEET FACILITY OPERATIONS

**We recommend that** management consider these identified enhancements to inventory controls.

**MANAGEMENT RESPONSE:** We concur. As mentioned above, the physical inventory of the entire shop should be completed by mid-October such that all parts can now be placed directly onto work orders with their associated cost. Consolidation of various parts inventories (including used parts) is currently in process. Some of the delay is lack of secured storage space. Administration has been approached about this and is reviewing availability of additional secured space on site.

Obsolete items are continually being evaluated for sale or other disposition. A significant amount of equipment, including several pieces of obsolete rolling stock were recently donated to a needy volunteer department in Levy County pursuant to BCC direction. This is an ongoing process and will continue throughout the fiscal year. Vehicles involved in accidents and used in the refurbishment program may be stored for some time prior to use or complete use for parts. There is a need for a covered storage area to prevent these vehicles from deteriorating due to exposure to the weather.

Other suggestions are being implemented as recommended above.

As previously mentioned, the internal controls over purchasing and inventory have been considerably enhanced by acquiring the Staff Assistant position. Presently there is a strong control function created by the working interaction and organizational separation of the Shop Supervisor and the Staff Assistant. The Shop Supervisor and Staff Assistant, working together, provide the needed segregation of duties and review responsibilities. The controls will be strengthened so long as the Shop Supervisor monitors the work of the Staff Assistant in preparing work orders from approved VRR forms, thereby ensuring that both labor hours and inventory quantities and amounts are accurate. The Staff Assistant, not being in the Shop Supervisor's chain of command, can question any parts purchased (quantity or amount) or the parts inventory listed as used on the VRR form. This working relationship seems to have been effective to date and both parties seem to work well together in their respective responsibilities.

**We recommend that** management ensure the continuation of a compatible, control-oriented working relationship between the Shop Supervisor and Staff Assistant positions.

**MANAGEMENT RESPONSE:** We concur. We are in agreement that this structure is working well and has provided a higher level of control and oversight as envisioned when it was introduced. This management structure will continue to be maintained.

### III. COMPUTER SECURITY

We tested the security of the Fire Shop computers and access to the RTA system. The Fire Shop has two computers that are networked and used for several functions, including access to the RTA system. RTA system access is used in creating work orders and recording and maintaining inventories. The system administrator of the RTA system is Fleet Management's Administrative Assistant, who is the most knowledgeable of the system and who was very helpful in our review. We reviewed the security access settings for the users and tested the system. This disclosed some needed improvements and the necessary changes were promptly made. The RTA system now seems to be appropriately secure. Neither the Fire Shop or Fleet operating personnel can access or change the information of the other department. Fleet created a separate department (002) within RTA for the sole use and accountability of the Fire Shop. Our review also disclosed that some password security features were not consistently used.

We recommend the following improvements to computer security:

- Each user signing on the computer for any purpose must use a separate name and unique sign-on password and must sign off when transactions are completed. Subsequent user must use his name and password.
- Each user of the RTA system must use a separate name and unique sign-on password and must sign off when transactions are completed. Subsequent user must use his name and password.
- Fire should request in writing to Fleet if any future changes to the RTA system are desired. Fleet should make no further changes to the RTA system that affects Fire (department 002) without notifying Fire of the changes and the expected results.

**We recommend that** management consider the identified improvements to computer security.

**MANAGEMENT RESPONSE:** We concur. All recommendations have been implemented already. There are currently only three fire service personnel who have access to the RTA system, each of whom has their own user name and password. The shop supervisor, one mechanic and the staff assistant referred to above are the three individuals who access RTA. The staff assistant is capable of accessing the RTA system either at this desk in Headquarters or in the fire shop. The fire shop is currently working on several items which will need to be changed in the RTA system. These items will be discussed with Fleet verbally and followed up with formal, written communication. Issues under review will help us improve our ability to track work performed by individual mechanics and the amount of time that each repair or procedure takes.

## FIRE/RESCUE SERVICES FLEET FACILITY OPERATIONS

### **IV. FIRE ACTIVITIES WITH FLEET MANAGEMENT DEPARTMENT**

Fire continues to have an integral relationship with the Fleet Management Department. In addition to sharing property and common costs of shared premises, Fleet provides fuel for Fire vehicles, maintains the RTA system and, until very recently, serviced the Fire generators. Fire now performs its own generator servicing.

Fleet can be, and has been, of service to Fire. A recent example was the result of the recent brush fires. Fleet transferred, from its asset inventory, a fuel truck so that Fire can ensure sufficient and timely fuel distributions to equipment while fighting fires. Fleet previously would perform this duty, but determined that almost all transactions were for Fire. To assure availability when needed in an emergency, Fleet suggested that the fuel truck be the property of Fire and be maintained by the Fire Shop.

The types and number of transactions and interactions between Fire and Fleet require that a close working relationship be maintained. This point was mentioned in the Fleet Management audit report. To better ensure an effective working relationship, we believe that both departments should have periodic meetings to discuss and resolve any issues pertaining to services and sharing of facilities.

**We recommend that** management require periodic meetings between Fire and Fleet to address and/or resolve issues common to their working relationship.

**MANAGEMENT RESPONSE:** We concur. The Fire Chief or Deputy Fire Chief, the Fire Shop Supervisor, Fleet Director and Fleet Shop Supervisor should meet on a monthly basis to ensure a smooth working relationship is maintained and that issues of mutual concern are addressed. This can begin once the new Fleet Director is named.