

OFD EQUIPMENT AND SUPPLIES AUDIT

Exit Conference Date: June 10, 2019

Release Date: July 9, 2019

Report No. 19-15

City of Orlando Office of Audit Services and Management Support

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MEMORANDUM OF TRANSMITTAL



To: Richard E. Wales, Fire Chief

From: George J. McGowan, CPA 
Director, Office of Audit Services and Management Support

Dates: Exit Conference: June 10, 2019
Release: July 9, 2019

Subject: Orlando Fire Department Equipment and Supplies Audit (Report No. 19-15)

The Office of Audit Services and Management Support performed an audit of the equipment and supplies of the Orlando Fire Department (OFD). The audit objectives were to assess the effectiveness and efficiency of the systems in place to acquire, use, control and replace the equipment and supplies of the City's fire stations.

We conducted this performance audit 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 objectives.

The following report contains the issues identified during the audit, recommendations for improvement and management's replies regarding actions taken/planned to be taken with respect to the identified issue.

This audit was performed by Charvette Adams, Senior Auditor under the supervision of Perez Goree, Audit Program Manager. We appreciate the cooperation and courtesies extended by the staff of the Orlando Fire Department during this audit.

GJM/CA

c: The Honorable Buddy Dyer, Mayor
Jody Litchford, Deputy City Attorney
Ian Davis, Deputy Fire Chief
Dr. Hezedeane Smith, Assistant Fire Chief

SUMMARY OF RECOMMENDATIONS, MANAGEMENT RESPONSES AND ACTION PLAN



#	RECOMMENDATIONS	MANAGEMENT RESPONSE & ACTION PLAN				
		CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	ACTION PLAN	TARGET DATE
1.	We recommend that OFD policies and procedures for inventory control be reviewed and updated to reflect current staff and operating systems.	X			OFD will form a policy review committee to review inventory control policies. These policies will be updated by the end of 2020.	2020

		MANAGEMENT RESPONSE & ACTION PLAN				
#	RECOMMENDATIONS	CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	ACTION PLAN	TARGET DATE
2.	We recommend OFD use its automated systems to document and track all equipment that is out for repair.	X			<p>OFD will purchase additional licenses to implement Operative IQ program.</p> <ul style="list-style-type: none"> o Create Operative IQ check off sheets <ul style="list-style-type: none"> ▪ Allows crews to inventory and inspect assets assigned to their unit. ▪ Management of assets assigned to each unit. ▪ Create inspection questionnaires which allows administrator to build custom forms and inspection schedules. <ul style="list-style-type: none"> • Inspections can trigger notifications to supervisor when items fall outside of established parameters. ▪ Allows the tracking of assets during the repair process. 	

		MANAGEMENT RESPONSE & ACTION PLAN				
#	RECOMMENDATIONS	CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	ACTION PLAN	TARGET DATE
3.	We recommend OFD continue its pursuit of a vendor management company to enhance the automation of inventory control.	X			OFD is actively engaged in the pursuit and expansion of the vendor management system (Operative IQ) that will contribute to the efforts of automated inventory control. A funding source still needs to be explored to support the efforts utilizing a phase by phase approach. The goal is to increase the efficiency of the ordering process by hopefully integrating the Operative IQ system within the capacity of the contracted vendor(s).	July 2020

		MANAGEMENT RESPONSE & ACTION PLAN				
#	RECOMMENDATIONS	CONCUR	PARTIALLY CONCUR	DO NOT CONCUR	ACTION PLAN	TARGET DATE
4.	We recommend that the daily check-off log and the inventory control sheet be updated to require a signature or other method to document its review.	X			<p>OFD will purchase additional licenses to implement Operative IQ program.</p> <ul style="list-style-type: none"> o Crews will conduct weekly inventory through a digital system (Operative IQ) in lieu of using paper inspection sheets. o System manages inventory on a live platform. o System will track lot numbers and expiration dates for perishable items. o System will generate supply requests for EMS Supply Division o Captures crews that are completing inventory inspections and identifies crews that have not with the appropriate supervisor notifications. 	

BACKGROUND

The Orlando Fire Department's mission is to protect the lives and property of Orlando citizens. It is the only fire department in the state of Florida to have ISO 1 classification, International Fire Accreditation, Emergency Management Accreditation Program certification and ACE accreditation. The department is organized into 3 Bureaus: Administrative Services Bureau, Fire Support Services Bureau and the Fire Rescue Operations Bureau. Each of these bureaus is led by a Deputy Chief who reports to the Fire Chief. The Fire Support Services Bureau is primarily responsible for the acquisition and replacement of fire equipment and supplies. However, the employees of the Fire Rescue Bureau are responsible for the use and control of the equipment and supplies after they are stocked in the Fire Stations or on a fire apparatus.

The Orlando Fire Department (OFD) operates seventeen Fire Stations that include eighteen front line engines, seven reserve engines, eight front line tower trucks, two reserve tower trucks, eleven front line rescues, one bariatric rescue unit, six reserve rescues, six PMO units (paramedic only), one peak rescue unit, three extra duty rescues, one players only rescue (Magic/Solar Bears dedicated) and various support and special operations vehicles.

The operating budget for the Orlando Fire Department for fiscal year 2017-18 is \$119,571,624 and the department had 611 authorized positions.

OBJECTIVES AND SCOPE

The Office of Audit Services and Management Support performed an audit of the equipment and supplies of the Orlando Fire Department. The audit objectives were to assess the effectiveness and efficiency of the systems in place to acquire, use, control and replace the equipment and supplies of the City's Fire Stations. During our review we found that the system currently used for equipment and supply replacement needs to be improved.

Prior audit recommendations included the following:

- Utilizing the capabilities of the City's fixed asset system
- Automating the department's supplies and inventory log
- Adding management signatures to department checklists
- Redesign of the controlled substance logs
- Discuss with Technology Management a solution to reliance on hand written checklists and logs.
- Documentation of repair requests logs via automation and have one complete record of both the request and resolution of the problem reported.

During our review we found that many of the prior audit recommendations remain an issue. The department has implemented the use of management signatures on all logs and checklist and are currently in the process of meeting with vendors that specialize in inventory management and are looking to purchase a system in the near future.

This audit also focused on evaluating the internal controls over controlled substances in the Emergency Medical Services Division (EMS). As a follow-up from the prior audit as it relates to narcotics, the EMS department has automated part of this process. EMS currently uses the UCapIt/OplIQ Narcotics Dispensing machines at 7 locations. All units can go to any station to access the machines. All fire staff must use a PIN number and employee number to access

these machines. UCapit requires two people to vend narcotics. UCapit software is used to track medication and usage. The vending machines are estimated to be housed at all Fire Rescue stations by 2020. We conclude that internal controls over controlled substances are sufficient.

We also focused on reviewing and evaluating the maintenance and replacement of the equipment used by the department. We also reviewed the effectiveness of the systems in place to ensure that all equipment is well maintained and regularly tested. Additionally, we conducted tests to confirm that OFD conducted these tests in accordance with its established policies and procedures. After our review and testing, we concluded that the system currently used is effective and all equipment and maintenance schedules were conducted in accordance with established policies and procedures.

METHODOLOGY

We met with current OFD senior staff to discuss the recommendations from our prior audit. We reviewed the current policies and procedures related to replacement, inspection, acquisition and inventory control to gain an understanding of the process. We also held discussions with OFD's logistics section and reviewed their current practices related to vehicle inspections and inventory control. We reviewed manual inspection logs against the FASTER system to ensure regular vehicle maintenance. We also performed a physical examination of OFD's weekly vehicle inspection which included narcotics inventory.

As result of these activities, we have identified opportunities to improve inventory control operations at the Orlando Fire Department.

ISSUES, RECOMMENDATIONS AND MANAGEMENT ACTIONS

Review and Update Policies and Procedures

We reviewed OFD policies and procedures related to the following: apparatus inspection/inventory control, station facility and vehicle inspection, fire station safety inspection, maintenance schedule for station, apparatus, equipment and personal gear; and reporting damage and problems with SCBA/Cascade Systems. In reviewing the policies and procedures we found that many of them need to be updated. The policies range from 2008-2014 and reference systems that the City no longer use. We also found that in most cases, the managers issuing the policies are no longer with OFD.

Regularly reviewing policies and procedures keeps the department up to date with regulations, technology, and industry best practices. Policy review ensures that policies are consistent and effective.

Recommendation 1

OFD policies and procedures for inventory control should be reviewed and updated to reflect current staff and operating systems.

Management Response

OFD concurs with findings.

OFD will form a policy review committee to review inventory control policies. These policies will be updated by the end of 2020.

Use Automated Systems to Document Inventory Controls

OFD currently submits apparatus and equipment work orders through an electronic system called Wufoo. This system is

responsible for documenting the problem with the equipment and track the work order status. During our observation we observed several white boards in a conference room at the staff and line location that listed equipment out for repair. Detailed information such as the asset number, status, and current location of the equipment, was documented on the board. We discussed with staff if this information was also documented electronically through the Wufoo system and were told that it was not. While this does not impact the accuracy and correctness of inventory control, we believe it does leave room for possible error.

Recommendation 2 OFD should use its automated systems to document and track all equipment that is out for repair.

Management Response OFD concurs with findings.
Action Plan - OFD will purchase additional licenses to implement Operative IQ program.

- o Create Operative IQ check off sheets
 - Allows crews to inventory and inspect assets assigned to their unit.
 - Management of assets assigned to each unit.
 - Create inspection questionnaires which allows administrator to build custom forms and inspection schedules.
 - o Inspections can trigger notifications to supervisor when items fall outside of established parameters.
 - Allows the tracking of assets during the repair process.

Continue Efforts to Automate Inventory Control

A centralized inventory of supplies is kept at the staff and line location on site at Fleet Management. There is currently no perpetual inventory system for the supplies and materials used by Fire and Rescue to repair and replace missing or worn components of fire rescue equipment. This condition was also observed during a prior audit. Discussion with OFD executive management revealed that there are current efforts to meet with vendors that specialize in inventory management and OFD management desires to purchase and implement an automated inventory control system in the near future. This will increase the efficiency of the ordering process, reduce overstock and track and document in one location what materials are being consumed by each fire rescue unit.

Recommendation 3

OFD should continue its pursuit of a vendor management company to enhance the automation of inventory control.

Management Response

OFD concurs with finding.

OFD is actively engaged in the pursuit and expansion of the vendor management system (Operative IQ) that will contribute to the efforts of automated inventory control. A funding source still needs to be explored to support the efforts utilizing a phase by phase approach. The goal is to increase the efficiency of the ordering process by hopefully integrating the Operative IQ system within the

capacity of the contracted vendor(s). The target date to accomplish this is July 2020.

Update Logs and Checklists

One aspect of our audit was to review the systems in place to be sure that all equipment is regularly maintained and inspected. During our review we observed that this process is done through manual checklists and logs which are done daily and weekly. Each station completes these logs which are housed at the station until they are filled and then sent to a Staff Assistant at the logistics section to be retained. We found that the daily OFD vehicle checklists only show the last name of the person performing the inspection and that this information is handwritten and in most cases the signatures are not legible. In contrast, OFD's inventory control sheets only require an initial as proof of proper review. While it may not be feasible at this time to automate this inventory control process, it would be beneficial if the checklists and logs were updated to require a first initial and last name (to be printed); or perhaps the use of the employee number to document the person performing the review.

Recommendation 4

The daily check-off log and the inventory control sheet should be updated to require a signature or other method to document its review.

Management Response

OFD concurs with findings.

Action Plan – OFD will purchase additional licenses to implement Operative IQ program.

- Crews will conduct weekly inventory through a digital system (Operative IQ) in lieu of using paper inspection sheets.
- System manages inventory on a live platform.
- System will track lot numbers and expiration dates for perishable items.
- System will generate supply requests for EMS Supply Division
- Captures crews that are completing inventory inspections and identifies crews that have not with the appropriate supervisor notifications.

Operative IQ Funding

- External "Hockey Puck" GPS Antenna for IQ X47 (\$100.00 each - \$4,700.00 for 47) (one-time fee)
- 2. HID In Line Ultra RFID Asset Tags (10 Tags) X47 (\$95.00 each - 4,465.00 for 47) (one-time fee) \
- 3. Circular Polarized RFID Antenna (11" x 11" x 0.5") with 25' SMA-Male –
- RPTNC-Male Antenna Cable x95 (\$250.00 each - \$23,500.00 for 95) (one-time fee)
- IQ Genius Silver Box RFID - 4 Port Reader with Wi-Fi, BLE, GPS x47 (\$2,300.00 each - \$108,100.00 for 47) (one-time fee)
- RFID Data Service License X1 (\$100.00 monthly - \$1,200.00 Yearly)