COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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March 27, 2019

TO: Supervisor Janice Hahn, Chair
            Supervisor Hilda L. Solis
            Supervisor Mark Ridley-Thomas
            Supervisor Sheila Kuehl
            Supervisor Kathryn Barger

FROM: John Naimo
            Auditor-Controller

SUBJECT: **FIRE DEPARTMENT – IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW (CASE #2017-13239) -   FOLLOW-UP REVIEW**

The Board of Supervisors, Board Policy No. 4.050, requires the Auditor-Controller (A-C) to follow-up with departments to ensure they have taken corrective action to address audit recommendations. To assist the A-C in accomplishing this task, six months after an audit report is issued, departments must provide the A-C's Audit Division a *Corrective Action Implementation Report* (CAiR) that provides a detailed status of corrective action(s) taken to implement each recommendation in the report. For recommendations reported as implemented, departments must attach documentation to the CAiR that demonstrates the corrective action taken.

We have reviewed the Fire Department's (Fire or Department) first CAiR for Improvement Opportunities Noted During Limited Review dated June 7, 2018, (Case #2017-13239). Our review consisted of an examination of Fire's description of actions taken per the CAiR, the relevant documents and supporting evidence provided by the Department, as well as inquiry and discussion with responsible departmental personnel. Our follow-up review did not constitute an "audit" and did not include a sampling of transactions for testing and verification purposes.

This report reflects a newly adopted approach to performing follow-up reviews. The new process was developed in collaboration with the County's Audit Committee and is designed to quickly review the status of prior audit recommendations.

Based on our review of relevant supporting documentation provided by the Department, management appears to have implemented corrective action for one recommendation, as summarized in the chart below.

Recommendation Status	Priority 1	Priority 2	Priority 3	Total
Implemented	0	1	0	1
Partially Implemented	0	0	0	0
Not Implemented	0	0	0	0
Total	**0**	**1**	**0**	**1**

Specific information about the Department's actions to implement corrective action, the timeliness of the corrective action, and details of our review are noted in Attachment I. Definitions of the Priority Rankings are included in Attachment II.

We thank Fire management and staff for their cooperation and assistance during our review. If you have any questions please contact, me or your staff may contact Mike Pirolo at (213) 253-0100.

JN:AB:PH:MP:YK

Attachments

c: Sachi A. Hamai, Chief Executive Officer
Daryl L. Osby, Fire Chief
Audit Committee
Countywide Communications

FIRE DEPARTMENT – IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW (CASE #2017-13239)
FOLLOW-UP REVIEW

No.	Recommendation	Priority	Status (1)	A-C Comments	Date Implemented (2)
1	Fire management ensure that it maximizes competition in all procurement transactions by including in solicitation documents only the minimum specifications necessary to meet functional requirements.	2	I	Confirmed that Fire is working to maximize competition in procurement transactions and ensure that solicitation documents only include the minimum specifications necessary to meet functional requirements. We reviewed solicitation templates, checklists, training materials, and sign-in sheets.	February 7. 2019

Footnotes

(1)   Status definitions:

"I" indicates the department has fully implemented corrective action that is responsive to the recommendation.
"PI" indicates that the department has partially implemented corrective action that is responsive to the recommendation.
"NI" indicates that the department has not implemented corrective action that is responsive to the recommendation.

(2)   Recommendation implementation dates are as reported by Department management.

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PRIORITY RANKING DEFINITIONS

Auditors use professional judgment to assign rankings to recommendations using the criteria and definitions listed below. The purpose of the rankings is to highlight the relative importance of some recommendations over others based on the likelihood of adverse impacts if corrective action is not taken and the seriousness of the adverse impact. Adverse impacts are situations that have or could potentially undermine or hinder the following:

a) The quality of services departments provide to the community,
b) The accuracy and completeness of County books, records, or reports,
c) The safeguarding of County assets,
d) The County's compliance with pertinent rules, regulations, or laws,
e) The achievement of critical programmatic objectives or program outcomes, and/or
f) The cost-effective and efficient use of resources.

Priority 1 Issues

Priority 1 issues are control weaknesses or compliance lapses that are significant enough to warrant immediate corrective action. Priority 1 recommendations may result from weaknesses in the design or absence of an essential procedure or control, or when personnel fail to adhere to the procedure or control. These may be reoccurring or one-time lapses. Issues in this category may be situations that create actual or potential hindrances to the department's ability to provide quality services to the community, and/or present significant financial, reputational, business, compliance, or safety exposures. Priority 1 recommendations require management's immediate attention and corrective action within 90 days of report issuance, or less if so directed by the Auditor-Controller or the Audit Committee.

Priority 2 Issues

Priority 2 issues are control weaknesses or compliance lapses that are of a serious nature and warrant prompt corrective action. Priority 2 recommendations may result from weaknesses in the design or absence of an essential procedure or control, or when personnel fail to adhere to the procedure or control. These may be reoccurring or one-time lapses. Issues in this category, if not corrected, typically present increasing exposure to financial losses and missed business objectives. Priority 2 recommendations require management's prompt attention and corrective action within 120 days of report issuance, or less if so directed by the Auditor-Controller or the Audit Committee.

Priority 3 Issues

Priority 3 issues are the more common and routine control weaknesses or compliance lapses that warrant timely corrective action. Priority 3 recommendations may result from weaknesses in the design or absence of a procedure or control, or when personnel fail to adhere to the procedure or control. The issues, while less serious than a higher-level category, are nevertheless important to the integrity of the department's operations and must be corrected or more serious exposures could result. Departments must implement Priority 3 recommendations within 180 days of report issuance, or less if so directed by the Auditor-Controller or the Audit Committee.