

LOS ANGELES COUNTY AUDITOR-CONTROLLER

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AUDIT DIVISION

June 25, 2019



Fire Department IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW (CASE #2017-13042) FIRST FOLLOW-UP REVIEW

PRIORITY RANKINGS	TOTAL RECOS	FULLY IMPLEMENTED	RECOMMENDATION IMPLEMENTATION STATUS		
			PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	
PRIORITY 1	1	0	1	0	
PRIORITY 2	0	N/A	N/A	N/A	
PRIORITY 3	1	1	0	0	
TOTAL	2	1	1	0	
				1	



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**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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ARLENE BARRERA
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ADDRESS ALL CORRESPONDENCE TO:
AUDIT DIVISION
350 S. FIGUEROA ST., 8th FLOOR
LOS ANGELES, CA 90071-1304

June 25, 2019

TO: Daryl L. Osby, Fire Chief
Fire Department

FROM: Dr. Peter Hughes *Peter Hughes*
Assistant Auditor-Controller

Mike Pirolo, Acting Chief *MP*
Audit Division

SUBJECT: **FIRE DEPARTMENT – IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW (CASE #2017-13042) - FIRST FOLLOW-UP REVIEW**

We have completed a follow-up review of Fire Department (Fire or Department) Improvement Opportunities Noted During Limited Review dated July 31, 2018 (Case #2017-13042). The status of corrective action for the two recommendations based on our review of relevant supporting documentation provided by the Department is summarized in Table 1.

Table 1 – Results of First Follow-up Review

PRIORITY RANKINGS	TOTAL RECOS	RECOMMENDATION IMPLEMENTATION STATUS		
		FULLY IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED
PRIORITY 1	1	0	1	0
PRIORITY 2	0	N/A	N/A	N/A
PRIORITY 3	1	1	0	0
TOTAL	2	1	1	0
				1

Attachment I provides details of our review and the Department's actions to implement corrective action. Definitions of the Priority Rankings are included in Attachment II.

Daryl L. Osby, Fire Chief

June 25, 2019

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As indicated in our February 9, 2017 memorandum to the Audit Committee on audit follow-ups, we will conduct a second follow-up review of Priority 1 and Priority 2 recommendations that were not fully implemented at the time of our first follow-up review. Priority 3 recommendations will not be included in the second follow-up review unless specifically requested by the Audit Committee.

Follow-up Process

Board of Supervisors Policy 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.

Our review consisted of an inspection and evaluation 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.

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

PH:MP:YK:cc

Attachments

c: Arlene Barrera, Acting Auditor-Controller
Audit Committee
Office of County Investigations

**FIRE DEPARTMENT – IMPROVEMENT OPPORTUNITIES NOTED DURING LIMITED REVIEW (REPORT #2017-13042)
FIRST FOLLOW-UP REVIEW**

No.	RECOMMENDATION	PRIORITY	STATUS (1)	A-C COMMENTS
1	Fire management establish formal written guidelines (e.g., Vision, Mission, Objectives, Strategies, Action Plans, responsibilities, specific conflict of interest rules) for Equipment Development, and Apparatus Specifications Committees. Fire management also ensure Committee members sign an acknowledgment of responsibilities and conflict of interest rules specific to Committee participation.	1	PI	We confirmed Fire management established formal written guidelines for conflict of interest rules for Equipment Development and Apparatus Specifications Committees. However, Fire management has not established formal written guidelines for other aspects of committee participation (e.g., Vision, Mission, Objectives, Strategies, Action Plans, responsibilities). In addition, Fire established generalized conflict of interest rules but did not require Committee members to sign an acknowledgment of responsibilities and conflict of interest rules specific to Committee participation. Fire management indicated that the recommendation will be fully implemented by September 1, 2019.
2	Fire management revise the Conflict of Interest (COI) Code to designate all members of the Equipment Development and Apparatus Specification Committees to complete and submit a Form 700 on an annual basis.	3	I	We confirmed Fire management revised the COI Code to designate all members of the Equipment Development and Apparatus Specification Committees to complete and submit a Form 700 on an annual basis.

Footnotes

(1) Status definitions:

“I” indicates the department has fully implemented corrective action that is responsive to the recommendation.

“PI” indicates the department has partially implemented corrective action that is responsive to the recommendation.

“NI” indicates the department has not implemented corrective action that is responsive to the recommendation.

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.