

CITY OF BALTIMORE
STEPHANIE RAWLINGS-BLAKE, Mayor



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The Baltimore City Fire Department acknowledges the performance audit prepared by SB & Company and submitted to the Board of Estimates by the Department of Audits. We view this audit as an opportunity to both review our past performance and continue to improve the processes in the current and future periods as well as strengthen our internal controls. BCFD submits the following responses to each of the findings contained in the audit report.

Sincerely,

Niles R. Ford, PhD

Chief of Baltimore City Fire Department

Baltimore City Fire Department Quadrennial Audit Response

Permits and Building Plan Renewals – Revenue and Cash Collections

Results

1. Determine how new building developments and building improvements are identified to ensure permits are issued and revenue is collected.

Findings

There are no specific processes in place to identify new businesses in existing buildings and ensure that those locations are inspected for compliance with the Fire Code. When an incident is reported, such as a fire or when a complaint is filed, a business may be identified as non-compliant.

We noticed that during our testing period, there were permit numbers that did not follow the time sequence. Namely, a new permit created more recently had a smaller permit number than a permit created earlier, or vice versa.

Recommendation

I. Perform Periodic Reviews of Permit Numbers for Proper Sequencing

We recommend the Department implement a policy to review the permit sequencing in the system for breaks in sequencing. Then investigate the breaks to determine the reasoning and if follow up action is required. This will ensure the control in place for numerical sequencing of permits is properly operating and not being overridden improperly.

2. Determine how permits due for renewal are identified to ensure that inspection takes place and revenue is collected.

The Agency notifies the holder by sending a letter via mail notifying the holder that the permit is due for renewal. We noted there is not a process in place to track and compare expired permits and verify whether they have been timely renewed.

Finding

We noted there was no specific process in place to follow up after renewal notices have been sent and confirm whether all expired permits had been renewed.

II. Implement formal procedures to follow up on expired permits.

We recommend implementing policies and procedure to follow up on expired permits to ensure they are properly renewed or do not need to be renewed. We recommend working with IT to implement a process to generate a list of all expired permits on periodic basis for proper follow up.

3. Determine how it is ensured that fees charged are in accordance with rates approved by the City.

We obtained the fee schedule as of March 1, 2011, which is still currently effective. The schedule lists all the types of items and the billing fee. A permit can include one or more billing items. SBC obtained a copy of the approved rates that have been in effect since February 2011. We obtained the population of all permits initiated during the performance period and selected 40 permits initiated in each year fiscal 2011, 2012, 2013 and 2014.

Finding

Of a total of 160 permits tested, we found one instance in May 2011, where a permit was issued and the applicant was charged a higher rate that was to take effect in September 2011, rather than the rate applicable at the time.

Recommendation***III. Automation of Rates for Permits***

We recommend the process for applying rates for permits be automated in order to prevent a situation where the wrong rate is charged for permits. The approved rates should be uploaded into the system and automatically applied based on the permit type. This will help reduce the risk of inappropriate rates being charged.

4. Determine the process to ensure all fees collected are remitted to the City.

Payment is received before a permit is issued. Prior to January 2015, all the payments received for permits were handled by the Fire Department. The secretary opened the mail and sorted the checks, then entered the checks into the COBOL system. Once the payment was recorded in the system, the system would automatically create a new permit. The secretary prepared the adding tape and deposit slip for transport to the bank. All checks were directly deposited into the Baltimore City's bank account. Since January 2015, they have been using a collection agency named Merkle to process all the payments.

In addition to testing our sample of 160 permits for the proper rate, we tested to ensure the proper payment was made.

Findings

In our sample of 160 permits, we found 3 permits in fiscal year 2011, where payment information was not recorded in COBOL, and therefore we were not able to confirm whether the payment was received. For one permit in fiscal year 2012, the amount of payment was less than the approved rate for the permit. We found no exceptions in our sample for fiscal years 2013 and 2014.

Recommendation***IV. Reconcile Permits Issued to Payments Received***

We recommend a process be put in place to reconcile collections for permits with the permits issued. The reconciliation should be performed on a monthly basis. This will help ensure all permits have appropriate charges applied and the charges were collected. All exceptions should be followed up on timely to identify the discrepancy.

BCFD Response

The BCFD Fire Marshall has reviewed the findings and recommendations and would like to add the following as a response. The last issue is the sequencing of permits. This system is not a Fire Department system and the sequencing is an issue needing to be addressed by the Mayor's Office of Information and Technology (MOIT).

Regarding expired permits, the fire code states that every use type shall have a valid fire permit. An updated list of occupancies with expired permits is maintained in this office and followed up on for

collection of payment or issuance of a violation for operating without a valid fire permit. If the status of the permit is not reconciled within a seven-day timeframe, a cease and desist action is ordered. The performance audit report is inaccurate to state that we do not follow up on expired fire permits. The following notices are sent to customers with upcoming expirations dates for fire permits that are due for annual inspections:

- 60-day notice (permits expiring within 60-90 days)
- 30-day notice (permits expiring within 30-60 days)
- Final notice (permits expiring within 0-15 days)
- Expired notice (permits that are expired)

The Fire Department does not issue permits based on type of structure. The Fire Department does not issue building permits. The Fire Department issues only fire permits, which are part of the use and occupancy (U&O) permit process designated by the Housing Authority of Baltimore City (HABC). The ultimate sign off on a U&O being issued is HABC, which the fire permit is a part of if it is required. Fire permits are only issued and renewed based on the USE of the structure, or areas within the structure, as described in the fire and life safety codes. All occupancies are not required to have annual inspections. Occupancies not requiring to have annual inspections include:

- Business "B" use with capacities of less than 50 and do not have other processes such as hazardous material storage or commercial kitchens with hood systems
- Residential "R" use that are not identified as assisted living, daycare uses, hotels, etc.
- Storage "S" use for structures less than 2500 cubic feet

Since August 2015, the Fire Department has been using a collection agency named Merkle to process all payments for renewal permits only. The Office of the Fire Marshal is currently exploring options to cease collecting monies for ALL services provided per the fee schedule. The options currently being explored are remote payment locations and online collection.

In addition to customers applying for fire permits for new construction/use, a review of plans is needed should the structure require features such as sprinklers, fire alarm detection, and life safety. If the Fire Department has to review plans for new construction/use of fire protection components, the plans would have to be approved first before those components are installed. After the components are installed, they must be tested and pass per the fire and life safety codes prior to the final inspection is issued for the fire permit. Again, the fire permit is only a part of the U&O process, which is the permit issued from HABC before the occupancy of any structure can legally occur.

Emergency Medical Services Billings – Percentage of Fees Collected

Results

1. Determine the process in place to ensure that billable EMS services are captured and billed on a timely basis.

In order to test the billing of EMS services, we requested a population of EMS services provided during the performance period fiscal year 2011 to 2014. SBC made 20 random selections (5 each

year) of services provided for one randomly selected month each year and tested whether services were billable per the information documented in PCR and reviewed billing to ensure transports were properly billed for. The 10 selections for 2013 and 2014 were tested with no exceptions. For the selections for 2011 and 2012, the information for the billing was not available. We were informed that some of the data may have been lost for fiscal years 2011 and 2012, leading to a change in billing agents.

2. Determine how collections are monitored and the process for follow up and collection of delinquent accounts.

DIGITECH gathers collections data from the City and M&T Bank and posts collections against the Accounts Receivable to determine the propriety of subsequent billings. DIGITECH communicates collections and outstanding billings back to the City in a Vendor System report. EMS allows DIGITECH to bill up to three times. The second and third bills are generally sent 30 and 60 days after the first billing. After the third billing, the bill is deemed uncollectible since EMS cannot send the bill to a collection agency. If the total balance is not paid, the billing agent can continue billing under a few circumstances. If the Private Insurance provider does not cover the entire bill, the billing agent can balance bill the patient. If the patient has Medicare and supplemental insurance coverage, then the billing agent can balance bill the supplemental insurance provider. In the case of Medicaid, the City accepts what the state pays (flat rate of \$125), and the rest is deemed uncollectible.

Finding

We also note the accounts receivable reports are not provided to Finance for inclusion in the financial records.

Recommendation

IV. Properly Track and Record Accounts Receivable for EMS

We recommend that the Agency maintains a numerical sequence of all EMS Services provided. This record can be used to reconcile billable services performed to actual billings and can form a basis for valuation of accounts receivable.

2. Determine how collection rates are monitored and evaluated.

Collection rates are monitored by the City and DIGITECH. The data for collections is provided to DIGITECH by the City (for Medicare and Medicaid) and M&T Bank. DIGITECH posts the data on collections against the outstanding Accounts Receivable and creates a Vendor System report each month. Finance uses the data from the Vendor System report to prepare GrossStats. The GrossStats break collections down by group and percentage. The report also shows amounts collected by individual Private Insurance companies. The GrossStats report is used to prepare the monthly report for Citistat. EMS is interested in the "Average Amount Collected per Billable Response". Two other important performance measures include "Average Billable Response" and "Average Collection Percentage".

3. Determine if adherence to performance measures is monitored for revenue collection.

For each year during the performance period, SBC obtained information from the Vendor System report, used to prepare GrossStats. We recalculated the average collection rate and tied and agreed the results to the information provided to the City through Citistat.

BCFD Response

BCFD EMS has reviewed the findings and recommendations from the performance audit and would like to add to the record that first the rates that are charged are approved by the City of Baltimore Board of Estimates which was last approved back in FY 2010. Secondly the current Patient Care Report (PCR) system is done through a contracted vendor by the State of Maryland and is the Maryland Electronic Patient Care Reporting System (eMEDS). Lastly the reports that the auditor was unable to have retrieved from the older system back in 2011 and 2012 have all been retrieved from the legacy system and have been attached for further review.

The City of Baltimore effectively went to a new vendor for billing services back at the end of 2013 since the data from the old vendor may have been corrupted. Since that time the old data has been transferred to the new vendor to find both patient and financial data when requested. The vendor maintains the billing and account receivable file for the City of Baltimore. In doing so it assigns the numbering sequence of the bills in their system with the tracking number from the CAD dispatch system which is the Incident number.

Fire Suppression and Emergency Response – Percentage of Responses within 5 Minutes

Background

Results

1. Understand the systems in place used to track response times.

SBC met with the IT Department of the agency and reviewed and discussed the Agency's processes for accumulating response times. Based on our conversation and discussion with the Agency it appears that the system place has been designed to conform to NFPA 1710. The Emergency Medical Dispatch System feeds the information into a Computer Aided Dispatching (CAD) program that was developed by the agency to track response times and feed the information into a depository of response times. This information is downloaded from CAD to excel on a monthly basis and reported to Citistat.

2. Determine whether the systems in place are accurately reporting response times.

SBC requested the EMS response data for the performance period. The Agency informed us that the data for the entire period was not available due to changes made to the CAD System. The Agency was able to provide us with the data for April 2011 in excel for our review, but informed us that it was not in its original format and it had changed. We reviewed the data that consisted of more than 9,000 EMS responses. We recomputed the response times and obtained significantly lower response times than the amounts reported in Citistat for the same month. On this basis, we were not able to establish whether the EMS response times were reported correctly for the performance period.

Findings

We were not able to agree EMS response times provided for April 2011 to the Citistat report.

Recommendation

V. Develop a Report from the CAD System to Calculate and Report Response Times

We recommend the Agency uses the CAD system to calculate response times for reporting to CitiStat. The Agency can have a program written in CAD to perform the calculation. This would eliminate the need to download information into excel and calculate the times. It would also reduce the risk of manual error in the calculation and reduce opportunity to change the times prior to the calculation.

BCFD Response

BCFD Operations regularly checks the average response times of all of our response units and uses the NFPA as a guideline in making corrective actions where response time is critical. This information is requested and reviewed on a monthly basis with CitiStat. The old CAD system was out dated and has since been replaced by the City of Baltimore. The new CAD system does give the auditor recommended flexibility.

Payroll – Time Entry and Compliance

Results

1. Understand the systems in place to ensure that staff are scheduled to work in accordance with their term of service and contracts.

SBC selected one fire station from each of the six battalions for our review and test of scheduling and attendance. For each station, we visited the station and walked through the process with the captain responsible for a specific crew. We selected 40 employees for each year during our performance period, ensuring we covered all the six battalions. For each employee, we obtained the attendance records (watch desk records) for one month.

We then requested Tele Staff records from the Fire Department in order to compare the days worked to the attendance records for each of the employees selected. We also compared work scheduled to the existing MOU for compliance with the terms of employment.

2. Determine whether the systems in place are accurately reporting actual hours worked by employees.

SBC selected one Fire Station from each Battalion. At the Fire Station, we obtained one month of attendance sheets or daily attendance records and agreed the information to Tele Staff and E-time in order to confirm that attendance was being reported correctly.

Findings

(a) We found three instances where the attendance per the Station records did not agree with Tele-Staff and E-Time.

Equipment	Dates	Officer	Per Attendance	Attendance Per Tele-staff	Attendance Per E-Time
Engine 30	June 22, 2014	Officer Reddit	Regular Shift	Regular Shift	Vacation Day

Truck 5	June 13 & 16, 2014	Officer Burke	Personal Leave	Personal Leave	Regular Leave
Engine 46	June 22, 2014	Hook	Regular Shift	Vacation	Vacation

BCFD Response

BCFD strives to complete the reports for payroll exceptions in a timely fashion to make sure that all the information agrees however due to the fact that Telestaff or Company Journal information is independent systems to eTIME all are manually adjusted and irregularities do occur. It is the timekeeper and the employee responsibility to review their accrual leave balances and report any irregularities which may occur from time to time. The eTIME system since August of 2013 now accrues the leave balances and all are reported biweekly on the employees pay stub. The examples that are given by the Auditors could be exceptions not recorded correctly in the system and will need to be corrected by the timekeeper/company officer.

Emergency Medical Services – Continuing Education

Results

1. Determine whether there are processes in place to track mandatory continuing education requirements by job role or position.

SBC met with the EMS Training Officer. He stated that, as a Jurisdictional Operational Program, EMS has access to the Maryland Institute of Emergency Medical Services Systems (MIEMSS) database. The database allows the Agency to establish whose certification is due to expire and arrange for training and renewal of certification. The system does not provide an automatic notification; therefore, the process must be done manually. Captain Blake provided us with data of all staff that attended CPE training in fiscal year 2011 through 2014.

2. Determine whether there are processes in place to establish whether employees are fulfilling respective continuing education requirements.

We selected 40 employees from each year and we traced each individual selected to the CPE records to confirm whether their records were available to support attendance of Continuing Education in each year of 2011 through 2014 and whether their licenses were valid during the performance period.

Finding

We noted instances where records provided to us by the Agency show that some certifications were not renewed on time. Therefore, employees may have been providing services when their licenses were expired.

For example. One person per the Agency records ALS license expired on 4/30/2013, but the date of renewal was on 7/24/2013 per the records provided. In addition, we were provided a list of 175 BLS certifications due for renewal in Spring 2013, but there were no records of the individuals on the list completing training and recertification.

Recommendation

VII. Automate the Review and Monitoring of Re-certification's

We recommend that a process be put in place to automate the re-certification notification process. The process should generate periodic reports based on expirations prior to the expiration date and a listing of expired licenses. This process would allow for proper monitoring of the re-certification process and allow corrective actions to take place on a timely basis. This process would also provide documentation of compliance and non-compliance status.

3. Determine whether there is a process for corrective action when an individual is not in compliance with mandatory continuing education requirements.

The Agency informed us that instances of non-compliance are very rare and only occur when a provider is due to retire or is off-duty injured. We were informed that the Agency does not have a list of exceptions to re-certification requirements.

However during our review and test of re-certification attendance, we noted insufficient documentation to allow us to conclude non-compliance did not occur. See recommendation VII above.

BCFD Response

BCFD agrees with the both findings and recommendation of an automatic recertification notification process which would be ideal. However, BCFD EMS Training does currently not have access to the BCFD Journal which is an internal Fire database system. This would need to be developed by BCFD. Secondly, MIEMSS is in the process of upgrading their licensure/certification system, and this may become a feature on eMEDS, which is the State Patient Care Reporting System that BCFD upgraded to back in 2013. However, not all licensed medical providers (for example, Command Staff members) log into the eMEDS system. In the future it may send a notification to the provider via email, but most ALS providers begin their recertification process shortly after they renew, so the notification would need to be months in advance.