

City Auditor
Brenda Roberts
CPA

December 4, 2015



Recommendation Follow-Up Oakland Fire Department Vegetation Inspection Audit

Audit Team:

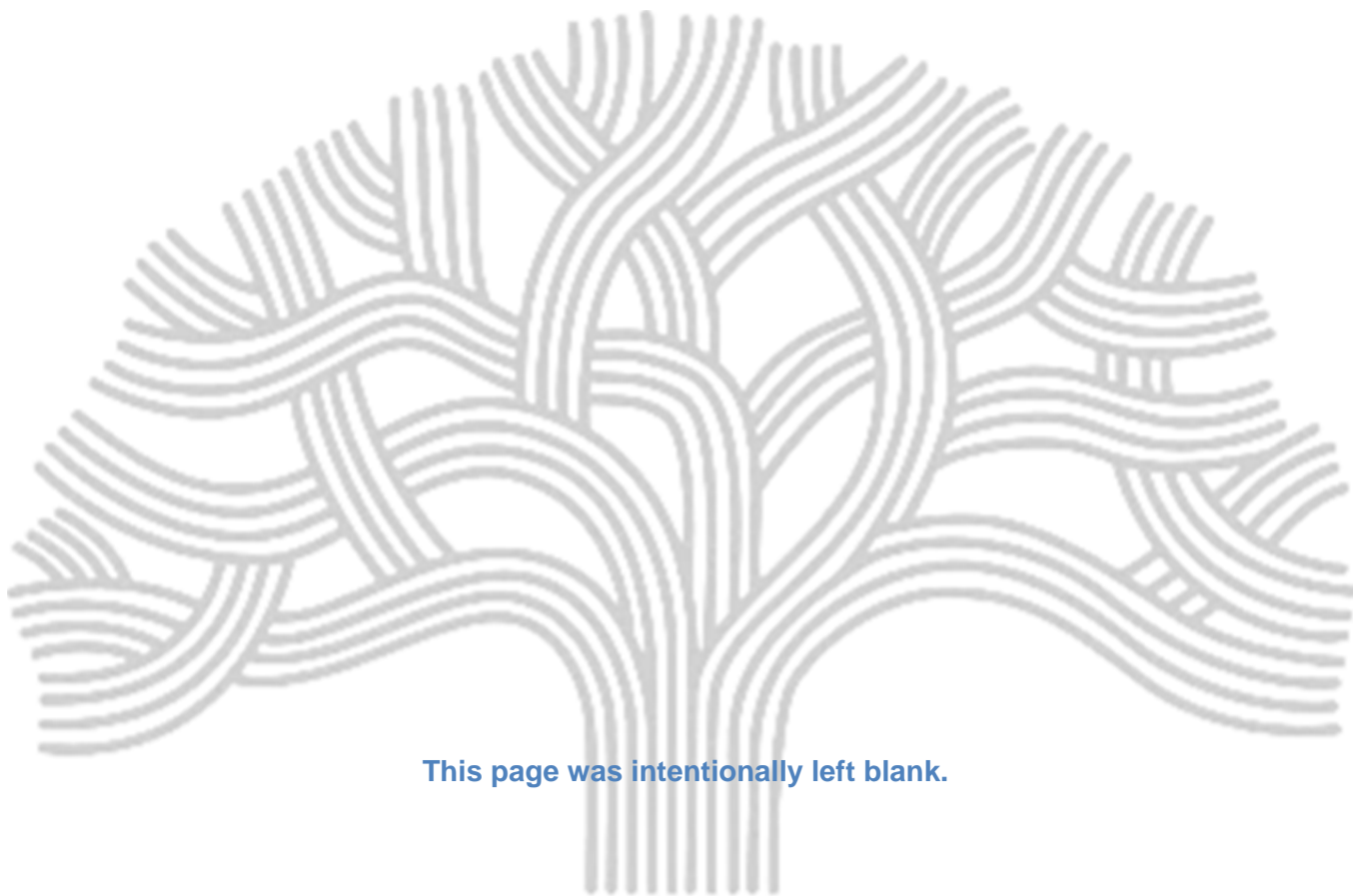
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December 4, 2015

OFFICE OF THE MAYOR
HONORABLE CITY COUNCIL
CITY ADMINISTRATOR
CITIZENS OF OAKLAND
OAKLAND, CALIFORNIA

**RE: Recommendation Follow-Up of the Oakland Fire Department Vegetation
Inspection Audit**

Dear Mayor Schaaf, Council President McElhaney, Members of the City Council, City Administrator Landreth, and Oakland Citizens:

The Office of the City Auditor (City Auditor) released the Oakland Fire Department Vegetation Inspection Audit report in November 2013 which found that the City could further mitigate risks within the Oakland hills by improving its vegetation management inspection, abatement, and billing process and addressing parking obstructions. There were seven recommendations to the Fire Department as a result.

Attached is the Recommendation Follow-Up report which assessed the implementation status of the seven recommendations. The report details the actions taken by the Fire Department to resolve four recommendations, and the actions required to resolve the remaining three open recommendations.

I want to express our appreciation to the Oakland Fire Department Chief Teresa Deloach Reed and her staff, as well as the interim Director of Revenue Margaret O'Brien, for their cooperation during this follow-up process and for their commitment to mitigating the fire risks within the Oakland hills neighborhoods.

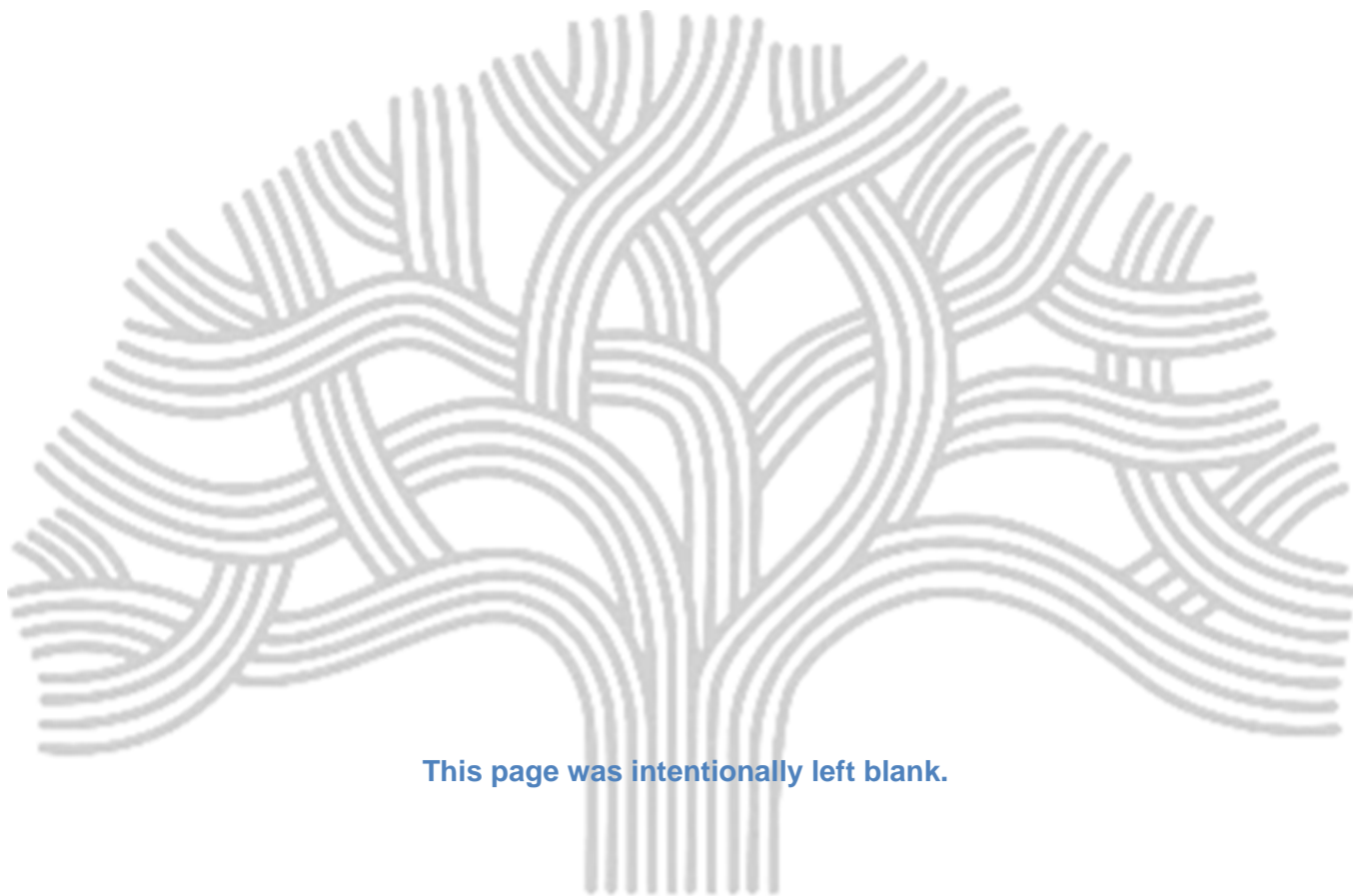
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brenda D. Roberts", followed by a long horizontal line.

BRENDA D. ROBERTS, CPA, CFE, CIA
City Auditor

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Introduction and Background

Overview of the Audit

The Office of the City Auditor (City Auditor) released the Oakland Fire Department Vegetation Inspection Audit report in November 2013 which found that the City could further mitigate risks within the Oakland hills neighborhoods by improving its vegetation management inspection process and addressing parking obstructions.

The audit had three findings:

- The Fire Department needed to better communicate the importance of performing proper inspections and evaluating results.
- The abatement process for non-compliant properties needed improvement.
- The risk associated with parked vehicles obstructing road access needed to be more effectively mitigated.

There were seven recommendations to the Fire Department as a result of the audit.

Recent Changes to the Wildfire Prevention Assessment District (WAPD)

The Fire Department's Fire Prevention Bureau manages the WPAD program which provides funding to monitor fire risks on privately-owned parcels as well as for vegetation management on city-owned parcels within the district. The goal is to reduce and manage vegetative fuel loads to minimize the risk of future major fires. This reduction is accomplished through efforts such as goat grazing, chipping services, and median and roadway abatement.

The Fire Department annually inspects each parcel in the district for compliance with regulations for vegetation management. If non-compliant, the property owner is charged a fee for subsequent inspections of the property and may be assessed the cost to abate the property.

An assessment parcel tax used for funding the program was not renewed in November 2013 as a result of a vote by the residents of the assessment district. Some wildfire prevention related services, such as goat grazing and wood chipping, may become the responsibility of the parcel owner.

The WPAD had a fund balance of \$2.9 million as of June 30, 2015. Expenditures from that fund totaled \$598,310 during fiscal year (FY) 2014-15.

Summary of Results

Recommendation Follow-Up Process

The purpose of this follow-up is to assess the implementation status of audit recommendations and close them when completed. The City Auditor reviewed supporting documentation submitted by the Fire Department, conducted interviews, and performed an on-site visit.

Summary of Results

The City Auditor's recommendation follow-up process found that the Fire Department closed four recommendations and three recommendations remain open.

Open Recommendations

The Fire Department will provide evidence to the City Auditor by **February 12, 2016** that these open recommendations have been addressed.

Recommendation 1:

Status: Open

Implement clear policies and procedures that include stronger supervision and quality control measures including but not limited to procedures requiring:

- Oversight of inspection performance and inspection forms for accuracy and completeness.
- Stronger controls over the accuracy and monitoring of information in the inspection database.
- Inspection performance as part of written performance evaluations for Fire Department staff.

Actions taken:

The Fire Department updated the Field Operations Inspection Manual and the vegetation inspection form to provide Fire Department personnel guidance on performing inspections and the administrative tasks to record the results of the inspections.

Furthermore, the Fire Department proposed adding inspection performance to the formal performance evaluations for their personnel to the Office of Employee Relations which must formally meet and confer with the affected employee union group.

Actions required:

The Fire Department needs to develop a quality control process to ensure that inspections are performed accurately in order to close this recommendation. This process should confirm that inspections were performed as required.

Summary of Results

Recommendation 5:

Status: **Open**

Increase the efficiency and effectiveness of the abatement process which includes but is not limited to:

- Adjusting the noncompliance notification process so that abatements occur earlier in the fire season.
- Establishing blanket contracts and on-call service contracts that can be used for common types of abatements rather than going through a competitive contracting process for each property that will be abated.
- Ensuring that the Fire Department invoices noncompliant property owners for all abatement costs, re-inspection fees and administrative costs annually.
- Increasing the effectiveness of the Fire Department's billing system by programming the system to produce automated notices for outstanding amounts due.
- Having the Fire Department work with the Revenue Division to implement a collections process that will ensure timely cost recovery for properties abated by the City.

Actions taken:

The Fire Department timely invoiced second inspections and vegetation abatement costs in FY 2014-2015. However, between FY 2012 and FY 2015, 75% of fines, fees and costs associated with wildfire vegetation management were not collected.

The Fire Department did not submit any invoices for vegetation management to the City's Finance Department's Revenue Collections Unit (Revenue) for collections between January 2011 and August 2015.

The Fire Department invoiced \$150,000 in fines and fees for vegetation management including costs for abating properties in FY 2014-15 during the wildfire season. \$90,000 (60%) is still outstanding.

<i>Fiscal Year 2014-15</i>	<i>Amounts are rounded</i>
Total Amount Invoiced	\$150,000
Voided Invoices ¹	\$27,000
Paid Invoices	\$33,000
Outstanding Invoices	\$90,000

¹ Voided invoices may include those that were dismissed during administrative hearings, errors in the One Step database system, homeowners who complied with regulations prior to issuance of the invoice and unclear property lines in the county database.

Summary of Results

There were conflicting instructions in FY 2013-14 and FY 2012-13 regarding issuing invoices so that subsequent collections lagged.

Fiscal Year 2013-14

Total Amount Invoiced	\$70,000
Voided Invoices	\$0
Paid Invoices	\$14,000
Outstanding Invoices	\$56,000

The \$105,000 in outstanding invoices issued in FY 2012-2013 may not be collectible due to the statute of limitations and may result in a revenue write-off.

Fiscal Year 2012-13

Total Amount Invoiced	\$127,000
Voided Invoices	\$0
Paid Invoices	\$22,000
Outstanding Invoices	\$105,000

Fire Prevention Bureau management expressed concern about the lack of administrative staff to incorporate past-due invoices from their One Step accounting system into the Finance Department's invoicing component within Oracle.

However, Revenue provided both short and long term solutions to bring the vegetation management invoicing and collections up to date. These solutions included immediately processing and actively collecting all invoices issued after July 1, 2015. Revenue also offered to begin collections on all invoices issued in fiscal years still within the statute of limitations (approximately January 1, 2013 – June 30, 2015).

Fire Prevention Bureau management have begun to submit packets of past due invoices to Revenue as of the date of this report.

There are a small number of high balance overdue accounts where the Fire Prevention Bureau may realize immediate results through the collections process:

Number of Invoices	Past Due Amount
1	Over \$20,000
1	\$10,001-\$20,000
2	\$5,001 - \$10,000
4	\$3,001 - \$5,000
14	\$2,000-\$3,000

Summary of Results

Actions required:

The Fire Department must work with Revenue to actively collect on current invoices and finalize the collections and lien process for those invoices that are past due.

The Fire Department must implement a policy and establish supporting procedures so that invoices are issued timely and past due invoices immediately addressed.

Revenue management staff emphasized that any invoice 45 days past due may be submitted to them for collection and stated that nearly all amounts are collectible at some point in time through the lien process. However, if the property was sold or transferred before a lien is processed, then the likelihood of collection is greatly diminished.

Recommendation 7:

Status: Open

Work with the City Council to determine if parking that obstructs road access in the Oakland hills is an enforcement priority and, if so, an enforcement program should be designed with input from community stakeholders. If this is determined to be an enforcement priority, the Administration and City Council should:

- Work with the Fire Department, Parking Enforcement, and any other applicable department to obtain a greater understanding of emergency road access needs in the Oakland hills. If greater emergency access is needed, consider how to address the issue and then define and implement an action plan.
- Consider the costs and benefits of promoting improved emergency vehicle access to the Oakland hills by authorizing the Fire Department to issue tickets during annual fire inspections, roving fire patrols, or when the Fire Department encounters an obstruction.
- Work with Parking Enforcement to more actively issue tickets for cars parked in the Oakland hills that are obstructing road access and may hinder emergency responses and have cars towed when necessary.

Actions taken:

City Auditor staff observed that illegal parking remains an issue within the Oakland hills neighborhoods and could possibly impede the access of emergency vehicles. The 2015 inspection notice, mailed to each address in the wildfire prevention area, included a bolded statement to residents reminding them not to obstruct road access.

The large number of resident and visitor vehicles in the Oakland hills creates unsafe congestion and, at times, possibly illegal parking situations including parking on streets too narrow to accommodate an emergency vehicle and parking in red “no parking” zones. Parking infractions are not regularly cited by Parking Enforcement which, according to the Fire Department, has indicated that the Oakland hills neighborhoods are not a priority parking enforcement area.

Summary of Results

Actions required:

The Fire Department should work with the City Administrator and other stakeholders, such as the Public Works Agency, Parking Enforcement management, Oakland Police Department, citizen groups, and the affected City Council Districts 1 and 4 to achieve a solution to the parking problem.

Closed Recommendations

Recommendation 2:

Status: Closed

Consider additional ways to integrate inspectors' expertise to help guide and monitor the quality of inspections performed and data recorded.

Actions taken:

The Fire Department revised the inspection form to provide relevant fire code citations, explanation of terminology, and clearer instructions and information for inspectors. The Fire Department also started an annual training program for firefighters that perform inspections.

Recommendation 3:

Status: Closed

Implement a tracking mechanism to ensure that all Fire Department staff attend training annually and consider the costs and benefits of amending the training to be more interactive.

Actions taken:

292 firefighters attended training on how to properly perform vegetation inspections in April 2015. The Fire Department now requires this training each year prior to initiating the inspection program.

Recommendation 4:

Status: Closed

Work with the Fire Department and Human Resources regarding the timing of its employment of part-time vegetation inspectors to better ensure coverage during the fire season.

Actions taken:

The Vegetation Management Unit staffing was reduced from six full-time inspectors to three part-time inspectors in 2011. The Fire Department reported to the City Council that in 2014 the Department was investigating changing the work schedule for the Temporary Part Time (TPT) inspectors to better accommodate the fire season.

Summary of Results

However, because the fire season overlaps the city's fiscal year and TPT staff may work no more than 1,000 hours each fiscal year, Fire Prevention Bureau management must carefully allocate the inspectors' work schedule to ensure coverage for the entire fire season.

According to the Fire Prevention Bureau management, they attempt to reserve some TPT staff hours for the end of the fiscal year which corresponds to the beginning of fire season; however, those TPT staff often find other employment during the winter months.

Recommendation 6:

Status: Closed

Consider establishing alternative collections methods in addition to placing liens on property sales that can be used to ensure the City collects all amounts owed.

Actions taken:

Small claims court and property liens are the only two avenues for collecting past due invoices for vegetation inspection and abatement costs due to the language in Section 114 of the Oakland Fire Code According to the Fire Department and Revenue.

City Administrator's Response

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November 18, 2015

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The Honorable Brenda Roberts
Oakland City Auditor
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Oakland, CA 94612

RE: Recommendation Follow-Up of Oakland Fire Department Vegetation Inspection Audit

Dear City Auditor Roberts:

I am pleased to provide you with the City Administration's response to the Recommendation Follow-Up of the Oakland Fire Department's Vegetation Inspection Audit. The Administration and the Fire Department welcome audits to improve efficiency, effectiveness, and the safety of Oakland's citizens.

The tragedy resulting from the Oakland Hills Fire in 1991 has pushed the City of Oakland and its residents to continuously and proactively mitigate the risk of wildfire. In the 24 years since the disaster, procedures have been put into place to better protect our community and mitigate the risks associated with the threat of wildfires.

As the Recommendation Follow-Up report states, the Fire Department has continued to make improvements in its management of its Vegetation Inspections and has closed four (4) out of the seven (7) recommendations issued in the original audit. For the remaining open recommendations, the Administration and the Fire Department are working diligently to address these recommendations. For example, the Fire Department and Revenue Division are currently working collaboratively to collect the outstanding amounts owed to the City for work the Fire Department performed abating vegetation on high risk properties, as well as implementing a strong collection process going forward.

Attached to this cover letter is the Administration's detailed response to each of the audit recommendations, including efforts already underway in Fire Department to address the recommendations.

I look forward to working with you in continuing to target key issues identified in the audit process that could result in ways to improve the City's fire inspection process.

Sincerely,



Sabrina Landreth
City Administrator

c: Teresa Deloach Reed, Fire Chief
Kirsten LaCasse, Interim Controller

Attachment: Response to Follow-Up of Vegetation Inspection Audit

City Administration's Detailed Response to Recommendation Follow-Up of the Vegetation Inspection Audit
November 25, 2015

	Open Audit Recommendation	Administration's Response
1	<p>Implement clear policies and procedures that include stronger supervision and quality control measures, including but not limited to procedures requiring:</p> <ul style="list-style-type: none"> • Oversight of inspection performance and inspection forms for accuracy and completeness. • Stronger controls over the accuracy and monitoring of information in the inspection database. • Inspection performance as part of written performance evaluations for Fire Department staff. <p><u>To close this recommendation</u>, the Fire Department needs to develop a quality control process to ensure that inspections are being performed accurately. This process should include a re-inspection to confirm that inspections were performed as required.</p>	<p>The Administration agrees with the recommendation.</p> <p>The Fire Department's Chief of Operations is currently working closely with Battalion Chiefs to develop a Quality Assurance/Quality Control (QA/QC) process to ensure that inspections are performed accurately and that data is properly input into the Department's inspection management system. This process will include:</p> <ul style="list-style-type: none"> • The Fire Prevention Bureau's (FPB) Vegetation Management Unit working collaboratively with the Suppression Division's Battalion Chiefs and the Engine Company Officers to review the inspection forms for consistency and accuracy. • Continuous training for firefighters on the use of One Step, the Department's inspection database, to help ensure inspection data is entered accurately and efficiently. • Each Battalion will receive approximately 250 inspections that will be re-inspected by the Battalion Chiefs. Overall, Battalion Chief's will spot check an estimated total of 750 inspections identified as being in compliance by suppression personnel. The findings will be communicated to both the Deputy Chief of Field Operations and to staff. • Remedial inspection training will be provided for personnel whose inspections are regularly found to have inaccuracies. • Following the initial development and implementation of the above QA/QC process, by the summer of 2016, the Fire Department will formalize the inspection and oversight process in policies and procedures.
5	<p>Increase the efficiency and effectiveness of the abatement process, which includes, but is not limited to:</p> <ul style="list-style-type: none"> • Adjusting the noncompliance notification process so that abatements occur earlier in the fire season. 	<p>The Administration agrees with the recommendation.</p> <p>The Fire Department and the Revenue Division have been working collaboratively to address these recommendations, for not only Vegetation Management invoices, but for all Fire Prevention billables. Using the City's Oracle financial system modules for billing and collections, the Fire Department has currently caught up with all prior Vegetation Management collections. Going forward, the Oracle system will increase the Fire</p>

City Administration's Detailed Response to Recommendation Follow-Up of the Vegetation Inspection Audit
November 25, 2015

<ul style="list-style-type: none"> Establishing blanket contracts and on-call service contracts that can be used for common type of abatements rather than going through a competitive contracting process for each property that will be abated. Ensuring that each year the Fire Department invoices noncompliant property owners for all abatement costs, re-inspection fees, and administrative costs. Increasing the effectiveness of the Fire Department's billing system by programming the system to produce automated notices for outstanding amounts due. Having the Fire Department work with the Revenue Division to implement a collections process <p><u>To close this recommendation, the Fire Department must:</u></p> <ul style="list-style-type: none"> Work with the Revenue department to actively collect on issued invoices and finalize the collections and lien process for current and subsequent past due invoices. Implement a policy and establish supporting procedures so that future invoices are timely issued and past due invoices immediately addressed by City personnel. 	<p>Department's ability to more quickly send invoices to noncompliant property owners, track delinquencies, and transfer past-due amounts the City's Collections Unit.</p> <p>Specifically:</p> <ul style="list-style-type: none"> The Fire Department and the Revenue Division have been working together to use Oracle's billing module to automate invoices. The Fire Department has successfully completed two (2) billing cycles in Oracle and plans to move all billables through the same process. This process will ensure that "outstanding balance due" notices will be automatically generated in Oracle and that 90-day delinquent accounts will be referred to the Collections Unit. The Fire Department is working with the Revenue Division to update and implement citywide billing and collections policy. The Revenue Division and City Attorney's Office are also reviewing existing City ordinances with outdated language regarding the requirement for liens.
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City Administration's Detailed Response to Recommendation Follow-Up of the Vegetation Inspection Audit
November 25, 2015

7	<p>Work with the City Council to determine if parking that obstructs road access in the Oakland Hills is an enforcement priority and if so, an enforcement program should be Designed with input from community stakeholders. If this is determined to be an enforcement priority, the Administration and City Council should:</p> <ul style="list-style-type: none"> • Work with the Fire Department, Parking Enforcement, and any other applicable department to obtain a greater understanding of emergency road access needs in the Oakland Hills. If greater emergency access is needed, consider how to address the issue and then define and implement an action plan. • Consider the costs and benefits of promoting improved emergency vehicle access to the Oakland Hills by authorizing the Fire Department to issue tickets during annual fire inspections, roving fire patrols, or when the Fire Department encounters an obstruction. • Work with Parking Enforcement to more actively issue tickets for cars parked in the Oakland Hills that are obstructing road access and may hinder emergency responses, and if necessary have cars towed. 	<p>The Administration partially agrees with the recommendation.</p> <p>Representatives from the Fire Department, Fire Prevention Bureau, City Council, Parking Enforcement, and Police Department met on November 4, 2015 to discuss emergency road access and parking within the designated high Fire Severity zone.</p> <p>As has been previously mentioned, this is a complicated issue and requires sensitivity in balancing the needs of affected Oakland homeowners with the City's need for emergency road access. There is no easy or quick solution and the City must continue to also balance this issue with competing priorities.</p>
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**City Administration’s Detailed Response to Recommendation Follow-Up of the Vegetation Inspection Audit
November 25, 2015**

<p><u>To close this recommendation</u>, the Fire Department should work with the City Administrator and other stakeholders, such as the Public Works Agency, Parking Enforcement management, Oakland Police Department, citizen groups and the affected City Council Districts 1 and 4, to achieve a solution to the parking problem.</p>	
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