



BALTIMORE CITY FIRE DEPARTMENT

BIENNIAL FINANCIAL AUDIT

Fiscal Years Ended June 30, 2018 and 2017

Table of Contents

Independent Auditor's Report	1
Basic Financial Statements	
Schedule of Revenues, Expenditures and Encumbrances and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund	4
Statement of Revenues, Expenditures and Changes in Fund Balance – Cash Basis – Capital Projects	6
Statement of Receipts, Disbursements and Changes in Grant Cash Balances – Cash Basis	7
Notes to the Financial Statements	9
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	11
Schedule of Findings	13
APPENDIX I – Management's Response to the Audit Report	16

CITY OF BALTIMORE

JOAN M. PRATT, CPA
Comptroller



DEPARTMENT OF AUDITS

JOSH PASCH, CPA

City Auditor
100 N. Holliday Street Room 321, City Hall
Baltimore, MD 21202
Telephone: 410-396-4783
Telefax: 410-545-3961

Honorable Joan M. Pratt, Comptroller
and Other Members
of the Board of Estimates
City of Baltimore, Maryland

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, of the Baltimore City Fire Department (the Agency), an agency of the primary government of the City of Baltimore (City), Maryland, which comprise the *Schedule of Revenues, Expenditures and Encumbrances, and Changes in Fund Balance, Budget and Actual, Budgetary Basis, General Fund; Statement of Revenues, Expenditures and Changes in Fund Balance, Cash Basis, Capital Projects; and Statement of Receipts, Disbursements and Changes in Grant Cash Balances, Cash Basis*, for the fiscal years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 3. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, except for peer review requirements. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Biennial Financial Audit Report on Department of Housing and Community Development

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion

Management has made series of journal entries that materially misstate the financial statements. We noted that revenue and expenditures were materially understated. Please see Finding # 1 - # 3 in the *Schedule of Findings* for more information.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion paragraph, the financial statements referred to above do not present fairly, in accordance with cash basis of accounting described in Note 3, the financial position of the Agency, for the years ended June 30, 2018 and 2017.

Emphasis of Matter

As discussed in Note 2, the financial statements of the Agency are intended to present the changes of financial position, where applicable, of only that portion of the governmental activities, and the aggregate remaining fund information of the City that is attributable to the transactions of the Agency. They do not purport to, and do not, present fairly the financial position of the City as of June 30, 2019, and the changes in its financial position and its cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

We draw attention to Note 3 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters


Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 31, 2019, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters (see page 11). The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Respectfully,



Josh Pasch, CPA
City Auditor
Baltimore, MD
December 31, 2019

Baltimore City Fire Department
Schedule of Revenues, Expenditures and Encumbrances, and Changes in Fund
Balance -Budget and Actual – Budgetary Basis – General Fund
Fiscal Year Ended June 30, 2018

Fiscal Year 2018	Budget	Actual	Variance
Revenues			
Appropriation revenues	<u>\$ 240,798,746</u>	<u>\$ 234,151,043</u>	<u>\$ (6,647,703)</u>
Expenditures and Encumbrances			
Administration	9,225,321	6,157,685	(3,067,636)
Fire suppression and emergency rescue	159,271,866	158,288,649	(983,217)
Emergency management	744,985	1,257,512	512,527
Emergency medical services	27,797,319	26,041,995	(1,755,324)
Fire and emergency community outreach	388,617	311,409	(77,208)
Fire code enforcement	5,043,939	4,707,223	(336,716)
Fire investigation	1,060,091	753,443	(306,648)
Facilities maintenance and replacement	18,846,477	19,112,873	266,396
Fire communications and dispatch	13,450,491	13,405,331	(45,160)
Training and education	4,969,640	4,114,923	(854,717)
Total expenditures and encumbrances	<u>240,798,746</u>	<u>234,151,043</u>	<u>(6,647,703)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Beginning Budgetary Fund Balance	-	-	-
Ending Budgetary fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The notes to the financial statement are an integral part of this statement.

Baltimore City Fire Department
Schedule of Revenues, Expenditures and Encumbrances, and Changes in Fund
Balance - Budget and Actual – Budgetary Basis – General Fund
Fiscal Year Ended June 30, 2017

Fiscal Year 2017	Budget	Actual	Variance
Revenues			
Appropriation revenues	<u>\$ 230,621,475</u>	<u>\$ 222,425,190</u>	<u>\$ (8,196,285)</u>
Expenditures and Encumbrances			
Administration	8,827,455	6,442,371	(2,385,084)
Fire suppression and emergency rescue	156,441,379	155,132,654	(1,308,725)
Emergency management	706,124	1,116,255	410,131
Emergency medical services	21,872,637	23,615,289	1,742,652
Fire and emergency community outreach	382,340	287,627	(94,713)
Fire code enforcement	4,725,451	4,911,897	186,446
Fire investigation	940,069	864,294	(75,775)
Facilities maintenance and replacement	21,625,408	14,469,784	(7,155,624)
Fire communications and dispatch	11,106,049	11,604,611	498,562
Training and education	<u>3,994,563</u>	<u>3,980,408</u>	<u>(14,155)</u>
Total expenditures and encumbrances	<u>230,621,475</u>	<u>222,425,190</u>	<u>(8,196,285)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Beginning Budgetary Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Ending Budgetary fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The notes to the financial statement are an integral part of this statement.

Baltimore City Fire Department
Statement of Revenues, Expenditures and Changes in Fund Balance
Cash Basis – Capital Projects
Fiscal Years Ended June 30, 2018 and 2017

	Fiscal Year 2018	Fiscal Year 2017
Revenues		
Proceeds from bond sale	<u>\$ 514,152</u>	<u>\$ -</u>
Expenditures		
Capital outlay	<u>7,060</u>	<u>529,125</u>
Excess (Deficit) of Revenues over Expenditures	<u>507,092</u>	<u>(529,125)</u>
Beginning fund balance	<u>(560,746)</u>	<u>(31,621)</u>
Ending Fund Balance	<u><u>\$ (53,654)</u></u>	<u><u>\$(560,746)</u></u>

The notes to the financial statement are an integral part of this statement.

Baltimore City Fire Department
Statement of Receipts, Disbursements and Changes in Grant Cash Balances
Cash Basis
Fiscal Year Ended June 30, 2018

	Cash Balance Fiscal Year 2017 (Deficit)	Receipts	Disbursements	Cash Balance Fiscal Year 2018 (Deficit)
Federal Grants				
Administration	\$ (226,398)	\$ 226,398	\$ -	\$ -
Fire suppression and emergency rescue	(8,893)	1,519,906	1,914,538	(403,525)
Emergency management	(256,675)	235,850	-	(20,825)
Emergency medical services	(261)	35,051	34,790	-
Fire code enforcement	20,825	-	-	20,825
Facilities maintenance and replacement	-	230,517	-	230,517
Total Revenues, Expenditures and Change in Grant Balances - Federal	<u>\$ (471,402)</u>	<u>\$ 2,247,722</u>	<u>\$ 1,949,328</u>	<u>\$ (173,008)</u>
State Grants				
Fire suppression and emergency rescue	\$ 867,240	\$ (3,637,170)	\$ 1,434,615	\$(4,204,545)
Emergency management	(52,752)	7,338	-	(45,414)
Emergency medical services	68,063	15,648	115,915	(32,204)
Fire code enforcement	47,007	146,661	162,023	31,645
Facilities maintenance and replacement	(1,741,165)	1,359,217	1,209,018	(1,590,966)
Fire communications and dispatch	-	-	4,835	(4,835)
Total Revenues, Expenditures and Change in Grant Balances - State	<u>\$ (811,607)</u>	<u>\$ (2,108,306)</u>	<u>\$ 2,926,406</u>	<u>\$(5,846,319)</u>
Other Grants				
Administration	\$ (119,389)	\$ -	\$ -	\$ (119,389)
Fire suppression and emergency rescue	(12,430)	12,430	-	-
Emergency medical services	5,577,372	951,317	-	6,528,689
Fire code enforcement	1,100	(1,100)	-	-
Facilities maintenance and replacement	32	-	-	32
Fire communications and dispatch	(1,082,520)	4,241,861	3,637,616	(478,275)
Total Revenues, Expenditures and Change in Grant Balances - Other	<u>\$ 4,364,165</u>	<u>\$ 5,204,508</u>	<u>\$ 3,637,616</u>	<u>\$ 5,931,057</u>

The notes to the financial statement are an integral part of this statement.

Baltimore City Fire Department
Statement of Receipts, Disbursements and Changes in Grant Cash Balances
Cash Basis
Fiscal Year Ended June 30, 2017

	Cash Balance Fiscal Year 2016 (Deficit)	Receipts	Disbursements	Cash Balance Fiscal Year 2017 (Deficit)
Federal Grants				
Administration	\$ (226,398)	\$ -	\$ -	\$ (226,398)
Fire suppression and emergency rescue	(8,893)	312,809	312,809	(8,893)
Emergency management	(256,675)	-	-	(256,675)
Emergency medical services	(261)	-	-	(261)
Fire code enforcement	20,825	-	-	20,825
Facilities maintenance and replacement	(132,267)	132,267	-	-
Total Revenues, Expenditures and Change in Grant Balances - Federal	<u>\$ (603,669)</u>	<u>\$ 445,076</u>	<u>\$ 312,809</u>	<u>\$ (471,402)</u>
State Grants				
Fire suppression and emergency rescue	\$ (501,379)	\$ 1,368,619	\$ -	\$ 867,240
Emergency management	(52,719)	-	33	(52,752)
Emergency medical services	48,684	18,665	(714)	68,063
Fire code enforcement	47,391	-	384	47,007
Facilities maintenance and replacement	(1,229,366)	-	511,799	(1,741,165)
Fire communications and dispatch	-	-	-	-
Total Revenues, Expenditures and Change in Grant Balances - State	<u>\$ (1,687,389)</u>	<u>\$ 1,387,284</u>	<u>\$ 511,502</u>	<u>\$ (811,607)</u>
Other Grants				
Administration	\$ (119,389)	\$ -	\$ -	\$ (119,389)
Fire suppression and emergency rescue	(12,430)	-	-	(12,430)
Emergency medical services	4,840,896	736,476	-	5,577,372
Fire code enforcement	1,100	-	-	1,100
Facilities maintenance and replacement	32	-	-	32
Fire communications and dispatch	-	2,681,694	3,764,214	(1,082,520)
Total Revenues, Expenditures and Change in Grant Balances - Other	<u>\$ 4,710,209</u>	<u>\$ 3,418,170</u>	<u>\$ 3,764,214</u>	<u>\$ 4,364,165</u>

The notes to the financial statement are an integral part of this statement.

**Baltimore City Fire Department
Notes to the Financial Statements
Fiscal Years Ended June 30, 2018 and 2017**

1. Description of the Fire Department

The mission of the Agency is to protect lives, property and the environment within the corporate limits of Baltimore City.

The City Charter establishes the Agency, and its roles and responsibilities are specified in the City Code. Its primary and most visible functions are to prevent and suppress fires, and to provide emergency medical services.

Although response to emergencies is the focus of most of the Agency's resources, increased prevention efforts including residential fire safety training, the Mobile Safety Center, the Juvenile Fire Setters Intervention Program, early childhood education and the free smoke detector programs have been extremely effective in controlling the incidence of fires and related injuries.

2. Fund Financial Statements

These financial statements have been prepared on a cash basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, they do not represent the financial position of the City or the Agency. The Agency's services are reported in the City's general, special revenue and capital projects funds. The Agency annually receives appropriations from both the general, internal service, and special revenue funds. The general fund and internal service fund appropriations expire at year end. The special revenue funds receive grants from the Federal, State and other sources. Appropriations for special revenue funds do not expire at year end and continue until they are used for grant related expenditures. Because of these differences, the financial statements of the Agency's general fund activities are reported on a budgetary basis in the *Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance*. The financial statements of the special revenue funds are reported in the *Statement of Revenues, Expenditures and Changes in Fund Balance and Grant Cash Balances*.

3. Summary of Significant Accounting Policies

The financial statements of the Agency are prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles (GAAP). This basis of presentation differs from GAAP in the United States of America in that revenues are recognized when received rather than earned and expenses are recognized when paid rather than when the obligation is incurred. Specifically, the variances from GAAP include the omission of receivables and payables of the Agency, and such variances are presumed to be material. The accompanying financial statements are not intended to present the financial position and results of operations in conformity with GAAP.

Baltimore City Fire Department
Notes to the Financial Statements
Fiscal Years Ended June 30, 2018 and 2017

4. Budget Process

The Agency participates in the City's Outcome Based Budgeting process. The Outcome Based Budgeting is a budget process that aligns resources with results produced. This budgeting tool integrates strategic planning, long-range financial planning and performance management, and is a recommended practice of the Government Finance Officers Association.

5. Advance from the City

Advances from the City represent cash advances by the City that have not been reimbursed by the grantor(s). Cash advances not reimbursed by the grantor(s) will be the responsibility.

6. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and members of the public; and natural disasters. The Agency is a chartered agency within the City municipal government. Therefore, its exposure to various risks is managed by the City's Office of Risk Management.

7. Subsequent Events

No subsequent events have occurred that would require recognition or disclosure in the financial statements as of December 31, 2019.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS



Honorable Joan M. Pratt, Comptroller
and Other Members of the
Board of Estimates
City of Baltimore, Maryland

In planning and performing our audit of the financial statements of the Baltimore City Fire Department (Agency) as of and for the years ended June 30, 2018 and 2017 in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies, or control deficiencies may exist that were not identified. However, as described in the accompanying *Schedule of Findings*, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying *Schedule of Findings* as Findings #1 – # 3 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Biennial Financial Audit Report on Department of General Services

Department of Finance and City of Baltimore's Fire Department Response to Findings

The Department of Finance's (DOF) and the Agency's responses to the findings identified in our audit are described in *Appendix I – Management's Response*. Their responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully,



Josh Pasch, CPA
City Auditor
Baltimore, Maryland
December 31, 2019

**Baltimore City Fire Department
Schedule of Findings
Fiscal Years Ended June 30, 2018 and 2017**

Finding #1: Material Weakness - Financial statement reporting of revenues and expenditures were understated.

The Agency and Bureau of Accounting and Payroll Services (BAPS) understated revenues. Revenues of \$19 million and \$19.8 million that were originally recorded as Emergency Medical Service (EMS) revenues under other grants were transferred to the general fund and recorded as a reduction in EMS expenditures in Fiscal Years (FY) 2018 and 2017, respectively (see pages 4, 5 and 7). Fire Suppression and Emergency Rescue revenue of \$3.6 million was transferred out of state grants and resulted in negative revenue on the statement in FY 2018 (see page 7). As a result, financial statement revenues and expenditures were understated by the EMS revenues collected. Fire Suppression and Emergency Rescue revenue under state grants was incorrectly presented as a negative \$3.6 million of revenue.

Table I

Summary of Material Revenues Recorded in an Expenditure Account

Special Fund Account	FY 2018 Amount
Other Grant Operating Revenue	\$19,070,309
State Grants	3,657,120
Total	\$22,727,429

Special Fund Account	FY 2017 Amount
Other Grant Operating Revenue	\$19,824,134

The entries were made to transfer revenues from the special fund account to the City of Baltimore’s general fund as planned in the budget. EMS revenues are recorded in accounts designated as Other Grant Revenue when received. Most of the revenues are transferred to the general fund to match the budget. Regarding the \$3.6 million, no supporting documentation was provided by BAPS or the agency.

**Baltimore City Fire Department
Schedule of Findings
Fiscal Years Ended June 30, 2018 and 2017**

Financial statements should reflect actual expenditures and receipts only. Revenues should be recorded as revenues and not as a reduction of expenditures.

Recommendation #1:

We recommend the Agency Chief and the Director of DOF present revenues earned as revenues on the financial statements.

Finding #2

Material Weakness Over Payroll Timekeeping Function

Please see page 43 of the 2018 *Comprehensive Annual Financial Report* for Material Weakness Over Payroll Timekeeping Function.

Finding #3: Material Weakness - Many documentation was missing to support selected revenue transactions for testing.

The Agency was not able to provide documentation for FYs 2018 and 2017 revenue activities for testing (see Table II). As a result, Management was not able to demonstrate whether selected revenue transactions were accurately recorded. Without supporting documentation, the validity of the transactions cannot be determined, and balances could be improperly stated. There is a risk of management override and fraudulent financial reporting. There would also be no way to determine if the Agency's financial statements are free of material misstatement.

Table II

Summary of Exceptions for Selected Revenue Transactions

Selected Revenue Transactions	FY 2018			FY 2017		
	Occurrences	Percent	Amount	Occurrences	Percent	Amount
State Grant Fund (5000)	6 of 8	75	\$11,803	0 of 1	0	\$0
Other/Private Grant Fund (6000)	21 of 21	100	(2,646,013)	26 of 36	72	(2,188,578)
Total			\$(2,634,210)			\$(2,188,578)

**Baltimore City Fire Department
Schedule of Findings
Fiscal Years Ended June 30, 2018 and 2017**

A cause for missing supporting documentation is because the Agency and BAPS are not retaining pertinent supporting documentation for revenue and expenditure transactions.

According to the *Standards for Internal Control in the Federal Government* issued by the Comptroller General of the United States, management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The Agency is responsible for maintaining detailed records over their revenue and expenditure transactions in accordance with accounting principles generally accepted in the United States of America.

Recommendation # 2:

We recommend the Agency Chief and the Director of DOF develop a process for keeping adequate records over its financial transactions

APPENDIX I

Management's Response

Date: December 31, 2019

To: Josh Pasch, City Auditor

Subject: Management Response to Audit Report:
Biennial Financial Audit Report on Baltimore City Fire Department for the Fiscal
Years Ended June 30, 2018 and 2017

Our responses to the audit report findings and recommendations are as follows:

Recommendation # 1

We recommend the Agency Chief and the Director of DOF present revenues earned as revenues on the financial statements.

Management Response / Corrective Action Plan

Agree

Disagree

The Department of Finance agrees with the finding and recommendation. The entry as completed, while not conforming to the Auditor's suggestion, had no impact on the City's general fund balance – and had no impact the City's balance sheet. However, in the future we shall record such revenues as recommended by the auditor.

Implementation Date

Within one year of the date of this report.

Responsible Personnel

Chief Bureau of Accounting and Payroll Services.

Recommendation #2

We recommend the Agency Chief and the Director of DOF develop a process for keeping adequate records over its financial transactions.

Biennial Financial Audit Report on Baltimore City Fire Department

Management Response/Corrective Action Plan

Agree **Disagree**

Revenue that is received via wire transfer is sent directly to BAPS. The only interaction with the agency is via email or phone to provide correct account number for deposit. The agency asks for supporting documentation which is sometime received and other times not provided. The agency maintains corresponding expenditures pertaining to revenue and reimbursement requests to grantors.

Implementation Date

Within one year of the date of this report.

Responsible Personnel

James M. Fischer, Chief of Fiscal Services, 410-396-3092