

BALTIMORE CITY FIRE DEPARTMENT

Biennial Performance Audit
for Fiscal Years Ended June
30, 2022 and 2021

City Auditor, Josh Pasch
April 16, 2024



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Office of the Comptroller
Josh Pasch, City Auditor
100 N. Holliday St., Room 321
Baltimore, Maryland 21202

Honorable Bill Henry, Comptroller
and Other Members
of the Board of Estimates
City of Baltimore

EXECUTIVE SUMMARY

We conducted a *Biennial Performance Audit of the Baltimore City Fire Department for the Fiscal Years Ended June 30, 2022 and June 30, 2021*. The objectives of our performance audit were to: (1) determine whether the Baltimore City Fire Department's (BCFD) Use & Occupancy (U&O) permit review and fire inspection processes are efficient¹; and (2) follow up on prior findings and recommendations included in the previous biennial performance audit report dated October 26, 2021.

Our audit concludes that BCFD does not monitor key milestones (see textbox) to evaluate the efficiency of the fire permit issuance process for both annual and U&O fire inspections. There are no established benchmarks to compare the

actual amount of time to complete an inspection and issue a permit. Also, BCFD is unable to identify the causes of delays for all annual and U&O fire inspection permits. To identify inefficiency, BCFD can research a cause of delay for an individual permit; however, BCFD is unable to do an overall analysis for all annual and U&O fire inspection permits issued in a previous fiscal year(s). In addition, data that is available is insufficient to support this monitoring. Specifically, the data is not readily available, the data is disjointed, the data is not reliable, and the data is not tracked by business types. Tracking this information is important because turnaround times may be different based on business types.

Key Milestones

Turnaround times between the:

- Referral date from Department of Housing and Community Development (DHCD) to BCFD and the assigned date to BCFD inspector (for U&O);
- Payment received date and the assigned date to BCFD inspector (for annual fire inspection permits);
- Assigned date to BCFD inspector and the inspection start date;
- Inspection start date and the inspection completion date; and
- Inspection completion date and the permit issued date.

¹ The objective was subsequently extended to annual fire inspection permit renewal.

We analyzed the available data, and key statistics are presented in Chart II, Chart III, and Table III (see Appendix I on page 13 and 14). **However, due to inconclusive data and lack of established benchmarks, we were unable to address the audit objective.** Based on available data, our analysis indicates the average turnaround time was:

- Fire inspection permits for U&O – 58 days (FY 2022) and 76 days (FY 2021); and
- Annual inspection permits – 53 days (FY 2022) and 62 days (FY 2021).²

The objective of the prior audit was to assess whether BCFD has adequate and effective policies and procedures to administer and operate the fire watch programs. Of the four prior recommendations that we followed up as part of the biennial performance audit, two were not implemented and two were partially implemented. Two were not implemented due to the transitioning to the new management. The new management was unaware of the findings and recommendations from the previous audit. The anticipated implementation date is June 2024. We will follow up on these two findings and recommendations in the next Biennial Performance Audit which occurs in calendar year 2025. Two were partially implemented because:

- Annual review of Special Events service rate for Fiscal Year 2022 was completed and approved in May 2022. However, the subsequent annual reviews were not completed for Fiscal Year 2023; and
- In Fiscal Year 2023, 18 agencies were required to submit their Continuity of Operations Plan (COOP). Of 18 agencies, three agencies, or 17 percent did not submit COOPs. The three agencies are the Office of City Comptroller, Baltimore Police Department, and Department of Public Works.

To improve the efficiency of the BCFD annual and U&O fire inspection permit process, we recommend the BCFD Chief implement the recommendations included in this report. Management's responses are included in Appendix II on page 15.

We wish to acknowledge BCFD's, Baltimore City Information Technology's (BCIT), Department of Finance's (DOF), and DHCD's cooperation extended to us during our audit.

Respectfully,

Josh Pasch

Josh Pasch, C.P.A.
City Auditor
City of Baltimore, Maryland
April 16, 2024

² The analysis was based on data downloaded from DHCD CCE System as of January 08, 2024 and 3270 System as of December 07, 2023. See additional analysis in Appendix I on page 13.

BACKGROUND INFORMATION

Baltimore City Fire Department

The BCFD pledges to protect lives, property, and the environment through a safe, effective, and timely response. The BCFD utilizes an innovative approach to providing emergency medical services, fire suppression, rescue operations, emergency communications and fire prevention, community outreach and public education, as well as other services. Fire Code Enforcement is one of the many major services facilitated by BCFD that reduces the likelihood of fires and ensures that buildings meet safety regulations. Fire inspections increase the safety of all concerned. These inspections help identify possible hazards and unsafe conditions that may be present in buildings. The Fire Code Enforcement service includes building inspections, plans review, and fire safety equipment testing. Fire building inspection is accomplished through two processes: (1) U&O inspection; and (2) annual fire inspection.

Fire Inspection Process for Use & Occupancy Permits

Businesses apply for a U&O permit online through the DHCD's CCE Permit System. The DHCD will forward the completed application to the Office of Zoning (Zoning) for approval. Zoning reviews and determines if the application will be approved based on City Ordinances and Zoning Codes. Once approved by Zoning, DHCD refers a fire inspection request to the Office of Fire Marshal (OFM) (referral date). The OFM designated personnel: (1) assign the referrals to the inspectors; and (2) record this activity in the DHCD CCE Permit System (date inspection is assigned to an inspector). Subsequent dates for key activities (payment receipt, approved or disapproved, and permit issuance) are tracked in the BCFD's 3270 System. Assigned inspectors document the date in the DHCD CCE Permit System to indicate whether fire permits are approved, disapproved, or pending.

Annual Fire Inspection Permits

Based on building classifications, annual fire inspections are performed using the Baltimore City Zoning Codes, International Fire Codes, and International Building Codes. If no violations are found, OFM will renew the permits. To assist in timely renewal of permits, the City issues 30-day, 60-day, expired, and final notices to businesses. Businesses must make payments to renew permits. The OFM encourages businesses to call 311 Salesforce System. However, the trigger to initiate the fire inspection process is the payment date. The OFM tracks payment receipt date, as well as, the other activity dates (assigned to inspectors, approved / disapproved, and permit issuance) in the BCFD's 3270 System or Fire Records Management System (FRMS)³.

The Table I on next page summarizes the data availability in different systems.

³ The FRMS system is an internal BCFD database which is backed up and maintained by BCIT.

Table I

Data Availability in Significant Systems

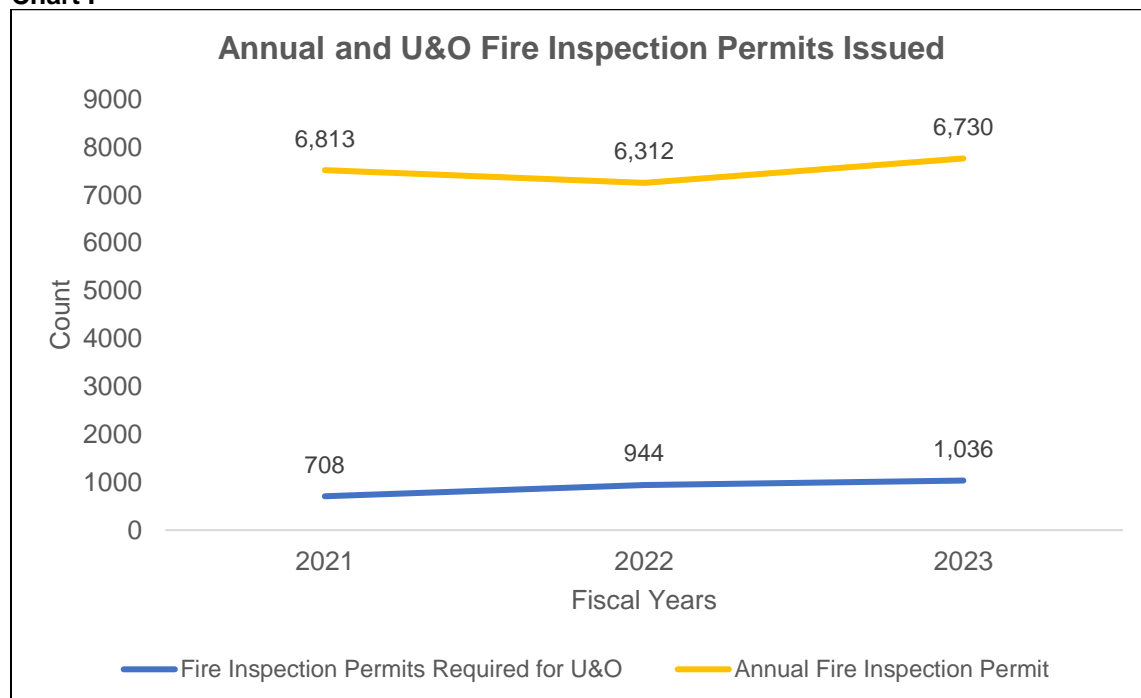
Type	Key Tasks	Systems
U&O	Referral Date from DHCD to BCFD	DHCD's CCE Permit System
Both	Payment Date	BCIT's 3270 System
U&O	Inspection is assigned to an inspector	DHCD's CCE Permit System
Annual Fire Inspection Permit	Inspection is assigned to an inspector	FRMS
Both	Actual inspection date	FRMS
Both	Completion of inspection or a permit approved	BCIT's 3270 System (annual), FRMS, DHCD's CCE Permit System
Both	Permit Issuance	BCIT's 3270 System

Source: BCFD

Fire Inspection Permits Issued

Chart I below summarizes the total number of U&O and annual fire inspection permits issued by the OFM in Fiscal Years 2021, 2022, and 2023.

Chart I



OBJECTIVES, SCOPE, AND METHODOLOGY

We conducted our performance audit in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The objectives of our audit were to:

- To determine whether the BCFD's U&O permit review and fire inspection processes are efficient⁴; and
- To follow up on prior findings and recommendations.

To accomplish our objectives, we:

- Obtained and reviewed OFM Policy Manual for U&O and annual fire permits;
- Interviewed key individuals from BCFD - OFM to obtain an understanding of the processes and procedures that govern the U&O and annual fire permits;
- Interviewed Mayor's Office of Emergency Management (MOEM) to follow up on prior findings related to the COOPs;
- Visited MOEM office to review COOPs submitted by required agencies;
- Tested efficiency of U&O and Annual Permits issuance;
- Verified whether: (1) users in 3270 System are appropriate; and (2) they have compatible access; and
- Validated that backup for 3270 System are performed daily, weekly, and monthly.

⁴ The objective was subsequently extended to annual fire inspection permit renewal.

SECTION I: CURRENT FINDING AND RECOMMENDATION

Finding I: BCFD Does Not Monitor Key Milestones to Evaluate the Efficiency of the Fire Permit Issuance Process.

The BCFD does not monitor the efficiency of issuing annual and U&O fire inspection permits. Fire inspection assess and mitigate potential fire-hazards and life-safety hazards in buildings. Without monitoring the efficiency of U&O and annual fire inspection permits, BCFD may not be able to demonstrate that they are efficiently performing inspections and identify areas to improve.

Furthermore, BCFD does not have established benchmarks to compare the actual amount of time to complete an inspection and issue a permit⁵. Also, BCFD is unable to identify and assess causes of delays for annual and U&O fire inspection permits. In addition, data available is insufficient to support the monitoring of key milestones (See textbox on page 1) because of the following reasons:

- **Data is not readily available.** Data (key dates to measure efficiency and identify causes of delays) resides in DHCD's CCE Permit System, FRMS⁶, and BCIT's 3270 System. We were able to obtain the data from DHCD's CCE Permit System and BCIT's 3270 System. However, the report with key milestones was not provided to the Department of Audits (Audits) although multiple requests were made to BCFD and BCIT. The FRMS has key data including inspection start date, completion date, and follow up date as well as permit issued date and mailed date. To identify inefficiency, BCFD can research a cause of delay for an individual permit; however, BCFD is unable to do an overall analysis for annual and U&O fire inspection permits issued in a previous fiscal year(s).
- **Data is disjointed.** Although permit data can be manually traced from one system to another for individual permits, an overall analysis of permits data across the multiple systems is not possible due to inconsistent data formats. For example, business names and addresses in one system are not formatted the same in the other systems.
- **Data is not reliable.** Dates in all systems are manually entered, which is prone to human errors. Additionally, since the fields are not locked down, it may result in advertent or inadvertent changes. Specifically, of 15,012 permits for annual

⁵ According to the *Office of the Fire Marshal Policy Manual*,

- Annual – “Initial attempts to contact shall be made within 10 working days of receipt of Inspection Form.”
- U&O – “Contact of applicant shall be made within 10 working days of the date the inspector was assigned application.”

⁶ The FRMS system is an internal BCFD database which is backed up and maintained by BCIT.

inspections for Fiscal Years 2022 and 2021, we found 1,887 permits, or 13 percentage of the data was incorrectly recorded (e.g. April 31, 2022).

- **Data is not tracked by business type in 3270 System.** Tracking this information is important because turnaround times may be different based on business types.

We analyzed the available data and key statistics, which are presented in Chart II, Chart III, and Table III (see Appendix I on page 13 and 14). **However, due to inconclusive data and lack of established benchmarks, we were unable to address the audit objective** (see page 1).

According to the *Standards for Internal Control in the Federal Government* issued by the *Comptroller General of the United States*, “management determines whether performance measures for the defined objectives are appropriate for evaluating the entity’s performance in achieving those objectives. For quantitative objectives, performance measures may be a targeted percentage or numerical value. For qualitative objectives, management may need to design performance measures that indicate a level or degree of performance, such as milestones.”

Recommendation I: For both annual and U&O fire inspection permits, we recommend the BCFD Chief require OFM:

- Establish expected turnaround times for key tasks;
- Start tracking dates for key tasks in the respective systems;
- Identify unique identifier to join data from significant systems;
- Make sure these significant systems have controls to protect data integrity; and
- Monitor efficiency and causes of delays.

SECTION II: IMPLEMENTATION STATUS OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS

Table II

Summary of Implementation Status of Audit Findings and Recommendations from the Biennial Performance Audit Report for Fiscal Years Ending 2020 and 2019

No.	Findings	Prior Recommendations	Management's Self-reported Implementation Status	Auditor's Assessment
1.	The OFM does not have adequate accounting and financial controls (segregation of duties, payment deposits validation, and monitoring accounts receivable) to ensure billing and payment information is recorded accurately. Without proper segregation of duties and an independent review and reconciliation of invoicing and payments, payments could be intentionally or unintentionally lost or stolen and not detected by management (fraud risk). Additionally, BCFD cannot assure whether payments are received in a reasonable timeframe (or at all) for all invoices that OFM issues (financial risk).	<p>1) Establish and implement procedures to adequately segregate the invoicing, collection, and recordation of Level III fire watch and special event activities.</p> <p>We recommend the BCFD Chief work with the Director of DOF to:</p> <p>2) Transfer the Mainframe and manual billing processes to Workday and;</p> <p>3) Establish and implement formal (written, approved, dated) policies and procedures for billing, recording invoice and payment transactions, monitoring accounts receivable, and validating payment deposits.</p>	<p>Partially Implemented.</p> <p>(1) Special Events Group sends out the invoices and the Permit Technician and Administrative Captain process the checks. An independent verification process has not been implemented.</p> <p>(2) Has not been implemented.</p> <p>(3) Has not been implemented. Special Events Division was unaware of findings and recommendations for Implementation Dates.</p>	<p>Not Implemented.</p> <p>1) See number. 1 in the previous column. Estimated completion date is June 2024.</p> <p>Transfer of the mainframe and manual fire watch, permit and special event invoicing, and accounting activities to the Workday platform has not been initiated. The OFM and the BCFD Chief Fiscal Officer had discussions with both BCIT and DHCD. Discussions were to use software to be able to perform the fire permit process needed for both new business, ongoing annual permits, and special events. This will allow the public to be able to make online payments for the services in WorkDay. If</p>

No.	Findings	Prior Recommendations	Management's Self-reported Implementation Status	Auditor's Assessment
1. cont.				<p>BCFD determines that this is attainable in Workday, the process is anticipated to take eight months.</p> <p>2) See number 3 in the previous column. Estimated completion date is June 2024.</p> <p>We will follow up this finding and recommendation in the Biennial Performance Audit in Calendar Year 2025.</p>

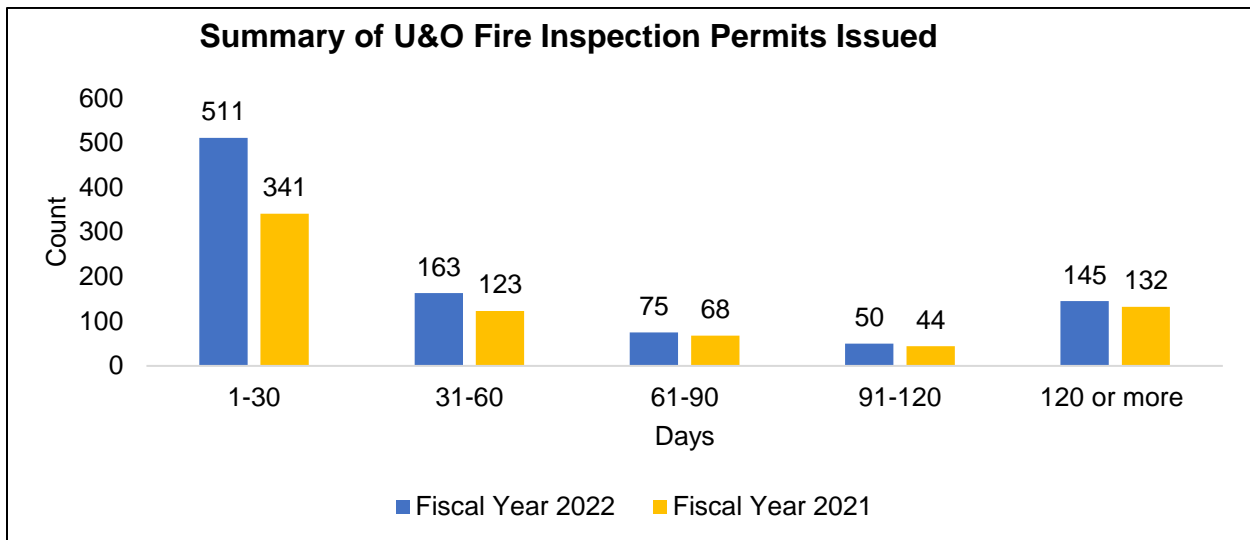
No.	Findings	Prior Recommendations	Management's Self-reported Implementation Status	Auditor's Assessment
2.	<p>Although OFM uses a Microsoft Excel spreadsheet to track Level III fire watch financial activities, OFM does not manually record Level I and II services to evidence support services provided. There is no system generated report (or log) showing Level I, II, III services provided. Additionally, the OFM does not retain supporting documentation such as contracts, daily logs, citations, and work orders after 30 days to evidence performance of all related fire watch activity.</p> <p>The cause of the finding is because OFM does not have formal (written, dated, approved) policies and procedures required to: (1) record Level I, II, III fire watch services; (2) maintain key documentation; and (3) establish retention periods for these documents.</p>	<p>1) Establish formal (written, dated, approved) Fire Watch policies and procedures requiring recording, documentation, and retention of documentation for Level I, II, and III fire watch services. These can be implemented in Salesforce.</p> <p>2) Implement those policies and procedures</p>	<p>Partially Implemented.</p> <p>The Special Events Division maintains a file of Level III Fire Watches. The recipient of Fire Watches services is required to sign a contract for billing purposes. However, there is not a procedure requiring recordation, documentation, and retention of records.</p>	<p>Not Implemented</p> <p>The BCFD has not established formal (written, dated, approved) Fire Watch policies and procedures requiring recording, documentation, and retention of documentation for Level I, II, and III fire watch services. Estimated completion date is June 2024.</p> <p>We will follow up this finding and recommendation in the Biennial Performance Audit in Calendar Year 2025.</p>

No.	Findings	Prior Recommendations	Management's Self-reported Implementation Status	Auditor's Assessment
3.	<p>The BCFD is not recovering the actual costs for coverage at Level III fire watches and special events. The BCFD bills and is reimbursed by Level III fire watch and special event organizers for overtime worked by the assigned BCFD staff.</p>	<p>We recommend the BCFD Chief and Director of DOF:</p> <ul style="list-style-type: none"> 1) Annually evaluate, and revise the flat rate used for invoicing to more closely reflect, actual overtime paid; and 2) Retain documentation evidencing the results of the review. 	<p>Per BCFD response, Fire Marshal stated the review, analysis and update was implemented. Approval was obtained by the Board of estimates on May 5, 2022. New Special Events Fee is \$60 per hour.</p> <p>Per DOF response, Implemented. The Special Events Fee was increased from \$45 per hour to \$60 per hour in May 2022.</p> <p>The DOF agrees with the recommendation to increase the reimbursement rate to match the actual overtime rate for Fire. Through use of this process, Fire was able to increase the special events overtime rate. The DOF will coordinate with OFM to annually evaluate and revise the flat rate.</p>	<p>Partially Implemented</p> <p>Annual review of Special Events service rate for Fiscal Year 2022 was completed and approved in May 2022. According to DOF, the Fiscal Year 2023 annual review will be presented to the Board of Estimates (BOE) for approval in December 2023. However, we did not observe any annual review listed in the BOE December 2023 agenda.</p>

No.	Findings	Prior Recommendations	Management's Self-reported Implementation Status	Auditor's Assessment
4.	<p>Service 608 – Emergency Management - Percent of City Agencies with a Complete Continuity of Operations Plan</p> <p>The Fiscal Year 2016 target was 85 percent, but the actual amount, as reported in Fiscal Year 2018 Budget Book, was 75 percent. According to MOEM, the targets were not met because of the lack of personnel to assist City agencies to develop and review the COOP. The target for Fiscal Year 2015 was originally reported as 90 percent in Fiscal Year 2015 Budget Book but was reduced to 80 percent in Fiscal Years 2016 and 2017 Budget Books. The actual amount for Fiscal Year 2015, as reported in the Fiscal Year 2017 Budget Book, was 75 percent. Nevertheless, neither the original target nor the reduced target measures were met.</p>	<p>1) Identify and address the causes for not meeting the established targets.</p> <p>2) Obtain the Finance's approval for any revisions to prior year performance measure targets. Any approved changes to performance measure targets should not be changed in subsequent year Budget Books without adequate disclosure, to avoid misleading performance results.</p> <p>Additional Auditor's recommendation:</p> <p>3) Revise the Continuity of Operations Plan, AM-110-01, to require agencies to participate in the Continuity Planning Program and periodically (e.g. quarterly, semi-annually, annually) communicate with MOEM and report their current version of their COOPs.</p> <p>4) Director of MOEM follow this revised AM-110-01, when implemented.</p>	<p>In Fiscal Year 2020, only 13 out of 24 agencies had a COOP plan. In Fiscal Year 2021, only 75 percent of agencies had their plans either in draft or completed. Currently, 21 out of 24 agencies have COOP plans completed. This was not a requirement in the Fiscal Years 2022, 2023, or 2024 budget books. The MOEM did not address changes to Administrative Manual 110.01. The MOEM Director does not have the authority to hold another Agency Directors accountable for not having a COOP plan. The MOEM is a subject matter expert when it comes to COOP planning. The MOEM can assist agencies with COOP plan development. It would be up to the Mayor's Office or the City Administrator's Office to hold Agency Directors accountable for not having their COOP plans up to date. Therefore, it is not recommended for OEM to update the administrative procedure for COOP.</p>	<p>Partially Implemented</p> <p>In Fiscal Year 2023, 18 agencies were required to submit COOPs. Of 18 agencies, three agencies, or 17 percent did not submit COOPs. Three agencies are Office of City Comptroller, Baltimore Police Department, and Department of Public Works.</p>

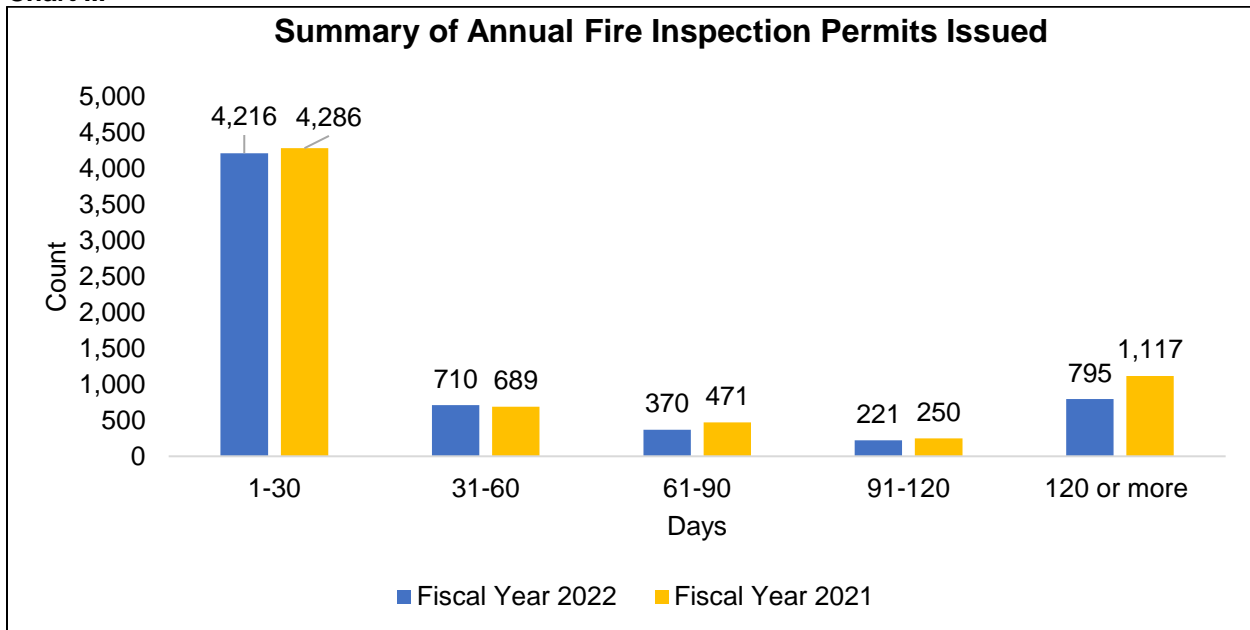
APPENDIX I: DATA ANALYSIS

Chart II



Source: DHCD CCE Permit System as of January 08, 2024

Chart III



Source: BCIT 3270 System as of December 07, 2023

Table III

Statistics for U&O and Annual Fire Inspection Permits

Statistics	U&O		Annual	
	FY 2022	FY 2021	FY 2022	FY 2021
Mean (Average)	58	76	53	62
Median	27	34	10	12

Sources: DHCD CCE Permit System as of as of January 08, 2024 and BCIT 3270 System December 07, 2023

Notes for Chart II, Chart III, and Table III:

1. Fire Inspection Permits for U&O - We measured the turnaround time from when DHCD refers the inspection to BCFD to when BCFD issued a fire inspection permit.
2. Annual Fire Inspection Permits - We measured the turnaround time from when BCFD receives payments for permit renewal to when BCFD issued a fire inspection permit.
3. Median is the middle value when the data is ordered from smallest to highest. The median is often used when the data are skewed or have outliers. Median divides the data into two equal halves and represents the central tendency of the distribution. On the other hand, mean is affected by the extreme values and may not clearly reflect the typical value of the data.

APPENDIX II: MANAGEMENT'S RESPONSE TO THE AUDIT REPORT

Date: April 12, 2024

To: Josh Pasch, City Auditor

Subject: Biennial Performance Audit Report on the Baltimore City Fire Department for the Fiscal Years Ended June 30, 2022 and 2021

Our responses to the audit report finding and recommendation are as follows:

Recommendation I

For both annual and U&O fire inspection permits, we recommend the BCFD Chief require OFM:

- Establish expected turnaround times for key tasks;
- Start tracking dates for key tasks in the respective systems;
- Identify unique identifier to join data from significant systems;
- Make sure these significant systems have controls to protect data integrity; and
- Monitor efficiency and causes of delays.

Management Response / Corrective Action Plan

Agree **Disagree**

Management agrees with the recommendation and has proposed a corrective action plan, which involves the implementation of the New Accela Permitting System.

Several systems referenced in the report are not under the purview of BCFD and therefore data retrieval and interpretation of the acquired data is not reliable. Delineation of which systems currently fall under the control of BCFD, and which systems fall under the control of other city agencies is explained below.

The Baltimore City Fire Department RMS {Fire Records} is currently maintained by BCFD IT and is not utilized or intended to be used for invoicing, inter-agency use, permit issuance, or use outside of repository data for fire department incident responses {Fire/EMS/Rescue}, general data entry of inspections completed for fire code compliance, pre-planning of locations for incident response, and other administrative features such as tracking fire hydrant maintenance, training classes, etc.

The 3270 {Mainframe/Blue Zone} is not under the purview of BCFD and is under the administration of BCIT. Generation of reports from this system may be requested but the system's capabilities may not be able to provide the requested information. This system has been acknowledged as obsolete and it is unknown if this system will be replaced.

The CCE system is not under the purview of BCFD and is under the administration of DHCD. Generation of reports from this system may be requested but the system is currently not able to have new reports created and reports that are active in the system are subject to requiring additional manipulation to interpolate the data.

The CCE system is being replaced by the Accela Government Software under contract with DHCD. The OFM is actively engaged with DHCD for all current aspects of permit issuance be moved from CCE and 3270 to the Accela System. The new system will merge tracking of OFM's participation in the U&O process, create OFM permits, collect fees, schedule inspection request, provide reports, and create invoices. The Accela System will not replace Fire Records as it will continue to perform its primary function for fire incident reporting as mandated by codes, laws, and federal mandates that required such reporting for various purposes.

The Accela system is anticipated to meet the recommendations noted in this report.

Implementation Date

Action Plan: The Accela system is in an active design phase and milestone recommendations noted below are part of the design phase.

- Establish expected turnaround times for key tasks.
- Identify unique identifier to join data from significant systems.

Action Plan: Accela testing phase anticipated start date is June 1 , 2024. Testing to meet milestones noted below will be incorporated.

- Start tracking dates for key tasks in the respective systems.
- Identify unique identifier to join data from significant systems.
- Make sure these significant systems have controls to protect data integrity; and

Action Plan: Accela live system use has an anticipated start date of December 2024 / January 2025

Action Plan: Accela live system data evaluation to meet milestones noted below. Will be evaluated 90 days and 180 days after system is live for use.

- Evaluate expected turnaround times for key tasks.
- Evaluate tracking dates for key tasks in the respective systems.
- Evaluate if dates from prior systems are incorporated into new system.
- Evaluate data integrity; and
- Evaluate efficiency and causes of delays.

Responsible Personnel:

- Sean Eames, Deputy Chief, OFM, 410-396-5752
- Dennis Dawson, A/Fire Commander, OFM, 410-396-5752
- Natarsha Bank, Administrative Captain, OFM, 410-396-5752