

# 24-02 Fire Inspection Fees Audit

*August 28, 2024*



C I T Y O F  
**RENO**

# Internal Audit Function @ City

- To provide the City of Reno with an independent appraisal function designed to assist the Reno City Council, constituents, and City management in establishing accountability, transparency, and a culture of continuous improvement in City operations.
- At its core, Internal Audit helps the organization achieve its objectives.



# Purpose of the Audit

## Analysis and Assessment of Fire Prevention Bureau Inspection Fees

Independent ✓

Objective ✓



# Fire Prevention Bureau

- Fire Inspection Program
- Fire Plan Review Program
- Fire Prevention Public Education Program
- Fire Investigations



# Audit Findings

## Fire Inspection Fees – Areas of Risk

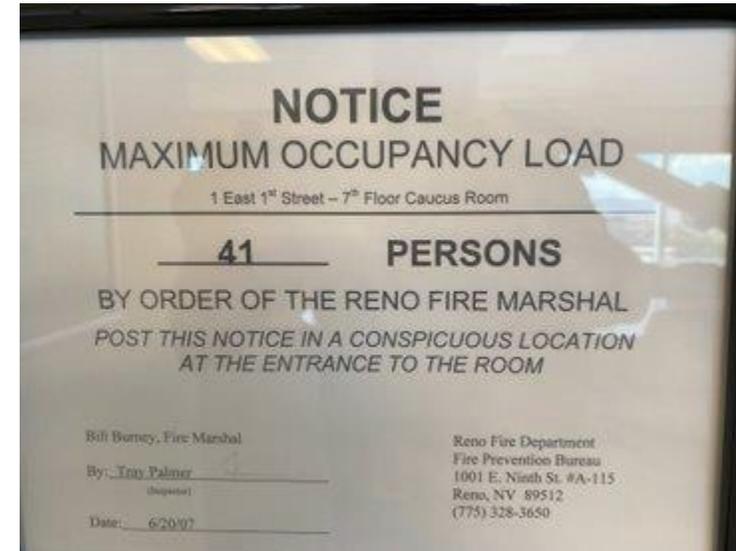
- Barriers to Program Objective Achievement
- Inconsistent Fee Assessments and Collections
- Outdated Software
- Expenditure Processing Errors

**13 Findings  
were noted**



# Findings: Program Objectives Achievement

- Inconsistent Inspection Policy and Metrics
- Permit Issuance



# Findings: Fee Assessments/Collections

- Burdensome Administrative Duties
- Non-Profit Inspection Fee Assessment
- Non-Profit Inspection Workflow\*
- Governmental Agencies Inspection Fee Assessment\*
- Lack of Late Fees
- Credit Card Processing\*

*\*may require collaboration with other departments*



# Findings: Outdated Software

- Invoice Processing
- Duplication of Efforts



NEW SOFTWARE IMPLEMENTATION  
MAY 2024

# Findings: Expenditure Processing Errors

## **Authorization Errors**

- Expenditures paid without proper authorization

## **Signature Verification (non-Fire Dept. Findings)**

- Lack of Signature Authority documentation
- Records Management Policy



# Audit Recommendations

- Update Policies and Procedures
  - Provide defined, reasonable metrics
  - Determine appropriate staffing levels to achieve program objectives
  - Provide a formal policy to clarify non-profit and other gov't agency inspection services fee assessment, if applicable
  - Provide a formal policy for Late Fee Assessment
  - Update Records Management Policy

# Audit Recommendations

- Update administrative functionality to provide for process efficiency and credit card processing compliance
- Implement updated software to reduce manual workload, duplication of efforts, and administrative burdens



# Management Responses

What measures are planned to address this finding?

When will the measures be taken?

- Management Responses are attached to the Audit Report
  - Fire Department responses (#1 - #11)
  - Finance Department response (#12)
  - City Clerk's Office response (#13)
- Implementation timelines are included
- Departments are responsible for implementation

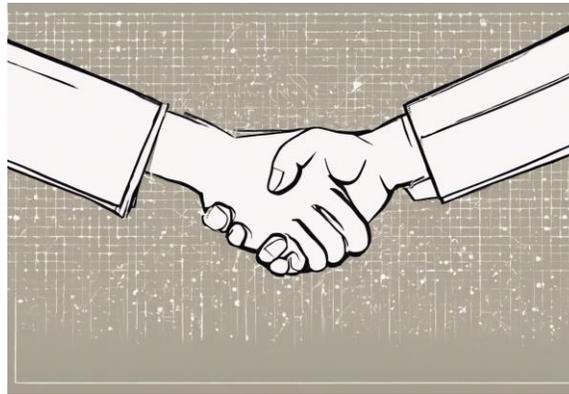
# Not Included in this Audit

Items listed were outside of the Audit's Scope

- *Fire Prevention Public Education*
- *Fire Investigations*
- *System access parameters*
- *The appeals process*
- *An equity analysis*

# Acknowledgement

- *Internal Audit would like to thank Chief Cochran, Fire Marshal Beck, and the dedicated individuals in the Fire Prevention Bureau for their work and cooperation on this audit.*



# Recommended Motion

I move to accept the internal audit report,  
*Fire Inspection Fees.*

