

24-02 Fire Department Inspection Fees

Internal Audit Division



Status of Corrective Action Plans

As of January 2025

Original Report Issuance - July 2024

Follow-up
result:

Findings #3, 4, 5, 7, 8, 9 will need additional follow-up in six months
Findings #2, 10, 13, EA#1 is partially implemented and closed
Findings #1, 6, 11, 12, & EA#2 are implemented or accepted and closed.

Fire Prevention Bureau - Fire Department

	Finding	Recommendation	Management Action Plan
1	Inspection Policy and Metrics There is not a clear policy of the frequency of inspections required by fire hazard type nor is there a master listing of inspectable properties. This makes an analysis of the suitability of the current workload and fees collected by the Fire Prevention Bureau difficult to assess for appropriateness.	We recommend Management articulate an inspection policy with defined, reasonable metrics and determine the appropriate staffing level to achieve those desired outcomes.	Frequency of occupancy inspection has historically varied from 1-3 years based on staffing levels and occupancy type. "Hazard" classification does not exist within the fire code, so assigning an inspection frequency to non-existent classifications cannot be performed. To the extent the FY24-26 Operations Plan Goals for the Fire Department include descriptions of occupancies by hazard type, those references have been deleted. The Reno Fire Department classifies occupancies based on whether they are permitted or non-permitted. Permitted occupancies have the potential to pose a greater threat to life safety. The International Fire Code recognizes inspection frequency as being at the discretion of the Fire Code Official. While current staffing levels do not allow the Reno fire Department to inspect all occupancies on an annual basis, the Reno Fire Department will prioritize inspections of permitted occupancies due to the higher potential life safety threat. In addition, the Reno Fire Department Fire Prevention Bureau will work in coordination with Business License to develop and maintain a master list of occupancies requiring inspection and track requirements for annual servicing on fire/life safety systems. The Reno Fire Prevention Bureau will continue migrating all inspectable properties into the new ESO software database system as occupancies receive their annual renewal or initial fire inspection. The new database occupancy/information migration is currently occurring and will continue until the entire list of Reno businesses are successfully added into the ESO platform
Jan 2025	<p>The following 2018 IFC Chapter 1 requirements guide the authority and frequency of fire inspections:</p> <p>A) 104.2 Applications and permits. The fire code official is authorized to receive applications, review construction documents, issue permits for construction and operations regulated by this code, inspect the premises for which such permits have been issued, and enforce compliance with the provisions of this code.</p> <p>In line with this guidance, the Reno Fire Prevention Bureau determines the frequency of fire inspections based on available staffing and workload, both of which can vary due to several factors. One of the key challenges we face is the limited availability of current staff to inspect all open business license locations within the desired timeline. Our goal is to inspect every business within a 12-month period. However, with our current staffing, we are unable to complete fire inspections for all existing businesses in Reno.</p> <p>At this time, we have chosen not to implement a specific reinspection frequency policy until we can ensure that we have the necessary staffing to support and sustain a formalized policy. We are committed to delivering services effectively, and we prefer not to establish policies that we are not fully equipped to execute.</p> <p>IA Comment: Management has determined that implementation of this recommendation is not feasible and accepts the risks associated with that decision. This finding is closed and no follow up is required.</p>		

24-02 Fire Department Inspection Fees**Internal Audit Division****2 Permit Issuance**

Payment of inspection fees was not required prior to the permit issuance, which is noncompliant with the adopted Fire Code.

We recommend permits not be issued until the fees have been paid, in compliance with the Fire Code.

While the Reno Fire Prevention Bureau recognizes the code requirement to collect fees before issuing a permit (106.1), the added administrative and logistical burden of collecting fees before permit issuance is not feasible with the current staffing levels. The additional steps of delaying & tracking individual permits would cause an encumbrance that would increase the workload on fire prevention personnel while also negatively impacting the ability of the business community to effectively and efficiently conduct business operations due to delays in the issuance of permit(s).

The Reno Fire Prevention Bureau is in the process of developing and adopting a new fire code. The new fire code will make an allowance for permits to be issued prior to collection of the requisite fees.

Jan 2025

The Fire Prevention Bureau is collaborating with the Business License Department to create a solution that ensures seamless coordination of permit issuance and fee collection. In the short term, the department plans to submit billings to Accela immediately following the inspection for collection at the time of business license renewal. This approach will help avoid the need for two separate payments, reducing Prevention staff time and preventing any confusion for business owners about a separate fee at a later date. Looking ahead, the Prevention Bureau intends to implement an annual general services fee, which is designed to cover inspections and all ancillary services provided by the Fire Prevention Bureau, to be collected alongside the business license fee. The department is working to have this fee established as a part of the fee adoption in the budget build process. Through this collaboration, both departments aim to streamline workflows, reduce administrative burdens, and improve service for the community.

IA Comment: Management has determined to implement a program to assess fees through the Business License Department and has accepted the risk associated with providing permits at time of inspection. No further Internal Audit follow-up is required.

3 Administrative Duties

The administrative and clerical functions for the Fire Prevention Bureau are conducted by a Fire Intern and not an administrative professional with a background or training in clerical, administrative, or accounting functions and procedures.

We recommend Management enhance the administrative functionality of the Fire Prevention Bureau to ensure the function has a dedicated, administrative professional to process fire inspectors' administrative tasks, freeing them up to conduct more fee-generating inspections in the community.

Staff will continue to request budget authority for additional administrative FTEs as a part of the City budget build process. Currently, the Fire Department has five clerical support staff members managing the department's budget, Accounts Payable, Accounts Receivable, Payroll, department receptionist, customer service, Workers' Compensation tasks, HR tasks, Records Management, social media, training, GEMT program management, and Grant Management for a 24/7 operation with 313 employees. Although the City has centralized departments in many of these disciplines, for the larger departments, the majority of the input workload and management responsibility belongs to the department itself. The department's current FTE to administrative ratio of over 63 FTEs to 1 clerical support employee has resulted in an overburdened clerical staff with no ability to dedicate full-time staff resources to the Prevention Bureau. The contracted Fire Intern has been in place for over five years to provide Prevention and department receptionist support that would otherwise be fulfilled by Inspectors and various Fire management.

The department will continue to submit budget requests for additional administrative support, including Fire Prevention support, in the FY26 budget build.

Jan 2025

The Reno Fire Department will continue to submit budget requests for additional administrative support, including Fire Prevention support, as part of the future budget builds. Recognizing the growing demands on fire prevention and inspection efforts, the department aims to secure the necessary resources to ensure continued effectiveness and efficiency in its operations.

As the city continues to grow, the workload for fire inspections, safety compliance, and related administrative tasks has increased, making it crucial to enhance the department's staffing and support systems. Additional administrative support will help streamline processes, improve response times, and ensure that all properties are properly inspected and compliant with fire safety regulations

If no budget resources are allocated, the department will continue to explore and utilize secondary options to provide administrative support for the Fire Prevention Bureau. These options include continuing with temporary staff, collaborating with other city departments, and improving operational efficiency through streamlined processes and technology. However, the existing administrative staff does not have the bandwidth to reallocate resources from other areas. Additionally, if the long-term goal of establishing a Fire Prevention Services fee is achieved, it would significantly reduce the administrative burden existing with the Prevention Bureau.

IA Comment: Internal Audit will follow up on this item during the FY2026 budget process to determine the outcome of the recommendation.

24-02 Fire Department Inspection Fees**Internal Audit Division****4 Non-Profit Fire Inspection Fee Assessment**

Non-profit businesses are not charged a fee for fire inspections that are conducted at their place of business. There is no written policy regarding the waiver of the assessment of fire inspection fees for non-profit organizations operating in the City.

We recommend Management develop a formal policy for cost recovery for fire inspection services provided to non-profit organizations operating physical locations in the City.

It has been the long-standing practice of the Reno Fire Department Prevention Bureau to waive fire inspection fees for non-profit organizations. The Reno Fire Department Prevention Bureau will continue the current practice of waiving fees for non-profit organization pending any change in policy or other direction from the City Manager's office. As such, staff will create a policy regarding the waiver of the assessment of fire inspection fees for non-profit organizations operating in the City.

An internal policy will be created and in place within 6-9 months.

Jan 2025

It has been the long-standing practice of the Reno Fire Department Prevention Bureau to waive fire inspection fees for non-profit organizations, recognizing the valuable contributions these organizations make to the community. The Reno Fire Department Prevention Bureau will continue this established practice of waiving fees for non-profit organizations, pending any change in policy or direction from the City Manager's office.

In light of this, the Bureau is currently in the process of creating a formal policy regarding the waiver of fire inspection fees for non-profit organizations operating in the City. This new policy will provide clarity and consistency in the application of the fee waiver, ensuring that non-profits continue to receive support while also maintaining transparency and accountability in the Fire Prevention Bureau's operations.

By formalizing this policy, the Bureau aims to uphold its commitment to community service while balancing the need for clear guidelines and consistent application of fire safety regulations. The continued waiver of fees for non-profits reflects the department's dedication to supporting local organizations and fostering a safe environment for all members of the Reno community.

IA Comment: Internal Audit will follow-up on the implementation of a new non-profit fee waiver policy.

5 Non-Profit Workflow

Accela houses business information like a database, this database is the entire population used to determine which business locations are due for an inspection or re-inspection. Because non-profits are not required to apply for a business license, they are not entered into Accela and are not included in the population of buildings to inspect.

We recommend a determination be made regarding if the non-profit businesses should be receiving regular fire inspections, similar to for-profit businesses, and how to include these organizations into the rotation of buildings to inspect for safety and fire code compliance.

Per the Business License Supervisor, the upcoming code language proposal being submitted later in 2024 will include a new process for non-profits to begin registering with the Reno Business License Department. This new process will capture all non-profits operating in the City of Reno, which will include an additional procedure of transferring the non-profit information to the Reno Fire Department Fire Prevention Bureau in an exact current method as for-profit businesses.

Adoption of the new non-profit process is anticipated to begin in early 2025.

Jan 2025

Per the Business License Supervisor, the upcoming code language proposal, set to be submitted later in 2024, will introduce a new process for non-profits to begin registering with the Reno Business License Department. This new process is designed to capture all non-profit organizations operating in the City of Reno and will include an additional step of transferring non-profit information to the Reno Fire Department Fire Prevention Bureau. This transfer will be handled in the same manner as for-profit businesses, ensuring consistency and efficiency in tracking and managing both types of organizations.

The adoption of this new non-profit registration process is anticipated to begin in early 2025. This update will help streamline the registration and inspection processes for non-profits, ensuring that all organizations, regardless of their profit status, are appropriately captured in the city's fire safety and regulatory systems. It also marks an important step toward aligning non-profit registration with the procedures currently in place for for-profit businesses, further enhancing operational efficiency for both the Reno Business License Department and the Fire Prevention Bureau.

IA Comment: Internal Audit will follow-up on the progress of the non-profit registration process in 2025.

24-02 Fire Department Inspection Fees**Internal Audit Division****6 Governmental Agencies Inspection Fee Assessment**

While the Fire Prevention Bureau provides the inspection services in the same manner as any other facility, it is current practice to *not* invoice for these services for governmental agencies.

We recommend Management work with the City Attorney's Office to determine if fees may be assessed for fire inspection services provided to other governmental agencies.

City of Reno Legal has reported that per NRS 278.580, the City of Reno is precluded from charging any fee(s) to State agencies. City Legal further instructed that all municipalities would be congruent with NRS 278.580, so no fee(s) will be charged to any local or state level agencies.

Measures will not be taken to charge fees for government agencies.

Jan 2025

City of Reno Legal has reported that, in accordance with NRS 278.580, the City of Reno is precluded from charging any fee(s) to State agencies. Legal further clarified that this provision applies uniformly to all municipalities, meaning that no fees will be charged to any local or state-level agencies. As a result, the Reno Fire Department Prevention Bureau will not take any measures to charge fees to government agencies, ensuring compliance with state law and maintaining consistency across the region in regard to fee assessments for government entities.

IA Comment: Given the determination that the City cannot charge these fees, this finding is closed and no further follow-up is required.

7 Late Fees are Not Assessed

Currently, the Fire Prevention Bureau does not charge a late fee for invoices. Charging late fees is a best practice in an effort to recover costs associated with the additional administrative burden of collection efforts.

We recommend Management determine an appropriate late fee assessment for fire inspection services and include it in the next iteration of the Fee Schedule for implementation.

Staff will research other late fees established in the City and will propose a late fee schedule as a part of the FY26 budget build for Council approval.

With Council approval, the late fees will be implemented in FY26 as a part of the Fire Department fee schedule.

Jan 2025

Staff will research other late fees established in the City and will propose a late fee schedule as a part of the FY26 budget build for Council approval.

IA Comment: The FY2025-26 Budget process begins in January. Internal Audit will follow-up when this process has begun to determine if late fees will be added to the fee schedule.

24-02 Fire Department Inspection Fees**Internal Audit Division****8 Credit Card Processing**

Per observation of the process in place during fieldwork, customer credit card data is not appropriately secured, is not in compliance with industry standards, and increases the risk of misappropriation of customer credit card data.

We recommend Management coordinate with IT, Finance, and the City Clerk's Office to develop procedures to securely process customer credit card payment transactions for fire inspection invoices.

Staff will coordinate with IT, Finance, and the City Clerk's Office to develop procedures and identify systems to securely process customer credit card payment transactions for fire inspection invoices.

Through the guidance of the DOIT, Finance, and the City Clerk's Office, Fire staff will institute any identified systems within 6-12 months.

Staff is proposing that all transactions be processed through Accela at the time of business license processing. Billings will be submitted into Accela immediately following the inspection. If approved, there will be no credit card processing by the department.

Jan 2025 In the event that Accela is not a feasible option, staff will collaborate with the IT, Finance, and City Clerk's Offices to develop alternative procedures and identify secure systems for processing customer credit card payments for fire inspection invoices. The department aims to implement a solution that ensures secure, efficient, and streamlined payment processing.

IA Comment: Internal Audit will follow-up in six months to determine if recommendation has been implemented.

9 Invoice Processing

The invoicing process conducted after fire inspections includes multiple steps and can take more than 45 days before the fee is added to the customer's Accela account. The 45-plus-day delay in applying the fire inspection fee to the customer account reduces our ability to collect the fees in a timely manner.

We recommend the invoicing process be adjusted in the following manner: eliminate the need to produce a separate invoice by applying the fire inspection fee directly to the customer's Accela account upon completion of the inspection (rather than waiting for it to be overdue) for timely payment. In addition, we recommend accounts with fees over 60 days past due be processed in accordance with documented policies, or the policy be updated to reflect the preferred practice.

Staff will coordinate with the Building Department staff to develop procedures and identify processes to minimize the delay in applying fire inspection fees to the customer account. Through collaboration efforts with the Building Department, staff will institute any identified measures to ensure fire inspection fees are being applied to the customer's account within a reasonable time frame.

To be initiated in the first quarter fiscal year 2025 (July -Sept) and is anticipated to be fully operational in one year.

Staff agrees with the recommendation that all transactions be processed through Accela at the time of business license processing. Through collaborative efforts with the Building Department, staff will work to implement measures that ensure fire inspection fees are applied to the customer's account in a timely manner.

Jan 2025 If the transactions cannot be processed in Accela, staff will continue to process billings under the guidelines of City Policy 301.

IA Comment: Internal Audit will follow-up in six months to determine if recommendation has been implemented.

24-02 Fire Department Inspection Fees**Internal Audit Division**

Jan 2025	10 Duplication of Efforts	<p>The software in use at the beginning of audit fieldwork did not have integrations with other software platforms that are utilized specifically for the Fire Prevention Bureau, in particular the Accela platform for inspection and permitting and the New World platform for invoice creation and payment processing. Because of this lack of integration, fire inspectors spend a considerable amount of time duplicating entries into the RMS software and then into Accela.</p>	<p>We recommend the implementation of the new system consider the duplication of efforts, implement software integration where possible, and reduce the administrative tasks on Fire Inspectors to increase their available time to perform inspections to ensure community compliance with the IFC and conduct fee-generating services to financially self-support the Bureau's operations.</p>	<p>The Reno Fire Department has transitioned to the new ESO software platform, which should increase data input efficiency and reduce duplication of efforts. As Reno Fire Department personnel are educated on the new ESO platform, we anticipate the efficiencies to increase commensurate to the work being performed.</p> <p>ESO rollout is currently occurring, so measures are being taken as of now.</p>
		<p>The Reno Fire Department has transitioned to the new ESO software platform, which is expected to significantly improve data input efficiency and reduce duplication of efforts. An update to the ESO platform has been successfully implemented, and progress continues as personnel undergo training and become more familiar with the system. As the team gains proficiency, the department anticipates that these efficiencies will continue to improve, in alignment with the growing volume of work being performed.</p>		
		<p>The ESO rollout is ongoing, with measures in place, including staff training and system updates, to ensure a seamless transition. With the recent update, the department is already seeing improvements in streamlining processes, enhancing data management, and boosting overall operational effectiveness.</p> <p>As staff become more experienced with the platform, further enhancements in productivity and service delivery are expected, including faster data input, more accurate reporting, and improved workflow efficiency across the department.</p> <p>IA Comment: Fire Prevention has provided Internal Audit with data showing the pace of entry is occurring and aligns with the follow-up status. Internal Audit is satisfied that this process will continue until completed and no further follow-up is required.</p>		
Jan 2025	11 Invoice Authorization	<p>A sample of 20 expenditures conducted during the audit scope and test for compliance with documented policies and best practices. On three occasions, 15% of the sample, the invoice was processed and paid without signatory approval.</p>	<p>We recommend invoices be processed in accordance with documented policies.</p>	<p>Staff will research the expenditures in question and will establish internal controls to ensure compliance issues are resolved.</p> <p>Internal controls will be in place within six months.</p>
		<p>The issue regarding expenditures has been resolved. Staff have completed the necessary research and have established internal controls to ensure compliance moving forward. With these controls now in place, the Reno Fire Department is confident that future expenditures will align with city policies and regulations, enhancing financial oversight and accountability.</p>		
		<p>IA Comment: The Fire Department has implemented review and processing of invoices in accordance with Policy 303 and have added segregation of duties for receipt and coding of invoices for payment. Internal Audit is satisfied that these changes will correct the deficiencies noted in the audit and this item is closed and no further follow-up is required.</p>		

24-02 Fire Department Inspection Fees

Internal Audit Division

External Audit RFD CPSM Report, Operational and Administrative Analysis– Reno Fire Department , September 2019

EA 1	Master File of Inspectable Properties	
	Recommendation	
Jan 2025	RFD should work with the City of Reno Building Department, the Planning Department, the County Tax Appraiser, the Finance Department, and other local officials in creating a master file of inspectable properties within the City of Reno.	We are in the process of updating our inspectable property data base to create a master list as part of the implementation of our new reporting software.
	The Reno Fire Department is in the process of updating its inspectable property database to create a comprehensive master list as part of the implementation of the new reporting software. This update is being resolved through the ESO platform and coordinated with the Business License Department.	
	<u>IA Comment:</u> This aligns with Finding #10 and Internal Audit is satisfied that this process will continue until completed and no further follow-up is required.	
EA 2	In-Service Fire Company Inspection Program	
	Recommendation	
Jan 2025	The Reno Fire Department should institute an in-service fire company inspection program that promotes responder familiarization, code enforcement, and fire prevention efforts.	We do have a program that provides our crews with relevant information regarding each property in town and we continue to work to make that more robust. There is also a labor issue triggered by this recommendation which is another reason we elected not to pursue implementation.
	The Reno Fire Department currently has a program that provides our crews with relevant information regarding each property in town, and we continue to work on making it more robust to improve the efficiency and effectiveness of our operations. However, there is a labor issue triggered by this recommendation, as staffing does not allow for line personnel to perform Fire Bureau work. This is another reason we elected not to pursue immediate implementation. We are mindful of the need to balance the enhancement of our systems with available resources and personnel, and are addressing these challenges as part of our ongoing efforts to improve service delivery while ensuring the sustainability of our workforce.	
	<u>IA Comment:</u> Given the labor issue raised, management accepts the risks associated with this finding. No further follow-up is required.	

	Finding	Recommendations	Management Action Plan
12	<p>Authorized Signature Verification</p> <p>On 15 occasions, 75% of the sample, the Authorized Signature Form was not available for independent audit testing.</p>	<p>We recommend records be maintained in accordance with the record retention policy in use.</p>	<p>The requested Authorized Signature Forms were inadvertently deleted from a central file location that all Finance employees can access. We have begun the process to migrate approved Authorized Signature Forms from the central file location to OnBase. OnBase will allow for secure document retention with permissions restricted so employees cannot inadvertently delete approved Authorized Signature Forms.</p> <p>The request for the document type has been submitted as of June 10, 2024. Once the document type is established, Finance employees will work to migrate files over and mark with the following applicable fields: Employee Name Department Effective Date End Date</p> <p>The End Date will be used to delete Authorized Signature Forms past the 6-year retention period.</p> <p>The migration should be completed prior to September 30, 2024, depending on when the new document type is established in OnBase.</p>
Jan 2025	<p>The Finance Department established an Authorized Accounting Signature Forms section in On Base and migrated signature forms to this location. As forms are updated and changed, the old form is marked with an inactive date which drive the retention schedule.</p> <p>Internal Audit Comment: This item has been completed - no follow up required.</p>		

	Finding	Recommendations	Management Action Plan
13	Records Retention		
	Citywide policy #103, <i>Records Management</i> , Section VIII.D.1 states, “All City of Reno records shall be retained and destroyed in accordance with the City’s Record Retention Schedule.” However, per inquiry with the City Clerk’s Office, there is not a stand-alone record retention schedule, and the city follows the state’s record retention schedule.	We recommend the Records Management policy be updated to reflect the current practices for clarity in Citywide expectations.	The City Clerk’s Office will have Policy 103 updated to reflect our use of the State’s retention schedule and with clear paths to locate said schedule. Scheduled to be completed: September 30, 2024
Jan 2025	Policy update reviewed by management team in December, 2024 for edits/discussion. Expected to be returned to City Manager's Office for execution and implementation in January, 2025.		
	IA Comment: This item has been sufficiently completed with a clear plan for implementation and sufficient management oversight; no further audit follow-up is required.		