



**Comprehensive Audit Report  
FIRE MARSHAL  
OCTOBER 1, 2019 – MARCH 31, 2020  
Status: Final**

**For action:**

Jason Browning

Fire Marshal

**For information:**

Linda Riggs

Kristine Malone

County Auditor

First Assistant Auditor

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**Report Summary**

As part of the 2020 Comprehensive Audit Plan, an audit of the Fire Marshal was conducted in accordance with Texas Local Government Code §115.002.

The overall objective of the audit was to provide assurance that internal controls are in place to ensure:

- The officer has collected all the money they are obligated to collect
- The money collected was properly remitted to the appropriate party
- All funds are properly managed
- All money is properly accounted for, accurately reported, and adequately safeguarded
- The operations of the office conform to prescribed procedures
- Exposure to potential risk is minimized

The audit scope included an audit of banking, cash receipts and internal controls. The time period audited was October 1, 2019 through March 31, 2020.

Refer to the Observations and Recommendations section, as well as the Appendix for the results of the audit.

This review was not intended to provide absolute assurance on all procedures, activities, or controls. We will continue to examine aspects of the office in compliance with statutes and to provide reasonable assurance that County assets are safeguarded and appropriately managed.

An exit conference with the Fire Marshal was held on Wednesday, June 22, 2022 to discuss this report.

The time and assistance provided by the Fire Marshal and the staff during this engagement is greatly appreciated.

## Observations and Recommendations

Observation	Recommendation	Management Response
<b>FINDING NUMBER:</b> 241		
<p><b><u>Condition:</u></b> During the audit, five interlocal agreement services and 50 general annual inspections were completed but were not invoiced.</p> <p><b><u>Effect:</u></b> The Fire Marshal's office provided services that were not paid for by the customer at the time of service resulting in a loss of an undetermined amount for the five interlocal agreements, and an amount between \$1,250-\$8,750 for the general annual inspections.</p> <p><b><u>Cause:</u></b> The following were the reasons payments were not collected: (1) The new interlocal agreements for fire inspection services has a new "<i>Compensation</i>" rule, which states <i>payment will be made on an as-needed basis</i>. Past interlocal agreements stated <i>payment would be made quarterly</i>. Treasury normally bills the quarterly payments, but with the payments to be received as needed, Fire Marshal did not communicate completed services to Treasury for billing. (2) Upon completion of general annual inspections, Fire Marshal personnel did not invoice and collect payment.</p>	<p><b><u>A. Transaction Required:</u></b> All completed services should be reviewed and outstanding payments should be collected immediately.</p> <p><b><u>B. Internal Control Change:</u></b> The office should develop procedures to ensure monies are collected for inspections and permits. The Fire Marshal's office should communicate and provide backup documentation to Treasury immediately after any services under the interlocal agreements are performed. For annual inspections and invoices created by the Fire Marshal's office, it is recommended invoices be created prior to conducting annual inspections. Once the inspection is complete, payment should be received and receipted immediately on a manual receipt.</p>	<p><b><u>A. Response:</u></b> Completed services have been reviewed and invoices have been sent out. Payments have been received.</p> <p><b><u>B. Response:</u></b> The Fire Marshal's Office has gone through extensive administrative changes. The former Administrative Secretary had been with our office for many years and retired with little notice. Two admin staff were hired and subsequently left employment. The Inspectors had turned in completed inspections but they had not been processed for billing. Our current Administrative Secretary has done a fantastic job developing new procedures for billing and tracking. We are also transitioning to electronic tracking through Energov, which is expected to be live in March of 2023.</p>

<p><b>Criteria:</b> All fees should be properly invoiced and collected prior to or at the time of service. All agreements should be maintained and reviewed to ensure all contract requirements are met.</p>		
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