



Port of Seattle

Internal Audit Report

Fire Department

Department Audit

January 1, 2008 – December 31, 2009

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Internal Audit Report
Fire Department (org. no. 4400)
Audit Period
January 1, 2008 – December 31, 2009

Internal Auditor's Report

We have completed an audit of the Fire Department. The purpose of the audit was to determine whether management:

- 1) Effectively monitored payroll to ensure that employees were compensated correctly for hours actually worked.
- 2) Properly accounted for tools and other small and attractive assets.
- 3) Properly procured equipment in accordance with Port competitive procurement policies.
- 4) Efficiently processed medical/dental claims under the Law Enforcement Officers' and Fire Fighters' Plan 1 (LEOFF1) retirement system.

We reviewed information relating to fiscal years 2008 and 2009.

Management has the primary responsibility to establish and implement effective controls. Our role was to assess and test those controls in order to establish whether the controls were adequate and operating effectively.

We conducted the audit using due professional care. The audit was planned and performed to obtain reasonable assurance that department controls are adequate and operating effectively as intended in the aforementioned areas.

The Fire Department has adequate and effective controls over competitive procurement. We, however, noted control weaknesses over small and attractive assets, and LEOFF1 medical/dental reimbursement claims, which we have communicated to management in a separate letter.

We extend our appreciation to Fire Department management and staff for their assistance and cooperation during the audit.



Joyce Kirangi, CPA
Internal Audit Director

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Executive Summary

Audit Scope and Objective The purpose of the audit was to determine if management:

- 1) Effectively monitored payroll to ensure that employees were compensated correctly for hours actually worked.
- 2) Properly accounted for tools and other small and attractive assets.
- 3) Properly procured equipment in accordance with Port competitive procurement policies.
- 4) Efficiently processed medical/dental reimbursement claims under the Law Enforcement Officers' and Fire Fighters' Plan 1 (LEOFF1) retirement system.

We reviewed information relating to fiscal years 2008 and 2009.

Background The Port of Seattle Fire Department provides emergency response to SeaTac International Airport and the surrounding Port of Seattle properties. The primary mission is to provide Aircraft Rescue Firefighting (ARFF) to the airport. The Fire department performs numerous tasks to ensure that the airport is a safe place for people to visit and work. The department issues permits (e.g., welding), performs inspections, and consults with construction and building professionals to assure proper fire safety precautions are met. The department also responds to calls for medical aid.

The department is staffed with 70+ FTEs and operates with an average annual operating budget of \$10 million.

Audit Result Summary Based on the audit procedures performed, the Fire Department has adequate and effective controls over competitive procurement. We, however, noted control weaknesses over small and attractive assets, and LEOFF1 medical/dental reimbursement claims, which we have communicated to management in a separate letter.

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Fire Department (org. no. 4400)
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Background

The Port of Seattle Fire Department provides emergency response to SeaTac International Airport and the surrounding Port of Seattle properties. The primary mission is to provide world class Aircraft Rescue and Firefighting Services to the users and owners of Seattle Tacoma International Airport and provide Fire Prevention, Fire Protection and Emergency Services for the safe and efficient operation and use of the Airport. The department is a 24/7 operation with 3 shifts, and each shift has eighteen fire fighters.

The department is staffed with 70+ FTEs and operates with an average annual budget of \$10 million. The department's administrative officers include the Fire Chief (current Chief was hired March 2, 2010) and two Assistant Fire Chiefs who, with the assistance of four support staff members, manage the day-to-day business functions of the department. The Operations Division (Fire Suppression) consists of personnel and apparatus designated to respond to the various emergencies and calls for service at SeaTac International Airport. The Fire Prevention division of the Port of Seattle Fire Department helps to assure safety and fire regulations are met within the Port airport properties. The Training Division, Firefighter Mechanic and Support Services consist of specialized members to assure that the department is properly equipped and trained.

Department Financial Information:

	2006	2007	2008	2009
Salaries & Benefits	8,614,044	9,012,156	13,908,887	11,106,511
Equipment Expense	162,513	232,555	257,181	144,308
Supplies & Stock	289,422	260,985	382,400	226,284
Outside Services	114,729	86,793	140,216	124,579
Travel & Other	51,467	91,609	69,141	15,800
Employee	33,872	40,099	42,599	32,074
Telecommunication	64,286	94,041	143,899	253,700
Workers Comp	9,602	3,179	15,785	6,500
General Exp	98,830	106,703	116,594	192
Internal Dept Trans	(135,790)	(87,967)	(114,688)	(62,261)
Charges to Capital				
Total Operating Exp	9,302,975	9,840,153	14,962,014	11,847,687

Source: PeopleSoft (Excludes depreciation and gain/loss sale of assets)

Audit Objectives

The purpose of the audit was to determine whether management:

- 1) Effectively monitored payroll to ensure that employees were compensated correctly for hours actually worked.
- 2) Properly accounted for tools and other small and attractive assets.

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- 3) Properly procured equipment in accordance with Port competitive procurement policies.
- 4) Efficiently processed medical/dental reimbursement claims under the Law Enforcement Officers' and Fire Fighters' Plan 1 (LEOFF1) retirement system.

Scope of the Audit

The scope of the audit covered the period January 1, 2008 – December 31, 2009

Audit Approach

We performed the following audit procedures:

- We obtained a complete understanding of the department's operations and its environment.
- We reviewed applicable state and local laws, rules, and regulations, union agreement, as well as Port policies, procedures, and guidelines.
- We obtained and analyzed financial data and other relevant information to assess risk.
- We performed audit procedures to achieve the audit objectives.

Conclusion

Based on the audit procedures performed, the Fire Department has adequate and effective controls over competitive procurement. We, however, noted control weaknesses over small and attractive assets, and LEOFF1 medical/dental reimbursement claims, which we have communicated to management in a separate letter.