

Highlights

Why We Did This Audit

Examining the processes used to manage the fire code inspection program may reveal opportunities for operational improvements. Division management also expressed some concerns about the completeness of their inspection database.

Our work focused on evaluating the controls and processes used to manage the fire code inspection program and the completeness of the inspection database.

Background

The Fire Prevention Division conducts annual fire hazard inspections of commercial and multi-family structures to enforce the city's fire code and ensure the safety of building occupants.

During annual inspections, inspectors determine whether structures require one or more permits. Permits may be required because of various business activities, such as use of hazardous materials or the capacity to hold over 50 people, that take place within structures. Not all structures require a permit. About one third of all inspections result in a permit being required.

The division has 13 state-certified inspectors that currently conduct about 19,000 inspections and re-inspections per year.

For more information, please contact the City Auditor's Office, at 816-513-3300 or auditor@kcmo.org.

To view the complete report, go to www.kcmo.org/auditor and click on Audits and Memos.

PERFORMANCE AUDIT

Fire Code Inspection Program

What We Found

In calendar year 2013 (through October 24, 2013), about 20 percent of annual inspections were completed late. In calendar year 2012, about 13 percent were late. We also estimate the Fire Prevention Division missed inspecting 171 structures that would have required permits in calendar year 2012. In addition to the potential safety issues associated with the missed inspections, we estimate that Fire Prevention did not collect approximately \$21,400 in permit revenue.

Timeliness of Annual Inspections

Number of Days Late	Number of Inspections	
	2012	2013
1-30	1,392	1,347
31-60	313	438
61-90	124	214
91-180	53	198
181-365	3	254
>365	0	34
Late	1,885	2,485
On Time	13,700	10,194
Total Inspections	15,585	12,679

Source: KIVA and City Auditor's Office Calculations.

There are no written policies and procedures that direct the work of inspectors in the inspection process. Therefore, there are no written guidelines that articulate management's expectations related to the inspection process and authorizing permits.

One employee is responsible for collecting fees, issuing permits, recording inspections and payment data, and depositing money. As a result, administrative duties are not properly segregated, increasing the risk that unintentional errors or fraud could go undetected.

A comparison of the fire inspection database with the city's business license and building permits databases determined that the inspection database contains most but not all inspectable addresses. We also estimated that about a third of those missing addresses would require a permit, resulting in about \$19,000 in additional fire permit revenue annually.

What We Recommend

Our recommendations include:

- Analyzing options for prioritizing inspections and implementing a program to inspect those requiring permits annually and inspect those not requiring permits less frequently.
- Developing written policies and procedures to direct the work of inspectors and outlining how to enter data into the inspection database, process payments and permits, and consider cross-training staff to perform these tasks.
- Implementing additional mitigating controls to compensate for inadequate segregation of administrative duties.
- Expanding the division's work with Information Technology to obtain address information from additional city sources to update the fire inspection database.

Management agreed with the recommendations.