



**A Report to the
Austin City Council**

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Council Members
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**Office of the
City Auditor**

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Austin Fire Department (AFD) Planning Process Audit

May 2014



REPORT SUMMARY

AFD has established processes which are generally aligned with the strategic planning best practices recommended by the Government Finance Officers' Association. AFD did not fully implement the results of their strategic planning process and could benefit from expanding collaboration and operational improvements to provide consistent service to all areas within their jurisdiction.

TABLE OF CONTENTS

| | |
|--|----------|
| BACKGROUND | 1 |
| OBJECTIVE, SCOPE, AND METHODOLOGY | 1 |
| AUDIT RESULTS | 2 |
| Appendices | |
| Appendix A: Management Response | 7 |
| Exhibit | |
| Exhibit 1: City of Austin and AFD Growth Statistics | 1 |
| Exhibit 2: GFOA Best Practice Strategic Planning Steps | 4 |

GOVERNMENT AUDITING STANDARDS COMPLIANCE

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

AUDIT TEAM

Olga Ovcharenko, CGAP, CRMA, CICA, Quality Assurance Coordinator
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May 2014



Audit Report Highlights

Why We Did This Audit

This audit was conducted as part of the Office of the City Auditor's (OCA) FY 2013 Strategic Audit Plan.

What We Recommend

AFD should fully implement the formal planning process, including seeking alternative solutions to service delivery, collaborating with EMS and other appropriate departments, clearly stating objectives and performance measures for goals, and formally monitoring progress through executive review.



For more information on this or any of our reports, email oca_auditor@austintexas.gov

AUSTIN FIRE DEPARTMENT (AFD) PLANNING PROCESS AUDIT

Mayor and Council,

I am pleased to present this audit on AFD's Planning Process.

BACKGROUND

AFD's mission is to create safer communities through prevention, preparedness, and effective emergency response. AFD has a total approved budget of \$149 million for FY 2014, which includes 1,127 sworn and 83 non-sworn personnel, and 45 fire stations.

The AFD Planning & Research Section is responsible for analyzing, researching, and identifying service delivery trends and focuses on providing data analysis to executive leadership for planning purposes.

OBJECTIVE AND SCOPE

The objective of the audit was to determine if AFD has adequate processes in place to plan for growth and is implementing the results of that planning.

The audit scope included AFD planning processes related to growth in demand for AFD services for fiscal years 2011-2014.

WHAT WE FOUND

AFD has established processes which are generally aligned with the strategic planning best practices established by the Government Finance Officers' Association; however, AFD did not fully implement the results of their strategic planning process.

While there are currently areas of the City where call response times do not meet AFD's goals, AFD's planning process has primarily focused on requesting additional resources. With continued growth anticipated in the City, combined with budgetary limitations, AFD could benefit from expanding collaboration and operational improvement efforts to provide consistent service to all areas within their jurisdiction.

We appreciate the cooperation and assistance we received from AFD, Planning and Development Review Department, and Budget Office staff during this audit.

Kenneth J. Mory, City Auditor

BACKGROUND

AFD's mission is to create safer communities through prevention, preparedness, and effective emergency response. AFD responds to more than 85,000 calls annually, with approximately 70% medical in nature and 6% fire-related. The remaining 24% of the calls include hazardous conditions, rescues, and various other call types. AFD's Prevention section conducts about 25,000 building safety inspections annually and firefighters conduct about 11,000 hydrant inspections per year.

AFD has a total approved budget of \$149 million for FY 2014, which includes 1,127 sworn and 83 non-sworn personnel, and 45 fire stations. This constitutes a 5% increase in FTEs, a 77% increase in the budget, and the addition of 4 new fire stations over the past 10 years.

Exhibit 1
City of Austin and AFD Growth Statistics

| Current Population | Population growth past 10 years | Current FTEs | FTE Increase in 10 years | Current Budget (in millions) | Budget increase in 10 years |
|--------------------|---------------------------------|--------------|--------------------------|------------------------------|-----------------------------|
| 842,750 | 21.76% | 1,210 | 5% | \$149 | 77% |

SOURCE: OCA analysis of COA annual budget documents and population data provided by City Demographer, April 2014

The AFD Planning & Research Section is responsible for analyzing, researching, and identifying service delivery trends and focuses on providing data analysis to executive leadership for planning purposes.

OBJECTIVE, SCOPE, AND METHODOLOGY

The AFD Planning Process Audit was conducted as part of the Office of the City Auditor's (OCA) Fiscal Year (FY) 2013 Strategic Audit Plan, as presented to the City Council Audit and Finance Committee.

Objective

The objective of the audit was to determine if AFD has adequate processes in place to plan for growth and is implementing the results of that planning.

Scope

The audit scope included AFD planning processes related to growth in demand for AFD services for fiscal years 2011-2014.

Methodology

To accomplish our audit objectives, we performed the following steps:

- interviewed key department personnel in AFD's executive management, management, and operations;
- interviewed key department personnel in other City of Austin departments which have direct contact with AFD regarding growth and planning including the Planning and Development Review Department and Budget Office;
- researched industry standards, best practices, laws and regulations, and compared them to AFD's processes[we did not identify a clear best practice or industry standard];
- analyzed AFD documentation including strategic plans and performance measures; and
- conducted onsite visits with AFD staff and management to walkthrough processes and evaluate risks related to planning for growth.

AUDIT RESULTS

AFD has established processes which are generally aligned with the strategic planning best practices established by the Government Finance Officers' Association (GFOA); however, AFD did not fully implement the results of their strategic planning process and could benefit from expanding collaboration and operational improvement efforts to provide consistent service to all areas within their jurisdiction.

Finding: AFD has established processes which are generally aligned with the strategic planning best practices established by the GFOA, however AFD did not fully implement the results of their strategic planning process and could benefit from expanding collaboration and operational improvement efforts.

The GFOA defines strategic planning as a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization's mission, and achieve consensus on strategies and objectives for achieving that mission.

The GFOA recommends that all governmental entities use some form of strategic planning to provide a long-term perspective for service delivery and budgeting, thus establishing logical links between authorized spending and broad organizational goals. While there is not a single best approach to strategic planning, the GFOA recommends 13 key steps for a sound strategic planning process.

AFD executive management identified a need for a more strategic approach to planning and made steps to strengthen that approach. Overall, we concluded that AFD has processes in place which are generally aligned with strategic planning best practices. This strategic process sufficiently encompasses planning for growth. Exhibit 2 summarizes the 13 GFOA best practice steps for strategic planning and processes in place at AFD.

EXHIBIT 2
GFOA Best Practice Strategic Planning Steps

| GFOA Planning Step | Current Status | Additional Steps |
|--|--|---|
| 1. Initiate the Strategic Planning Process | AFD initiated the strategic planning process in October 2011. The strategic plan was finalized in 2012. | N/A |
| 2. Prepare a Mission Statement | AFD approved mission statement and is revisited during annual budget process. | N/A |
| 3. Assess Environmental Factors | Environmental assessment performed annually by the executive committee. Executive committee responsible for representing the workforce by obtaining and implementing their input. External factors used include: DOJ investigation requirements, Public Safety Commission's input, public information requests, and citizen interests. | Austin Travis County Emergency Medical Services (EMS) is not involved in this process. |
| 4. Identify Critical Issues | Critical issues are identified by the budget committee process and by the executive team. Strategic plan includes critical issues. | N/A |
| 5. Agree on a Small Number of Goals | Strategic plan identifies a small number of goals. Additionally, AFD business planning document identifies goals. | N/A |
| 6. Develop Strategies to Achieve Broad Goals | AFD has developed high level timelines and responsible individuals for goals related to diversity, the service model, risk reduction, the work place, and fire service metrics. | N/A |
| 7. Create an Action Plan | | |
| 8. Develop Measurable Objectives | AFD has some measurable objectives for critical issues developed that are reassessed on an annual basis. | We did not see evidence of measurable objectives for <i>all</i> critical issues identified. |
| 9. Incorporate Performance Measures | AFD has performance measures that are tied to goals in their business plan. | Goals in the business plan not always aligned with goals in the strategic plan. |
| 10. Obtain Approval of the Plan | Executive management and the Fire Chief have approved the plan. | N/A |
| 11. Implement the Plan | Some portions of the plan have been implemented; however, other identified critical issues and goals have not been addressed at the time of the audit. | AFD's solution to critical issues and the accomplishment of goals generally relies on obtaining budget requests which may not be granted. |
| 12. Monitor Progress | Executive team monitors planning progress for some strategies. | We did not see evidence of all strategies being monitored. |
| 13. Reassess the Strategic Plan | Executive team reassesses the strategic plan and the priorities therein. | N/A |

SOURCE: OCA analysis of GFOA planning steps and AFD strategies and planning activities, April 2014

AFD uses response time metrics as key indicators for the planning process. Currently, there are areas of the City where response times do not meet AFD's goals. AFD's planning process is focused on evaluating the City's needs and then requesting additional resources. With continued growth anticipated in the City, combined with budgetary limitations, it is important that AFD's planning process expand to include operational and collaborative strategies in order to provide a high level of service to AFD's service area.

Planning for Growth

Through the planning process, AFD management recognized growth as one of the key factors affecting AFD in the future and identified various strategies to manage growth, including:

- analyzing projected growth of the Metropolitan Statistical Area;
- continually assessing and planning for expected growth in the region for the next 20 years in consultation with appropriate City Departments and regional partners;
- developing AFD's capability to assess, negotiate, and support any potential intake or combination of regional services;
- identifying, testing, and reviewing the service model as needed, and implementing related changes;
- evaluating a need for additional fire stations for the next 15 years; and
- analyzing call volumes by call type to identify service priorities.

Budgeting for Growth

Although we noted that the budget planning process has been strengthened, this process does not guarantee that identified funding needs and priorities will be addressed. For instance, AFD developed a 15-year plan for additional stations required to respond to current and future demand. Through the budget process, AFD has repeatedly requested additional stations, but the funding has not been approved. Other needs identified as a top priority, such as additional non-sworn support staff, have not been funded. For the current budget cycle, the City Manager directed all departments to work within current resources to accomplish their service delivery.

Coordination with Other Entities

According to the AFD strategic plan, one way of improving service delivery is to combine fire services throughout Travis County. Shortly after the plan was written, AFD attempted to combine services with Emergency Services District (ESD) # 6. This consolidation was to be used as the template for future consolidations. However, the City of Austin and the ESD could not agree to terms of consolidation. Since then, AFD has not made additional consolidation efforts.



Beyond requesting additional funding and exploring consolidating services with ESDs, AFD's strategies to address growth have either not been implemented or are in the very early stages of implementation. According to AFD management, the primary reason for not implementing other identified strategies is that resources have been devoted to the current needs and challenges of providing first responder service. AFD management recognizes the benefit of making operational improvements to address growth, but has not incorporated ongoing discussions of such

improvement in the planning process. In addition, although roughly 70% of AFD call responses are medical in nature, AFD management does not coordinate planning efforts with EMS. AFD management recognizes the benefit of such coordination, but reports they have been unable to develop a collaborative relationship at this time.

RECOMMENDATION

The recommendation listed below is a result of our audit effort and subject to the limitation of our scope of work. We believe the recommendation provides a reasonable approach to help resolve the issues identified. We also believe that operational management is in a unique position to best understand their operations and may be able to identify more efficient and effective approaches and we encourage them to do so when providing their response to our recommendation. As such, we strongly recommend the following:

- 1. AFD should fully implement the formal planning process, including:**
 - a. seeking alternative solutions to service delivery,**
 - b. collaborating with EMS and other appropriate departments,**
 - c. clearly stating objectives and performance measures for goals, and**
 - d. formally monitoring progress through executive review.**

MANAGEMENT RESPONSE: **Concur.** Refer to Appendix A for management response and action plan.

MANAGEMENT RESPONSE



TO: Finance and Audit Committee
FROM: Rhoda Mae Kerr, Fire Chief 
DATE: May 22, 2014
SUBJECT: 2014 AFD Planning Process Audit

The Austin Fire Department (AFD) appreciates the information and insight provided in this audit as it gives us an independent point of view regarding our planning processes and the multi-year strategic plan we have been using. We CONCUR with the audit recommendation that AFD needs to fully implement a more formal planning process with the thirteen key steps established by the Government Finance Officers' Association (GFOA).

Growth in the Austin area is a dominant theme in our current strategic plan. AFD recognizes the need to address population growth, which encompasses full-time residents, daytime population, and visitors. Further, our medical mission has grown over the years and is our foremost request for service. We approach growth issues through an analysis of service delivery and the standard of coverage we can provide from existing and proposed fire stations.

A key finding of this audit is that AFD should reach out to our partners in emergency service departments to include them in our planning process. In response, we plan to coordinate an Emergency Services Summit in the fall to explore ways that we can better work together. It is my hope that the summit will benefit all our partners as we explore a common vision for how to address growth in the Austin area.

ACTION PLAN

AFD Planning Process Audit

| Recommendations | Concurrence and Proposed Strategies for Implementation | Status of Strategies | Proposed Implementation Date |
|---|---|----------------------|------------------------------|
| <p>1. AFD should fully implement the formal planning process, including:</p> <p>a. seeking alternative solutions to service delivery,</p> | <p>Concur</p> <ul style="list-style-type: none"> • AFD will sponsor a planning summit in the fall of 2014 with representatives of AFD’s emergency services partners to explore service delivery and facility co-location options. • AFD will include Battalion Chiefs in the internal discussions about service delivery that take place during Business Planning. • Planning staff will research and recommend innovative service delivery options from other jurisdictions to be considered during the Business Planning SWOT analysis. | <p>Planned</p> | <p>12/15/14</p> |
| <p>b. collaborating with EMS and other appropriate departments,</p> | <ul style="list-style-type: none"> • Exploring service delivery (planning summit) in the fall of 2014 will include representatives from EMS, Police, the Office of the Medical Director, HSEM, neighboring Emergency Service Districts, and other appropriate partner agencies. • AFD will continue to invite EMS to facility planning meetings. • Input from EMS and OMD will be gathered for use in the annual Business Planning SWOT analysis. | <p>Planned</p> | <p>12/15/14</p> |

APPENDIX A

| Recommendations | Concurrence and Proposed Strategies for Implementation | Status of Strategies | Proposed Implementation Date |
|---|--|----------------------|------------------------------|
| c. clearly stating objectives and performance measures for goals, and | Revision of AFD's strategic plan will include stated objectives and performance measures for all goals. | Underway | 10/01/14 |
| d. formally monitoring progress through executive review. | AFD's Executive Team will review progress and revise the department's strategic plan each year as a part of Business Planning. | Underway | 12/15/14 |