



TARRANT COUNTY
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January 4, 2023

Mr. Randy Renois, Tarrant County Fire Marshal
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

Re: Auditor's Report – Review of Financial and System Controls for the Fire Marshal's Office

In accordance with the Local Government Code, the Auditor's Office reviewed the Fire Marshal's financial and system controls for the five-month period ended September 30, 2022. The Fire Marshal's Office uses a system called *Emergency Reporting* to record and generate permit numbers. During the review period, 280 permits and certificates were issued with approximately \$88,532 in fees collected. Our review was limited in scope due to the manual nature of issuing permits and certificates. We continue to observe that permit numbers are not issued sequentially by the *Emergency Reporting* system. As a result, we offer no assurances that all transactions were captured and properly accounted for.

We also observed that one employee was responsible for the issuance of permits and certifications, the collection and recording of fees, and the preparation of the deposit. If segregation of duties is not possible due to the small staff, an independent reconciliation of activities should be performed. Furthermore, all system users essentially have administrative rights allowing them to add or delete users and modify their own transactions. A system generated report showing changes made by staff does not exist. Because no one person should control all aspects of a transaction and certain controls procedures or reports were not in place, a *significant risk* exists that errors or fraud could go undetected.

As previously recommended, the Fire Marshal should consult with the vendor to determine whether the *Emergency Reporting* can assign sequential permits and certificate numbers, the ability to segregate incompatible duties, and produce an audit trail report. Until sufficient system controls can be implemented, we recommend the Fire Marshal ensure that incompatible duties are adequately segregated or an independent review of the Project Log compared to the system activity.

Subsequent to our review but before the issuance of this report, the Fire Marshal corrected the user permissions in *Emergency Reporting*.

We communicated less significant matters to staff during our review. Attached is management's written response.

CLOSING REMARKS

We appreciate the cooperation of the Fire Marshal and his staff during our review. Please call me if you have any questions regarding the contents of this report.

Sincerely,



S. Renee Tidwell, CPA
County Auditor

Attachment: Management's response

Distribution: G.K. Maenius, County Administrator

Audit Team: Matt Jones, Audit Manager
Rosa Beltran, Senior Auditor



TARRANT COUNTY
FORT WORTH, TEXAS 76111

RANDY RENOIS
FIRE MARSHAL

2750 PREMIER STREET
PHONE (817) 838-4660
FAX (817) 831-2007

January 26, 2023

S. Renee Tidwell
Tarrant County Auditor

Rosa Beltran, Audit Manager
Matt Jones, Senior Auditor

Re: Auditor's Report- Review of Financial and System Controls for the Fire Marshal's Office

Dear Ms. Tidwell,

I have received your report on the review of the financial and system controls of our adopted Fire Code Program. I want to thank you for the thoroughness and professionalism of your audit team, Rosa Beltran and Matt Jones.

As you are aware, our Fire Code was adopted by Commissioners Court in August 2018. In October 2019, your audit review made observations and recommendations that we agreed to and put into place. One of those recommendations was to begin utilizing Emergency Reporting - our software vendor, to maintain our permits and fees. It produces monthly reports that list the pertinent information for an independent review. On December 1, 2019, we began using Emergency Reporting for everything we do in the administration and enforcement of our Fire Code.

You mentioned concerns about our permit numbers needing to be issued sequentially by the Emergency Reporting system. We advised your staff that Emergency Reporting is a nationwide record management system for several thousand fire departments. Each receipt we issue to a customer is tied back to the permit numbers for that project. As permits are entered into the system, other fire departments are doing the same, and it is impossible to have guaranteed sequential permit numbers.

As recommended, I contacted our vendor, Emergency Reporting, to inquire if they could assign us sequential permits and certificate numbers and produce an audit trail report. They told me that the permit numbers are assigned as they are created by all their users, and there is no way to block out a set of numbers for an account to use. They also do not provide an audit trail report.

Because we are a small staff, there is an independent reconciliation of activities performed. The Fire Marshal reviews all the permits and fees issued through Emergency Reporting on a weekly basis and makes regular deposits to your office every week and sometimes twice a week.



TARRANT COUNTY
FORT WORTH, TEXAS 76111

RANDY RENOIS
FIRE MARSHAL

2750 PREMIER STREET
PHONE (817) 838-4660
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When the Fire Marshal is unavailable, one of the two Deputy Fire Marshals will review the permits and fees issued weekly and make the necessary deposits to your office.

Once again, thank you and your audit team for their recommendations and help, and I look forward to working with your office in the future.

Sincerely,

[REDACTED]
Randy Renois
Fire Marshal