



CITY HALL • ONE FRANK H. OGAWA PLAZA, 4TH FLOOR • OAKLAND, CALIFORNIA 94612

Office of the City Auditor
Brenda D. Roberts, CPA, CFE, CIA
City Auditor

(510) 238-3378
FAX (510) 238-7640
TDD (510) 238-3254
www.oaklandauditor.com

November 6, 2017

OFFICE OF THE MAYOR
HONORABLE CITY COUNCILMEMBERS
CITY ADMINISTRATOR
RESIDENTS OF OAKLAND
OAKLAND, CALIFORNIA

RE: 2nd Follow-up Audit of OFD's Vegetation Management

Dear Mayor Schaaf, City Council President Reid, Members of City Council, City Administrator Landreth, and Oakland residents:

The Office of the City Auditor issued the Oakland Fire Department (OFD) Vegetation Inspection Audit in November 2013, which found that the City could further mitigate risks within the Oakland Hills neighborhoods by improving its vegetation management inspection process, its billing and collection of inspection fees and addressing parking obstructions.

A follow-up audit was performed in 2015 to assess the implementation status of seven recommendations and found that three of the seven were not implemented. The 2nd follow-up determined that the three open recommendations still have not been implemented, thus remain open. We acknowledge that OFD is making progress towards closing these recommendations.

I want to express our appreciation to OFD for their cooperation during the 2nd follow-up audit and to their commitment to mitigating the fire risks within the Oakland hills neighborhood.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Brenda D. Roberts".

BRENDA D. ROBERTS
City Auditor

cc:

Darin White, Fire Chief
Angela Robinson Pinon, Executive Assistant
Stephanie Hom, Deputy City Administrator
Margaret O'Brien, Tax & Revenue Administrator

Miguel Trujillo, Fire Marshal
Maria Sabatini, Assistant Fire Marshal
Nicole Welch, Financial Operations Supervisor

City Auditor
Brenda Roberts
CPA

November 6, 2017



Second Recommendation Follow-Up
Oakland Fire Department
Vegetation Inspection Audit

Audit Team:

Orsolya Kovesdi
Senior Performance
Auditor



CITY OF OAKLAND

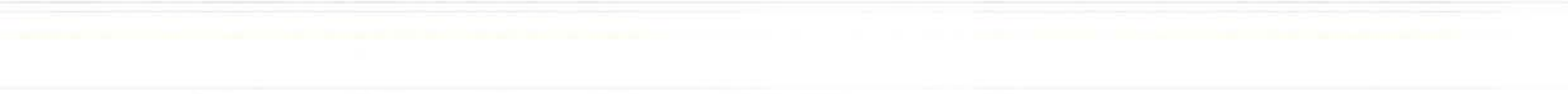
OFFICE OF THE CITY AUDITOR

Table of Contents

Introduction & Background 1

Summary of Results 4

City Administrator’s Response 9



Introduction & Background

Background

In response to public concerns regarding enforcement of vegetation management in the Oakland Hills, the Office of the City Auditor released the Oakland Fire Department (OFD) Vegetation Inspection Audit Report in November 2013.

This initial report found that the City could further mitigate risks within the Oakland Hills neighborhoods by improving its vegetation management inspection process, its billing and collection of inspection fees and addressing parking obstructions.

The report issued seven recommendations to address these risks:

1. Implement clear policies and procedures that include stronger supervision and quality control measures over the vegetation inspection process.
2. Consider additional ways to integrate inspectors' expertise to help guide and oversee the quality of inspections performed and data recorded.
3. Implement a tracking mechanism to ensure that all Fire Department staff attend annual training on how to conduct inspections and to consider the costs and benefits of amending the training to be more interactive.
4. Work with the Fire and Human Resources Departments to ensure part-time vegetation inspectors are employed prior to and during the fire season.
5. Increase the efficiency and effectiveness of the abatement process.
6. Consider establishing alternative collection methods beyond placing liens on property sales, that can be used to ensure the City collects all amounts owed.
7. Work with Council members and other City leaders to determine if parking that obstructs road access in the Oakland Hills is an enforcement priority and if so, an enforcement program should be designed with input from community stakeholders.

Our office conducted a follow-up review in 2015, to assess the implementation status of the 2013 recommendations. As noted in the report, our review closed recommendations 2, 3, 4, and 6, leaving recommendations 1, 5, and 7 open and unresolved.

Introduction & Background

Objective, Methodology, Findings

The purpose of this *second* follow-up report is to determine if substantive actions have been taken to close recommendations, 1, 5, and 7 from the first follow-up of the initial 2013 Vegetation Inspection Audit Report.

Follow-up Process Methodology

- Reviewed supporting documentation submitted by OFD.
- Conducted interviews (OFD, Revenue, Transportation, and City Council staff).
- Performed on-site observations.

Findings

This second follow-up report finds that while OFD initiatives are currently in progress to close these three outstanding recommendations, they remained unresolved at the time of our follow-up. OFD still needs to:

#1 - Develop a quality control process to ensure inspections are performed accurately;

#5 - Work with revenue to implement a policy that establishes standards for supporting documents to ensure invoices are issued and collected on time; and

#7 – Work with the City Administrator and other stakeholders to achieve a solution to the parking problem in the Oakland Hills neighborhoods.

Why is it important to resolve these findings?

Increased vegetation growth from record-breaking rainfall during the winter of 2016-17 provided fuel for fire around homes and buildings threatening those who live in the hills and more populated areas of the City. Ensuring inspections are performed accurately and prior to fire seasons is of utmost importance to the safety of all residents.

Funding is always a challenge in the City of Oakland. Collecting on current invoices and finalizing the collection and lien process for past due invoices should be a priority. The Revenue Department and OFD should work together to properly bill and then collect monies due to the City.

Introduction & Background

In November 2013, residents voted not to renew the assessment parcel tax used to fund the Wildfire Prevention Assessment District (WPAD)¹ program. The non-renewal of this parcel tax significantly decreases revenue by approximately \$1.8 million annually, further constraining resources targeted to wildland fire prevention. The WPAD had a fund balance of \$834,000 as of June 2017.

OFD or Parking Enforcement must find a workable solution for the parking problem in the Oakland hills. The 1991 Oakland-Berkeley Hills Tunnel Fire was one of the most disastrous in American history. It claimed 25 lives, destroyed 3,400 dwellings and cost \$1.7 billion dollars. Narrow roadways that quickly became blocked during the evacuation contributed to the tragedy, as these streets were, for many residents, the only exit routes out of the area.



Photo: Mark Gibson, Mira Images

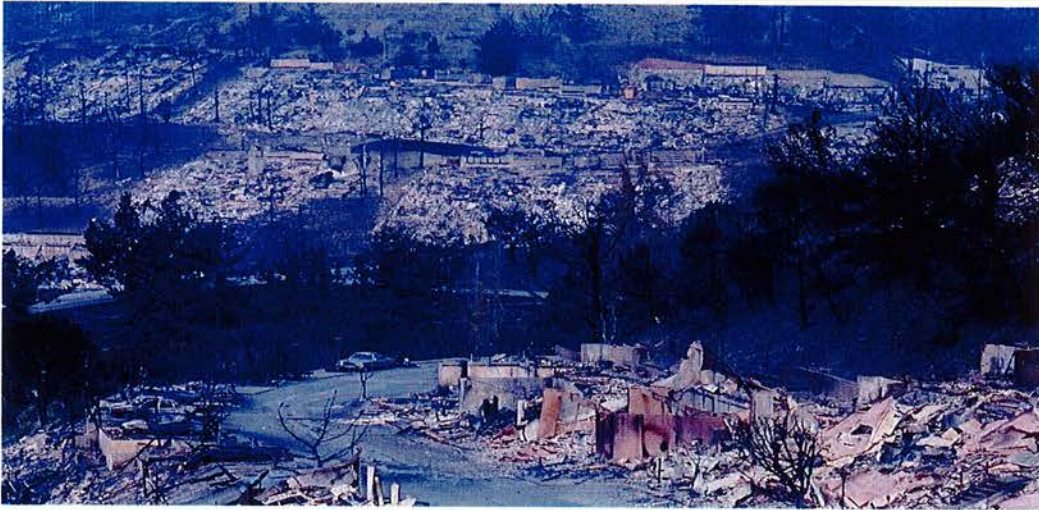


Photo: California Office of Emergency Services

¹WPAD was formed in response to the 1991 Oakland Hills Fire. Single family resident property owners on developed land within the District paid an annual \$65 assessment tax to fund WPAD to help with prevention, suppression and preparedness activities beyond what is generally performed by OFD.

OFD's Fire Prevention Bureau manages the WPAD program which provides funding to monitor fire risks on privately-owned and city-owned parcels within the fire district. The program's goal is to reduce and manage vegetative fuel loads to minimize the risk of fires, accomplished through various efforts such as goat grazing, chipping services, and median and roadway abatement.

OFD inspects parcels annually for compliance with regulations for vegetation management. Property owners are charged a fee for re-inspections of non-compliant properties and may be assessed the abatement cost if not remediated.

Summary of Results

Open Recommendations

RECOMMENDATION 1: **STATUS: OPEN**

Implement clear policies and procedures that include stronger supervision and quality control measures to ensure inspections are performed accurately including, but not limited to:

- Oversight of inspection performance and inspection forms for accuracy and completeness.
- Stronger controls over the accuracy and monitoring of information in the inspection database.
- Inspection performance as part of written performance evaluations for Fire Department staff.

Actions taken:

In late 2015, the Fire Department developed a quality assurance plan, the objective of which is to ensure that all inspections are performed accurately, consistently and in conformance with inspection standards. This assurance program includes a re-performance by Fire Battalion Chiefs, of approximately 3% of all annual inspections. The results of these reviews are then used in the continuous improvement of the inspection training curriculum and to clarify requirements in outreach materials to the public.

The results of the most recent assurance review of inspections showed 19 as 'non-compliant'—the inspector had incorrectly noted these properties as 'compliant'. The department could not provide us with the procedures or follow up they applied to these exceptions to show that property owners were advised of needed remediation to comply with defensible space regulations, or that specific training was provided to the inspector to avoid repeated errors.

The department will have greater confidence in the integrity of the vegetation inspections once the quality assurance plan is fully implemented.

OFD Management Action Plan

- *Implement* the Quality Assurance Program.
- Expand the quality assurance plan to address the accuracy of inspection results into the department's database: One-Step system, or other designated systems.

Summary of Results

- Develop a formal written process for the sworn OFD personnel and the Vegetation Management Inspectors to ensure accurate, consistent and complete data entry to One-Step.
- Document how personnel will be held accountable for incomplete forms and inaccurate information in One-Step, or its successor system database.
- Document follow-up procedures for failed quality assurance inspections.
- Continuously evaluate the department's process controls to ensure they are well-designed, operate effectively, are appropriately updated to meet changing conditions and provide reasonable assurance that department objectives are being achieved.

RECOMMENDATION 5: STATUS: OPEN

The 2013 audit report issued the following recommendations related to the abatement process:

1. Adjust the non-compliance notification process so that abatements occur earlier in the fire season.
2. Establish blanket contracts and on-call service contracts that can be used for common types of abatements, rather than going through a competitive contracting process for each property requiring abatement.
3. Ensure OFD annually invoices non-compliant property owners for all abatement costs, re-inspection fees and administrative costs.
4. Increase the effectiveness of the OFD billing system by programming it to produce automated notices for outstanding amounts due.
5. OFD should work with the Revenue Division to implement a collections process that will ensure timely cost recovery for properties abated by the City.

Actions taken:

- OFD amended the Fire Code in 2016 to include stronger and clearer language regarding the application of fees and the ability to place liens on properties for abatement and related costs.
- OFD and the Revenue Division worked together to compile information to bill property owners for inspection fees and the expenses for abated

Summary of Results

properties. All collections are now managed by Revenue. The City had approximately \$251,000 of unpaid invoices as noted in our December 2015 recommendation follow-up report. Approximately \$28,000 of those invoices remain outstanding for that period after collection, liens and write-offs due to statute of limitations.

- In 2017, OFD issued invoices from the prior 2 fiscal years to property owners for inspection fees and abatement costs. These totaled nearly \$420,000. Approximately 98% were subsequently voided due to input errors on the inspection forms of fire code violations and descriptions, or because inspections were conducted before property owners had the opportunity to remediate the violations. **Unrecovered costs totaled more than \$409,000.**

| Exhibit 1B: Invoices – Inspection fees, abatements* | | |
|---|--------------------|------------------|
| Fiscal Years 2015-16, 2016-17 | Number of invoices | Total \$ Amount* |
| Total invoiced | 1,369 | \$419,386 |
| Voided invoices | 1,338 | \$409,993 |
| Valid invoices – paid to date | 7 | \$2,121 |
| Outstanding Collections | 24 | \$7,272 |

*As of July 2017

OFD Management Action Plan:

- Provide training on the inspection and citation-writing process so that mistakes and input errors are minimized and all inspectors are working under standardized procedures.
- Ensure invoices are prepared accurately and submitted timely, using automated features from the billing system if feasible.
- Adjust the inspection scheduling so that notifications of non-compliance and abatements occur earlier in the fire season.
- Establish blanket contracts and on-call service contracts.

Summary of Results

RECOMMENDATION 7: STATUS: **OPEN**

Work with the City Council to determine if parking obstructing road access in the Oakland Hills is an enforcement priority and, if so, an enforcement program should be designed with input from community stakeholders. If this is determined to be an enforcement priority, the Administration and City Council should:

- Work with OFD, Parking Enforcement and any other appropriate department to obtain a greater understanding of emergency road access needs in the Oakland Hills. Consider how to address the issue and then define and implement an action plan if greater emergency access is needed.



*Photo: Paul Chinn, The Chronicle
Firefighter driving in the Oakland Hills*

- Consider the costs and benefits of promoting improved emergency vehicle access to the Oakland Hills by authorizing OFD to issue tickets during annual fire inspections, roving fire patrols, or when obstructions are encountered.
- Work with Parking Enforcement to actively issue tickets for cars parked in the Oakland Hills that are obstructing road access and may hinder emergency responses. Cars should be towed away, when necessary.

Actions taken:

The City initiated a pilot program in November 2015 to address the Oakland Hill's serious safety issue of parked cars on narrow streets that obstruct emergency vehicle access.

The City, (with the help of the Council District offices, OFD, and Public Works), conducted a community survey designed to identify streets in the Oakland hills that pose a safety hazard based on pavement width. In March 2017, the City installed "No Parking Anytime" signs on the narrowest streets (those with less than 20 feet of pavement). However, parking citations have yet to be issued to vehicles in violation. We have learned,

Summary of Results

through observation and meeting with OFD staff, that parking enforcement in the Oakland Hills is rare even where the signs are present.

The pilot program's next steps are undefined as of the date of this report.

OFD and City Administration Management Action Plan

Assign clear ownership to the parking problem in the Oakland Hills neighborhoods.

- Increase public awareness about parking enforcement in the affected neighborhoods.
- Implement parking enforcement in the affected neighborhoods based on violation frequency (for example, nights and weekends).
- Develop a strategic plan to address the emergency road access needs in the Oakland Hills with scheduled completion dates, monitoring and progress reports.



Photo: Paul Chinn, The Chronicle



CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

Office of the City Administrator

(510) 238-3301
FAX (510) 238-2223
TDD (510) 238-2007

October 25, 2017

Brenda Roberts
Oakland City Auditor
1 Frank Ogawa Plaza, 4th Floor
Oakland, CA 94612

RE: City Administrator's Response to the Second Recommendation Follow-up of the Oakland Fire Department Vegetation Inspection Audit

Dear City Auditor Roberts:

The City Administration and the Oakland Fire Department have received and reviewed the Second Recommendation Follow-up of the Oakland Fire Department Vegetation Inspection Audit. The open recommendations from the original November 2013 audit, in many instances, have already been addressed as outlined in our detailed department response.

I want to extend my gratitude to your staff for their dedication to provide reports that are valuable contributions to improve the City of Oakland.

Sincerely,

A handwritten signature in blue ink, appearing to be 'S. Landreth', written over a horizontal line.

Sabrina B. Landreth
City Administrator

cc: Darin White, Fire Chief

Attachment: Department response

City Administrator's Response

| # | City Auditor's Recommendations | Management Response | Responsible Parties | Target Date to Complete |
|---|---|---|---------------------|-------------------------|
| 1 | <p>Policies and Procedures – Implement clear policies and procedures that include stronger supervision and quality control measures to ensure inspections are performed accurately including, but not limited to:</p> <ol style="list-style-type: none"> Oversight of inspection performance and inspection forms for accuracy and completeness. Stronger controls over the accuracy and monitoring of information in the inspection database. Inspection performance as part of written performance evaluations for Fire Department staff. | <p>The Administration partially agrees with this recommendation.</p> <p>1 & 2. OFD has taken steps to strengthen the training of its personnel, and to implement quality assurance procedures to improve its vegetation inspections program.</p> <p>OFD has reviewed and revised Policy and Procedure 200.7 Field Operations Inspection Program to improve the accuracy and quality of vegetation management inspections, by implementing a quality control process administered by OFD Battalion Chiefs (BCs). This quality control process was initiated in 2015 and requires that BCs conduct an on-site review of approximately 3% of all annual inspections conducted by Engine Companies. During this most recent season, the Deputy Chief of Field Operations began to perform random and focused sampling of the Battalion Chiefs 750 inspections. In addition, BCs and Company Officers are also tasked with reviewing inspection results, to ensure that inspection information is complete and accurate. Information obtained from these quality control processes will be used to inform future training exercises.</p> <p>Training is a key component of OFDs efforts to improve inspection quality. Battalion Chiefs and Company Officers have completed One Step database refresher training. In addition, Company Officers were required to attend on-site training with inspectors from the Vegetation Management Unit. <i>(Completed April and May 2017)</i></p> | 1&2. OFD | 1&2. Ongoing |

City Administrator's Response

| | | | | |
|---|---|---|--------|-----------------------|
| | | <p>In 2017, a new process was implemented to pre-sort and assign vegetation inspections by Station, shift, and date for greater ease of tracking and accountability. Moreover, OFD implemented the use of a re-inspection form to ensure appropriate follow-up communication to property owners about their compliance status, as well as improved data input into the OFD database. <i>(Completed May, 2017)</i></p> <p>Finally, 2,000 high risk properties were transferred from the Engine Company inspections to the Vegetation Management Unit. <i>(Completed May, 2017)</i></p> <p>In total, the actions described above are intended to ensure the accuracy and reliability of inspection results by improving data input and record-keeping, and implementing quality control measures. OFD is committed to a continuous improvement model and will review its forms, policies and training regimen as needed to achieve optimal results.</p> | | |
| 5 | <p><u>Efficiency of Abatement Process</u> –</p> <ol style="list-style-type: none"> 1. Adjust the non-compliance notification process so that abatements occur earlier in the fire season. 2. Establish blanket contracts and on-call service contracts that can be used for common types of abatements, rather than going through a competitive contracting process for each property requiring abatement. | <p>The Administration partially agrees with this recommendation.</p> <ol style="list-style-type: none"> 1. OFD has considered adjusting inspection scheduling so that notifications of non-compliance and abatements occur earlier in the fire season. However, OFD has determined that earlier inspections of all properties are not prudent, nor will they improve the efficiency of the abatement process for the following reasons: <ul style="list-style-type: none"> • Cal Fire declares the beginning of Fire Season during the month of April. At the time of the year when the weather is warm and dry and vegetation is no longer green, the Fire Prevention Bureau begins inspecting properties for compliance with defensible space; | 1. OFD | 1. Pending April 2018 |

City Administrator's Response

| | | | |
|---|---|--|---|
| <p>3. Ensure OFD annually invoices non-compliant property owners for all abatement costs, re-inspection fees and administrative costs.</p> <p>4. Increase the effectiveness of the OFD billing system by programming it to produce automated notices for outstanding amounts due.</p> <p>5. OFD should work with the Revenue Division to implement a collections process that will ensure timely cost recovery for properties abated by the City.</p> | <ul style="list-style-type: none"> • earlier inspections would require a later follow-up visit as the vegetation is likely to grow back in wetter weather; • lack of resources precludes year-round or more frequent inspections; • addressing low-risk vegetation before the start of the Fire Season may not be a good use of limited resources; <p>OFD does believe that there is a benefit to targeting high risk, and properties with histories of non-compliance throughout the vegetation season. This approach will be evaluated during the 2018 Fire Season.</p> <p>2. OFD will continue to consider all options to streamline the contracting process for the abatement of properties. For 2017, the Fire Prevention Bureau successfully processed multiple contracts with different vendors with no delays or complications.</p> <p>3. OFD amended the Fire Code in 2016 to include stronger and clearer language regarding the application of fees and the ability to place liens on properties for abatement and related costs.</p> <p>In 2016, it was determined that billing and collections activities conducted by OFD should be transferred to the Revenue Division. OFD and the Revenue Division worked together to compile information to bill property owners for inspection fees and the expenses for abated properties. As of August 2017, collections and billing associated with inspections are now managed by the</p> | <p>2. OFD and Contract Compliance</p> <p>3. OFD and Finance Department, Revenue Division</p> | <p>2. Ongoing</p> <p>3. Complete (August, 2017)</p> |
|---|---|--|---|

City Administrator's Response

| | | | |
|--|--|--|--------------------------------|
| | <p>Revenue Division. It is now feasible for OFD to provide timely invoices to property owners for abatement costs and re-inspections. Furthermore, OFD believes that the migration to a new inspection database that is compatible with Oracle R12, combined with the quality controls described above should greatly improve its capacity in this area.</p> <p>4. Revenue will use automated features from the billing system to ensure that inspection invoices are prepared accurately and are submitted and generated in a timely manner. This project is included in the migration to a new inspection database, and is therefore currently under development. It is expected that this functionality should be complete and fully implemented prior to the start of the 2018 Fire Season. In the interim, OFD has made many improvements in its billing and collections that are summarized in the following paragraph.</p> <p>OFD queries the One Step database for inspections conducted and outstanding balances due. That information is transmitted to the Finance Department for input into the Oracle system. Account numbers are created, and that information is sent back to OFD to create invoices and to mail them to the property owner. Once the data is in Oracle, follow-up invoices can be sent if necessary. With the acquisition of a new inspection database, this process can be automated; however, the process outlined above, is a substantial step forward towards achieving compliance with City policies for billing and revenue collection.</p> <p>5. Please see responses to #3 and #4 above. collections for the FPB are being handled by the City's</p> | 4. OFD, Finance and Information Technology Departments | 4. Pending February 2018 |
|--|--|--|--------------------------------|

City Administrator's Response

| | | | | |
|---|--|---|---|---|
| 7 | <p><u>Parking Enforcement in the Oakland Hills</u> – Work with the City Council to determine if parking obstructing road access in the Oakland Hills in an enforcement priority and, if so, an enforcement program should be designed with input from community stakeholders.</p> <p>Work with OFD, DOT-Parking Enforcement and any other appropriate department to obtain a greater understanding of emergency road access needs in the Oakland Hills. Consider how to address the issue and then define and implement an action plan if greater emergency access is needed.</p> <p>Consider the costs and benefits of promoting improved emergency vehicle access to the Oakland Hills by authorizing OFD to issue tickets during annual fire inspections, roving fire patrols or when obstructions are encountered.</p> <p>Work with Parking Enforcement to actively issue tickets for cars parked in the Oakland</p> | <p>Collections Unit, up to and including the processing of property liens and/or obtaining judgments against delinquent debtors. Also, OFD is mailing a set of FAQ to all residential properties in the wildland urban interface areas that details the inspection process and applicable inspection fees.</p> <p>The Administration partially agrees with this recommendation.</p> <p>OFD, DOT, OPD, and City Council Offices worked together on a pilot program in November 2015 to address the problem of vehicles parked on targeted narrow streets that obstruct emergency vehicle access. The pilot program included new “No Parking” signs and a public outreach campaign. OFD and DOT will continue to conduct regular assessments of these targeted narrow streets and implement additional public outreach and education where necessary. On-going measures will include:</p> <ul style="list-style-type: none"> • DOT partnering with City Council offices to increase public awareness about parking enforcement in the affected neighborhoods; • DOT to implement parking enforcement in the affected neighborhoods based on violation frequency (for example, nights and weekends); report results of enforcement campaigns focused on narrow streets; dispatch enforcement technicians upon request and to targeted streets on “red flag” alert days; • DOT to coordinate the development of a strategic plan to address the emergency road access needs in the Oakland Hills with | <p>5. OFD and Finance Department, Revenue Division</p> <p>DOT and OFD</p> | <p>5. Pending January 2018</p> <p>Ongoing</p> |
|---|--|---|---|---|

City Administrator's Response

| | | | | |
|--|--|---|--|--|
| | <p>Hills that are obstructing road access and may hinder emergency responses. Cars should be towed away, when necessary.</p> | <p>scheduled completion dates, monitoring and progress reports.</p> <p>OFD has considered the recommendation that its personnel issue citations for blocked emergency vehicle access, and has determined that such a proposal is not feasible due to both operational and administrative constraints. <i>(Completed September 2017)</i></p> | | |
|--|--|---|--|--|