Fire Fleet Asset Management Audit

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Internal Audit

BRAMPTON

Table of Contents

Executive Summary

Background

Brampton Fire and Emergency Services (BFES) is an emergency response department providing fire protection services to all residents living, working and studying in the City of Brampton.

The Apparatus and Maintenance Division of BFES manages fire fleet assets throughout their lifecycle, covering planning, acquisition, usage monitoring, maintenance, and disposal. While most maintenance is conducted in-house, specialized services are occasionally outsourced due to limited internal resources. The division adopted the M5 fleet management system to monitor fire fleet assets. As of June 2024, BFES assets total $30.76 million in purchase value, with the fire fleet accounting for 96.8%.

Audit Objectives

The audit aimed to:

- Assess whether Fire and Emergency Services has established policies and procedures for fire fleet asset management that align with City By-laws, corporate policies and relevant regulations.
- Evaluate the design and implementation of fire fleet asset management processes to ensure compliance with City standards and effective risk management across the asset lifecycle.

What We Recommend

A. Strengthen Preventive Maintenance Practices
Preventive maintenance intervals should be clearly defined based on manufacturer recommendations for each vehicle type, formally documented and consistently followed.

B. Improve M5 Usage for Effective Fire Fleet Asset Management
Staff should be trained and supported to fully utilize M5 capabilities, ensuring M5 is utilized as a central platform to record, track, and retain essential fire fleet asset data, as well as for improved oversight and decision-making.

C. Improve Documentation on Asset Planning and Disposal
Management should establish comprehensive policies and procedures to define documentation standards and accountability for asset management activities, ensuring records are complete, current and accessible.

D. Improve Equipment Tracking
All equipment should be consistently tracked in the M5 system to ensure accurate and complete asset record-keeping.

E. Strengthen Standard Operating Guidelines (SOGs)
SOGs should be regularly reviewed and updated to reflect current practices and provide relevant guidance. Additionally, they should include detailed procedures to support the consistency and standardization of fire fleet asset management practices.

F. Enhance Fire Vehicle Inspection Retention
A process for retaining fire vehicle inspection records should be established and documented, including retention requirements, permanent fleet ID assignment, and spare vehicle usage documentation.

Conclusion

Internal Audit's review of fire fleet asset management noted the following strengths:

- Qualified technicians maintain fire and emergency vehicles in alignment with their expertise and certifications.
- Vehicle parts are securely stored, labeled, tracked by dedicated staff and counted annually for accuracy.

This audit identified key areas to improve fire fleet asset management, which will enhance operations and ensure readiness for emergency response. Implementing these recommendations will support efficient asset management by strengthening preventive maintenance, M5 system utilization, asset documentation, equipment tracking, standard operating procedures and inspection record retention.

It is important to note that management has proactively identified many of these improvement areas, including M5 system underutilization, fire fleet asset management documentation, and improvement needed in the SOGs.

Management advised the following:
A comprehensive work plan for the Apparatus & Maintenance Division was developed in September 2023. While the plan includes many items identified in the audit, it also covers additional aspects of the division's broader scope. The prioritization of tasks within the plan was strategically focused on areas with a direct impact on occupational health and safety, particularly the Respiratory Protection Program, the Personal Protective Equipment (PPE) Selection, Care, and Maintenance Program, and the Hose Testing Program.

Management Action Plans

We have discussed the findings, and management agrees with all recommendations, having developed corresponding action plans. The detailed management action plans and timelines are provided in **Appendix 1**.

Thank You to Management and Staff

We appreciate the cooperation and assistance of the Fire Chief, Deputy Fire Chief, and the management and staff of the Apparatus and Maintenance Division throughout the audit.

Distribution List

Standard Recipients	Members of Audit Committee CAO Member of Council Member of Leadership Team KPMG LLP, Chartered Accountants (Statutory Auditor) - Maria Khoushnood, Partner, Private Enterprise
Additional Recipients	Brampton Fire & Emergency Services - Nick Ruller, Fire Chief - Andrew VonHolt, Deputy Fire Chief Apparatus and Maintenance Division - Dwayne Chaisson, Division Chief - Parry Herteis, Assistant Division Chief

Background

BFES is an emergency response department providing fire protection services to all residents, workers, and students in the City of Brampton. With over 500 staff members, the department is organized into seven business units, or "Divisions":

The Apparatus and Maintenance Division is responsible for the upkeep of the entire fire and emergency fleet, including both apparatus and support vehicles.

- **The Apparatus and Maintenance** Division is responsible for the upkeep of all vehicles and stations, including annual function tests, tool maintenance, vehicle painting and bodywork, and equipment delivery and maintenance at fire scenes. The division also conducts fire pump testing, aerial ladder and hose testing and repair, prepares tenders for new vehicles and equipment, and maintains fuel and mileage statistics as well as station costs.

- **The Administrative Services** Division is responsible for providing administrative support to Fire and Emergency Service staff, City personnel, external agencies, and the public. This includes day-to-day office management, leadership, and guidance on various strategic initiatives.

- **The Firefighting** Division is responsible for operating 24/7 to ensure the safety of Brampton's residents across 265 square kilometres, responding to over 24,000 emergencies per year. In addition to firefighting, firefighters handle motor vehicle collisions, medical emergencies, rescues, hazardous materials, and public assistance. When not responding to emergencies, firefighters engage with the community through public events and educational initiatives.

- **The Training** Division is responsible for instructing and implementing procedures for newly recruited and regular firefighting personnel.

- **The Fire Prevention** Division is responsible for Fire and Life Safety Education and manages public education programs, enabling Fire Prevention Officers to focus on fire code inspections, enforcement and investigations. Their work includes oversight of fire alarm systems, sprinkler systems, plan reviews, fire investigations and commercial cooking safety, all aimed at enhancing city safety.

- **The Fire and Life Safety Education** Division is responsible for offering a variety of public education and intervention programs for the community.

- **The Communications** Division is responsible for receiving and processing 9-1-1 emergency and non-emergency fire-related calls. They dispatch apparatus and personnel using radio and computer communication systems.

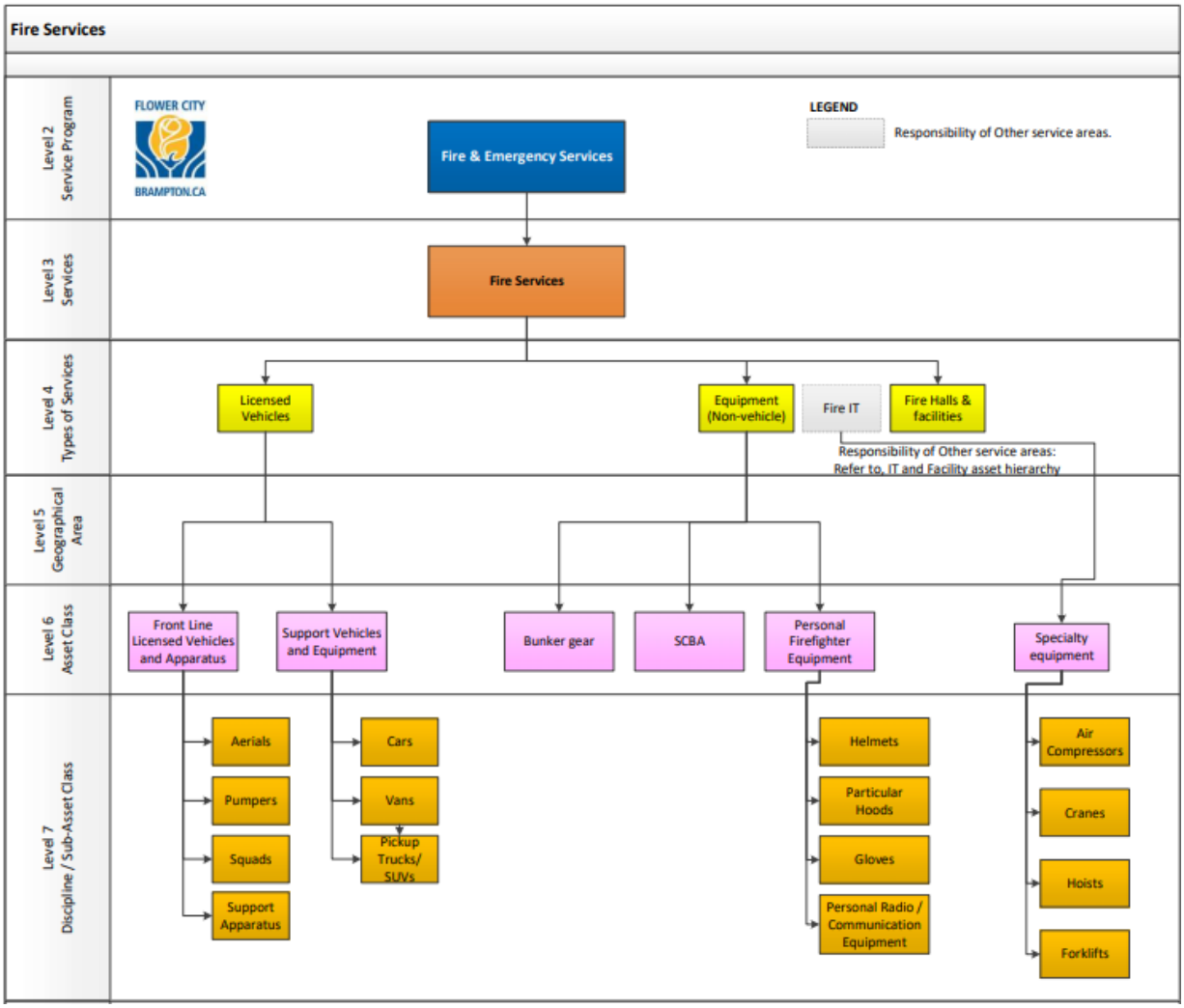
Our audit focus is on the Apparatus and Maintenance Division, which manages the department's assets, particularly those related to the fire fleet, including asset planning, purchasing, inventory, maintenance and disposal. The division currently consists of 10 Emergency Vehicle Technicians and 3 Supply and Equipment Officers. It is overseen by the Assistant Division Chief of the Apparatus and Maintenance Division, who reports to the Division Chief.

The Apparatus and Maintenance Division manages a range of fire fleet assets to support the provision of fire and emergency services.

On average, BFES responds to over 20,000 calls annually. To fulfill its commitment to providing quality protection services, the department is equipped with a range of assets, including licensed vehicles, non-vehicle equipment and fire halls and facilities. These assets are presented in the departmental Asset Hierarchy, as outlined in the City of Brampton's Service Area Asset Management Plan, developed by Hemson Consulting Ltd. in June 2024.

Figure 1 illustrates the asset hierarchy for Fire & Emergency Services, categorizing the fire fleet by service types, geographical areas, and asset classes.

Figure 1: Fire & Emergency Services Asset Hierarchy



The Apparatus and Maintenance Division manages fire fleet assets across all stages of their lifecycle.

Fire Fleet Asset Management

The Apparatus and Maintenance division performs the following asset management activities:

1. **Assessing Asset Acquisition Needs**: Identifying the need for new fire vehicles and assets based on current fleet conditions, service demands and future operational requirements.

2. **Selecting and Acquiring Assets**: Choosing the appropriate fire vehicles and assets that meet the identified needs and procuring them within budget and specification.

3. **Receiving New Assets**: Accepting delivery of the new fire vehicles and assets, ensuring they meet all required standards and are ready for deployment.

4. **Creating and Maintaining Asset Inventory**: Documenting and updating all fire vehicles and assets records to keep an accurate and current inventory for tracking and management purposes.

5. **Assigning and Tracking Assets**: Allocating vehicles to specific stations or units and monitoring their usage, location and condition throughout their lifecycle.

6. **Storing Assets**: Safely store fire vehicles and assets when not in use to protect them from damage and ensure they are ready for immediate use.

7. **Inspecting, Maintaining, and Repairing Assets**: Conducting regular inspections and maintenance to keep vehicles and assets in optimal condition, with prompt repairs as needed.

8. **Disposing Assets**: When vehicles and assets are no longer serviceable, they are removed from the fleet, following proper procedures for decommissioning and disposal.

The inspection, management and repair of all fire fleet-related assets, including licensed vehicles and specialty equipment, are primarily handled in-house at the BFES facility by qualified vehicle technicians.

These technicians are also responsible for completing inspections of the City's emergency vehicles in accordance with regulatory requirements. According to the City's *Service Area Asset Management Plan*, issued by Hemson Consulting Ltd. in June 2024, the City has achieved 100% compliance with regulated inspections and is meeting its target performance.

However, there may be instances where specialized services or parts are unavailable in-house, requiring the use of external vendors. BFES currently has Purchase Orders (POs) established with 12 vendors.

While the Apparatus and Maintenance Division has adopted a preventive maintenance practice, driven by factors such as vehicle kilometers, flexibility is necessary. Emergency vehicles must remain on standby 24/7, with limited spares available. This flexibility allows technicians to perform maintenance when an emergency vehicle is brought to the garage for purposes such as training.

The division uses M5, a third-party vendor system, to manage the fire fleet assets; however, this practice has not been extended to the inventory of all BFES assets.

Detailed Audit Findings

A: Strengthen Preventive Maintenance Practices

Priority Rating **P2**

Background The Preventive Maintenance (PM) SOG requires oil changes and inspections of key vehicle components such as engine, transmission, steering, and brake at the lesser of every 7,000 kilometres or once per year. During this maintenance, a work order (WO) is created to document completed tasks by technicians. Once finished, the WO is reviewed and closed by the Assistant Division Chief of the Apparatus and Maintenance Division.

Criteria Staff should conduct PM at designated intervals, following manufacturer recommendations specific to each type of fire apparatus.

Condition The PM interval, established prior to 2015, has not been explicitly documented in the PM SOG. Although it aligns with recommendations from Cummins Inc., a global manufacturer of engines for large commercial vehicles and the primary engine provider for most of the city's fire trucks, management has indicated that older spare aerial units are equipped with Detroit Diesel engines (models 252, 257, 259), and some support vehicles use Ford and Caterpillar engines. Consequently, the Cummins-recommended interval may not be suitable for all Fire Services vehicles.

We also noted that preventive maintenance is not being consistently completed at the required interval. For instance, our testing noted that 32 frontline apparatus, including aerials and pumpers, had oil changes performed at intervals that exceeded the recommended intervals, with some exceeding 14,000 KMS. Additionally, 30 support vehicles had oil changes conducted well beyond the recommended interval.

Cause There is currently no formal policy confirming that maintenance intervals align with manufacturer recommendations for various types of apparatus. Management also noted that the limited availability of spare apparatus makes it challenging to remove frontline equipment from service for scheduled oil changes while maintaining readiness for emergency response.

Impact As a result, existing maintenance intervals may not accurately reflect the manufacturers' guidelines, potentially leading to PM being conducted either too early or too late. Early PM may lead to unnecessary maintenance, increased costs, and operational disruptions, while delayed PM could result in excessive wear and tear, causing higher downtime and repair costs.

Recommendation:

1. **Strengthen Preventive Maintenance Practices**
   The Fire Chief, Fire and Emergency Services, should ensure that the preventive maintenance interval for oil change and vehicle inspection is clearly defined in alignment with the manufacturer's recommendations for each vehicle type, formally documented, and consistently followed by staff.

B: Improve M5 Usage for Effective Fire Fleet Asset Management

Priority Rating **P2**

Background Fire and Emergency Services adopted the M5 System (FleetFocus) in 2017 to enhance fleet asset management. The system offers capabilities such as inventory tracking, maintenance scheduling, vendor warranty recording and inspection record management, along with other tools that help reduce administrative burdens, including manual record-keeping and streamline fleet asset management activities.

Criteria The full capabilities of the M5 system should be leveraged to minimize administrative tasks like manual record-keeping, which can be error-prone, while also providing management with valuable insights for efficient fire fleet asset management and oversight.

Condition The M5 system has yet to be fully utilized as an effective fire fleet asset management tool. For example, fleet asset information has not been consistently recorded throughout each asset's lifecycle. Critical records, such as annual fire truck inspections – required for compliance with health and safety standards (Regulation 611 – Safety Inspection) and essential for insurance purposes – remain largely in physical format outside the system. Without comprehensive data in M5, such as current inventory levels, detailed vehicle maintenance records (including material and labor costs), and records of external vendor services, management's oversight of asset acquisition, maintenance and disposal is limited, impacting the ability to plan for timely replacements. These challenges are especially pertinent given the current supply chain challenges affecting the industry.

Additional observations regarding M5 usage include:

- **Repairs**: In a review of 25 corrective work orders in M5, four were missing complete documentation of parts and labor hours.

- **Preventive Maintenance**: Of 25 preventive maintenance work orders, 24 did not have attached checklists, making it difficult to confirm completion or identify any defects noted during inspections.

- **Asset Disposal**: Testing of 10 asset disposals (trucks and cars) revealed delays in updating M5 for four assets, with some delays extending up to 11 months after disposal forms were created.

- **External Vendor Services:** PeopleSoft records indicate payments for external vendor services (e.g., repair and maintenance); however, our review of the M5 system did not reflect these services from late 2022 to 2024. Staff noted that management turnover in 2022 may have contributed to some procedural misunderstandings. Additionally, a review of five vendor services recorded before this turnover found no purchase orders in M5, with four invoices also missing from their respective WOs. Without integrating these work orders and warranty information into M5, Fire Services may find it challenging to effectively track and utilize warranty claims.

- **Contact Information**: Some contact details in M5 may require updating to ensure smooth communication and coordination for repairs. Primary contact information, last updated in 2022, still reflects previous personnel.

- **Parts Location:** Most repair work orders require parts, making accurate parts location data essential to prevent repair delays. Currently, parts are listed as located in the Sandalwood facility rather than in the Apparatus Maintenance area where they are primarily used.

Overall, enhanced use of the M5 system to centralize and standardize record-keeping would improve oversight, accountability and the efficiency of fire fleet asset management.

Cause Management advised that staff had hesitation about fully adopting the M5 system as the centralized platform, potentially due to a need for additional guidance and support to ease the transition. For example, communication did not fully clarify that M5 is intended to serve as the unified platform for centralized management and retention of fire fleet asset records. Consequently, various staff have continued to use multiple systems, such as KeyValet, PoolCar, Smart Apps, and AssetWorks, for fire fleet asset management and record retention.

Impact Not fully utilizing the M5 system impacts efficiency, cost-effectiveness, compliance, and overall preparedness, all of which are essential for effective fire fleet asset management.

Recommendation:

2. **Improve M5 Usage for Effective Fire Fleet Asset Management**
   The Fire Chief, Fire and Emergency Services, should take steps to ensure M5 is adopted as the unified platform for centralized management and retention of fire fleet asset records and that staff and management fully utilize the capabilities of the M5 system as a fleet asset management tool.

C: Improve Documentation on Asset Planning and Disposal

Priority Rating **P2**

Background Based on our discussions with the Apparatus and Maintenance staff, asset planning involves assessing key factors such as current number and type of apparatus, service life and overall asset condition. The City's post-COVID supply chain challenges have also been incorporated into this planning.

The Purchasing By-law (#19-2018) includes a policy (paragraph 8.12) outlining procedures for city staff when disposing of assets. For disposals, management must complete the Disposal Form, which details the asset, requestor, approver, and disposal method, such as donation, sale, or scrap, to ensure compliance with By-law #19-2018.

Criteria Leading asset management practices recommend that all asset management activities, including asset planning, acquisition, maintenance, and disposal, should be documented and stored in a centralized system, such as asset management software or a shared drive. This approach improves accessibility, supports informed decision-making and ensures compliance with policies and procedures.

Condition We reviewed the 2024 asset acquisition assessment for the Fire Fleet and found that the documentation could be strengthened to better support the rationale for the identified acquisition needs.

Additionally, our review found that, for car disposals, documentation for three out of ten disposals under By-law #19-2018, which includes justifications and approvals, was not on file. Due to staff turnover, current staff are unsure where these forms were saved.

Cause Management advised the following three challenges that contributed to incomplete record-keeping:

- employee turnover and a loss of continuity in consistent record-keep practices
- staffing constraints limit the availability of personnel focused on documentation tasks
- lack of a defined centralized repository for storing and retrieving relevant documentation.

Impact Incomplete documentation in asset planning makes it hard to justify or verify the rationale for identified acquisition needs. Without complete documentation on asset disposal, it is challenging to plan replacements, anticipate future needs and maintain fleet readiness, reducing emergency preparedness. Inaccurate documentation affects budgeting accuracy, creating funding gaps that can delay necessary purchases.

Recommendation:

3. **Improve Documentation on Asset Planning and Disposal**
   The Fire Chief, Fire and Emergency Services, should ensure comprehensive documentation for all asset management activities, including asset planning, acquisition, maintenance, and disposal and that records are complete, current, and easily accessible.

D: Improve Equipment Tracking

Priority Rating **P2**

Background Equipment tracking at the Apparatus and Maintenance facility is essential for fire fleet asset management, ensuring staff can locate equipment, enabling efficient maintenance, supporting acquisition decisions and preventing asset misappropriation.

Criteria To support effective management, financial control, and accountability, equipment inventory should be carefully tracked and recorded in a centralized system. This also will help ensure that City assets are well maintained and resources are managed efficiently.

Condition During our inventory count, we selected 30 firetrucks, cars and equipment from the M5 Asset Management System and were able to locate all of them in the garage. However, some equipment that was in the garage were not recorded in the M5 system. For instance, we sampled 15 equipment stored in the garage and noted the following items were not recorded in the M5 system. These items included Refrigerator, Electric Truck Charger, Parallelogram, and Tire Changers (**See Figure 2 below**):

Items that were not recorded in M5 were all equipment; all cars and trucks reviewed were accurately accounted for in M5.

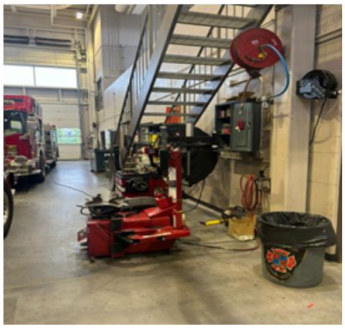
Figure 1: Equipment Not Recorded in the M5 System

Refrigerator

Electric Truck Charger

Parallelogram

Tire Changer



Cause In discussion with management, the challenges in recording equipment in the M5 system stems from inconsistent data entry processes and a lack of formally documented procedures that clarify roles and responsibilities. Additionally, there is a lack of clear guidance on which equipment items should be inventoried within the city, as noted in previous audits of small asset tools and equipment management. The absence of a defined threshold requirement and policy for inventorying items contributes to ambiguity in tracking practices.

Impact Inaccurate tracking of equipment inventory may lead to delays in maintenance, increased risk of asset misappropriation undetected, and challenges in making informed acquisition decisions.

Recommendation:

4. **Improve Equipment Tracking**
   The Fire Chief, Fire and Emergency Services, should take steps to ensure equipment is consistently tracked in the M5 system.

E: Strengthen Standard Operating Guidelines (SOGs)

Priority Rating **P2**

Background BFES has developed a set of SOGs to assist staff in managing fire fleet assets. These guidelines outline high-level management expectations regarding the necessary actions to be implemented in carrying out fleet management operations.

Criteria Fire fleet asset management staff benefit from clear, detailed operating procedures to support their daily tasks. Regularly reviewing and updating these procedures helps ensure they stay relevant and practical, providing consistent guidance and standardization for fire fleet management operations.

Condition Our review of the 22 related SOGs noted that, while these documents effectively outline management's expectations for fleet asset management, they could benefit from incorporating additional procedural details to support staff in carrying out tasks consistently and in a standardized manner.

Most of these SOGs have not been recently reviewed to confirm their alignment with current practices. Specifically, 18 out of the 22 SOGs were last updated in 2019 or earlier. As a result, some guidelines may no longer reflect the department's current asset management practices or provide relevant guidance. For example, several SOGs were last reviewed before Fire and Emergency Services adopted the M5 system and still reference the use of hard copy vehicle master log instead of M5 for record-keeping. These SOGs include:

- Periodic Mandatory Commercial Vehicle Inspection (P.M.C.V.I) (#32-07)
- Preventive Maintenance of All Vehicles (#32-10)
- Frame and Suspension Service (#32-05)

Cause Management advised that the Apparatus & Maintenance Division experienced high staff turnover, leading to resource challenges; consequently, the focus had been on prioritizing operational activities to ensure business continuity and deferring the review and updates of SOGs.

Impact The absence of updated procedures can result in inconsistent fleet asset management practices, even with existing SOGs. Staff turnover becomes especially challenging without standard operating procedures to provide clear guidance.

Recommendation:

5. **Strengthen Standard Operating Guidelines (SOGs)**
   The Fire Chief, Fire and Emergency Services, should strengthen the Standard Operating Guidelines and ensure the development of detailed operating procedures to ensure consistent fire fleet asset management practices and such procedures should be regularly reviewed and updated to maintain their relevance and effectiveness.

F: Enhance Fire Vehicle Inspection Record Retention

Priority Rating **P3**

Background Firefighting staff are required to conduct daily and weekly inspections of all fire apparatus in accordance with the Department's Standard Operating Guidelines. These inspections ensure vehicle upkeep and readiness for emergency response.

Daily Inspections focuses on inspecting fluid levels, tires, emergency lights and sirens, the hydrants and nozzles and ensuring that the cab and crew areas are secure and functional.

Weekly Inspections focuses on checking the engine oil level, fluid levels for the windshield washer, radiator, transmission and power steering, as well as monitoring apparatus inventory levels.

A *Driver Vehicle Report* must be completed for each daily and weekly inspection, documenting any identified defects for necessary repairs.

Criteria All daily and weekly driver vehicle inspection reports must be maintained to demonstrate adherence to the fire vehicle inspection requirements outlined in the SOGs.

Condition Our review of selected daily and weekly inspection reports identified an opportunity to improve consistency in inspection record retention. Although these reports are currently stored in the Department's SharePoint, fire staff have difficulty locating and retrieving the records due to unfamiliarity with the platform. This challenge is further compounded by the following factors:

1. New fire vehicles are not assigned a fixed fleet identification (ID) upon commissioning, and their identification may change over their service life. For example, Pumper 201 was renamed Pumper 251. This change complicates the tracking of inspection records over time.
2. The deployment of spare vehicles is not consistently documented, making it challenging to confirm when these vehicles were used and whether required inspections were completed.

Cause There is currently no SOG addressing inspection record retention, specifically regarding the platform used for storing records and the required retention periods.

Additionally, the lack of a permanent ID for each fire vehicle and inconsistent tracking of spare vehicle usage have contributed to the difficulty in locating and retrieving the inspection records.

Impact Fire staff may face challenges demonstrating that ongoing fire vehicle inspections have been conducted to maintain health and safety and comply with SOGs, if records cannot be readily located and retrieved.

Recommendation:

6. **Enhance Fire Vehicle Inspection Record Retention**
   The Fire Chief, Fire and Emergency Services, should ensure a process for inspection record retention is established and documented, specifying retention requirements, spare vehicle tracking, and the assignment of permanent vehicle ID.

Audit Objectives, Scope and Methodology

Objective

The overall objective of this audit is to assess whether BFES has designed and implemented effective control processes to manage fire fleet assets, ensuring optimal protection services, alignment with the City's strategic objectives, and compliance with applicable laws and regulations. The specific objectives of the audit include:

Audit Objective #1

Assess whether BFES has established departmental policies and procedures to govern and guide fire fleet asset management activities, ensuring alignment with the City's By-Laws, corporate policies and procedures (e.g. Strategic Asset Management Policy) and relevant laws and regulations.

Audit Objective #2

Assess whether the fire fleet asset management processes are adequately designed and effectively implemented by BFES to ensure adherence to the City's By-laws, corporate policies and procedures, and relevant regulations while also effectively managing all key risks throughout the entire asset management life cycle.

Scope

Our audit scope will cover fire fleet asset management activities for the period from June 1, 2021, to June 30, 2024.

Personal firefighter equipment is excluded from the audit scope as it is unrelated to fire fleet management.

Please note that this preliminary scope does not preclude us from looking into any other areas that may come to our attention and warrant review during the audit. If the scope is expanded, you will be informed.

Methodology

Our audit methodology included the following:

- reviewing relevant regulations and Standard Operating Guidelines governing fire fleet management and maintenance
- interviewing BFES Apparatus and Maintenance staff involved in fire fleet management and maintenance processes

- reviewing supporting documents to validate control executions for regulation and SOGs adherence, as well as effective management maintenance of fire fleet
- analyzing fire fleet management and maintenance data for patterns and anomalies.

Appendix 1: Management's Response to the Audit Report

Recommendation 1: Strengthen Preventive Maintenance Practices

The Fire Chief, Fire and Emergency Services, should ensure that the preventive maintenance interval for oil changes and vehicle inspection is clearly defined in alignment with manufacturer's recommendations for each vehicle type, formally documented, and consistently followed by staff.

Management Response: ☒ Agree ☐ Disagree
Comments/Action Plan A thorough review of manufacturer recommendations will be undertaken for all vehicles. Each vehicle will be classified based on historical information related to the severity of use in order to establish an appropriate preventive maintenance schedule tailored to the specific vehicle applications and usage. The findings will be incorporated into the M5 Fleet Focus system in order to ensure accurate records management. Staff will explore options for notifications through M5 should a vehicle be overdue for preventive maintenance. The revised process will be supported with comprehensive Standard Operating Guidelines and training for affected staff. **Timeline: Quarter 2, Year 2025**

Recommendation 2: Improve M5 Usage for Effective Fire Fleet Asset Management

The Fire Chief, Fire and Emergency Services, should take steps to ensure M5 is adopted as the unified platform for centralized management and retention of fire fleet asset records and that staff and management fully utilize the capabilities of the M5 system as a fleet asset management tool.

Management Response: ☒ Agree ☐ Disagree
Comments/Action Plan Staff will work with the M5 Fleet Focus vendor to better understand the product's capabilities against our organization's particular fleet management needs. Expanded use will consider the opportunity to eliminate duplicate platforms like SharePoint that are currently being used to address missing/defective fleet and equipment needs. The expanded use of the platform will be supported with comprehensive training for affected staff and revised Standard Operating Guidelines. **Timeline: Quarter 2, Year 2026**

Recommendation 3: Improve Documentation on Asset Planning and Disposal

The Fire Chief, Fire and Emergency Services, should ensure comprehensive documentation for all asset management activities, including asset planning, acquisition, maintenance, and disposal, and that records are complete, current, and easily accessible.

Management Response: ☒ Agree ☐ Disagree
Comments/Action Plan Revised Standard Operating Guidelines will be developed, and staff will be trained to ensure that comprehensive documentation for all asset management activities is completed, including asset planning, acquisition, maintenance, and disposal, and that records are complete, current, and easily accessible. **Timeline: Quarter 2, Year 2025**

Recommendation 4: Improve Equipment Tracking

The Fire Chief, Fire and Emergency Services, should take steps to ensure equipment is consistently tracked in the M5 system.

Management Response: ☒ Agree ☐ Disagree
Comments/Action Plan The development of a comprehensive process for ensuring equipment is consistently tracked in the M5 system will be undertaken by staff. This will include life-cycle planning, analysis, and management. The revised process will be supported with comprehensive Standard Operating Guidelines and training for affected staff. **Timeline: Quarter 2, Year 2025**

Recommendation 5: Strengthen Standard Operating Guidelines (SOGs)

The Fire Chief, Fire and Emergency Services, should strengthen the Standard Operating Guidelines and ensure the development of detailed operating procedures to ensure consistent fire fleet asset management practices and such procedures should be regularly reviewed and updated to maintain their relevance and effectiveness.

Management Response: ☒ Agree ☐ Disagree
Comments/Action Plan A comprehensive review will be undertaken including the performance of a gap analysis to strengthen the Standard Operating Guidelines and ensure the development of detailed operating procedures to ensure consistent fire fleet asset management practices. Furthermore, the revised documents will include established review dates to ensure relevancy and application into the future. **Timeline: Quarter 3, Year 2026**

Recommendation 6: Enhance Fire Vehicle Inspection Record Retention

The Fire Chief, Fire and Emergency Services, should ensure a process for inspection record retention is established and documented, specifying retention requirements, spare vehicle tracking, and the assignment of permanent vehicle ID.

Management Response: ☒ Agree ☐ Disagree
Comments/Action Plan Fire Services will alter Standard Operating Procedure for commissioning new fleet vehicles to include the assignment of a permanent fleet identification that is independent of the vehicle assignment within BFES. Staff will also review and revise records retention requirements and processes with COB staff and ensure that BFES staff are provided with requisite training accordingly. **Timeline: Quarter 2, Year 2025**

Appendix 2: Criteria for Assigning Ratings to Audit Findings

Priority Rating	Description
Priority 1 (P1)	One or more of the following conditions exist that require immediate attention of the Senior Leadership Team. Corrective actions by senior Management must be implemented. • Financial impact of both actual and potential losses is material • Management's actions, or lack thereof, have resulted in the compromise of a key process or control, which requires immediate significant efforts and/or resources (including time, financial commitments, etc.) to mitigate associated risks. Failure by Management to remedy such deficiencies on a timely basis will result in the City being exposed to immediate risk and/or financial loss • One more of the following conditions is true: i) management failed to identify key risks, ii) management failed to implement process and controls to mitigate key risks • Management's actions, or lack thereof, have resulted in a key initiative to be significantly impacted or delayed, and the financial support for such initiative will likely be compromised • Management failed to implement effective control environment or provide adequate oversight, resulting in a negative pervasive impact on the City or potential fraudulent acts by City staff • Fraud by Management or staff, as defined by the Corporate Fraud Prevention Policy (Policy 2.14)

Priority 2 (P2)	One or more of the following conditions exist that require attention by senior Management. Corrective actions by Management should be implemented. • Financial impact of both actual and potential losses is significant • Management's actions, or lack thereof, may result in a key process or control to be compromised, which requires considerable efforts and/or resources (including time, financial commitments etc.) to mitigate associated risks • Management correctly identified key risks and have implemented processes and controls to mitigate such risks, however, one or more of the following is true: i) the processes and controls are not appropriate or adequate in design, ii) the processes and controls are not operating effectively on a consistent basis • Management's actions, or lack thereof, have impacted or delayed a key initiative, and the funding for such initiative may be compromised • Management failed to provide effective control environment or oversight on a consistent basis, resulting in a negative impact on the respective division, or other departments • Management failed to comply with Council-approved policies, by-laws, regulatory requirements, etc., which may result in penalties • Management failed to identify or remedy key control deficiencies that may impact the effectiveness of anti-fraud programs
(Priority 3) P3	One or more of the following conditions exist that require attention by Management. Corrective actions by Management should be implemented. • Financial impact of both actual and potential losses is insignificant • A non-key process or control, if compromised, may require some efforts and/or resources (including time, financial commitments, etc.) to mitigate associated risks • Processes and controls to mitigate risks are in place; however, opportunities exist to further enhance the effectiveness or efficiency of such processes and controls. Management oversight exists to ensure key processes and controls are operating effectively • Minimal risk of non-compliance to Council-approved policies, by-laws, regulatory requirements, etc. • Low impact to the City's strategic or key initiative • Low impact to the City's operations