



CITY OF WINSTON-SALEM FIRE DEPARTMENT REPORT ON COMPLIANCE WITH PURCHASING POLICIES

For the 6 Months Ended September 30, 2021

Submitted by:
Office of Performance and Accountability
Internal Audit Division
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Overview of Fire Department Operations

The Winston-Salem Fire Department (WSFD) provides a timely response to calls for assistance involving fires, medical situations, and rescue incidents. The department provides code enforcement, fire prevention education, and smoke alarms as a first line of defense in preventing loss of life and mitigating property damage.

The WSFD environment is characterized by a formal approval process for all purchasing expenditures which is managed via a three-person approval process to include the Business Office Manager or an Assistant Fire Chief, Fire Chief – Trey Mayo, and Assistant City Manager Patrice Toney (on occasion).

WSFD purchasing for the audit period is presented in the table below:

Purchasing Method	Total Population	Total Amount
Assigned Purchasing Cards	63	N/A
Purchase Orders*	69	\$448,541
Purchasing Cards	345	\$78,871
Requests for Check	168	\$50,027
* Purchase Orders of \$20,000 or greater were excluded.		

Definition of Compliance Requirements

Compliance requirements are defined in the City's Administrative Policy dated 4/10/2018 (Purchasing Policy). The policy provides guidelines for purchasing cards (P-Cards), request for check (RC) disbursements, purchase orders (POs), and related purchasing procedures. POs are required for procurement amounts greater than \$1,000. Only services or items that cannot be procured on a P-Card or PO should be paid for on a RC. Depending on the dollar amount of the procurement, the solicitation of informal quotes or formal bids is required for all purchases greater than \$1,000. Local vendors must be used, if available, for all discretionary spending under \$20,000. Local M/WBE vendors must be given the opportunity to bid/propose.

Scope of Audit Procedures Performed

The audit concentrated on operations and transactions occurring between April 1, 2021 and September 30, 2021. Emphasis was placed on the testing of P-Card, PO, and RC transactions in accordance with city policies and procedures. Expenditure testing focused on reviewing and verifying purchasing practices were in adherence to the Purchasing Policy. Statistical sampling methods were used (90% confidence level with a 10% margin of error). A summary of all purchasing activity for the audit period was examined and included a review of P-Card issuance and usage volume.

For population and testing purposes, only purchases made exclusively by WSFD were included. Population and sample size tested are presented in the table below:

Purchasing Method	Total Population	Total Tested
Assigned Purchasing Cards	63	16
Purchase Orders*	69	38
Purchasing Cards	345	57
Requests for Check	168	49
* Purchase Orders of \$20,000 or greater were excluded.		

Findings and Recommendations

1. One RC transaction did not use a local vendor.

Per the Purchasing Policy, local vendors must be used if available for all discretionary spending under \$20,000. One RC transaction utilized a non-local vendor, Snap-On-Inc. Industrial for tools. It is recommended for WSFD to use the best priced items available from local vendors.

2. Two RC transactions did not solicit Minority/Woman Business Enterprise (M/WBE) vendors.

Per the Purchasing Policy, for all discretionary spending under \$20,000, local vendors must be used if available, and local M/WBE vendors must be given the opportunity to bid/propose. For all purchases under \$20,000, quotes must be obtained from local minority and women vendors if available. Two RC transactions did not include informal quotes or efforts of solicitation for M/WBE vendors. It is recommended for WSFD to obtain informal quotes and solicit M/WBE vendors when applicable. It is also recommended that supporting evidence of these actions be retained.

3. Two RC transactions did not include an explanation for not obtaining informal quotes.

Per the Purchasing Policy, the best price available should be sought with consideration to spending funds within the local economy. There was no evidence of obtaining the best price available for two RC transactions. It is recommended that the best price available be sought with consideration to spending funds locally through the solicitation of informal quotes. It is also recommended that supporting evidence of these actions be retained.

Management Response

Regarding the foam purchase, no local vendors sell the product. The Forestry Service offers the foam at the best price available. Our only option is to purchase online. Moving forward, we will include more detailed information for why a particular vendor was selected when requesting RCs.

For Snap-On- The tools are professional grade, and we are unaware of a local vendor that sells a similar product of equivalent quality. The department has purchased Snap-On tools for years, and the replacement items are compatible with what we have. Moving forward, we will document when no local vendors have comparable products and request the City Manager's approval.

Respectfully submitted,



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