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S.C. DEPARTMENT OF LABOR, LICENSING AND REGULATION

A LIMITED REVIEW OF THE
DIVISION OF FIRE AND LIFE SAFETY

LEGISLATIVE AUDIT COUNCIL

1331 Elmwood Ave., Suite 315
Columbia, SC 29201
(803) 253-7612

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Introduction and Background

Audit Objectives

Members of the General Assembly asked the Legislative Audit Council to conduct an audit of the S.C. Department of Labor, Licensing and Regulation (LLR) Office of State Fire Marshal. The signatory members had concerns about the loss of optimal functionality of the Office of State Fire Marshal (OSFM), the South Carolina Emergency Response Task Force (SCERTF), and the South Carolina Fire Academy (Fire Academy). Our audit objectives are listed below.

- Review of the adequacy of facilities and training props at the Fire Academy.

- Determine if lines of communication are working within the Division of Fire and Life Safety (DFLS) and with fire service personnel.

- Review the role of Urban Search and Rescue (USAR), the S.C. Firefighter Mobilization Oversight Committee, and the South Carolina Fire Academy Advisory Committee and determine the effectiveness of the use of each.

- Determine if Fire Academy training and certification meets the needs of fire service personnel throughout the state.

- Review human resource management practices to determine compliance with South Carolina state law, state and agency policies, and its effectiveness at attracting and retaining qualified instructors/staff.

- Review the enforcement authority of DFLS and its role in enforcing regulations.

- Review controls for securing confidential information.

- Perform a follow-up review of the implementation of the recommendations of the 2010 LAC audit of the OSFM.

Scope and Methodology

The period of our review was generally FY 12-13 through FY 15-16, with consideration of earlier and more recent periods when relevant. We also completed a follow-up review of recommendations from our 2010 audit report of the Office of State Fire Marshal, which may include actions taken and data gathered from 2011 to present. Throughout this report, we refer to the OSFM as the DFLS (see *Overview of the Division of Fire and Life Safety* for further explanation of the use of this name). Since the recommendations in our 2010 audit report all refer to the OSFM, in the follow-up chapter of this report, we continue to use that reference when addressing the 2010 recommendations.

We used a variety of sources of evidence including:

- Observations of certain operations.
- Interviews with DFLS and LLR officials.
- Interviews with fire industry participants.
- S.C. Code of Laws, regulations, International Fire Code, and National Fire Protection Association fire codes.
- Other states' data.
- Interviews with resident fire marshals.
- Vendor and resident fire marshal inspection forms and checklists.
- Purchasing records.
- Tour of the South Carolina Fire Academy.
- Aggregated employment data.
- Agency annual reports.
- Audit reports from the S.C. State Firefighters' Association.
- Training course material.
- Instructor qualification material.
- Observation of websites, social media and communication software, and emergency communication software.
- Office of the Attorney General opinions.
- Interested party correspondence.
- State emergency response protocols.
- Contracts.
- Agency financial data.

Criteria used to measure performance included:

- State and federal laws.
- Agency policies and procedures.
- Practices and data from other states.
- Federal Emergency Management Agency (FEMA) standards.
- Benchmark turnover rate.
- Training course development practices.
- Various sampling methods, which are described in our report.
- LAC 2010 audit.

Our limited review of internal controls included:

- Receipt and recording of payments for training.
- Permitting.
- Store merchandise and cafeteria purchases.
- Training material.
- Inventory of firefighter training equipment.
- Firefighting rolling stock.
- Office furniture and emergency response gear.
- Protection of personally identifiable information.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those generally accepted government auditing 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

S.C. Code of Laws §2-15-50(b)(2) requires us to review the effectiveness of an agency to determine if it should be continued, revised, or eliminated. The DFLS, which is the regulatory and administrative authority for citizen safety in the state, supports required safety services provided to South Carolina residents. It includes the emergency response unit that responds to hazards and disasters, fire code enforcement, and the Fire Academy that provides subsidized training for state firefighters, who in turn provide essential fire, rescue and other safety services for the state's citizenry. Therefore, we conclude services provided by DFLS should continue. However, we include recommendations to improve methods and procedures in a number of areas.

Overview of the Division of Fire and Life Safety

S.C. Code §23-9-10 places the Office of State Fire Marshal in the S.C. Department of Labor, Licensing and Regulation (LLR). S.C. Code §23-10-10 gives the State Fire Marshal the sole responsibility for the operation of the South Carolina Fire Academy, and S.C. Code §23-49-110 gives the State Fire Marshal oversight over the South Carolina Emergency Response Task Force. S.C. Code §23-9-10 makes the State Fire Marshal the deputy director of the Division of Fire and Life Safety. Although the South Carolina Code of Laws does not define what constitutes the Division of Fire and Life Safety, LLR has included in the division:

- Office of State Fire Marshal (OSFM).
- South Carolina Fire Academy (Fire Academy).
- South Carolina Emergency Response Task Force (SCERTF).

According to its annual accountability reports, LLR started referring to these offices as part of the Division of Fire and Life Safety as early as 1994.

The Office of State Fire Marshal became part of LLR in 1994. The Office of State Fire Marshal had been part of the Fire Marshal Division of the S.C. Budget and Control Board. Prior to 1966, the chief insurance commissioner served as the ex officio state fire marshal.

Currently, LLR/OSFM have a branding initiative to refer to the Division of Fire and Life Safety as "State Fire." However, at this point, that terminology may be confusing to industry participants, the general public, and consumers of this report, since that effort is in the beginning stages and is not yet widely known.

It should be noted that certain sections of this report discuss the S.C. State Firefighters' Association, a non-profit organization founded to promote the betterment of fire departments and firefighting in general. It receives some state funds, and the Division of Fire and Life Safety does not have oversight over the S.C. State Firefighters' Association's activities.

Organizational Structure

Pursuant to S.C. Code §§23-9-10 and 41-3-10, the Governor appoints both the director of LLR and the State Fire Marshal. The State Fire Marshal reports to the director of LLR and is the deputy director of the Division of Fire and Life Safety. As such, he oversees the Division of Fire and Life Safety, including OSFM, the Fire Academy, and SCERTF.

Additionally, the State Fire Marshal serves as:

- Ex officio member of the S.C. Manufactured Housing Board [S.C. Code §40-29-10]
- Chairman of the S.C. Firefighter Mobilization Oversight Committee [S.C. Code §23-49-30]
- Consultant to the Board of Pyrotechnic Safety [S.C. Code §40-56-10]
- Staff support to the Liquefied Petroleum Gas Board [S.C. Code §40-82-10]

Chart 1.1: Organizational Chart
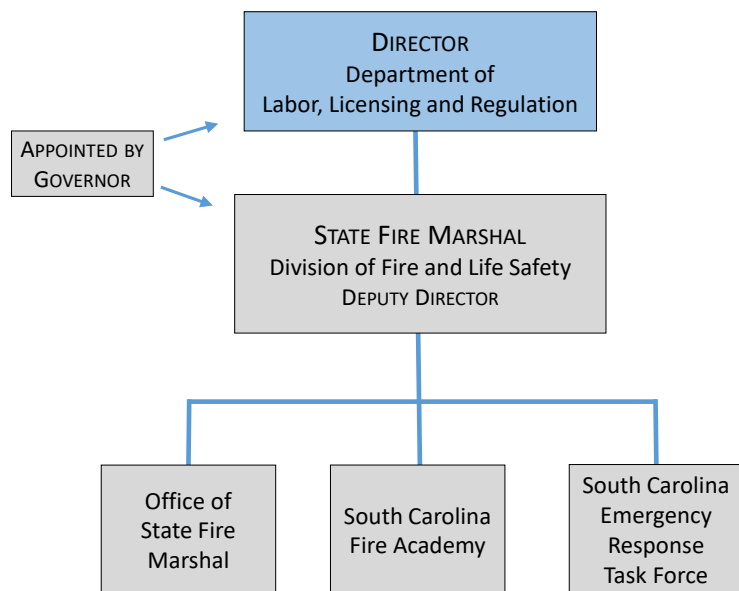
Source: S.C. Code

Chart 1.2: Division of Fire and Life Safety Expenditures, FY 16-17

South Carolina Fire Academy
$7,770,270
Office of State Fire Marshal*
$2,978,332

28%

72%
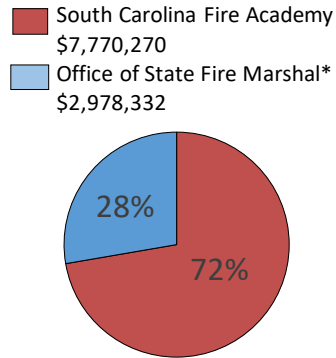
* Includes expenditures for the South Carolina Emergency Response Task Force.

Source: LLR

Office of State Fire Marshal

The OSFM focuses on compliance with state fire safety laws and regulations and on fire prevention. It includes the following sections.

CODE ENFORCEMENT
COMMUNITY RISK REDUCTION
ENGINEERING SERVICES

Code Enforcement and Licensing and Permitting

The code enforcement section employs deputy state fire marshals who provide enforcement of adopted fire and safety codes and standards in South Carolina buildings. Among the facilities frequently inspected by the code enforcement section are state and local detention facilities, public schools, foster homes, and fireworks retailers (see Chapter 2). The code enforcement section also assists and interacts with local and state government. Among the duties of the licensing and permitting section are licensing and permitting fireworks displays and fire equipment dealers.

Community Risk Reduction

The community risk reduction section promotes public awareness of fire safety. Its programs include fire and life safety education, data collection, smoke alarm installation, and quarterly training. It also collects and analyzes data on fire fatalities in South Carolina.

Engineering Services

The engineering services section reviews designs for buildings and building systems to determine compliance with state laws, regulations, and codes. It provides technical assistance to owners, design professionals, contractors, the general public, and government officials in order to address fire protection engineering issues.

South Carolina Fire Academy

The Fire Academy's mission is to educate and train South Carolina's paid, volunteer, and industrial fire service personnel pursuant to S.C. Code §23-10-10. The Fire Academy also trains other emergency response personnel, as well as out-of-state firefighters, open enrollment students, and youth firefighter programs such as the Boy Scouts Explorer program. Programs offered include an eight-week program that includes lodging at the on-site fire station.

Located on a 208-acre site outside of Columbia, the Fire Academy has numerous training props, including building mockups, a gas fire simulation, airplane firefighting props, a firehouse, fire trucks, and search and rescue props. Trainees have the option of staying at a dorm at the Fire Academy and eating at the Fire Academy cafeteria.

Although training takes place at the Fire Academy's campus in Columbia, the majority of Fire Academy courses are conducted at regional training sessions located at local fire departments. In addition, the Fire Academy provides online, independent learning, and hybrid programs.

Curriculum for the Fire Academy is developed by a curriculum section managed by a program manager. This section designs curriculum, audio-visual materials, and online training programs. The Fire Academy is accredited by the International Fire Service Accreditation Congress and the National Board on Fire Service Professional Qualifications.

South Carolina Emergency Response Task Force

SCERTF is overseen by the State Fire Marshal pursuant to S.C. Code §23-49-110(A)(5), and S.C. Code §23-49-50 gives the S.C. Firefighter Mobilization Oversight Committee the authority to establish the SCERTF task force plan.

SCERTF is to respond to emergencies such as hurricanes and floods anywhere in South Carolina as part of the current incident command system. It also is available to respond to emergencies outside of South Carolina pursuant to the Emergency Management Assistance Compact, which is a nationally-adopted mutual aid agreement among states to share resources in times of need.

Firefighter Mobilization

The mobilization plan is part of the State Emergency Response Plan and goes into effect pursuant to situations described in S.C. Code §23-49-50, including emergencies declared by the Governor or President of the United States; when a local fire chief needs additional resources after existing mutual aid agreements have been utilized; when another state requests assistance in dealing with an emergency when a state mutual aid agreement exists between South Carolina and the other state; and when the Chief of the State Law Enforcement Division (SLED) directs a response to a terrorist or explosive device event.

Urban Search and Rescue S.C. Task Force 1

Urban Search and Rescue S.C. Task Force 1 (USAR) is a search and rescue team that provides a coordinated response to disasters in urban areas. It includes specialists in search and rescue, medical treatment, and technical support for areas such as hazardous materials, weapons of mass destruction, and heavy equipment. It includes three task force groups whose members are located throughout South Carolina.

S.C. Helicopter Aquatic Rescue Team

S.C. Helicopter Aquatic Rescue Team (SC-HART) is a collaboration between USAR, OSFM, the South Carolina Emergency Management Division, and the Army National Guard Aviation Unit at McEntire Joint National Guard Base. SC-HART has the ability to perform helicopter rescue operations at no cost to requesting agencies.

Emergency Support Functions

In addition to SCERTF operations, the Division of Fire and Life Safety also works within the state Emergency Support Functions (ESF). The ESFs are part of the South Carolina Emergency Operations Plan, which is a plan used by South Carolina state government departments and agencies to coordinate effective responses to natural, technological, or manmade disasters that may occur in South Carolina. The ESFs define the roles that specific state agencies, such as the Department of Transportation and Department of Public Safety, have during emergencies, such as the 2015 flood and Hurricane Matthew. South Carolina Emergency Management Division oversees the ESF program. LLR Division of Fire and Life Safety is the primary agency for coordinating Emergency Support Functions 4 and 9.

ESF-4 (Structural Fires)

ESF-4 governs firefighting during emergencies. As the lead agency for ESF-4, the Division of Fire and Life Safety sends personnel to staff the State Emergency Operations Center, notifies supporting agencies of the activation of ESF-4, oversees the deployment of firefighting and rescue resources, and supports local fire departments and the South Carolina Forestry Commission with resources as needed.

ESF-9 (Search and Rescue)

ESF-9 governs search and rescue. As the lead agency for ESF-9, the Division of Fire and Life Safety sends personnel to staff at the State Emergency Operations Center. It also coordinates search and rescue team deployment, logistical support for search and rescue resources, and USAR resources. It provides personnel and equipment as part of SC-HART, maintains liaison with federal USAR teams, and plans for the reception of external resources.

Other States

We examined the organizational placement of state fire marshals in other states. Nationwide, offices of state fire marshals are placed in several different governmental agencies, including departments of insurance, departments of public safety, and departments of commerce. Some states have standalone state fire offices. The placement and appointment of fire marshals in nearby states is summarized in Table 1.3.

Table 1.3: Placement and Appointment of State Fire Marshals

STATE	RESIDING AUTHORITY	APPOINTING AUTHORITY
SOUTH CAROLINA	Department of Labor, Licensing and Regulation	Governor
ALABAMA	Department of Insurance	Commissioner of Insurance
FLORIDA	Department of Financial Services	Popular Election
GEORGIA	Office of the Commissioner of Insurance	Popular Election
MISSISSIPPI	Insurance Department	Popular Election
NORTH CAROLINA	Department of Insurance	Popular Election
TENNESSEE	Department of Commerce and Insurance	Governor
VIRGINIA	Secretariat of Public Safety and Homeland Security, Department of Fire Safety Programs	Employed by the Executive Director of Fire Programs

Source: S.C. Code and other states.

Division of Fire and Life Safety Expenditures

During our audit process, we found that there were questions about why the Fire Academy did not spend all of its appropriated funds. DFLS's expenditures and revenues for the last three fiscal years are in Chart 1.4. There is a variance between the expenditures and revenues of DFLS. According to LLR officials, the agency plans to spend less each fiscal year than what its expected revenues will be in order to ensure fiscal viability. Revenues not spent in one fiscal year will be carried over into the next fiscal year or budgeted toward capital projects.

Additionally, in order to spend funds on certain construction or improvements, the Fire Academy must get approval from the South Carolina House and Senate Joint Bond Review Committee (JBRC), and the Fire Academy is currently in the process of upgrading its new recruit training firehouse and its dormitory. These improvements must be approved by the JBRC before the funds can be spent. We found no reason to change the JBRC process for DFLS (see *Joint Bond Review Committee* in Chapter 3).

Chart 1.4: DFLS Expenditures and Revenues, FY 13-14 – FY 15-16

Expenditures ■— Revenues ■—

South Carolina Fire Academy

$9,480,375 $9,485,428 $8,862,341

$7,857,847

$7,133,219 $6,769,868

FY 15-16   FY 14-15   FY 13-14

Office of State Fire Marshal

$3,371,482 $3,169,276 $3,098,626

$2,865,068 $3,147,792 $2,839,341

FY 15-16   FY 14-15   FY 13-14
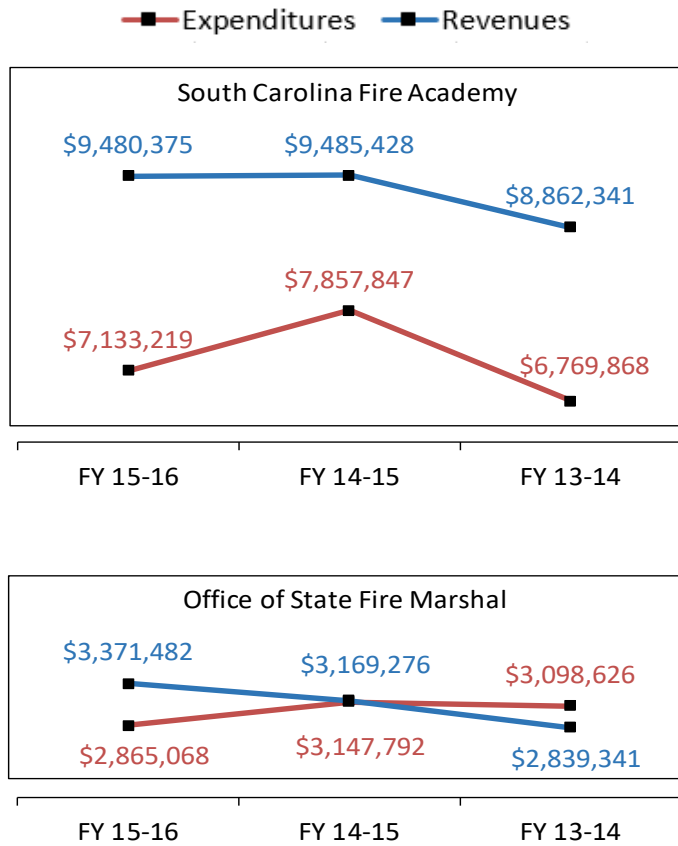
Source: LLR

We discuss revenue in detail in the *Division of Fire and Life Safety Sources of Funds* section. Chart 1.8 provides a summary of the revenue sources. Expenditures for the Fire Academy and OSFM are tracked separately. Tables 1.5 and 1.6 show the expenditures for years FY 13-14 through FY 15-16.

Table 1.5: Fire Academy Expenditures, FY 13-14 – FY 15-16

PERSONNEL, OPERATING, AND FRINGES	FY 15-16	FY 14-15	FY 13-14
Fire Academy	$6,835,566	$7,467,813	$6,435,058
Cafeteria	213,432	307,770	246,681
Dorm	84,220	82,265	88,130
TOTAL	**$7,133,218**	**$7,857,848**	**$6,769,869**

Source: LLR

Table 1.6 OSFM Expenditures, FY 13-14 – FY 15-16

PERSONNEL, OPERATING, AND FRINGES	FY 15-16	FY 14-15	FY 13-14
Office of State Fire Marshal	$2,351,773	$ 2,324,967	$2,270,453
USAR	278,109	645,129	663,777
Mobilization	124,014	138,105	127,882
Fire Safe Cigarette Program	111,173	39,590	36,514
TOTAL	**$2,865,069**	**$3,147,791**	**$3,098,626**

Source: LLR

Division of Fire and Life Safety Sources of Funds

There are several sources of funding for DFLS, including taxes on insurance premiums and a variety of fees. We discuss below these sources for FY 15-16, the latest complete fiscal year available, and the applicable laws. Based on our analysis of the laws governing the fees, the funds were allocated to the proper program areas.

S.C. Code §38-7-30 places a 1% tax on gross premium receipts for all fire insurance companies in the state (see Chart 1.7). Fifty percent of those funds go to DFLS, which includes the Office of State Fire Marshal, the Fire Academy, and emergency preparedness. The law states that these funds are "….to be used only for expenses of this division." According to LLR, the funds were allocated as follows:

$6,173,351 was received by DFLS in FY 15-16 for salaries, employer contributions, and operating expenditures to operate the Fire Academy and OSFM's training.

> $2,222,406 went to OSFM
> $3,950,945 went to the Fire Academy

$175,000 must go to LLR's certification program pursuant to S.C. Code §38-7-35, which authorizes these funds for the training, certification, and continuing education for building codes' enforcement officers.

It should be noted that this tax is a portion of the total revenues of DFLS; following is a discussion of more revenues.

Pursuant to Act 60 of 2001, an additional tax of thirty-five one-hundredths percent (0.35%) is imposed on insurance premiums on fire insurance companies doing business in South Carolina, in addition to the 1% tax imposed by S.C. Code §38-7-30. Of the Act 60 funds, $4,321,357 was allocated for salaries, employer contributions, operating expenditures, and capital projects to maintain the Fire Academy.

According to Department of Insurance officials, the remaining 50% of the 1% funds do not go to LLR or DFLS, but instead go to the state's general fund.

Chart 1.7: Tax Distribution

ACT 60 OF 2001 0.35% TAX ON GROSS PREMIUMS ON FIRE INSURANCE COMPANIES	S.C. CODE §38-7-30 1% TAX ON GROSS PREMIUMS ON FIRE INSURANCE COMPANIES

100% of Act 60 taxes collected go to the Division of Fire and Life Safety for the S.C. Fire Academy

1.35% TAXES COLLECTED by Department of Insurance

50% of S.C. Code §38-7-30 taxes collected go to the State General Fund for non-fire use

50% of S.C. Code §38-7-30 taxes collected go to the Division of Fire and Life Safety

Sources: S.C. Code, Department of Insurance, LLR

In addition to the insurance tax funds, DFLS received $2,358,447 in FY 15-16 in funding from other sources, which vary from year to year.

Training, Education, and Operations' Fees

This revenue may be applied to the cost of operations, and any unexpended balance may be carried forward to the current fiscal year and utilized for the same purposes. These revenues include $1,081,611 for the training conference and registration fees paid by firefighters, and that money is for salaries, employer contributions, and operating expenditures for the Fire Academy.

Miscellaneous Fees

These fees raised $249,900. Of these fees, $193,000 are derived from revenues associated with the Fire Safe Cigarettes program and the remainder are primarily fees for fireworks retailers' licenses. Of that funding, $55,600 goes to OSFM and $193,000 goes to the fire safe cigarettes program. Fire safe cigarettes are designed to extinguish more quickly than standard cigarettes if ignited, with the intention of preventing accidental fires. Act 331 of 2008 established standards for this program and requires OSFM to ensure the relevant provisions are being followed.

OSFM also received $192,107 as fees for inspections of some state facilities. Additionally, the Fire Academy received $55,961 in other miscellaneous fees. According to DFLS, the source of these revenues included fees for returned checks, charges for student workbooks, and the sale of "South Carolina Firefighter" license tags.

Surplus Property

Sale of surplus property raised $48,960, which was used for operating expenditures at the Fire Academy.

Additionally, S.C. Code §40-1-50 authorizes fees for licensing, application renewals, and shop licenses for businesses. The DFLS received $27,900 of those funds.

The S.C. Department of Social Services and the S.C. Department of Disabilities and Special Needs paid $475,944 for the inspection of group and foster homes.

S.C. Code §40-56-35 authorizes fees for vendors who sell fireworks in South Carolina. Those fees are set pursuant to Chapter 71 of the S.C. Code of Regulations; $170,500 of these funds were paid to OSFM. Also, S.C. Code §§40-82-220 and 23-9-45 authorize fees for vendors engaged in the sale of liquid propane gas and companies that sell fire equipment. Those fees are also set pursuant to Chapter 71 of the S.C. Code of Regulations, totaled $107,500, and go to OSFM. Additionally, $119,525 in fireworks display permits went to OSFM. The Fire Academy also made $22,839 through the rental of equipment.

It should be noted that DFLS received $486,776 in funds from the Federal Emergency Management Agency (FEMA) for grants and flood relief. Also, $240,000 from Proviso 118.14 of FY 15-16 went to the Office of State Fire Marshal, which were one-time funds that went through the Office of State Fire Marshal to fire suppression programs in Chester County and Fairfield County, and a buildings requirement study for The Citadel. Given the non-recurring nature of these funds, we have not included them in the charts for this chapter.

Charts 1.4 and 1.8 highlight the distribution of funds to DFLS programs and the source of funds for the Fire Academy and OSFM. It should be noted that the slight difference between the Fire Academy revenues listed in Chart 1.4 and the Fire Academy revenues listed in Chart 1.8 is because the revenues listed in Chart 1.4 have been reduced by sales taxes.

Chart 1.8: Division of Fire and Life Safety Program Funding, FY 15-16

South Carolina Fire Academy
$9,481,673

Office of State Fire Marshal
$3,371,482

S.C. Code §38-7-30 and Act 60 of 2001
$8,272,302

Firefighter Training Fees
$1,081,611

Other Sources
$127,760

Fire Insurance Premium Tax
$2,222,406

DSS and DDSN Inspections
$475,944

Fees
$673,132
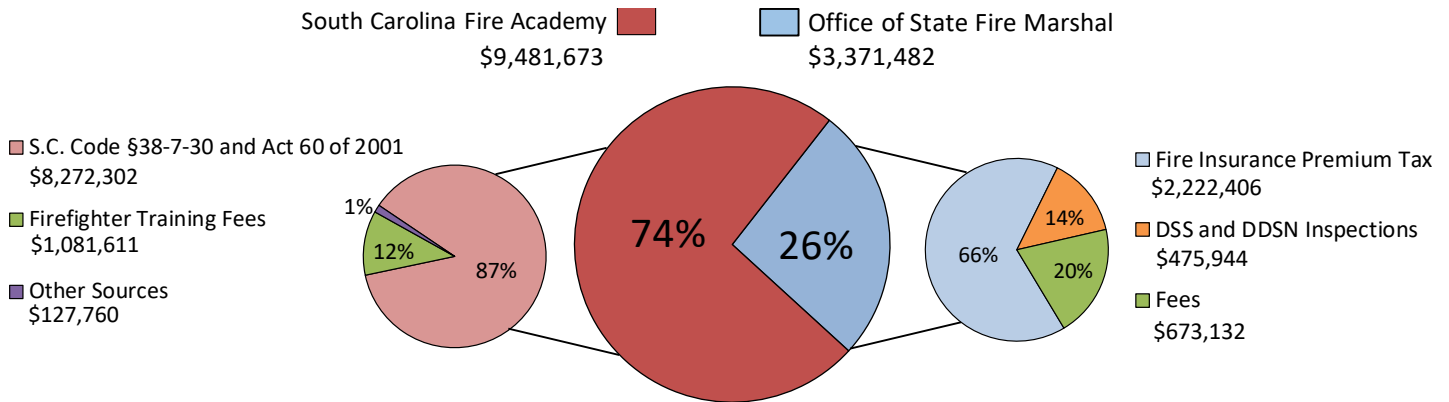
Source: LLR

Support for Local Fire Departments

In addition to the above-mentioned taxes, local fire departments also receive funding from taxes. These funds include the V-SAFE program and insurance premium taxes levied pursuant to S.C Code §38-7-40 (the 1% funds).

V-SAFE Program

In 2007, the Volunteer Strategic Assistance and Fire Equipment (V-SAFE) program was established. Pursuant to S.C. Code §23-9-25, the V-SAFE program allows chartered volunteer fire departments and combination fire departments with a staffing level that is at least 50% volunteer to apply for grants of not more than $30,000 "…. for the purpose of protecting local communities and regional response areas from incidents of fire, hazardous materials, terrorism, and to provide for the safety of volunteer firefighters." Funds may be spent on, among other things, fire suppression equipment, protective clothing and equipment, new and used fire apparatus, and training.

After the initial $3 million appropriation, the General Assembly did not fund the V-SAFE program again until FY 15-16. Act 285 of 2016 allocated $500,000 for the V-SAFE program for FY 16-17. A permanent source of funding for V-SAFE was established by Act 273 of 2016. Act 273 codified S.C. Code §38-7-20, which levies a 1.25% tax upon insurance companies for non-life insurance premiums. One percent of the amount raised by the 1.25% tax must be transferred to the Office of the State Treasurer, which must distribute half of those funds equally to each fire department in South Carolina and the rest is to fund the V-SAFE program. We discuss this program in detail in Chapter 6.

One Percent Funds

S.C Code §38-7-40 levies a 1% tax on insurers for all premiums written on fire insurance. The proceeds are distributed by the Office of the State Treasurer to the county treasurers and ultimately to participating fire departments. The funds are to be spent according to guidelines set forth by the South Carolina State Firefighters' Association, a non-profit that is not managed or controlled by DFLS. S.C. Code §23-9-430 requires county treasurers to pay the South Carolina State Firefighters' Association 5% of the proceeds from the 1% tax "…. for the sole purpose of the betterment and maintenance of skillful and efficient fire departments within the county." Further discussion of the 1% funds is in *Firemen's Inspection Fund (1% Fund)* in Chapter 2.

Office of State Fire Marshal

Policies and Procedures

The Division of Fire and Life Safety (DFLS) does not have a complete and accurate policy and procedures manual; and policies and procedures we received were incomplete, inadequate, and contained errors. Additionally, LLR changed its formula for charging administrative fees to DFLS. This change resulted in a large increase in fees charged to DFLS, however there is no documentation justifying this change. Without current policies and procedures, the agency cannot have confidence that services are delivered and decisions made in a consistent, reliable, and lawful manner. Inadequate policies and procedures may lead to inappropriate or inaccurate actions by agency personnel.

In response to our request for all policies and procedures governing the activities of the DFLS, we received 46 policy documents. We reviewed them and found numerous problems such as missing pages, provisions that contained errors, or policies that were no longer in force. We found two policies related to heat stress, two documents related to fire and medical emergencies, and one document dealing with temporary employment and retention with inaccurate page numbers.

The two related to heat stress had different effective dates and addressed the same policy. The State Fire Marshal subsequently explained that the heat stress policy was updated on October 1, 2016; this is the current policy. Of the two covering fire and medical emergencies, DFLS confirmed that the more recent version is governing.

Our initial review led to a series of communications with DFLS that informed us that the policies and procedures we had originally received and about which had questions, were now under review.

DFLS subsequently resubmitted its policies and procedures to us; 33 of the 46 polices we had originally received were in force, while the other 13 were not. We found problems with some of the 33 policies and procedures even after DFLS's review.

- A flowchart needing update remained unchanged.
- Two other policy documents were found within a third policy document.
- Page numbers in another document remained inaccurate.
- Portions of policies were outdated.
- Some documents did not have signatures of approval.

Administrative Fees

DFLS, and the other divisions at LLR, receive administrative support from the agency (such as support for human resources), and LLR states that it allocates to the divisions within LLR in proportion to the amount of administrative services charged to those accounts.

In FY 16-17, DFLS paid $813,975 in administrative services. Prior to FY 15-16, there was a $400,000 cap on the administrative expenses paid by DFLS. However, the director of LLR and the fire marshal agreed to lift the cap. According to LLR officials, this change was made in order to ensure that DFLS paid a fair share of its administrative expenses.

However, according to an LLR official, there is no written record showing why this change occurred; information regarding the lifting of the cap is from an LLR official's recollection of a meeting discussing the change. A complete, written cost analysis for lifting the cap would have helped ensure that the decision was proper. A record of the rationale behind the method agency administrative expenditures are charged and changes to that method is important to ensure the proper allocation of resources throughout the agency.

Also, according to the current formula, the Fire Academy is allocated a higher percentage of the administrative fees than OSFM, the Manufactured Housing Board, and the Building Codes Council because its total expenditures for the previous fiscal year are greater. However, total overall expenditures might not be an accurate reflection of administrative resources (such as administration of payroll) allocated to those sections. For example, according to a September 2017 LLR report, the Fire Academy has 31 full-time employees whose annual salaries total $1,301,365, and OSFM has 24 full-time employees whose annual salaries total $1,300,998, which would require approximately the same amount of payroll administrative support. However, because of higher overall expenditures by the Fire Academy (possibly due to capital expenses on Fire Academy facilities), the Fire Academy is allocated 72% of the administrative costs charged to the account and OSFM is allocated 21%. Thus, this formula may have resulted in the Fire Academy's receiving a disproportionate share of the cost when compared to OSFM, the Manufactured Housing Board, and the Building Codes Council.

Recommendations

1. The Division of Fire and Life Safety should review all policies and procedures and ensure that they are accurate, timely, and complete.

2. The Division of Fire and Life Safety should ensure that it develops and adheres to a schedule for periodic review of its policies and procedures.

3. The Division of Fire and Life Safety should consolidate its policies and procedures into a single manual where they can be organized and easily retrieved.

4. The Division of Fire and Life Safety should ensure that revision dates and signatures of approval are clearly identifiable on each policy and procedural document.

5. The Department of Labor, Licensing and Regulation should thoroughly document changes to its administrative fee charges and any reasons for those changes, and perform cost analysis to ensure that the charges are properly allocated.

Code Enforcement Issues

We reviewed the enforcement authority of DFLS and found that state law should be clarified regarding DFLS's ability to enforce fire codes when it determines that violations have occurred. We found that various facilities inspected by DFLS have had longstanding, uncorrected fire code violations. These facilities include schools, prisons and detention facilities, and local special needs' facilities.

DFLS's code enforcement division routinely conducts inspections of the following facilities:

- State facilities.
- Public schools.
- Group homes.
- Foster homes.
- Department of Disabilities and Special Needs' work activity centers.
- State and local detention facilities.

It should be noted that local fire marshals can also inspect some of these facilities. DFLS also inspects businesses, including liquid petroleum gas facilities, fireworks' displays, and fireworks' sellers.

DFLS contracts with the S.C. Department of Social Services, the
S.C. Department of Disabilities and Special Needs, and the S.C. Department
of Administration to conduct inspections. DFLS also works with the
S.C. Department of Education to conduct inspections of schools.
Additionally, S.C. Code §24-9-20 requires DFLS to conduct inspections in
conjunction with the S.C. Department of Corrections. DFLS's code
enforcement section also conducts inspections of certain buildings pursuant
to citizen requests, such as an appeal of a local fire marshal's decision or a
complaint about the practices of a facility. The DFLS website provides a
phone number for citizens to call if they have complaints concerning fire
and life safety practices at a particular establishment.

DFLS inspects buildings and, when violations are found by DFLS, the
violations are documented and a citation is given to the responsible party.
It is the responsibility of the inspected parties to contact DFLS to schedule
follow-up inspections. Upon follow-up, if a violation is found to be
corrected, DFLS will mark it as such. A review of DFLS's violation
summary report for calendar year 2016 showed that, of 7,336 total violations
cited by DFLS, 4,159 were corrected (57%). From January to August 2017,
1,896 of 4,340 violations had been corrected (44%).

We examined several reports issued by DFLS in which facilities inspected
by DFLS had longstanding violations that went uncorrected. Those
examples include the following violations:

VIOLATIONS IN SCHOOLS
- A high school inspected in 2017 had emergency lighting in its
  auditorium that did not work despite the school's having been cited
  for that violation in 2014.
- A middle school had conditions not corrected since 2010, including
  fire doors propped open and improper storage of combustibles.
- An elementary school was cited for having an obstructed exit door in
  2015, and that was not corrected as of the 2017 inspection.

VIOLATIONS IN PRISONS
- A prison was cited in 2014 for not having qualified individuals
  experienced in the testing, inspection, and maintenance of fire control
  systems. In this case, the maintenance director and inmate labor were
  maintaining the fire alarm system. This situation still existed in the
  2016 inspection.
- A fire alarm system in another prison was cited as needing to be
  replaced in 2010, but had not been replaced as of 2017.

DEPARTMENT OF JUVENILE JUSTICE
- A facility had padlocks on its cell doors in 2016, and that condition continued to exist during the 2017 inspection. Padlocks impede the ability to evacuate a facility in a timely manner in the event of an emergency.

COUNTY-LEVEL SPECIAL NEEDS' FACILITY
- Required to monitor building for fires in February 2016, in part, due to outstanding violations from January 2015, including:
  o Lack of occupancy approval.
  o Lack of fire alarm system.
  o Automatic sprinkler system was not being maintained.

The large number of uncorrected violations (including the violations we examined) may be a result of unclear authority for DFLS to enforce fire codes. S.C. Code §23-9-40 states that the State Fire Marshal shall enforce all laws and ordinances of the state, and the counties, cities, and political subdivisions thereof, with reference to:

- The prevention of fires;
- The storage, sale, and use of combustibles and explosives;
- The installation and maintenance of automatic or other fire alarm systems and fire extinguishing equipment;
- The construction, maintenance, and regulation of fire escapes;
- The means and adequacy of fire exits in buildings with large numbers of people; and
- The investigation into the cause, origin, and circumstances of fire.

Although DFLS is given duties regarding the enforcement of fire codes, the law is unclear regarding DFLS's ability to enforce the ordinances. Current authority outlined in the South Carolina Code of Laws includes:

S.C. Code §23-9-50
  Gives DFLS the authority to enter public facilities and buildings used for public purposes at any time to inspect for fire hazards, as well as limited authority to enter private dwellings.

S.C. Code §23-9-60
  Gives DFLS the duty to require conformance with minimum fire prevention and protection standards, as well as the ability to promulgate fire prevention and protection regulations.

S.C. Code §§23-9-70 and 170
> Allows for DFLS to seek a court order from the Administrative Law Court for the purpose of enforcing fire codes.

S.C. Code §23-9-160
> Allows DFLS to, in situations in which there is imminent danger to human life and health, cause a building, or a portion of it, to be made safe or demolished.

The law does not include provisions regarding the ability of DFLS to issue fines for uncorrected violations. Although the South Carolina Code gives DFLS some enforcement options as listed above, those options can be impractical when dealing with schools, prisons, and other facilities. For example, it might be impractical to close down a school for failure to address fire code violations.

However, certain local fire officials in South Carolina stated that they have the ability to issue fines. According to those fire officials, the ability to issue fines is a helpful tool and provides leverage in creating an environment of compliance.

The ability to issue fines, with due process, could alleviate some of the enforcement challenges of DFLS by providing some middle ground between buildings having longstanding fire code violations without consequences, and completely shutting down a building, or seeking relief from the Administrative Law Court. Additionally, DFLS could utilize the leverage of having the ability to issue fines in certain instances.

Prison Inspections

S.C. Code §24-9-20 requires DFLS, in conjunction with the S.C. Department of Corrections (SCDC), to conduct annual inspections of facilities housing prisoners or pretrial detainees. Following the inspection, both SCDC and DFLS are required to file reports regarding their inspections through the director of SCDC. S.C. Code §24-9-30(B) gives SCDC the option to order local facilities, or portions thereof, be closed if corrective action is not taken. However, the law also gives the director of the SCDC the ability to keep a facility open if he determines the public interest is better served.

Although DFLS has the ability to inspect facilities in tandem with SCDC, officials with SCDC and DFLS believe that it is not always clear as to where the enforcement powers for DFLS begin and end, regarding its findings towards prisons. Clarifying where the ultimate authority lies, regarding the inspection of fire safety conditions at correctional institutions, could help make the inspection process and remedial actions more efficient.

Fireworks Inspections

DFLS issues permits for the sale of fireworks by retailers. In order to receive a permit, the retailer must fulfill the requirements of a checklist issued by the S.C. Board of Pyrotechnic Safety. DFLS inspects retailers who have applied for a permit and, if they fulfill the checklist requirements, issues permits. However, the checklist for the retail permit is not as comprehensive as the fire code. Thus, DFLS will sometimes issue a permit and simultaneously cite the retailer for fire code violations.

According to officials at DFLS and the Pyrotechnic Board, this has resulted in some confusion for retailers. The Pyrotechnic Board's application instructions do not inform the applicant that, although it may fulfill the minimum requirements for obtaining a retail permit, it may nevertheless be subject to citations by DFLS. Notifying retailers about this condition on the application could reduce confusion for retailers. Ultimately, a permitting process that does not satisfy the requirements of the applicable fire codes could result in unsafe situations.

DFLS Steps to Ensure Enforcement

In addition, DFLS could take proactive steps to increase compliance with relevant fire codes. Although DFLS conducts some regular inspections (such as annual audits of prisons and foster homes), it does not follow a re-inspection procedure. In order to mark violations as having been corrected, DFLS relies on hearing back from the inspected party and does an on-site check to see if corrections have been made. Routine follow-up of previous inspections could encourage enforcement and let the inspected parties understand the importance of correcting violations.

In 2014, DFLS adopted re-inspection guidelines. However, according to DFLS staff, it has not been able to implement those guidelines because of a lack of staff. DFLS could implement a follow-up process in which buildings with the most serious violations, or randomly selected buildings, receive a follow-up inspection. This could allow DFLS to do inspections despite staff concerns, while encouraging compliance with previous findings.

Additionally, DFLS's current software does not allow for readily determining which buildings have the most compliance problems. Software that would allow DFLS to determine which compliance problems are the most serious could allow DFLS to more effectively focus resources.

Another possible method to encourage compliance would be to publicize problematic inspection findings. Publication of problematic findings would allow the public to know about fire code violations at facilities that serve the public and may encourage compliance. One agency that publicizes inspection results is the S.C. Department of Health and Environmental Control, which publicizes restaurant inspections.

Recommendations

6. The South Carolina General Assembly should amend state law to clarify the enforcement authority of the Division of Fire and Life Safety, including allowing the Division of Fire and Life Safety the ability to issue fines.

7. The General Assembly should amend state law to clarify the enforcement authority of the Division of Fire and Life Safety regarding the Division of Fire and Life Safety's enforcement powers at correctional facilities.

8. The Division of Fire and Life Safety should work with the S.C. Board of Pyrotechnic Safety to communicate to fireworks' sellers in the permit application that the issuance of a sales permit does not necessarily mean that the sales facility is clear of fire code violations.

9. The Division of Fire and Life Safety should work with the S.C. Board of Pyrotechnic Safety to ensure that the fireworks' seller permitting process aligns with the applicable fire codes.

10. The Division of Fire and Life Safety should implement a follow-up inspection procedure, which could include random inspections or inspections of facilities most in need of follow-up.

11. The Division of Fire and Life Safety should update its software to enable it to determine which inspected facilities have the most serious compliance issues.

12. The Division of Fire and Life Safety should publicize problematic inspection findings in order to encourage the correction of findings.

Human Resources Issues

We reviewed DFLS's hiring process and employee turnover.

Testing the Hiring Process

We reviewed the hiring process and found no exceptions to LLR's process for recruitment and selection.

We identified a list of 21 individuals hired from January 2016 through September 2017, from which we selected a judgmental sample of 5 hired into training and inspection positions. We reviewed the hiring document packages retained by LLR that include the recruitment, interview, and hiring documents for each of these new hires and found no exceptions. Relying on information on application forms and from interview ratings, we found no instances where the final selection was inconsistent with the most qualified candidate.

Turnover Analysis

We analyzed the voluntary turnover among full-time employees in DFLS from 2013 through 2017. We defined a voluntary separation as one involving an employee whose reason for leaving the job is found to be one of the following:

- Found a new job and/or relocated to a different state agency.
- Went to work outside state government.
- Abandoned the job.
- Personal — resigned with no specific reason provided.
- Moved from one agency that uses the South Carolina Enterprise Information System (SCEIS) to one that does not.
- Moved to another state agency that uses SCEIS.

Our results are summarized in Table 2.1. The rate fluctuated from as low as approximately 1.5% to a high of almost 12%.

Table 2.1: DFLS Voluntary Turnover

CALENDAR YEAR	VOLUNTARY FULL-TIME EMPLOYEE SEPARATIONS	FULL-TIME EMPLOYEES	VOLUNTARY TURNOVER RATE
2017	1	69	1.45%
2016	7	60	11.67%
2015	5	63	7.94%
2014	5	63	7.94%
2013	1	67	1.49%

Source: LAC analysis of LLR data.

Turnover Rate and Pay Among Part-Time Instructors

We reviewed the turnover rate of temporary employees hired as part-time instructors. LLR reported that it purged its roster of instructors who had not taught a sufficient number of classes. We calculated DFLS's turnover rate to be 22.1% for 2015, a year that could have been affected by the purge. LLR reported to us a turnover rate of 19.07% for that same year for part-time instructors. Comparing either of these rates to the full-time employee turnover rate of 7.9% suggest there is an issue with excessive turnover of part-time instructors — reasons unknown. In our review, we found:

- The turnover rate is not consistently measured and monitored for any particular occupational groups; therefore, LLR does not know the reasons for the amount of turnover or the fluctuations among years.
- Turnover in the three-year period we reviewed fluctuated significantly, with one year having almost no turnover at all, one year reflected a loss of approximately one in every ten instructors, and another year reflected losses of approximately one in every five instructors (see Table 2.2).

**Table 2.2: Comparison of
Turnover Rate of Part-Time,
Paid Instructors with Voluntary
FTE Turnover Rate**

Years	Turnover Rate (Part-Time, Paid Instructors)	Voluntary Turnover (All FTEs)
2015	22. 1%	7.9%
2014	9. 1%	7.9%
2013	1.2%	1.5%

Source: LAC analysis of LLR data.

We also obtained an analysis by LLR of part-time instructor pay
produced in 2017. LLR concluded:

- Part-time instructor pay was appropriate and market competitive,
  based on a study.
- There was little variation in pay of part-time instructors at the
  Fire Academy in order to account for the complexity of particular classes
  or the knowledge and skills necessary that particular instructors bring to
  the position.

LLR reviewed the hourly-equivalent compensation of full-time instructors
employed by the North Carolina Office of State Fire Marshal (NCOSFM)
and the S.C. Criminal Justice Academy and adjunct instructors employed by
Greenville Technical College. As seen in Table 2.3, in each case, the hourly
compensation of the Fire Academy, part-time instructors was the lowest.
Using data provided by LLR, we analyzed the actual average hourly pay for
part-time instructors. We found that average hourly pay was $15.82, with
most instructors earning $15 per hour as of August 2017.

Table 2.3: Comparison of Actual DFLS Instructor Pay with Instructors from Other Public Entities as Reported by LLR in its Compensation Review

DFLS	S.C. CRIMINAL JUSTICE ACADEMY	GREENVILLE TECHNICAL COLLEGE	N.C. OFFICE OF STATE FIRE MARSHAL
$15.82 *Part-Time Instructors*	$19.50 – $20.67 *Instructor/Training Coordinators I and II*	$30 *Adjunct Instructors*	$26.44 *Training Instructors*
LAC CALCULATION Average hourly pay	LLR REPORTED Average hourly range	LLR REPORTED Actual hourly pay	LLR REPORTED Average hourly pay

Source: LLR

Yet, despite the fact that instructor pay was the lowest among the other employers in its analysis, LLR concluded that instructor pay was appropriate and market competitive. LLR's analysis noted that possible reasons for lower pay for Fire Academy instructors compared to peer institutions might be due to higher pay for state employees in North Carolina in general, the S.C. Criminal Justice Academy's use of full-time instructors, and Greenville Technical College's requirement of a bachelor's degree. LLR's analysis found that internal classifications should be revised to take into account knowledge and skills necessary to teach a course.

In the absence of other data from the report, the relatively high turnover rate of part-time instructors, and LLR's recognition that some instructors were not teaching, it is unclear how LLR determined the pay was competitive, without having analyzed the reasons instructors discontinued teaching Fire Academy courses.

During the course of our audit, LLR has instituted changes to its pay scale classification and has instituted some salary increases. In August 2017, LLR instituted three instructor classifications, which are based on whether the instructor provides classroom, field training, and/or specialty training and the complexity of the training. Additionally, we reviewed an unaudited list of instructors placed in the new classifications; and their salaries from October 2017 show that the average salary for instructors is $16.79, an increase from $15.82, but less than instructors at the peer institutions.

Unless DFLS monitors and analyzes turnover among instructors, it will be unable to determine whether it is losing qualified instructors and the extent of that loss. Only then can DFLS take steps to determine whether those losses pose a threat to the quality of its training and consider the reasons for such losses and what, if anything, can be done to mitigate it.

Recommendation

13. The Division of Fire and Life Safety should annually monitor the turnover rate for all of its part-time instructors and use that analysis in determining what steps to take in order to retain qualified instructors.

Records Retention and Controls

We reviewed the retention practices and internal controls on DFLS records to ensure that the division has installed proper controls to protect personal identifiable information (PII), such as Social Security numbers, birthdates, and credit card numbers. We found:

- Inconsistency in the agency's retention policy across the division.
- Inconsistency in the way payments (such as student training and certification fees) are processed in some areas of the division.
- Possible prolonged retention of student record information at its offices.

Lack of Consistency in Processing Payments

We spoke with LLR officials in information technology, the finance department, and DFLS employees responsible for the handling of payment information. All records we observed were properly secured and had an appropriate level of employee access to the records. However, during our discussions with DFLS staff, we discovered confusion among the staff as to the proper retention practices of payment information (checks, credit card payments, and cash deposits). If the DFLS were to issue a division-wide retention policy as part of the division's policy manual, the division could ensure that all records are handled consistently.

We found that there was inconsistency in the methods of how certain payments were processed. Some areas accepted payments via credit card over the phone, whereas other areas did not because, according to a DFLS official, a valid signature was required to accept the credit card payment. One of the DFLS areas that receives credit card payments receives a large number of payments via a completed form which is scanned and sent as a Portable Document Format (PDF) email attachment. Email is not a secure form of communication for the receiving of credit card numbers or other PII and is subject to hacking, a problem which may expose customers' PII to seizure by criminals.

Student Records

We spoke with LLR information technology staff and DFLS staff responsible for student records and also observed where the paper student records are kept. The Fire Academy keeps 20 years of student records. The most recent 10 years of student records (kept on a per class basis) are kept in a locked room on filing shelves in the Fire Academy offices. Student records for the 10 years prior are kept in a locked storage building on the Fire Academy grounds. We observed these older student records packed in boxes and kept in the storage building. The older student records contain PII, such as Social Security numbers, birthdates, and addresses, even though the Fire Academy no longer uses Social Security numbers as student identifiers.

The Fire Academy has a retention schedule with the S.C. Department of Archives and History (Archives) to maintain 20 years of paper student records. However, DFLS officials were unsure of the reasoning behind keeping 20 years of paper student records, since the Fire Academy has an online student system. An official at Archives suggested that this retention policy may need to be reviewed and possibly updated. Archives allows for records that have not been used in the past 10 years to be transferred to its State Records Center. If the Fire Academy and Archives agree that it is still necessary for the Fire Academy to keep 20 years of paper student records, then the Fire Academy could move the older 10 years of paper student records out of its storage building and place them at Archives' State Records Center. This will protect the records in a more secure manner, as well as free up additional space in the storage building that can be used for other storage, such as equipment.

Recommendations

14. The Department of Labor, Licensing and Regulation should create a formal policy within its policy manual on the proper retention time periods for information (including payment and student records data) and disseminate this policy agency-wide.

15. The Division of Fire and Life Safety should cease accepting credit card information via email.

16. The Department of Labor, Licensing and Regulation should create a formal policy within its policy manual on the correct methods for the handling and processing of payment information and disseminate this policy agency-wide.

17. The Division of Fire and Life Safety should decide how long to keep student records after discussing the issue with the S.C. Department of Archives and History.

18. The Division of Fire and Life Safety should send old student records to the S.C. Department of Archives and History's State Records Center for proper storage.

S.C. State Firefighters' Association

We reviewed the Firefighters' Association's oversight of local fire departments' spending of their portions of the 1% fund. The Firefighters' Association is a non-profit and is not managed or controlled by DFLS. We found:

- Local fire departments are allowed to spend minimal amounts of their 1% funds, and there is no mechanism or legal requirement in place to ensure the funds are spent [see *Firemen's Inspection Fund (1% Fund)*].
- Some local fire departments have misspent their funds and/or failed to keep the proper records, though there are some mechanisms in place to ensure corrective action is taken.
- Issues with the publication of audit findings conducted by the Firefighters' Association of local fire departments' use of the 1% funds.

Background

S.C. Code §23-9-460 prohibits the 1% funds from being distributed in cash, and S.C. Code §23-9-450 states that the funds must be spent "solely for the benefit of the firemen of each particular fire department in the State." The Firefighters' Association has issued guidelines for the proper spending of the funds in accordance with the provisions of the S.C. Code of Laws.

The Firefighters' Association was founded in 1905 and incorporated in 1906. Its express purpose is:

> Promoting the betterment and maintenance of skillful and efficient fire departments; to establish harmony, unity of action and cooperation among various fire departments of the state; to promote the general welfare and fraternal fellowship of firefighters; to operate the Firemen's Insurance and Inspection Fund; and to improve the working conditions, education, qualifications, and general skills of firefighters in the business of protecting the public from hazards of fire.

The Firefighters' Association is governed by an executive committee, which appoints the Firefighters' Association's executive director. The executive committee is elected by the members of the Firefighters' Association. The executive director oversees the staff of the Firefighters' Association and handles its day-to-day operations.

A non-profit corporation, the Firefighters' Association, among other things, administers the Firemen's Insurance and Inspection Fund, also known as the "1% Fund," which is a tax on fire insurance premiums that is distributed to fire departments. Additionally, the Firefighters' Association conducts conferences and training events for firefighters, including the annual South Carolina Fire-Rescue Conference. The Firefighters' Association also puts forth position statements on fire service-related issues.

The Firefighters' Association also has a place on several statutory committees. Placements outlined in the S.C. Code of Laws include:

S.C. Code §23-10-10
> The chairman and appointed members of the Firefighters' Association's Fire School Committee shall serve on the South Carolina Fire Academy Advisory Committee. Also, a member of the Firefighters' Association serves on the South Carolina Fire Academy Advisory Committee, and the executive director of the Firefighters' Association shall serve ex officio without voting privileges.

S.C. Code §23-49-20
> The South Carolina Firefighter Mobilization Oversight Committee must include six fire prevention and control personnel appointed by the Governor upon consideration of the written recommendations of the Firefighters' Association. Additionally, the executive director of the Firefighters' Association shall serve as an ex officio, nonvoting member of the committee.

S.C. Code §23-9-25
> The president of the Firefighters' Association shall serve as a nonvoting member and chair of a peer-review panel that administers funding for the Volunteer Strategic Assistance and Fire Equipment Program (V-SAFE). V-SAFE provides funds to fire departments for statutorily-specified purposes, including equipment, training, and vehicles.

Firefighters' Association Funding

The Firefighters' Association receives some state funding. S.C. Code §23-9-430 states that the county treasurers must pay 5% of their 1% funds to the Firefighters' Association, and these funds must be spent "…for the sole purpose of the betterment and maintenance of skillful and efficient fire departments within the county." The amounts received from these assessments are illustrated in Chart 2.4.

Chart 2.4: Assessments from County Treasurers Received by the S.C. State Firefighters' Association

$805,860

$773,922

$747,634

| 15-16 | 14-15 | 13-14 |

Fiscal Year
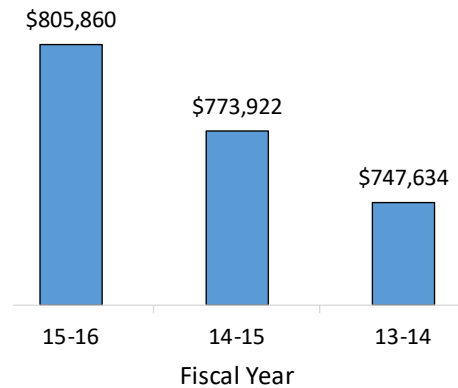
Source: S.C. State Firefighters' Association audited financial statements

The Firefighters' Association primarily spends its portion of the 1% funds on its internal costs. In the FY 17-18 budget, the Firefighters' Association budgeted $844,684 for its 1% funding stream. Of that amount, $645,207 is to be spent on payroll, retirement, medical, and other employee expenses. It has budgeted $45,000 towards its audits of local fire departments' use of the 1% funds. Additionally, the Firefighters' Association received an appropriation in 2008 for the V-SAFE program.

The Firefighters' Association receives an annual financial audit from certified public accounting firms. We reviewed recent audits and the audits did not contain findings regarding the Firefighters' Association's handling of funds.

Although the Firefighters' Association's spending of its portion of the 1% funds may fulfill the letter and spirit of S.C. Code §23-9-430, an annual report by the Firefighters' Association that documents its spending of its portion could help ensure that they are being spent properly.

Firemen's Inspection Fund (1% Fund)

The Firemen's Inspection Fund (1% fund) provides financial assistance to local fire departments. After receiving their 1% funds, members of local fire departments vote to approve 1% fund expenditures. After approving the expenditures, the fire departments' boards of trustees (which include mayors, councilmen, treasurers, fire chiefs, and other appointees, depending on the size of the service area), administer the expenditures per S.C. Code §23-9-420. For expenditures of over $100, S.C. Code §23-9-450 requires that the Firefighters' Association also approve the expenditure.

Pursuant to S.C. Code §38-7-70, all in-state and out-of-state insurance companies doing business in South Carolina must report to the S.C. Department of Insurance the amount of fire insurance premiums written for improvements to all assessed property in the state. The Department of Insurance assesses a 1% tax on every insurance company for the fire insurance premiums written per county. The amount collected from the insurance companies provides a per-county amount of funds to be distributed.

After the funds are distributed to the counties, the county treasurers distribute the funds to all qualified fire departments based on the percentage of the total assessed value of the county that constitutes the fire departments' response or coverage area. In order to receive the 1% funds, the fire departments must submit reports to the DFLS, including:

- Quarterly inspection reports, which show the number of inspections conducted by fire departments and the number of violations discovered and corrected.

- Annual equipment certificates, which show an inventory of equipment.

S.C. Code §23-9-310 requires cities, towns, and unincorporated areas that have fire departments that benefit from the 1% funds to have a local board of trustees of the 1% fund composed of three or five members.

THREE-MEMBER BOARD
- Mayor;
- Councilman in charge of the fire department or chair of the fire committee;
- Chief of the fire department

FIVE-MEMBER BOARD
- Chairman of the fire committee or the board of fire masters;
- Chief of the fire department;
- City or town treasurer;
- Two citizens, one appointed by the mayor and one appointed by the fire chief, both of whom to be confirmed by the governing body of the city or town. These citizens serve four-year terms.

UNINCORPORATED COMMUNITIES
- County treasurer of the county in which the greater part of the community is located;
- Any residents of the community as may be appointed by the treasurer, on a recommendation by a majority of the legislative delegation or delegations of the county or counties in which the community is located. The non-treasurer members serve a term of four years.

After the county allocates funds to the fire department, the department membership may vote on approving the 1% fund expenditures. If 51% of the department's membership approves the spending, the board of trustees is required to review the expenditure proposal and the Firefighters' Association is required to receive an application for the approval of the expenditure when the expenditure exceeds $100.

Chart 2.5: 1% Fund Approval Process Per S.C. Code §23-9-400 *et seq.*

```
┌─────────────────────────────┐
│   1% TAX COLLECTED           │
│   BY DEPARTMENT OF INSURANCE │
└─────────────────────────────┘
              │
              ▼
┌─────────────────────────────┐
│ OFFICE OF THE STATE TREASURER│
│ ALLOCATES 1% FUNDS TO        │
│ COUNTY TREASURERS            │
└─────────────────────────────┘
              │
              ▼
┌─────────────────────────────┐
│ COUNTY TREASURERS            │
│ ALLOCATE 1% FUNDS TO         │
│ QUALIFIED FIRE DEPARTMENTS   │
└─────────────────────────────┘
```

51% of Local Fire Department Membership Votes to Approve 1% Fund Expenditures

Local Board of Trustees Approves Local Membership Vote

S.C. State Firefighters' Association Approves Spending Funds (for expenditures greater than $100)

LOCAL FIRE DEPARTMENTS SPEND 1% FUNDS

In FY 15-16, $16,117,201 of 1% funds was distributed to the counties.

Chart 2.6: 1% Funds Distributed to Counties, FY 13-14 – FY 15-16
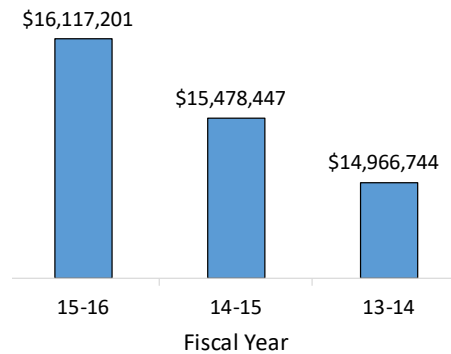
Source: Department of Insurance

Pursuant to S.C. Code §23-9-410, the Office of the State Treasurer must allocate the funds to the county treasurers. S.C. Code §23-9-420 requires that the fire departments receive an amount based on the assessed value of improvements to real estate areas within the service areas of the department. For example, if a county receives $400,000 and a department's response area contains 10% of the assessed value of the county, then the department would receive 10% of the $400,000, or $40,000.

Monitoring of 1% Funds

As previously noted, S.C. Code §23-9-450 requires that, before any disbursements of over $100 of the 1% fund are made by the treasurers of the counties, they shall first submit to the Firefighters' Association a statement on how the funds are to be expended and shall receive from the trustees written approval of the manner and method by which the funds are disbursed.

S.C. Code §23-9-460 prohibits the funds from being distributed in cash, but the law is not clear regarding how the funds may be spent other than stating it must be, "solely for the benefit of the firemen of each particular fire department in the State."

Although the law is not clear regarding the spending of the 1% funds, the Firefighters' Association has issued guidelines on how the funds may be spent and offers guidance to departments regarding the proper spending of the funds.

Table 2.7: Categories for Proper Spending of 1% Funds

1% FUND CATEGORIES	
Retirement Plans	Must provide nondiscriminatory benefits to all fire department members and require retirement, disability, or death before benefits are distributed.
Group Insurance	May include death benefits, disability, workers' compensation, bond insurance, and any other type of insurance voted on by majority of members that is not the responsibility of the governmental subdivision.
Recruitment and Retention Programs	Includes drill night suppers, furniture and appliances for the station, and fitness equipment.
Fire Programs	Prevention and Fire Education
Materials	Training and Education
Expenses	Conference and Seminar
Fees	Training and Education for the Association

Source: S.C. Firefighters' Association

The Firefighters' Association instructs recipients that several items are not permitted expenses.

Table 2.8: Non-Permitted Expenses of 1% Funds

NON-PERMITTED 1% FUND EXPENSES
Charitable Gifts (Firefighter relief funds that go directly to individuals)
Entertainment (Trips or Events)
Gift Cards
Alcohol

Source: S.C. Firefighters' Association

A 2011 S. C. Attorney General's opinion examined several issues dealing with the legality of the relationship of the Firefighters' Association to the 1% funds.

Table 2.9: S.C. Attorney General Opinion

2011 S.C. ATTORNEY GENERAL OPINION REGARDING S.C. STATE FIREFIGHTERS' ASSOCIATION
It was constitutional to require that a fire department or its members be a member of the Firefighters' Association to receive 1% funds. The opinion cited a similar law in North Carolina.
Delegating certain administrative functions to the Firefighters' Association regarding the 1% funds was legal. The Attorney General noted that the Maryland State Firemen's Association conducts annual inspections of fire and rescue equipment, apparatus, and facilities.
The payment of 5% of the 1% tax by the county treasurer to the Firefighters' Association is legal. The Attorney General cited a similar situation in North Carolina.
The procurement code does not apply to the Firefighters' Association because the General Assembly specifically designated the Firefighters' Association for the monitoring of the 1% funds.
It was legal for money to go directly to the lobbyist principal as the Legislature has plenary power to decide where the money is allocated.

Source: Office of the South Carolina Attorney General

In upholding the legality of these issues, the Attorney General noted, "Of course, the policy considerations and the wisdom of these laws are for the Legislature to determine."

The Firefighters' Association contracts with certified public accountants to conduct audits of how departments spend the 1% funds. In these audits, departments are graded on an A through F scale based on factors such as proper use of the funds and record keeping. If a department receives a grade of F, it will be placed on "member not in good standing" status and be excluded from receiving 1% funds. Departments receiving grades of C or D are required to take remedial action (including submitting forms that were unavailable during their initial audit and receive a follow-up audit). If a department fails to receive a grade of B or better on the follow-up audit, they will lose their good standing and be ineligible to receive 1% funds.

The Firefighters' Association publicly releases the cumulative results of the audit findings.

Table 2.10: S.C. State Firefighters' Association Audit Results

2014, 2015, AND 2016 FIREFIGHTERS' ASSOCIATION AUDIT RESULTS	
12	Departments made few or no disbursements of 1% funds.
45	Departments did not have supporting documentation for all disbursements tested.
14	Departments did not maintain a check register for the 1% funds bank account, and not all bank statements were retained.
13	Departments spent funds on unallowable expenditures.

Source: Firefighters' Association Audits

The Firefighters' Association's audits noted, for example, that funds were being spent on gift cards and gifts for department members' spouses, which are items not allowed by the Firefighters' Association guidelines. Such spending can result in a department receiving a low grade on their audits and possibly lose access to 1% funds. The Firefighters' Association states that it will refer possible criminal activities regarding the 1% funds to SLED. According to a Firefighters' Association official, out of approximately 166 formal audits conducted in the past ten years, it was necessary to include SLED involvement in potential criminal findings five times. A Firefighters' Association official stated that they do not have a way to require departments to spend their 1% funds and there is no legal requirement that they spend their funds, so some departments may make few or no disbursements of their funds.

The publicly-released findings of the Firefighters' Association do not provide context for certain findings. For example, it is important to know the amount of funds spent on unallowable expenditures and how large the unspent fund balances are for departments that have not spent their 1% funds on a consistent basis. Additionally, the published findings do not name the CPA firm that conducted the audits or a signature attesting to the validity of the results. Also, the Firefighters' Association's published findings reports did not quantify how many findings from previous audits have been corrected.

Recommendations

19. The General Assembly should require the S.C. State Firefighters'
Association to publicly release an annual report documenting that
its spending of its portion of the 1% funds is in compliance with
S.C. Code §23-9-430.

20. The General Assembly should amend South Carolina law to specify
what recourse must be taken should fire departments make minimal
disbursements of their 1% funds.

21. The General Assembly should require the S.C. State Firefighters'
Association to publish detailed summaries of audit findings regarding
its monitoring of the 1% funds.

South Carolina Fire Academy

As part of our review of the Division of Fire and Life Safety (DFLS), we reviewed the South Carolina Fire Academy (Fire Academy). During our review, we found that the Fire Academy could better identify potential student participants and customers, add props to gain additional customers, and better handle items related to the maintenance of its facilities and equipment. In addition, we found areas needing improvement in the Fire Academy's dormitory, cafeteria, and procurement processes.
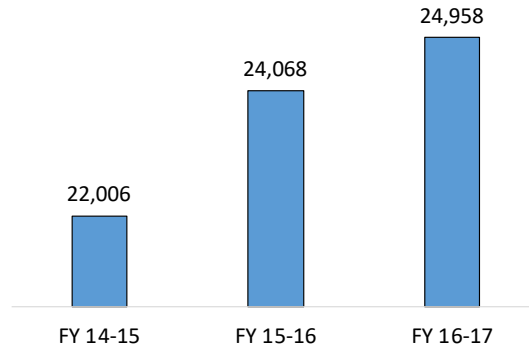
Training Participants

The statutory purpose of the Fire Academy is to upgrade the state's paid, volunteer, and industrial fire service personnel. According to a DFLS official, the overall goal or purpose of the Fire Academy is to provide training and education that is realistic, applicable, and relevant to the state's fire and emergency services community. It should also be affordable and result in a highly qualified and competent response force. The official stated that for industrial and other fire department customers, the goal or purpose is the same, but added that the goal is also to produce a cost-effective training opportunity that adds value to the industrial company.

The Fire Academy has participants from municipal and volunteer fire departments around the state, other states, and other countries attending its classes at the Fire Academy in Columbia, as well as the regional training sites around the state. In addition, the Fire Academy offers online training to anyone around the world. Finally, the Fire Academy also provides training to private industrial customers as well.

Chart 3.1 shows the total number of in-state governmental (municipal, volunteer, state agencies, etc.) participants attending training at the Fire Academy for the last three state fiscal years. Some of these participants may be duplicated because they possibly participated in more than one training.

Chart 3.1: Recent In-State Fire Academy Training Participants, FY 14-15 – FY 16-17

Source: DFLS

Chart 3.2 shows the total number of online participants at the Fire Academy for the last three state fiscal years. Some of these participants may be duplicated because they possibly participated in more than one training. The participants completing online training can be from anywhere around the world.
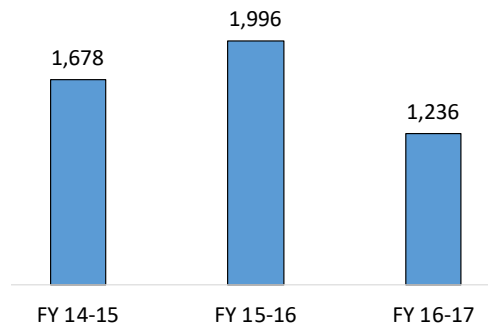
Chart 3.2: Recent Online Fire Academy Training Participants, FY 14-15 – FY 16-17

Source: DFLS

Finally, Chart 3.3 shows the number of private industrial participants at the Fire Academy for the last three state fiscal years. Some of these participants may be duplicated because they possibly attended more than one training.

Chart 3.3: Recent Private Industrial Fire Academy Training Participants, FY 14-15 – FY 16-17
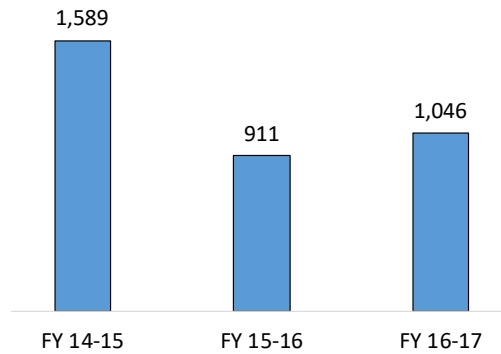
Source: DFLS

Prior to our request for the number of participants by fire department (Chart 3.1), the DFLS stated that it had never before run a report in that format. If the DFLS continues to use this report in the future, the division could use it to identify fire departments that have not been customers of the Fire Academy recently. Without utilizing this report, the Fire Academy would not be able to determine if it is meeting the goal of providing relevant training to all firefighters in the state, its primary statutory and stated mission. According to an agency official, the DFLS plans on using this report for that purpose in the future.

Fire Academy Props

We were asked to review the Fire Academy's training props. During the course of our audit an interested party suggested to us that much of the concern relating to the training props was a lack of planning to update the props. In the division's most recent submittals, props have begun to be included on the DFLS's Comprehensive Permanent Improvement Plan (CPIP).

Table 3.4 is a list of the various props available for use at the Fire Academy.

Table 3.4: Fire Academy Training Props

FIRE ACADEMY TRAINING PROPS	
Training Drill Tower	
Liquid Petroleum (LP) Burn Building	
Class "A" Concrete Burn Building	
Large Area Search Building	
Class "A" Metal Burn Building	
Fire Investigation Training Pods	
Residential Search House	
Pumper Testing Pit	
Rail Car Hazmat Training Prop	
Confined Space Training Props	
Hazardous Materials Training Area	Training building, a DECON pad, leak prop, and various HAZMAT trailer props
Fire Extinguisher Training Area	Pan fire, 3-D fire pit, Aircraft Rescue Fire Fighting prop, and car fire prop
LP Gas Training Area	Tank prop, a pump house fire prop, a flame tree prop, a Bob Tail truck prop, and a flange prop
Flammable Liquids Training Area	Cracking tower prop, a rail car prop, a vertical tank prop, a large pit prop, and a step fire prop
Aircraft Rescue Fire Fighting (ARFF) Training Area	Simulated aircraft fire trainer, a fuel spill burn trainer, and a piercing prop
Rescue Training Area	Rubble pile, a trench prop, various cutting and burning props, various lifting and moving props, and a storage building/classroom

Source: DFLS

We selected a random sample of props to see in operation and then watched as the Fire Academy staff and student participants ignited and extinguished the props. None of the props that we witnessed in operation had any issues that we could detect. The Fire Academy does have a few props that are not used much, if at all, because the prop is not very practical as a real-life situation (for example, the flame tree prop), or a prop might have design flaws (such as the step fire prop that has never been used because of safety concerns).

According to an agency official, the concept of developing simulation-based medical training has been discussed in the past, but funding has never been approved to implement it. Two of the seven states we surveyed (see *Other States' Maintenance Policies*) include first responder training in their new recruit schools. The Fire Academy could replace rarely used props with new props that would be used on a more frequent basis to possibly increase its clientele base.

Donation of Props

During our review, we examined a situation whereby a private company wished to donate a prop to the South Carolina Fire Academy, but the donation was declined by the Fire Academy. According to several agency officials, the reason the prop was declined was that the private industrial company wanted to control how, when, and by who the prop could be used, even though the prop would have been on the Fire Academy property. According to these agency officials, once the prop is on state property, it is the property of the state, not the private donor.

State law does not address the donation of equipment to the DFLS. However, we did find that S.C. Code §23-49-120(B) states, "The South Carolina Forestry Commission may accept donations of new or used fire protection, control, and rescue equipment from individuals or organizations." Updating state law to provide for the donation of equipment to the DFLS could be beneficial to the state.

Maintenance

We were asked to review the maintenance practices of the DFLS. After reviewing the Department of Labor, Licensing and Regulation's (LLR) and the DFLS's policies and speaking to a DFLS official, we determined that the division does not have an official policy regarding maintenance of its props, facilities, or some equipment. The division also does not have a set schedule to perform routine preventive maintenance on its props or facilities.

In January 2017, the Fire Academy Maintenance System became operational. This system is an online maintenance system where requests can be made, classified on the level of importance, assigned to an appropriate maintenance staff member, and tracked through completion of the project. We reviewed all of the maintenance requests since the online system became operational and did not identify any significant issues. However, the online system does not track the costs associated with maintenance repair. Having an area in the online system where the maintenance cost could be tracked and summarized would allow the Fire Academy to better track their maintenance costs, as well as allow for better budget planning for future years.

The Fire Academy does have some of the agency's equipment inspected annually, such as the compressors used to refill the self-contained breathing apparatus units used for training, the sprinklers in the buildings, fire alarms in the buildings, and backflow tests. We reviewed the most current results of these tests and did not find material deficiencies.

Other States' Maintenance Policies

We reviewed the websites of all 49 other states in the United States to compare each state's fire academy to that of South Carolina. We identified seven states that were reasonably similar to South Carolina and contacted those states via telephone for more information. We found that unlike South Carolina, five of the seven states perform routine preventive maintenance on their props at least annually, if not more frequently.

Firehouse HVAC

We reviewed the reasoning behind a delay in repairing the HVAC units in the new recruit firehouse when the units quit working. According to an agency official, it was about a year and a half before the HVAC units were replaced. According to another agency official, the current staff at the DFLS have not been able to determine an official reason why it took so long under the previous administration to have the HVAC units in the new recruit firehouse replaced.

Vehicle Inventory

We reviewed an inventory of all vehicles at the DFLS and the processes for purchasing or leasing those vehicles and found no issues. According to an agency official, in 2013 the division did an analysis which showed that it was less expensive for the division to purchase its vehicles than to lease them, so since 2013 the division has been purchasing its vehicles.
The agency official stated that DFLS's plan is to eventually own all of the division's vehicles.

Fire Academy Dormitory

As part of our audit, we reviewed the dormitory at the Fire Academy and any associated issues with the dormitory. There are currently 59 dorm rooms at the Fire Academy. The rooms can be rented for $15 a night for double occupancy, or $30 for single occupancy. As part of the course evaluation forms that students complete at the conclusion of their training, there is an area on the forms where the student can make comments about the Fire Academy dormitory and the cafeteria. DFLS officials stated that each evaluation form is reviewed. If there is a fixable problem, then it is addressed. However, DFLS officials stated that the division has no official record of complaints and that issues are not tracked over time to identify recurring problems. If the Fire Academy began tracking complaints on the dormitory and cafeteria, then perhaps the agency could better identify deficiencies.

The Fire Academy dormitory averaged approximately 4,192 room nights and 5,447 students staying at the dormitory per year from FY 13-14 through FY 15-16. However, according to an agency official, DFLS does not track from what fire department, state, or country the individuals who stay in the dorms originate. The Fire Academy also does not track the number of public or private students, or the number of male and female students. If the dormitory staff started tracking which fire departments and students stay at the dormitory, then the staff could potentially identify customers who are not using the dormitory and follow up with those fire departments and students as to why they do not use the dormitory. This could also result in increased revenue from higher dormitory utilization since the additional data might identify some fire departments not using the training services or the dormitory rooms.

Dormitory Mold Problem

According to an agency official, approximately 2–10 dormitory rooms have a problem with mold at any given time depending on factors such as weather conditions and use. The DFLS staff have been instituting temporary solutions to deal with the mold problem while they await the remodeling of the dormitory, which will address the mold problem in a more effective manner. Currently, the DFLS staff use portable dehumidifiers, adjust thermostats, and use mold cleaning supplies to deal with the problem. In the future, as part of the dormitory remodeling process, new HVAC units that have a dehumidifier built-in will be installed, door closers will be put on doors to make sure they do not stay propped open, a mold barrier will be installed on the walls, and the exhaust system will be serviced. According to an agency official, the only inspections performed on the dormitory by outside officials involve tests of the fire alarm and sprinkler systems. Also, according to the official, internal inspections of the dormitory and repairs have not been recorded.

Fire Academy Cafeteria

The Fire Academy has an on-site cafeteria which averaged 19,655 meals a year from FY 13-14 through FY 15-16. The Fire Academy cafeteria also includes a small store that sells shirts, hats, knives, etc. The cafeteria employs one full-time and one part-time staff member, while the rest of the cafeteria staff are comprised of seven inmates. The dormitory also has one full-time staff member and one inmate worker.

In 2014, the cafeteria's cook at the Fire Academy left, and the DFLS performed an emergency procurement with a local restaurant to provide food at the cafeteria. This process has since reverted to an in-house preparation process, largely as a way to save money.

According to an agency official, the Department of Health and Environmental Control (DHEC) inspects the Fire Academy cafeteria every year. The official also stated that the range hood in the cafeteria is inspected annually as well. We reviewed these inspections for the last three years and identified no material problems.

The cafeteria uses a mainly non-automated process to track meals and purchases. The cash register terminal in the cafeteria was originally set-up to use plastic debit-type cards to deduct meals and store purchases, but because of problems with the software, the system has never been used. An automated debit-type system could more accurately, and more easily, track meals and purchases.

Fire Academy Procurement Processes

The Fire Academy cafeteria purchases food products from three vendors. The store in the cafeteria also purchases goods from three vendors. We reviewed purchase orders and invoices for foods and store goods for the current state fiscal year. We found that the Fire Academy cafeteria is not properly procuring its food supplies.

According to South Carolina Procurement Services within the State Fiscal Accountability Authority, any purchase with predictable and quantifiable requirements must be competitively procured. The Fire Academy should be able to estimate the number of annual meals needed and competitively bid a procurement to interested food vendors to purchase the needed food.

In addition, several purchase orders were improperly obtained under a procurement exemption. S.C. Code §11-35-710(9) states:

> The board, upon the recommendation of the designated board office, may exempt governmental bodies from purchasing certain items through the respective chief procurement officer's area of responsibility. The board may exempt specific supplies, services, information technology, or construction from the purchasing procedures required in this chapter and for just cause by unanimous written decision limit or may withdraw exemptions provided for in this section. The following exemptions are granted from this chapter:
>
> (9) fresh fruits, vegetables, meats, fish, milk, and eggs.

We discovered numerous purchases not covered under this procurement exemption, including frozen foods and dry goods. These purchases would be a substantial amount annually. The state has less assurance that the cost of the items is reasonable if the purchases are not made in a competitive manner.

South Carolina Joint Bond Review Committee

The South Carolina Senate and House Joint Bond Review Committee (JBRC) reviews the construction or improvement of projects involving state property of at least $100,000. Projects between $100,000 and $250,000 are handled by JBRC staff. Amounts between $250,000 to $1,000,000 must be approved by the JBRC and the Department of Administration. Any project over $1,000,000 goes before the JBRC and also goes before the State Fiscal Accountability Authority. The money for these projects has to be on-hand before the JBRC will give approval for a project to an agency. Non-permanent purchases, such as a fire trucks used for training, go through the regular procurement process. This is the general process for most state agencies, not just the DFLS.

The Fire Academy is currently in the process of upgrading the new recruit training firehouse and its dormitory. The Fire Academy's plan for the recruit training firehouse calls for additional classroom and study areas. The total estimated cost for the new recruit training firehouse renovations is $1,129,675 and is estimated to be completed in November 2018. The total estimated cost to remodel the dormitory is $3,677,039 and it is estimated to be completed in January 2019. We reviewed the JBRC process as part of our audit and found no reason to change how the process works for the Division of Fire and Life Safety.

Inventory

The DFLS has inventory systems for some of its goods and equipment, but not all of its items. The DFLS has an inventory system for all of its vehicles, IT equipment, ladders, fire hoses, and self-contained breathing apparatus equipment which are all inventoried at least annually. However, the DFLS does not have any sort of inventory system for its other goods and equipment, including fire suits, furniture, and textbooks. According to a DFLS official, the division is planning an inventory system for its durable goods, and DFLS officials are discussing an inventory system for consumable goods, such as textbooks.

Recommendations

22. The Division of Fire and Life Safety should analyze reports classified by fire department to identify customers who have not used the South Carolina Fire Academy's training recently.

23. The General Assembly should amend S.C. Code §23-49-120 to provide for the donation of fire equipment to the Division of Fire and Life Safety.

24. The Division of Fire and Life Safety should develop a maintenance policy with a preventive maintenance schedule for all of its facilities, props, and equipment, and should include the policy in the division's policy manual.

25. The Division of Fire and Life Safety's Fire Academy Maintenance System should be updated to allow the tracking of costs associated with maintenance and repairs at the South Carolina Fire Academy.

26. The Division of Fire and Life Safety should track dormitory and cafeteria complaints over time to identify any deficiencies.

27. The Division of Fire and Life Safety's South Carolina Fire Academy should track dormitory students by fire department, state, and country to identify potential fire departments that are using the South Carolina Fire Academy's training, but are not using the South Carolina Fire Academy's dormitory, in order to address why those students are not staying at the dormitory.

28. The Division of Fire and Life Safety's South Carolina Fire Academy should track dormitory students by public/private and male/female demographic information to help identify the type of individuals staying at the dormitory, and any potential problems.

29. The Division of Fire and Life Safety should complete the upgrade and remodel of the South Carolina Fire Academy dormitory which the division is in the process of performing.

30. The Division of Fire and Life Safety should record any internal inspections of the South Carolina Fire Academy dormitory and keep those records for later inspection.

31. The Division of Fire and Life Safety should research the use of a computerized debit card system for meals and store purchases in the South Carolina Fire Academy cafeteria in order to better automate the process and make it more reliable and efficient.

32. The Division of Fire and Life Safety should follow all state procurement laws and guidance.

33. The Division of Fire and Life Safety should develop inventory practices for all of its goods and conduct an inventory count at least annually.

Purchase of Books and Other Instructional Materials

We reviewed the purchase of books and other instructional materials to determine from whom the DFLS purchases instructional course books and how much the Fire Academy spends on purchases from the Firefighters' Association. We found that the DFLS has purchased books and instructional materials from six different providers since FY 11-12, but by far the most significant is the Firefighters' Association, which is a designated distributor for four providers of training material. Published books, periodicals, and technical pamphlets are exempt from the procurement code, but due diligence would dictate that DFLS competitively procure books and other instructional media for its students in order to be fair and receive the best possible price. We found that the Firefighters' Association and several regional offices maintain books for future use, but a DFLS official could not produce an inventory report of what it has. From FY 11-12 through mid-FY 17-18, DFLS spent $2.3 million for instructional material with the Firefighters' Association.

The Firefighters' Association is the South Carolina distributor for several book publishers whose books are used by DFLS. The Firefighters' Association purchases the books at wholesale price and passes the savings on to DFLS. The discounts vary depending on the products (many orders offer a 30% discount). Free shipping to regional offices is also included in some cases. Therefore, a DFLS official stated that the Fire Academy cannot purchase the materials at a lower price from any other vendor.

Inventory

We found that the Fire Academy maintains a storeroom with books for different courses but that it does not maintain an inventory of what it has on-site. We also found that the regions vary in the degree to which they store books on-site, with one regional coordinator stating that he does not maintain a stock of books while another says he maintains only a few books, and still another reports keeping a large selection on hand. We found no indication that books or other instructional materials have been misappropriated.

Maintaining an inventory will allow DFLS officials to track the number of books, by title and course, on hand, and by location. Doing so could minimize any risk of misappropriation now, or in the future, and reduce the risk of making unnecessary purchases of books available in one region that can be used in another.

Recommendations

34. The Division of Fire and Life Safety should competitively procure instructional materials, consistent with course needs and the professional standards to which they might be designed.

35. The Division of Fire and Life Safety should develop and maintain an inventory of books and other instructional materials so that DFLS officials can track those materials, including being able to know the number of products on-hand, at any given time, by region.

Training, Instructors, and Communication

Training Course Development and Revision

We reviewed the process used by the Division of Fire and Life Safety (DFLS) to develop and revise its training courses and found that its process is similar to those used by other educational institutions and governmental agencies. We also found it does not accumulate or compute its costs for training course development, a practice which could be helpful if DFLS undertakes an analysis of its training costs.

Courses are developed or revised because the standards to which a course is designed have changed or because there is a perceived need or request. The Fire Academy offers 23 accredited courses designed to teach to National Fire Protection Association standards. These standards are updated on a five-year cycle. When those standards change, the Fire Academy has two years to update its course content and tests.

The Fire Academy develops its own courses consistent with national standards, when applicable. Every course is developed with the assistance of subject matter experts who include Fire Academy staff and others, usually active firefighters, who also serve as instructors and who come from different parts of the state in order to provide geographic diversity. Experts provide input during the course development process, using their experience and knowledge to suggest content and course design. As of 2015, there is a list of 51 of these experts who have worked on specific courses. No such list existed prior to 2015.

DFLS established the current curriculum development process in 2016. DFLS estimates that it could take from three months to one year to completely develop a course from start to finish. DFLS currently has five courses in development.

Comparison to Other Entities

We found that DFLS's process for developing and revising its courses is similar to that of other educational institutions and governmental entities. For example, the U.S. Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) project planning and implementation process closely approximates that which is used by DFLS. The course development process published by the McGraw Center for Teaching and Learning at Princeton University is also similar to the Fire Academy's process in that it incorporates the initiation stage where a broad vision for a course plan is developed, the design stage where learning goals and course activities are developed, the development during which instructional materials are developed, the implementation stage during which the course is piloted, and an evaluation stage.

DFLS does not account for costs devoted specifically to course development. DFLS has no uniform methodology for determining the fees it charges for training (see Chapter 4, *Training Fees*). DFLS's mission includes upgrading the skills of paid and volunteer firefighters. DFLS officials have stated that its fees should generate revenue to offset the cost of municipal firefighter training and maintain facilities.

In the absence of any accounting of costs associated with course development or revision, DFLS lacks important information that could be used in accounting for the costs associated with course development and delivery, costs which could then be used to adjust its fees if it so desired.

Recommendation

36. The Division of Fire and Life Safety should track its costs associated with course development and delivery and use that analysis to develop a fee structure commensurate with its goal to provide access to training and recover some of its costs.

Hiring and Certifying Fire Academy Instructors

We reviewed selection and certification of part-time, temporary employees hired as part-time, paid instructors. We found examples of:

- Prior training on employment applications for which we could not find documentation in the training records.
- Missing and inaccurate data in the South Carolina Fire Academy database.

The Fire Academy relies primarily on Fire Academy-certified instructors (individuals who have successfully completed the coursework and mentoring process to become an instructor). Some are hired as temporary, part-time employees who are assigned classes and are paid for teaching. These employees can teach Fire Academy courses anywhere in the state. Others opt to remain unpaid for teaching; they only teach for their home departments or outside of their home departments with the permission of their chiefs. Instructors in both groups must comply with the same requirements in DFLS policy for certification and recertification.

Test for Minimum Education and Training Requirements

We tested a judgmental sample of files of instructors hired since January 2016 and found inconsistencies in some cases between credentials appearing on employment applications and information from the Fire Academy database. We identified 24 temporary, part-time instructors hired from January 2016 through October 17, 2017. We selected 12 and reviewed their application files to determine if they met the minimal educational requirements of a high school diploma or general equivalency diploma (GED) and possessed National Fire Protection Association, or equivalent, training or education necessary for certification as an instructor. Prior to March 2017, LLR did not require documentation of an applicant's educational attainment. Beginning March 2017, candidates for hire in a position requiring a minimal education attainment, such as a high school diploma or college degree, must document that they have the academic credentials that appear on their employment applications by submitting copies of diplomas or degree certificates.

Of the 12 applicants whose files we reviewed, we found that 6 were hired before March 2017 for whom no documentation was available. Of the remaining six, two had high school diplomas, one had a GED, and three had baccalaureate degrees. In each case, copies of the diploma or degree certificate were used to document educational attainment on the employment application.

We reviewed the training course transcripts for those 12 instructors using the Fire Academy database to determine if the instructor had completed the Fire Instructor I course prior to being hired. We confirmed that 8 of the 12 instructors in our sample met that requirement. For the remaining four instructors, the course appears on the transcript with no dates of successful completion for three of the four. In the case of the fourth instructor, the training course from the Fire Academy database does not include anything indicating his having successfully completed the Fire Instructor I course, but it does contain language indicating that he had completed a new instructor orientation and three recertification workshops from 2014 through 2016.

His application only indicated that he had completed Fire Officer II and Instructor II; neither appears on his transcript.

DFLS stated that some of that data is missing because of a database crash. Upon further inquiry, we found that the crash occurred almost 20 years ago. Some of our examples of omissions are more recent.

Testing Compliance with Recertification Requirements

Information on the date of initial certification is missing or not clearly identifiable for some instructors on their training transcripts from the South Carolina Fire Academy database.

We identified 153 Fire Academy-certified instructors on the payroll of DFLS as temporary, part-time instructors. We selected a random, statistically valid sample of 59 instructors and reviewed their transcripts to determine if they had completed the requirements for recertification as required by policy. Instructors are to recertify every two years, but DFLS policy is silent on how that is to be accomplished. DFLS officials told us that instructors must attend a recertification course, for which there is no test requirement.

We attempted to document compliance with recertification requirements for the past five years from 2012–2017. One instructor was initially certified in October 2016; therefore, he has not been required to recertify. During our testing we found:

- No documentation of recertification for 2012 and 2013 for anyone who was an instructor and due to recertify at those times.
- Exact initial certification dates were unavailable for all tested Fire Academy-certified instructors.
- Reports generated from the Fire Academy database on Fire Academy-certified instructors are unreliable in that they might not contain the names of all instructors.
- Recertification was completed on an annual basis rather than every two years.
- Incomplete certification dates for 19 individuals.

According to DFLS:

- Documentation on instructors is retained in paper form by regional coordinators who monitor compliance with recertification requirements.
- There is no single official responsible for maintaining the accuracy of instructor records in the Fire Academy database.
- The Fire Academy database is not audited periodically to minimize the risk that its data is unreliable.

We found no problem with requiring annual certification instead of its having been done every two years. However, given the problems we identified with the policies and procedures of the DFLS, the language in DFLS's internal procedure governing instructor certification and recertification should be consistent with what DFLS believes to be in the best interest of the instructors and the students. DFLS plans to revert back to recertification every two years.

Fire Academy Database Profiles

While reviewing the training and certification records of Fire Academy-certified instructors, we found errors in the Fire Academy database. We obtained two lists of such instructors from each of two databases — one from the Fire Academy and the other from the South Carolina Enterprise Information System (SCEIS). We found a number of individuals who were on one list but not the other, which calls into question the accuracy of the data. We also found instructors whose profiles in the database failed to identify them as certified instructors. The inability to rely on the data and have confidence in reports generated from a database calls into question the integrity of every decision based, in whole, or in part, on that system.

Recommendations

37. The Division of Fire and Life Safety should ensure that documentation of instructors having met, and those attempting to meet, the instructor education and training requirements is accurate and accessible in the South Carolina Fire Academy database.

38. The Division of Fire and Life Safety should implement procedures to ensure that the information in the South Carolina Fire Academy database is current, accurate, and complete.

39. The Division of Fire and Life Safety should periodically audit the South Carolina Fire Academy database and any other automated systems used to store firefighter and instructor data to ensure that the records are current, accurate, and complete.

Training Fees

We reviewed fees charged by DFLS for training courses provided by the Fire Academy and found that it:

- Does not know how much it costs to deliver its training courses.
- Has not reviewed its fee structure in at least ten years.
- Has not updated fees in at least ten years.
- Was unable to provide any analysis on which its fees are based.

Industrial customers who send their fire brigades for training have told DFLS officials that their training fees are below market price for similar training at other facilities.

According to S.C. Code §23-10-10, the Fire Academy operates "for the express purpose of upgrading the state's paid, volunteer, and industrial fire service personnel."

Proviso 81.1 of the FY 15-16 appropriations act states that the Fire Academy "may charge participants a fee to cover the cost of education, training programs and operations." The Fire Academy is permitted, but not required, to charge fees.

According to the DFLS, fees have not been updated in at least ten years, and DFLS could provide no uniform analysis to show how its fees have been determined. According to DFLS, fees should generate sufficient revenue to cover course costs. In the case of municipal training, DFLS recognizes that some departments are able to afford training, while other departments are less able to do so. A sliding scale system could possibly allow departments with limited financial resources more opportunities to attend trainings at the Fire Academy.

DFLS was unable to produce a uniform methodology for having determined its fees. Therefore, DFLS is currently unable to know whether its fees can be adjusted, and if so, by how much, and for which training participants. It is unclear how the agency would determine what a price increase would do to the demand for its services, thus the effect it would have on the number of firefighters it trains each year.

DFLS produced a report of its costs associated with delivering Air Rescue Firefighting (ARFF) training, and the total revenues generated. However, DFLS was unable to produce a comparable report for municipal training or its industrial fire brigade training.

Municipal firefighter training is subsidized by the Firemen's Insurance and Inspection Fund — 1% fund. According to DFLS, this subsidy allows the Fire Academy to keep the fee for many of its municipal firefighter courses at $5 and cover the cost of its instructional materials.

However, officials cannot demonstrate the cost of the various courses and how much of the cost is being recouped from training fees and how much of the cost for municipal training is being subsidized by the 1% funding.

We reviewed fee schedules and found ten cases in the fee schedule for industrial training where fee amounts were missing.

Recommendations

40. The Division of Fire and Life Safety should periodically review its training costs in order to determine the true costs of providing its training.

41. The Division of Fire and Life Safety should adjust its fees for all of its training to ensure that the revenue generated is commensurate with its mission to upgrade the skills of the state's firefighters and the legal authorization to charge fees to cover its costs, including the possibility of using a sliding scale fee system.

42. The Division of Fire and Life Safety should implement a policy establishing a schedule for periodically reviewing its costs and adjusting its fee schedules.

Certification and Training for Local Fire Marshals

We reviewed the process by which the Division of Fire and Life Safety certifies fire marshals employed by local communities. We found that:

• Certification is not required under South Carolina law.

• Resident fire marshals are granted their authority pursuant to S.C. Code §23-9-30(a) which states that "the chief of any organized fire department or county fire marshal is ex officio resident fire marshal."

• S.C. Code §23-9-30(b) adds that all powers and duties vested in the State Fire Marshal may be exercised or discharged by any deputy state fire marshal, county fire marshal, or resident fire marshal within the area of his service, or any state or local governmental employee certified by the State Fire Marshal whose duties include inspection and enforcement of state or local fire safety codes and standards, acting under the authority of the State Fire Marshal.

• Beginning in 2009, the DFLS replaced its certification process that had relied on curriculum and assessment designed in-house with another certification process developed and administered completely by the International Code Council (ICC) and the National Fire Protection Association (NFPA).

• DFLS has no documentation of the pass/fail rates for certification candidates; therefore, it cannot compare South Carolina's testing performance to other states or to its pass/fail rates prior to 2009.

• South Carolina's fire marshal certification is on a three-year cycle.

State law does not require that anyone who enforces the fire code become certified or even undergo any type of minimal, formal training. It is at the discretion of the local government as to whether its fire inspectors shall be certified. Notwithstanding the fact that state law does not require someone enforcing the fire safety code to earn certification as an inspector, DFLS has a process through which individuals can earn certification.

In view of the fact that some inspectors may levy citations that can result in penalties, and in view of the fact that enforcement of the fire code can impact the safety of human life, inspectors should possess the knowledge and skills to inspect buildings and enforce fire safety codes that come with certification. Therefore, anyone, regardless of position or rank in the fire service, who performs the duties of a fire safety inspector, should possess the requisite skills and knowledge that come from certification.

Prior to 2009, DFLS provided its own "Fire Marshal Certification" class, a 40-hour class that included a code test with a passing score of 70 required for successful completion. That course included a component on South Carolina rules and regulations. In 2009 DFLS replaced the in-house class with another 40-hour class developed by the NFPA and delivered by certified instructors from DFLS. Students must pass a test before successful candidates receive a "Fire Inspector 1" certification from NFPA. At that time, attendance in a rules and regulations update was also required at each renewal cycle. DFLS has offered a preparatory class for the ICC exam. Candidates for ICC certification pay $205; the NFPA fee is $350.

In 2009, the Division of Fire and Life Safety implemented NFPA certification that includes a 40-hour class with a required test on NFPA codes and some practical exercises that NFPA requires for successful completion. Subsequently, DFLS also began to accept either ICC or NFPA Fire Inspector 1 certifications. According to DFLS, fire inspector certifications of NFPA and ICC exams are vetted and meet minimum national standards for fire inspectors; are nationally accredited tests; and intended to designate that a successful candidate has met national standards.

To be certified in South Carolina, students must complete a four-hour class on state rules and regulations which has no end-of-course test. Without a test to ensure a candidate has mastered material regarding state rules and regulations, there is less assurance of proper and consistent enforcement among local fire marshals. Inconsistency among local fire marshals is discussed in Chapter 7.

DFLS believes the current certification process is an improvement over what existed before 2009 because it is based on national standards which the agency believes would be more likely to withstand a legal challenge than the process in place prior to 2009.

We asked DFLS for the passing rate for ICC and NFPA tests for certification and how the state's passing rate compared to other states. DFLS could provide no information but estimates that only 50% of students have passed the ICC exam. DFLS told us that it is piloting its own "in-house" ICC test pre-exam class in November 2017 with a goal of improving the success rate. According to NFPA officials, aggregated test results could be available upon request.

During our exit process, DFLS responded that, even if it had the overall passing rate, it could not distinguish between individuals who took the certification exam after taking a class and those who did not take a class before taking the certification exam. DFLS could approach a third-party certification organization to determine whether it would be willing, as part of its exam administration process, to collect certain information from individuals taking its exam such as whether they have taken a preparatory course before taking the exam and, if so, from whom they took a course. Any effort by DFLS that results in its knowing the pass rate, over time, for some of the individuals who take a certification exam could provide it with more information to evaluate its test-prep effort. Since DFLS will be expending resources on its ICC test-prep class, DFLS should want to know whether its efforts are cost effective in improving the pass rate among those who take that exam.

All candidates for certification, including those who already possess ICC or NFPA certification, must complete the state-specific topics that are covered in quarterly OSFM trainings, as needed, to ensure that those who are attending are staying current on changes in the industry.

Recommendations

43. The General Assembly should consider amending §23-9-30 of the South Carolina Code of Laws so as to require that anyone enforcing the fire safety code of the State of South Carolina be certified according to a process approved by the State Fire Marshal.

44. The Division of Fire and Life Safety should implement a test at the end of its class on South Carolina rules and regulations.

45. The Division of Fire and Life Safety should approach third-party providers of certification to determine if, before administering certification exams, they would collect information on whether the individuals had taken a preparatory course and from whom they had taken it, and the related passing rate.

Career and Technology Centers

We reviewed efforts by the Division of Fire and Life Safety to support firefighter programs in career and technology education (CATE) centers around the state. We found that DFLS:

- Has no historical data (such as trend data) that documents how the programs have changed and the role that DFLS has played in that change.
- Has no outcome measures designed to show whether the programs are having the desired result of encouraging students to pursue careers in the fire service.
- Does not know how many students graduating from a CATE program have, then, proceeded to take a challenge exam to earn a national firefighter certification.

We also found that DFLS:

- Is taking steps to support the programs through curriculum development and instructional support.
- Is just one of several partners in the success of the programs.

The Career and Technology Center firefighter training program is a partnership of the South Carolina Fire Academy, S.C. State Firefighters' Association, State Department of Education (SDE), and local school districts and enables students to prepare for professional firefighter careers. It builds on the state's efforts to encourage young people to get involved in training activities and, perhaps, pursue a career in the fire service.

To be enrolled in this CATE program, a student must:

- Be at least 16 years old and have permission of a parent or guardian.
- Be a Junior Firefighter or member of the Learning for Life Exploring Program through the Boy Scouts of America.
- Be enrolled in a South Carolina career and technology center, high school, or similarly qualified institution.
- Remain in good academic standing while taking courses.
- Have proof of liability insurance.
- Pass a physical exam that includes being cleared for using a self-contained breathing apparatus.
- Disclose any information about physical or learning disabilities that could potentially affect classroom or fire ground performance or safety.

We found that DFLS is taking steps to support training in the career and technology program. These steps include the fact that DFLS:

• Organized a meeting in July 2017 with SDE, sponsoring fire department members and CTC instructors to discuss the need for changes in the program, such as concerns about how courses are identified.

• Drafted new program implementation guidelines that include, but are not limited to, such topics as student training eligibility, course prerequisites, guidance counselor involvement, class size, and facilities and equipment. These guidelines are currently under review.

• Takes the lead on course design and testing, but the career and technology center or high school hires the instructor.

• Provides all course materials at no charge.

• Provides IT support for instructors.

DFLS does not have trend data such as data on student enrollment and numbers of students who transition into the fire service. We analyzed student enrollment in two of the firefighter courses over a 2- to 3-year period. We found 233 students enrolled in 21 career centers for one course and 96 students enrolled in 17 centers for the other. We sought additional information but were told that this was the only information available.

Students can take additional steps to earn national certification once they complete the coursework. They may take an exam for national certification, or they can complete the firefighter courses at the career and technology centers with the option not to become certified. The benefits of earning a national accreditation accrue to the individual. No law in South Carolina requires that a firefighter be trained to a particular certification level or possess a national credential. However, individual fire departments might impose such requirements, so achieving a national certification can enhance an individual's employability.

DFLS does not charge for the services it provides or course materials in terms of curriculum and testing support. DFLS has no historical data to show how the program has changed, or whether its efforts have been successful in leading to more students' becoming firefighters. While the program is consistent with the DFLS mission to train and promote careers in the fire service, a lack of valid, reliable data impedes its ability to know how successful it is and what changes, if any, are necessary.

Recommendation

46. The Division of Fire and Life Safety should track student enrollment and completion rates.

Subject Matter Experts

We reviewed whether the practices of the LLR impede the ability of the DFLS to invite guest speakers to the Fire Academy for training events. According to S.C. Code §23-10-10, the Fire Academy is operated for the express purpose of upgrading the state's paid, volunteer, and industrial fire service personnel. Therefore, inviting qualified speakers is consistent with the Fire Academy's mission. We found no evidence that LLR policy or practice has impeded DFLS from bringing subject matter experts to the Fire Academy.

We requested a list of persons, events, and dates since FY 11-12 when the DFLS has hosted, or joined with others in hosting, subject matter experts to speak on topics within the scope of DFLS's mission. DFLS provided invoices and supporting documentation for 40 vendors. We excluded 12 from our review. Among the 12 were procurement documents for first-aid training, registration for area colleges for training, software training, and curriculum development. Therefore, we identified 28 documents for individuals and outside groups to provide speakers, the total for which was $96,470. In 6 of 28 cases, we were unable to determine the specific services that were performed. During our review, DFLS was forced to cancel an event because of low enrollment. It is good business practice to track the number of participants, event costs, and revenues generated in order ensure that the training is cost-effective.

Recommendations

47. The Division of Fire and Life Safety should continue to invite outside speakers with expertise unavailable within its ranks so long as it is commensurate with available funding and interest.
48. The Division of Fire and Life Safety should track the specific services performed, including topics covered, number of participants, total event costs, and revenue generated.

Instructor Evaluations

We found that Fire Academy instructor evaluations are conducted using hard copy forms that students complete and submit to the instructor at the conclusion of the course. We found no evidence of controls on this process to ensure that only students in a particular course complete an evaluation. This allows for evaluations to either be tampered with or excluded altogether.

We also found that while these evaluations are reviewed by the appropriate staff, there is no system to track and catalogue instructor performance over time. Management is not able to determine the effectiveness of instruction and to identify issues and trends over time. This makes it difficult to measure the quality of instruction being provided.

Moving instructor evaluations to an electronic format could both ensure their security as well as provide an infrastructure for compiling data on instructor performance. DFLS's Fire Portal could be used to facilitate this process. However, this system might result in fewer completed evaluation forms. A method to encourage completion of evaluation forms may include tying course credit to evaluation submission.

Recommendations

49. The Division of Fire and Life Safety should institute controls on instructor evaluations to ensure that accurate feedback is being provided on instructor performance.

50. The Division of Fire and Life Safety should develop a means to collect and measure data from instructor evaluations, and use that data to gauge performance over time.

51. The Division of Fire and Life Safety should examine methods to encourage online completion of instructor evaluation forms.

South Carolina Fire Academy Advisory Committee

We were asked to examine the roles and oversight responsibilities of the South Carolina Fire Academy Advisory Committee. According to S.C. Code §23-10-10, the committee, "…shall advise and assist the State Fire Marshal in developing a comprehensive training program based upon the needs of the fire service in this State."

We found that the committee operates in an advisory capacity, but has no oversight responsibilities or authority in statute. The State Fire Marshal is wholly responsible for the Fire Academy, and only receives advice and assistance from the Advisory Committee. The committee meets regularly and its minutes are appropriately posted online. It consistently receives reports from the Fire Academy's superintendent and staff concerning facilities maintenance, capital improvements, curriculum, course offerings, budgeting, and accreditation. The committee has provided input and suggestions to Fire Academy staff, but has no decision-making authority.

However, we found the following areas are in need of improvement:

- The language used in this section is outdated and does not reflect the current name of the S.C. State Firefighters' Association.
- The statutory language establishing the membership of this committee (which is set in S.C. Code §23-10-10) is potentially problematic due to the number of Firefighters' Association members not being strictly defined, thus possibly diluting other members' voting power.
- Suggestions and recommendations made by the committee are not always implemented and followed-up on.

Committee Membership

The Fire Academy Advisory Committee is currently comprised of 15 voting members and 3 non-voting members. Seven voting members are from the Firefighters' Association's Training and Education Committee. The other eight voting members are specified in statute, each representing a single organization as listed below. Additionally, there are three non-voting, ex officio members, one of which is also from the Firefighters' Association.

Item (A) of S.C. Code §23-10-10 names the first members of this committee from the Firefighters' Association:

> (A) The Chairman and appointed members of the Fire School Committee of the South Carolina Firemen's Association. The Chairman of the Fire School Committee also shall serve as the Chairman of the South Carolina Fire Academy Advisory Committee.

The South Carolina Firemen's Association is now known as the S.C. State Firefighters' Association. Since 2005, the S.C. State Firefighters' Association Fire School Committee has been known as the Training and Education Committee. The Firefighters' Association Training and Education Committee has seven members and one alternate.

The remainder of the Fire Academy Advisory Committee is comprised of the following eight (8) voting members and three (3) non-voting members, found in S.C. Code §23-10-10.

The voting members include one member from each of the following groups:

- The South Carolina Fire Chief's Association appointed by the president.
- The South Carolina Fire Inspectors Association appointed by the president.
- The South Carolina Society of Fire Service Instructors Association appointed by the president.
- The Professional Firefighters Association appointed by the president.
- The South Carolina Chapter of International Association of Arson Investigators appointed by the president.
- An industrial fire protection representative appointed by the president of the South Carolina Chapter of the American Society of Safety Engineers.
- A member from higher education having experience and training in curriculum development appointed by the Director of the Department of Labor, Licensing and Regulation.
- The South Carolina Fire and Life Safety Education Association appointed by the president.

Non-voting, ex officio members include:

- The State Fire Marshal.
- The Director of the South Carolina Fire Academy.
- The Executive Director of the S.C. State Firefighters' Association.

The membership of the Firefighters' Association Training and Education Committee is set by its constitution and bylaws. If the Firefighters' Association were to amend its bylaws to add additional members to the Training and Education Committee, it would also automatically be adding members to the Fire Academy Advisory Committee. This means that under the current language of the law, the association could appoint an unlimited number of its members to the advisory committee. This could be contrary to the General Assembly's intent because other members' voting power could be diminished.

Committee and Staff Follow-up

There is evidence that suggestions and recommendations of committee members are not consistently given due consideration by the Fire Academy. The advisory capacity that the committee is in cannot force the academy to make any changes to policy or practice. However, there are ways to ensure that ideas posed by the committee or its members have adequate consideration and follow-through by the Fire Academy, such as having specific recommendations and action items after each committee meeting, putting them in writing, and submitting them to the appropriate academy staff for consideration and response for the next meeting. Also, they could be reported at the next session as to the status of each recommendation and action item.

For example, at the February 2017 Fire Academy Advisory Committee meeting, a committee member stated that he desired a better system for evaluating instructors, with preference given to electronic means. The interim superintendent at the time indicated that work was being done to move the paper evaluation forms to electronic submission through DFLS's Fire Portal.

Aside from this mention, there was no other reference to instructor evaluations and the desire to move them to an electronic format. Furthermore, we have no evidence to suggest that the Fire Academy is currently working on moving the evaluations to an electronic format. Further discussion regarding the need for confidential electronic evaluations can be found in Chapter 4, *Instructor Evaluations*.

Recommendations

52. The General Assembly should amend S.C. Code §23-10-10 to reflect the current names of relevant organizations.

53. The General Assembly should review the membership of the South Carolina Fire Academy Advisory Committee and establish a finite number of members that the S.C. State Firefighters' Association may appoint to the committee.

54. The South Carolina Fire Academy should work with the South Carolina Fire Academy Advisory Committee to establish a formal process to address matters raised at Committee meetings.

Social Media

We reviewed the DFLS's social media presence across its two platforms —
Facebook® and Twitter®. The agency has several accounts on each
platform.

**Table 4.1: DFLS Social Media
Accounts**

FACEBOOK® 5,677 FOLLOWERS (AS OF 12/14/17)		
@SCStateFire	@SCFireAcademy	@FireSafeSC
TWITTER® 2,124 FOLLOWERS (AS OF 12/14/17)		
@SCStateFire		@FireSafeSC

Source: DFLS

DFLS is able to track user interface analytics, such as visits and views,
using tools that are available through each of the platforms.

The agency uses its social media accounts frequently to reach out to
interested parties in the state. However, we did not find evidence that it
currently has a detailed strategy on how much or often to post or goals
related to how many are reached by each of the accounts.

Recommendation

55. The Division of Fire and Life Safety should establish a social media
    strategy and set of goals in order to maximize its potential voice in the
    fire service community and disseminate important information
    statewide.

Emergency Planning and Response

Emergency Management Planning

Our review of the Division of Fire and Life Safety included examining the agency's role in the State Emergency Operations Plan as well as the statutorily created S.C. Firefighter Mobilization Oversight Committee (Mobilization Committee).

We found several areas in need of further study or improvement.

- Clearly defining an appropriate succession of authority for each Emergency Support Function (ESF) that the Department of Labor, Licensing and Regulation Division of Fire and Life Safety has primary responsibility for, under the State Emergency Operations Plan.

- The non-profit Firefighters' Association recommends the majority of the Mobilization Committee's voting membership to the Governor for appointment. This could create the appearance of undue influence, even if unintentionally.

- S.C. Code §23-49-50 requires the Mobilization Committee to establish a statewide mobilization plan. The current version of this plan is over a decade old, with an effective date of August 24, 2006.

- The Statewide Mutual Aid Agreement was updated in October 2016. Most counties and municipalities have yet to sign this new agreement. While the previous agreement is still enforceable, the new one more clearly defines important reimbursement procedures.

- The S.C. Emergency Management Division (SCEMD) has a new software system known as Palmetto. It enables agencies to integrate valuable tools to provide better information and services during an emergency. The DFLS needs to continue working with SCEMD to explore what tools may be available for development.

- Annex 9 of the State Emergency Operations Plan, which defines the roles and responsibilities of primary and supporting agencies for ESF-9 (Search and Rescue), has at least one operation listed that is no longer considered to be an acceptable form of rescue.

Line of Succession

We reviewed the State Emergency Operations Plan because the DFLS has significant roles including two primary responsibilities:

- Structural Fires (ESF-4)
- Search and Rescue (ESF-9)

Contained within the plan is an agency-by-agency succession of authority list showing the top employees who will be responsible for decision making should their superiors be incapacitated or unavailable.

We found that for both primary emergency support functions, the line of succession of authority excluded the State Fire Marshal, who also serves as LLR's deputy director for the Division of Fire and Life Safety. The current plan has the following succession of authority — LLR director, deputy director for administration, and deputy director for labor. Other agencies, such as the Department of Health and Environmental Control, detail their succession of authority based on the types of support function needed and the corresponding executive who is most qualified to deal with that type of incident. For example, with ESF-8 (Health/Medical Services) the line of succession includes the director of public health. In the case of ESF-10 (hazardous materials), the line includes the deputy commissioner for environmental quality control. Management with experience in the subject matter of the emergency operation type are typically in the line of succession.

Mobilization Committee Membership

We reviewed the roles and oversight responsibilities of the Mobilization Committee, which was established by S.C. Code §23-49-20. In our review, we examined the statutory make-up of this 12-member committee, which consists of:

- State Fire Marshal (Chairman).
- Director of the SCEMD.
- State Forester.
- Chief of the S.C. Law Enforcement Division (SLED).
- County emergency management division coordinator appointed by the Governor upon recommendation of the Emergency Management Association.
- Six fire prevention and control personnel appointed by the Governor upon recommendation of the Firefighters' Association.
- Executive Director of the S.C. State Firefighters' Association serving as an ex officio, nonvoting member.

The Firefighters' Association's six recommendations for membership and subsequent gubernatorial appointments represent a majority of the Mobilization Committee's voting membership. This could give the appearance that the private, non-profit association's recommended appointees alone could have a controlling interest in any votes cast.

Mobilization Plan

S.C. Code §23-49-50 directs the Mobilization Committee to establish a plan to:

> …provide for responding firefighting and rescue resources, including the South Carolina Emergency Response Task Force, from one part of the State to another part of the State or from one state to another state.

The most current S.C. Firefighter Mobilization Plan is dated August 24, 2006. There is evidence that an updated version was drafted in 2013; however, it was never executed and therefore has no effect.

Aspects of the plan that do not accurately reflect state law or current practice are defined in Tables 5.1 and 5.2.

Table 5.1: State Law

CURRENT MOBILIZATION PLAN	
ORIGINAL LAW [ACT 386 OF 2000] (AS REFLECTED)	AMENDED LAW [ACT 85 OF 2013] (NOT REFLECTED)
"Mobilization Coordinator… [is] in overall charge of <u>managing</u> the state response for fire and rescue services."	"Mobilization Coordinator… [is] in overall charge of <u>coordinating</u> the state response for fire and rescue services."
No clear line of authority.	Reports directly to the State Fire Marshal and provides administrative support to the Mobilization Committee.
	Added Chief of SLED to Mobilization Committee
	Gave SLED exclusive jurisdiction when responding to acts of terror and explosive devices.

Table 5.2: Current Practice

MOBILIZATION PLAN	
ORIGINAL 2006 PLAN	CURRENT PRACTICE*
Firefighter Mobilization Incident Command Support Team (FMICST)	State Fire Incident Support Team (IST)
FMICST deployment authority: Chairman of the Mobilization Committee or consensus of the Mobilization Committee.	IST deployment authority: Mobilization Coordinator, Emergency Response Task Force Director, or consensus of the Mobilization Committee.
Multitude of paper documents and processes including insurance policy/medical information, equipment, resource tasking and request forms and registrations for fire stations, organizations, and personnel.	The State Fire Portal Handles most or all of these functions now.
Use of county-based task forces.	Regional-level units make up the current task force model.

*   These items that are found to be current practice were also featured in the drafted
    2013 update that was never finalized and approved.

Because the Mobilization Plan is not used in day-to-day operations, the outdated nature of it may lead to confusion concerning incident management, administrative filings (such as fire department rosters of emergency response personnel), and overall understanding of current emergency management practice. It is important that the Division of Fire and Life Safety continue working with the Mobilization Committee to update the Mobilization Plan to reflect the most current language of the law and practices. Without the update to the plan, there could be uncertainty about who has the authority to manage and coordinate the plan, which could lead to confusion among first responders to a disaster event.

Hurricane Matthew Event

We received an allegation relating to decisions made during Hurricane Matthew in October 2016. Specifically, it was alleged that a request to mobilize resources to an area hit with flooding was intentionally delayed to cause difficulty for particular coordinating staff. We found no evidence that this occurred or that any malicious or negligent behavior was present during this event. The root cause of this allegation and related discord may stem from a lack of clarity of authority in the Mobilization Plan.

Statewide Mutual Aid Agreement

S.C. Code §23-49-60 directs the Mobilization Committee to establish a Firefighter Mobilization Mutual Aid Agreement that each county and municipality must sign in order to receive fire and rescue resources before, during, or after an emergency, should they need it and request it.

The original agreement had over 500 signatories across the state. The current, amended version has just over 140 signatories since October 4, 2016. The most significant difference between the two versions is in the reimbursement procedures to be observed between the requesting party and assisting party. While the original agreement is still enforceable, it is recommended that all counties and municipalities update to the most recent version. Doing so will ensure that all parties are consistent with the terms of the agreement. Specifically, it is very important that the requesting and assisting parties follow the new agreement's reimbursement requirements to avoid discrepancies in repayment for services rendered.

Palmetto Software System

Since June 2017, the S.C. Emergency Management Division's Palmetto software system has been live and operational. The new software provides more functionality and customizable features for statewide emergency management and response than the previous software. Such features include real time layered mapping of bridge outages, dam breaks, road closures, power outages, deployed assets, locations of assistance requests, shelter capacities, and others. As a part of the new system, agencies are encouraged to work with SCEMD to develop integrated tools to help improve the type, amount, and quality of information that is used during emergency operations.

Emergency Support Assets

One of the emergency support functions that LLR/DFLS has primary responsibility for is ESF-9 (Search and Rescue). The State Emergency Operations Plan, Annex 9 (a supplemental portion of the plan that is specifically designated for the number of the corresponding Emergency Support Function) details the authority and responsibilities of both the primary and supporting agencies with regards to search and rescue operations and requires DFLS to, "Provide trained rescue personnel and equipment to support short haul and hoist rescue operations as part of S.C. Helicopter Aquatic Rescue Team (SC-HART)."

The SC-HART team utilizes helicopters through the S.C. National Guard and as such, those assets fall under the U.S. Department of the Army jurisdiction. Currently, the U.S. Army does not allow short haul rescue operations, stemming from its absence from the Aircrew Training Manual. Short haul operations are those where victims and/or their rescuers dangle from a secure cable attached to the aircraft as they are relocated to a safer position. This is in contrast to hoisting the victim and/or rescuer into the aircraft before exiting the area. It was removed from the manual because the Army allowed the Air Worthiness Release to expire on that particular operational feature. Emergency Response Task Force staff indicates that this is most likely due to the safety risk posed by short haul rescues.

Recommendations

56. The Department of Labor, Licensing and Regulation should work with S.C. Emergency Management Division to review and revise its succession of authority plan to include the LLR deputy director (State Fire Marshal) for both ESF-4 and ESF-9 found within the State Emergency Operations Plan.

57. The General Assembly should examine the membership of the S.C. Firefighter Mobilization Oversight Committee to determine if there are other key stakeholders who could provide value to the committee and its operations.

58. The Division of Fire and Life Safety should continue working with the S.C. Firefighter Mobilization Oversight Committee to re-examine the Firefighter Mobilization Plan to make any necessary updates and revisions to reflect state law and currently accepted methods and best practices.

59. The Division of Fire and Life Safety should work with its partners, constituents, and customers to encourage more counties and municipalities to sign the most recent Statewide Mutual Aid Agreement.

60. The Division of Fire and Life Safety should continue working with the S.C. Emergency Management Division to identify potential tools to integrate into the Palmetto software system.

61. The Division of Fire and Life Safety should continue working with S.C. Emergency Management Division to update the State Emergency Operations Plan to accurately reflect current assets and accepted operational tools.

South Carolina Emergency Response Task Force

We were asked to review the functionality of the Division of Fire and Life Safety, which includes, in part, the South Carolina Emergency Response Task Force (SCERTF). The SCERTF is a state resource whose mission is to, "Respond to natural and man-made disasters to provide search and rescue, medical support, damage assessment, and assist in the coordination of relief."

SCERTF is designed to provide support during disasters across the state through the Statewide Mutual Aid Agreement and out-of-state, upon request, through the Emergency Management Assistance Compact. The Task Force is comprised of three divisions — S.C. Firefighter Mobilization Oversight Committee, South Carolina Urban Search and Rescue Task Force (SC-TF1) and S.C. Helicopter Aquatic Rescue Team (SC-HART).

We found several areas in need of improvement.

- Less than adequate forms and processing of volunteer Memorandums of Understanding (MOU) as a requirement to be an active member of the SCERTF.
- Gaps in training that could mean some volunteers do not receive proper instruction for their specialties or general search and rescue disciplines.
- Lack of standardized physical fitness requirements for SCERTF members to meet the demands of this unique activity.
- Lower than ideal manpower to outfit the goal of two fully trained and deployable teams.
- No current inventory of equipment and assets, valued in the millions.

Volunteer Memorandums of Understanding

SCERTF requires volunteers to fill out an MOU with the name of the member who is volunteering, his or her sponsoring agency, the location of said agency, and the date. It also requires both signatures and witnesses from the member, an authorized employer representative of the respective sponsoring agency, and an LLR representative. The MOU delineates the responsibilities and activities each party has regarding deployment with the Task Force. Under the MOU, the sponsoring agency is obligated to provide workers' compensation and disability insurance for its employee participating in SCERTF activities and provide a letter stating such coverage applies. Task Force members primarily come from two sources — fire departments (both paid and volunteer) and the South Carolina State Guard (State Guard). Volunteers may come from other sources as well, such as a hospital in the case of a physician, nurse, or EMT. But at this time, all volunteers must have a sponsoring agency providing coverage.

In a review of the personnel files of all current, regular (non-State Guard) SCERTF members, we found that many of the records had incomplete or deficient MOUs and/or accompanying letters from sponsor agencies attesting to the individual being covered by workers' compensation and disability insurance. This could result in a team member not being covered under either employer-provided protection should he be injured while deployed in support of state SCERTF operations. At that point, he would have to rely on other means to pay for his healthcare.

We divided the members into two categories — regular members and State Guard members. The State Guard has a separate MOU with LLR establishing a partnership to provide volunteer members from its ranks, whereas regular members derive from individual sponsoring agencies as previously detailed.

Chart 5.3 details our findings of the personnel files for the regular (non-State Guard) members of the Task Force. We found that the style of the MOU could be confusing and lacks emphasis on what documentation is required to be submitted. For the purposes of our review, we considered an MOU to be "complete" if it contained all applicable signatures and all information required. Some forms were not correctly filled out or were missing at least one signature. For workers' compensation and disability insurance verification, the file must have either a letter from the sponsoring agency or direct evidence of coverage.

We found that over 25% of the regular membership's MOUs had deficiencies. While the documentation for workers' compensation insurance was better, it still had some missing forms. The most significant gap in paperwork was with disability insurance. Only about 9% of sponsoring agencies provided notification that disability insurance was afforded to their employees.

Chart 5.3: File Completion Rates
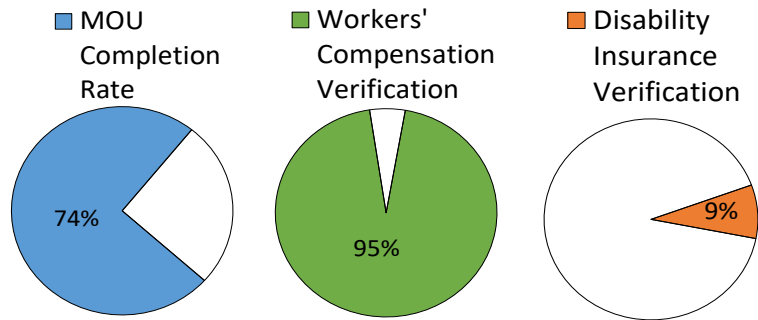
Source: LAC analysis of SCERTF files

Mandatory Training

Agency staff indicate that while there are policies and procedures in place to ensure that members of the SCERTF are properly trained, those policies are not always fully adhered to. Team members are encouraged to focus on more than one discipline to give the task force more flexibility with its human assets. Without such training, some team members may not be proficient enough in the skills required to safely and effectively execute tasks. This could lead to increased workload on other team members, or potentially unsafe or inefficient practices by the untrained volunteer.

Physical Fitness

We reviewed the minimum fitness requirements for SCERTF members. The SCERTF's policy on physical fitness is to accept the minimum requirements of the member's sponsoring agency. While this makes it easier administratively for the Task Force, it may result in potentially accepting individuals who are not physically capable of participating in the rigorous activities required upon deployment. SCERTF does not have a process to evaluate the fitness of their volunteers. It is important that, both when training and deployed, each member be physically capable of meeting the high demands of these activities for the health and safety of themselves and those around them.

Adequate Manpower

Task Force membership is completely volunteer-based. According to agency staff, it has been rebuilding its membership over the last two years since a decline was seen following the fall of 2015. This decline is reportedly due to a number of factors, but the leading reason given was discord and conflict between some volunteers, the SCERTF staff, and DFLS management. The agency's overall goal for membership is to have two operational teams of at least 70 members each. This is designed to ensure that the Task Force will be able to respond to most major disasters without losing functionality or capability because of a lack of manpower.

At the time we reviewed the personnel files, there were only 87 members who were either active or listed as in-process. This can become problematic with larger scale disasters over extended periods of time. Since SCERTF membership consists entirely of volunteers, primarily from local fire departments, some may have primary responsibilities with their sponsoring agencies if located within the affected disaster area(s) and thus would be unavailable to deploy as a part of the Task Force. Other factors, including leave and illness, may also limit the available pool of volunteers for deployment.

Inventory

We found that there is no current inventory of all SCERTF assets. The agency uses a modulated software program for other functions, but it also includes a specialized inventory module designed for emergency response agencies. The Task Force is already using this module and plans to begin the inventory process soon. SCERTF staff indicated that they have submitted a request to LLR for several temporary, part-time positions to complete the inventory of assets.

FEMA Classification

The Federal Emergency Management Agency (FEMA) has a schedule for classifying Urban Search and Rescue Task Forces into various types of teams ranging from Type 1 to Type 4. Type 1 teams are deemed to be capable of handling the most advanced and wide-ranging types of disasters and operations. Examples of resources that FEMA Type 1 and Type 2 teams have that SCERTF lack include canine specialists and emergency medicine-trained physicians.

According to agency officials, the current practice of the Division of Fire and Life Safety is not to focus on trying to meet the criteria for a particular FEMA classification. Rather, it wishes to focus on meeting the needs of South Carolina's citizens. Current and potential threats the state faces have not been reviewed in conjunction with the historical needs during disasters in South Carolina.

This examination may be conducted through a third party with expert and impartial knowledge of this field, such as a non-governmental organization or university. We found no evidence of any unnecessary duplication of functions or resources amongst agencies, but it would benefit from the survey to determine what is available so that such duplication and potential waste does not occur in the future.

Recommendations

62. The S.C. Department of Labor, Licensing and Regulation should update the memorandums of understanding for South Carolina Emergency Response Task Force members to make it easier and more obvious what information and documents are required.

63. The S.C. Department of Labor, Licensing and Regulation staff should thoroughly review each memorandum of understanding before granting active status to a South Carolina Emergency Response Task Force member.

64. The Division of Fire and Life Safety should follow mandatory training standards for the South Carolina Emergency Response Task Force in accordance with the Task Force Operations Manual.

65. The Division of Fire and Life Safety should require mandatory continuing education for all members to respond to threats using the latest and safest equipment and techniques.

66. The Division of Fire and Life Safety should develop a set standard for physical fitness for all South Carolina Emergency Response Task Force members.

67. The South Carolina Emergency Response Task Force should continue reaching out to former and prospective members to reach its goal of having two fully functioning teams to ensure a sufficient membership base to be able to initiate and sustain larger scale long-term deployments.

68. The Division of Fire and Life Safety should complete an inventory of all South Carolina Emergency Response Task Force assets and properly monitor the inventory periodically to ensure an adequate equipment supply.

69. The Division of Fire and Life Safety should work with the S.C. Firefighter Mobilization Oversight Committee to determine what the current and potential needs of the state are and direct available resources to meeting those needs.

70. The Division of Fire and Life Safety should work with the Department of Labor, Licensing and Regulation to prepare a budget proposal commensurate with meeting the identified needs of the South Carolina Emergency Response Task Force.

Volunteer Strategic Assistance and Fire Equipment (V-SAFE) Program

We reviewed the funding and administration of the V-SAFE Program, established by the General Assembly to assist volunteer and combination fire departments with firefighting and safety-related equipment purchases. This program awards grants to applicants scoring the highest points given by a peer-review panel, formed to evaluate the applications from fire departments in the state. We found:

- A 75% reduction between 2007 and the newly-dedicated source of revenue beginning July 1, 2017.

- The grant application, developed by the DFLS and approved by the peer-review panel members, is not conducive to meeting the statutory requirements.

- The original grant application contained non-essential information, not required in the statute, which was used to inappropriately penalize at least one applicant.

- The DFLS required the online submission of grant applications for the initial round of funding, which may have hindered volunteer fire departments with fewer resources from applying for much-needed funding.

- The S.C. State Firefighters' Association (Firefighters' Association) received a grant with the application not having been scored, the only grant awarded in such a manner.

- Three fire departments with annual budgets over $1 million received grants.

- The two V-SAFE regions with the highest amount of poverty, Regions 3 and 4, were the two least funded regions.

Requests for V-SAFE funds (over $7 million in valid requests for the initial $3 million available) indicates a demand for resources for volunteer firefighters. However, revisions to the grant application and evaluation instrument are recommended in order to bring the documents further in line with the enabling legislation and make the overall process more user-friendly.

Legislation

The V-SAFE program (S.C. Code §23-9-25) was established by the General Assembly in the 2007 session to provide fire departments up to $30,000 in non-matching grants for the purpose of protecting local communities and regional response areas from incidents of fire, hazardous materials, terrorism, and to provide for the safety of volunteer firefighters.

Eligible fire departments may apply for V-SAFE grant funds through the DFLS, which administers the program, for 13 categories containing items such as firefighting equipment; vehicles; training; and other items including rescue, medical, decontamination, and safety equipment. A peer-review panel, consisting of nine voting members established by statute, reviews the grant applications and determines awards. Grants may not be awarded to a department more than once every three years. A fire department that receives a grant must comply with the firefighter registration provisions of Act 60 of 2001 and sign the statewide mutual aid agreement (see Chapter 5, *Statewide Mutual Aid Agreement*) with the S.C. Emergency Management Division (SCEMD). Departments must also have a maximum rating of 9 from the Insurance Services Office, which is a national, for-profit organization that determines service areas' fire risk. Departments must also have a staffing level that is at least 50% volunteer.

State law requires applicants to submit justification that provides details regarding the project and its budget, the benefits to be derived, the applicant's financial need, and how the proposal would affect the applicant's daily operations in protecting lives and property within their community. Applications that best address the grant funding priorities shall score higher than applications that are inconsistent with the priorities. Panelists must review each application in its entirety and rate the application according to the evaluation criteria.

Applications shall be evaluated by the panelists relative to the critical infrastructure within the applicant's area of first-due response. Critical infrastructure includes any system or asset that, if attacked or impacted by a hazardous event, would result in catastrophic loss of life or catastrophic economic loss. Examples of critical infrastructure include water or power systems, chemical and nuclear facilities, bridges, and telecommunications facilities. Panelists shall assess the infrastructure and the hazards confronting the community to determine the benefits to be realized from a grant to the applicant.

State law requires grant recipients to submit a performance report to the peer-review panel six months after the grant is awarded. At grant closeout, the recipient must report how the grant funding was used and the benefits realized from the award in a detailed final report.
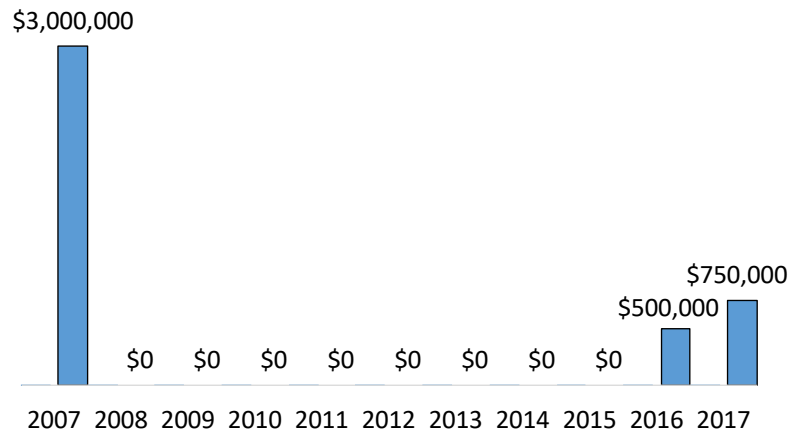
Funding

The General Assembly appropriated $3 million for V-SAFE grants in the first year of the program. No funds for the V-SAFE program were appropriated from FY 07-08 – FY 14-15.

In FY 15-16, the General Assembly appropriated $500,000 for the program for FY 16-17 via the Capital Reserve Fund (Act 285 of 2016). The grants submittal period for these funds is scheduled to run November 1–30, 2017, with grant funds being disbursed beginning January 2018. Assuming $30,000 per grant, which is the maximum allowable amount of award per the statute, this allocation will only provide 16 departments with funding. This equates to an 83% financial reduction from the initial $3 million round of funding, which provided grants to 104 fire departments.

Effective July 1, 2017 through June 30, 2030, a dedicated stream of revenue from insurance premium taxes (S.C. Code §38-7-20) will be used to fund the V-SAFE program at a conservative estimate of $750,000 per year. However, this will only provide approximately 25 grants at $30,000 each, which equates to a 75% financial cut from the initial $3 million round of funding.

Chart 6.1: V-SAFE Funding by Year, 2007 to Present

Source: DFLS

All fire departments in the state receive other state funds from general fund revenues not associated with this grant process. See Chapter 1, *DFLS Sources of Funds* for information on other funding streams.

Grant Application and Evaluation Instrument

S.C. Code §23-9-25 charges the DFLS with:

- Developing the grant application package utilizing the established guidelines.
- Establishing and marketing a written and electronic version of the grant application package.
- Providing an annual report of all grant awards and corresponding chartered fire department purchases to the chairman of the Senate Finance Committee, the chairman of the House Ways and Means Committee, and the Governor.
- Providing all administrative support to the peer-review panel.
- Providing a grants web page for electronic applications.

The DFLS developed a grant application package which was approved by the peer-review panel, per the statute. However, the application is not conducive to obtaining required legislative elements, and the original application contained non-essential information, which was used to inappropriately penalize an applicant, and put personally identifiable information (PII) at risk. Further, the DFLS required the online submission of grant applications for the initial $3 million round of funding, which DFLS claims may have hindered volunteer fire departments with fewer resources from applying for much-needed funding.

S.C. Code §23-9-25 states that applicants for grant money must submit:

- Justification for their project that provides details regarding the project and project's budget;
- The benefits to be derived from the project;
- The applicant's financial need; and
- How the project would affect the applicant's daily operations in protecting lives and property within the community.

The original (2007) and revised (2017) V-SAFE grant applications have merged these statutorily-mandated elements into one field, and require applicants to provide a response to the information in a narrative format. Further, the revised application does not list the "financial need" element.

As a result, with the initial disbursement, some fire departments provided responses to some, but not all, of the statutorily-mandated elements. For example, one applicant provided all of the statutorily-mandated elements in its narrative write-up with the exception of the "financial need" element. These same results can be presumed with the upcoming submittals via the revised application, as it, too contains some of the same inadequacies as the original application. Itemizing each statutory element in a separate field in the application should ensure a fire department's response for each element.

Questions posed on the original application, for the first $3 million in grants, to obtain information not required by statute and not needed include the following:

- "Is your FD registered with Firefighter Mobilization?"
- "Does your FD participate in the SCFIRS?" (SCFIRS stands for the South Carolina Fire Incident Reporting System.)
- "Please submit a current of [sic] roster of your fire department personnel. SSN, Last Name, First Name, Middle Initial, Date of Birth xxx-xx-xxxx, Doe, John, H, 01/12/1957"

The first two aforementioned questions were used by a peer-review panel member to penalize a department for non-participation. The State Fire Marshal at the time scored a fire department zero points, with the comments, "This Dept does not participate in FF mobilization OR SCFIRS. Prefer grants be awarded to team players." Yet, with another applicant also not participating in either Firefighter Mobilization or SCFIRS, the State Fire Marshal scored 57 points, and provided no comments. The statute does not require registration with Firefighter Mobilization nor participation in SCFIRS in order to receive a V-SAFE grant award, yet the evaluator used this information to penalize an applicant. These examples demonstrate inconsistency on the part of an evaluator, even though the State Fire Marshal advocated in an email for "a fair and consistent method of evaluation" being established and maintained.

The personnel roster information, which contained PII such as social security numbers, names, and dates of birth, was provided over the internet, which is susceptible to interception and hacking, and was then printed and filed away for years at the DFLS.

The revised application correctly eliminated asking for unnecessary information, such as the Firefighter Mobilization and SCFIRS fields, or asking applicants to submit a roster of personnel containing PII. However, the criteria in the evaluation instrument created by the DFLS to score the applications has not changed from the original, so certain statutory elements that should be scored do not correspond with the statute.

S.C. Code §23-9-25 states that panelists shall evaluate and score the proposed project's clarity, including:

- The project's budget detail
  - Including administrative or indirect costs, as part of the cost-benefit review.
    - Cost-benefit may be demonstrated by describing how the grant will enhance a regional approach, or otherwise benefit other organizations in the region; implement interoperable communications' capabilities with other organizations; allow first responder organizations to respond to all hazards, including seismic, atmospheric, technological, chemical, etc.
- The organization's financial need.
- The benefits that would result from an award relative to the cost.
- The extent to which the grant would enhance daily operations or how the grant will positively impact an organization's ability to protect life and property.

Applications shall also be evaluated by the panelists, per the statute, relative to the critical infrastructure within the applicant's area of first-due response. Panelists shall assess the infrastructure and the hazards confronting the community to determine the benefits to be realized from a grant to the applicant.

According to the statute, each element shall be equally important for the purpose of the panelists' scores. Panelists must review each application in its entirety and rate the application according to the evaluation criteria. Applications that best address the grant funding priorities shall score higher than applications that are inconsistent with the priorities. During the panel review process, panelists shall provide a subjective but qualitative judgment on the merit of each request.

The evaluation instrument, created by the DFLS, and used by the peer-review panel to score the applications, lists the following six criteria, with each having a possible score of 1 – 10:

1. The request is justified based on the composition of the fire department and types of responses considering any critical infrastructure.

2. The request impacts the organization's ability to protect life and property.

3. The request enhances a regional approach or benefits other departments within their region.

4. The request will better equip the organization to respond to all types of hazards, including seismic, atmospheric, technological, chemical, biological, radiological, nuclear, or explosion incidents.

5. The request is justified based upon financial and budget considerations.

6. Daily fire department operations would be improved if this request is funded.

It is difficult to determine how these six evaluation criteria align with statutory elements, as some merge these elements (evaluation criteria #5 merges two required elements — project's budget detail and the organization's financial need) — so those two elements are not eligible for full and equal points, required by statute. These merged elements can only receive "half value," while other elements are provided two evaluation criteria, so that a single statutorily-required element is eligible for 20 points, double the amount other elements can receive, which is contrary to state law.

Evaluation criteria #2 and #6 both speak to the following statutory element: "The extent to which the grant would enhance daily operations or how the grant will positively impact an organization's ability to protect life and property." This results in this statutory element receiving a "double dip" in scoring, a possible 10 points in evaluation criteria #2 and another possible 10 points in evaluation criteria #6, which is counter to the statute's requirement that "each element shall be equally important for the purpose of the panelists' scores."

Table 6.2 lists deficiencies with both the initial and revised V-SAFE grant documents.

Table 6.2: V-SAFE Grant Document Deficiencies

Item	2007	2017
APPLICATION		
Statutory Requirements Not Listed Separately	X	X
Statutory Requirement Not Included		X
Non-Essential, Non-Statutory Information Required	X	
Mandatory Online Submittal	X	
EVALUATION		
Instrument Inadequacies	X	X

Source: DFLS

V-SAFE Funding for the S.C. State Firefighters' Association

According to the statute, 2% of the grant funds (which equated to $60,000 for the initial $3 million V-SAFE appropriation) may be awarded to the Firefighters' Association annually, in-total, for the express purpose of establishing and maintaining a recruitment and retention program for volunteer firefighters. Further, the statute states that the association "must apply for the grant to the peer-review panel."

In 2008, the Firefighters' Association submitted an application for a $60,000 grant to the peer-review panel for the initial round of funding. The application was awarded without having been scored, a requirement for all other grant applications. However, both the initial and current V-SAFE grant applications and evaluation instruments are not conducive, respectively, to obtaining the proper information and scoring of the Firefighters' Association application, as the current criteria in each relate solely to fire departments.

The Firefighters' Association currently has programs for recruitment and retention of volunteer firefighters, so it is necessary to ensure that having V-SAFE funds going to the Firefighters' Association (as opposed to going directly to fire departments) is the best use of resources. However, there is no appropriate and applicable grant application and evaluation instrument containing prescribed criteria related to recruitment and retention of volunteer firefighters for grants specifically for the Firefighters' Association. Further, the Firefighters' Association does not currently provide an annual performance report to the legislature on the activities, expenditures, and effectiveness of the recruitment and retention program.

Revising current statutory language to specify criteria for the Firefighters' Association application and evaluation instrument, as well as the requirement of an annual performance report to the Legislature should ensure equity and accountability in the awarding and expenditure of these funds.

Analysis of Awarded Applications

For the 2007 initial appropriation, 406 applications were received, while 223 (55%) were deemed valid. The General Assembly appropriated $3 million for disbursement; valid funding requests totaled over $7 million. Awards were provided to the highest-ranking 104 fire departments.

We reviewed a statistical sample (95% confidence level, with a 5% margin of error) of 83 of the 104 awarded applications obtained from the DFLS. We found the following results, grouped by statutory element, based upon the sample analysis.

Statutory Element — Financial Need

Ten fire departments with annual budgets over $500,000 received awards. In the sample, the median annual budget was $77,000, with the lowest annual budget totaling $3,000.

Table 6.3 shows the distribution of awards to fire departments with annual budgets greater than $500,000.

Table 6.3: Award Distribution, 2007

AMOUNT	NUMBER OF DEPARTMENTS
$500,000 – $599,999	2
$600,000 – $699,999	3
$700,000 – $799,999	1
$800,000 – $899,999	1
$900,000 – $999,999	0
$1,000,000+	3

Source: DFLS

Fire departments with lower annual budgets had lower per capita expenditures. The lowest per capita expenditure of a fire department was 75¢, which corresponded to a department with a $30,000 annual budget, while the highest per capita expenditure, $202.38, corresponded to a fire department with an $850,000 annual budget. The next two highest per capita expenditures, $147.05 and $100.23, corresponded to departments with $5.6 million and $1 million annual budgets, respectively.

According to S.C. Code §23-9-25, peer-review panel members are to score applications based on the applicant's "financial need." A fire department with an annual budget of $3,000 has a much greater financial need than one with an annual budget of $5.6 million. However, evaluators do not currently score departments with lower annual budgets or lower per capita expenditures higher scores than those with higher annual budgets.

"Financial need" was also not demonstrated in the following countywide award distributions:

• Fire departments in Anderson County, which is located in Region 1, received the most grant awards, with ten, which equates to approximately 10% of the total awards provided from the initial disbursement. Region 1 has the *least* number of individuals living below poverty, 13.41%. The two regions with the *highest* amount of poverty, Regions 3 (19.46%) and 4 (18.46%) were the two *least* funded regions.

• Saluda County, which is the most socially vulnerable county in the state, according to the S.C. Emergency Management Division, received no V-SAFE funds. The social vulnerability index "includes those population characteristics known to influence the ability of social groups and communities to prepare for, respond to, and recover from disasters."

Departments with more resources may be awarded grants due to their ability to do a better job at completing their application.

Statutory Elements — Critical Infrastructure and Community Hazards

The statute requires the panelists to assess the critical infrastructure and the hazards confronting the community to determine the benefits to be realized from a grant to the applicant. The region with the *least* amount of hazardous conditions, Region 7, received the *most* funding — $655,829.99. Further, the fire department receiving the highest average score (51.86 points out of a possible 60 points), City of Abbeville, did not list *any* critical infrastructure or community hazards. Hazardous conditions include, among other things, proximity to nuclear facilities, wildfires, earthquakes, flooding, and winter storms.

Miscellaneous Observations

ISO Ratings

Lower Insurance Services Office (ISO) ratings reflect communities are better equipped to prevent and fight fires than those with higher ISO ratings. Forty-seven (57%) of the grant awards went to fire departments with the lowest ISO ratings (3-5) found in the sample, while only 36 (43%) grants went to the fire departments with the highest ISO ratings (6-9). The fire departments with lower annual budgets — an indicator of financial need, which is a statutory element — had higher ISO ratings than those departments with higher annual budgets. This brings into question how those fire departments with the lowest ISO ratings got the majority of the grants. Currently, evaluators do not score departments with higher ISO ratings higher scores than those with lower ISO ratings.

6-Month and Final Reports

The statute requires award recipients to submit a performance report to the peer-review panel six months after the grant is awarded. At grant closeout, the recipient must report how the grant funding was used and the benefits realized from the award in a detailed final report. An accounting of the funds also must be included. Twenty-four (23%) fire departments from the total awarded population (104 departments) submitted the six-month performance report, per the statutory mandate, while 37 (36%) did not need to do so, as they closed their grants out before the six-month date. Therefore, 43 departments (41%) were non-compliant in that they did not submit their six-month performance reports as required per statute. All 104 departments submitted final reports at grant closeout.

If the six-month report is to remain in place, the General Assembly may wish to impose penalties to fire departments that do not adhere to the mandatory reporting requirements, which outline the expenditure of taxpayers' funds.

Calculation Errors

Staff and/or peer-review panel member calculation errors occurred in 14 (17%) of the applications, totaling $4,588. Of that amount, two fire departments were underfunded. While this is not a large sum, the cost reflects funds that could and should have been provided to in-need fire departments.

Geographic Distribution of Funds

Seventy-three percent (73%) of grant funds, $2,135,862, were awarded to fire departments in four of the seven (57%) regions, indicating a disproportionate share of grant funds being awarded to fire departments in those four regions. The regions are 7, 6, 1, and 2.

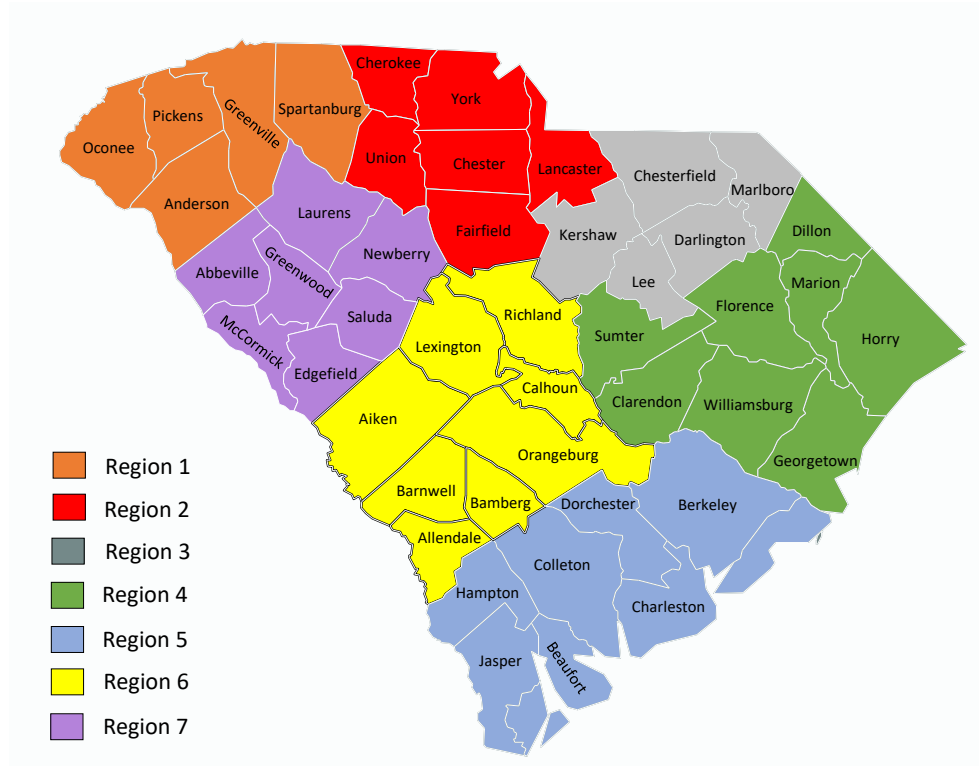Chart 6.4 shows the initial V-SAFE grant funds awarded, ranked, by region.

Chart 6.4: Award by Region, 2007
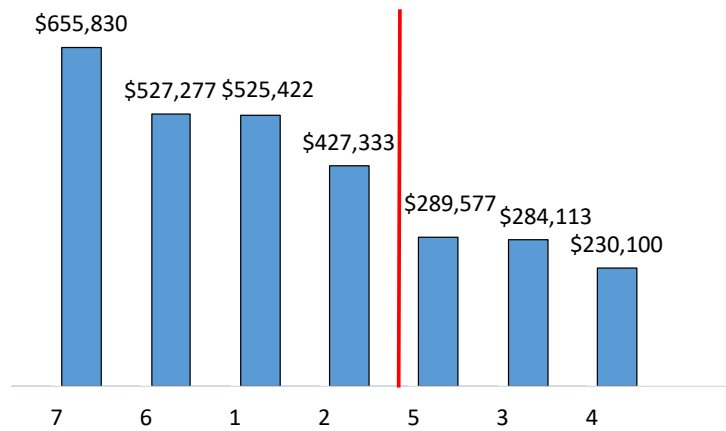
Source: DFLS

Map 6.5 shows South Carolina counties by V-SAFE region.

Map 6.5: Counties by V-SAFE Region

Source: DFLS

Scoring of Applications

There is a wide variation in scores amongst peer-review panel members. For example, a single application received scores from panel members ranging from 9 to 60. This may be reflective of a "hard grader" versus an "easy grader," or it may reflect bias. There is no way to tell how peer-review panel members arrived at their points, as there was no evaluation methodology or set standards for scoring. Hypothetically, an evaluation methodology or set standard for scoring could provide for peer-review panel members to score 3 points for departments with annual budgets of $500,000 or more, and 7 points for departments with annual budgets less than $100,000 for the "financial need" statutory element. A scoring methodology could be created and implemented in order to make the scoring process more objective rather than using the subjective scoring process currently in place.

Conversely, a formula-driven distribution of V-SAFE funds rather than the grant application process should be considered. This would eliminate perceived or real bias, and would be based on factual data (financial need, hazardous information, critical infrastructure, for example). This would also save the DFLS time and money in grants administration.

Recommendations

71. The Division of Fire and Life Safety should revise the V-SAFE grant application to itemize statutorily-mandated grant funding priorities in separate fields to ensure an applicant's response for each statutory element.

72. The Division of Fire and Life Safety should revise the V-SAFE evaluation instrument to mirror the grant application, each of which should reflect statutorily-mandated grant funding priorities.

73. The General Assembly should revise current statutory language to specify criteria related to recruitment and retention of volunteer firefighters for the purpose of establishing an application and evaluation instrument applicable to the S.C. State Firefighters' Association.

74. The General Assembly should revise current statutory language to require that the S.C. State Firefighters' Association publish a performance report on the V-SAFE grant-funded activities, expenditures, and effectiveness of the recruitment and retention program for volunteer firefighters in years they are awarded V-SAFE funding.

75. The Division of Fire and Life Safety should implement a quality assurance process for grant application and evaluation data to ensure accuracy for proper funding.

76. The Division of Fire and Life Safety should monitor and enforce six-month performance report submissions according to S.C. Code §23-9-25.

77. The General Assembly should consider amending state law to require penalties if fire departments do not adhere to statutory reporting requirements.

78. The General Assembly should consider a formula-driven distribution of V-SAFE funds rather than the current grant application process.

Follow-Up

Implementation of Recommendations in LAC 2010 Audit

The Legislative Audit Council published an audit report of the Office of State Fire Marshal (OSFM) in 2010.

We reviewed 14 recommendations from that report. Of these recommendations, we found that 4 had been implemented, 6 had been partially implemented, and 4 had not been implemented. Of the 11 recommendations directed to OSFM, we found that 2 had been implemented, 6 had been partially implemented, and 3 had not been implemented. Of the 3 recommendations made to the General Assembly, 2 had been implemented and 1 has not.

STATUS OF RECOMMENDATIONS			
	IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED
OSFM	2	6	3
GENERAL ASSEMBLY	2	-	1
TOTAL	**4**	**6**	**4**

November 2010

Recommendation 1

The Office of State Fire Marshal should ensure that its policies and practices are consistent with fire codes and state law.

PARTIALLY IMPLEMENTED

In our 2010 audit, we found areas in which the OSFM acted in a manner inconsistent with the fire codes and state law. The OSFM's interpretation regarding the replacement of fire extinguishers no longer manufactured, the grandfather exemption requirements of the fire codes, and the availability of service manuals were not consistent with the fire codes. As a result, restaurants, churches, and other organizations had unnecessarily been required by the OSFM to replace their portable fire extinguishers or upgrade their commercial stove hood fire extinguishing systems.

In 2011, the OSFM implemented policies to address the audit recommendation. We found that existing policy language in at least one of these policies could be improved to provide greater clarification and further align with current fire codes.

OSFM policy 11-005 lists "cooking lines" equipment as "deep fat fryers, tilt skillets, tilt braising pan, range." The National Fire Protection Association's Standard 96 (NFPA 96, 2014 edition) lists these examples and more, and indicates the list is "not limited to…" the items listed. The OSFM policy provides no such clarification and does not refer readers to NFPA 96.

Another part of policy 11-005 lists five conditions that must be met for the users of the cooking lines to be in compliance with the fire code. We found the policy to be lengthy and confusing and found NFPA 96, which lists only four conditions, to be succinct and understandable.

The OSFM implemented five additional policies from 2012–present, which contain cite references to the International Building Code, International Fire Code, and National Fire Protection Association (NFPA) codes and standards; these are consistent with fire codes and state regulations.

NOVEMBER 2010

<u>Recommendation 2</u>

The Office of State Fire Marshal should allow fire extinguishing equipment to remain in service until vendors cannot properly service the equipment, consistent with national and international fire codes.

IMPLEMENTED

In our 2010 audit, we found the OSFM required certain fire extinguishers be taken out of service before it was necessary according to the applicable fire code at the time. In 2011, the OSFM implemented policy 11-004: *Servicing Rules and Regulations, Portable Fire Extinguishers* which allows for all portable extinguishers to remain in service as long as all requirements for service and maintenance are in conformance to applicable codes and standards. The agency indicated that no fire extinguishing equipment manufacturers have gone out of business since 2010, and it has not issued citations regarding this matter; therefore, the OSFM is adhering to its policy, as it has not required any fire extinguishing equipment to be taken out of service since the 2010 audit.

However, we found that the OSFM does not have a process in place to record and use complaint logs, which should be addressed. This omission in process leaves a chance that there have been complaints that fire service vendors have required certain fire extinguishers be taken out of service prematurely, of which the OSFM is unaware.

NOVEMBER 2010

<u>Recommendation 3</u>

The Office of State Fire Marshal should document major fire code policy decisions in the future and document the basis of the decision. This information should be available for reference for interested parties, to increase transparency of government operations, and to maintain an adequate audit trail.

PARTIALLY IMPLEMENTED

In our 2010 audit, we found that division records supporting a policy decision were either destroyed or taken by a former employee. Records supporting a policy decision could include the following types of information: technical notes; how the code and/or standards were interpreted and by whom; discussions with other fire marshals from other states; and comments and/or feedback received from the fire industry, among other things. This recommendation was made in order to assist in the determination of reasonableness of OSFM policies; be used as a reference for interested parties; increase transparency of government operations; and maintain an adequate audit trail. Further, such documentation could be useful in explaining the OSFM's stance on the matter should a customer have a question or challenge OSFM enforcement.

The OSFM has not put a policy or process in place to document the basis of its published policy decisions, per the audit recommendation. However, the OSFM has changed its format of published policies to include the scope, purpose, and background relating to the policy subject. This provides more insight into the rationale of its policies as opposed to the composition of its policies prior to this change. Most of the old published policies were written as memos; in the form of letters; or were positions offered by other agencies; therefore, they do not look like the updated, current policies.

We reviewed all 10 published OSFM policies currently on the OSFM's website and found the OSFM has documented the scope, purpose, and background for 9 of its 10 (90%) published policies. This new format provides an explanation of the policy and its purpose, and oftentimes cites applicable NFPA and/or IFC codes and/or standards. Therefore, this information partially provides an explanation as to why the policy came about and what it means.

NOVEMBER 2010

<u>Recommendation 4</u>

The Office of State Fire Marshal should establish procedures to protect division files from loss or theft.

PARTIALLY IMPLEMENTED

In our 2010 audit, we found that the OSFM could not provide some records we needed to complete our review of certain topics. Some records were either destroyed or taken by a former employee.

During our current review, we observed files in several functional areas of the OSFM. We observed that the office protects its files by restricting access to the records with keyed locks. However, we found that the OSFM stores some of its records in an exterior storage shed when the designated storage area in the main building reaches its capacity. A member of maintenance staff had access to all of the items stored in the shed, including OSFM and student record files. We also found there is no written or uniform policy regarding the management of key assignments. The OSFM may be able to turn over the files that exceed its main building's capacity to the S.C. Department of Archives and History.

NOVEMBER 2010

<u>Recommendation 5</u>

The Office of State Fire Marshal should promulgate regulations that clearly communicate the circumstances under which independent South Carolina organizations are required to meet UL 300 fire extinguishing equipment standards.

PARTIALLY IMPLEMENTED

In our 2010 audit, we found that the OSFM had overridden the "grandfather clauses" in the IFC pertaining to UL 300 fixed fire extinguishing systems by the division's adoption of the code. However, it had not overridden the grandfather clauses in the NFPA 17, 17A, and 96 standards. This made it confusing for regulated organizations as to if and when fire suppression equipment for commercial stoves needed to be upgraded.

While it did not promulgate regulations per the audit recommendation, in 2011, OSFM addressed the issue by adopting policy 11-005: *Underwriters Laboratories Inc. (UL) 300 Pre-Engineered Fixed Extinguishing Systems.*

Policy 11-005 lists cooking lines equipment as "deep fat fryers, tilt skillets, tilt braising pan, range." NFPA 96 (2014 edition) lists examples of cooking equipment that produce grease-laden vapors including, but not limited to, "deep fat fryers, ranges, griddles, broilers, woks, tilting skillets, and braising pans." The OSFM policy is inconsistent with NFPA 96 and may cause confusion among regulated organizations.

Table 7.1 shows the differences between the NFPA 96 standard and OSFM policy 11-005.

Table 7.1: OSFM Policy versus NFPA 96 Standard Equipment

EQUIPMENT	OSFM POLICY 11-005	NFPA 96
Deep Fat Fryers	x	x
Ranges	x	x
Griddles		x
Broilers		x
Woks		x
Tilting Skillets	x	x
Braising Pans		x
Tilt Braising Pan	x	
Not Limited To		x

Policy 11-005 also lists five conditions that existing non-UL 300 fixed extinguishing system installations must meet in order to remain compliant. The policy language, largely similar to two fire departments' websites, is lengthy and confusing, and does not cite to the relevant NFPA standard to which regulated organizations can refer.

NOVEMBER 2010
Recommendation 6

The Office of State Fire Marshal should only require that the service manuals be available to service technicians, consistent with the relevant fire codes.

IMPLEMENTED

The 2010 audit found that the OSFM issued a memorandum requiring servicing companies to have the hard copy service manual for each type of fire extinguisher and commercial stove hood extinguishing system for each technician. The interpretation, communication, and enforcement of this code was more aggressive than NFPA 10 allowed, and may have created unnecessary costs for vendors.

To address this issue, in 2011, the OSFM adopted policy 11-001: *Service and Maintenance Manuals for Pre-Engineered Suppression Systems and Portable Fire Extinguisher Manufacturers*. We found this policy language to be more aggressive than the applicable NFPA codes allow. However, the intent of the policy is similar. The OSFM policy states that manuals "should be immediately accessible" while applicable NFPA codes state that the manuals should be "available." Therefore, the OSFM cannot cite an entity if manuals are *available* but not *immediately accessible*.

NOVEMBER 2010

Recommendation 7

The Office of State Fire Marshal should update its website by:

- **Creating a link on the home page to the current, free, read-only editions of the International Fire Code and the National Fire Protection Association standards.**
- **Implementing a policy to update its website to notify all fire marshals and fire equipment vendors of new policies, new fire codes, corrections to fire codes, interpretations of fire codes, and fire safety issues of public interest.**
- **Creating a listserv with a link on the main webpage for resident fire marshals, fire equipment vendors, and regulated organizations to join in order to facilitate notification of fire safety policies and information.**
- **Removing the division's rescinded policy memorandums.**

PARTIALLY IMPLEMENTED

The 2010 audit noted inadequate communication among the OSFM and resident fire marshals, fire protection equipment vendors, and regulated organizations. Since that time, the OSFM has implemented items to partially address this matter.

Links to the current, free, read-only editions of the IFC and NFPA, while not on the home page, are in an appropriate location within the website. However, the OSFM should ensure that the codes currently being enforced are available online for free, as at least one instance of this did not occur.

The OSFM did not implement a policy regarding the update of its website to inform users of new policies, new fire codes, corrections to fire codes, interpretations of fire codes, and fire safety issues of public interest.

The OSFM uses DFLS's online Fire Portal, which acts like a listserv, to distribute relevant, timely information to fire service members. However, other customers, such as licensing and permitting entities, do not currently receive this information, as they do not have access to the Fire Portal. The Department of Labor, Licensing and Regulation has an internal database named RELAES that the OSFM could use to disseminate information to licensing and permitting customers, as well as fire equipment vendors (and all other applicable parties) when information needs to be communicated to non-Fire Portal users.

In the 2010 audit, the OSFM stated that out-of-date policy memorandums had been rescinded, yet they remained on the OSFM's website. Since that time, the OSFM has removed these from its website. OSFM has also rescinded all policies for regulated organizations prior to September 1, 2009; these have also been removed from the website.

NOVEMBER 2010

<u>Recommendation 8</u>

The Office of State Fire Marshal should require that all OSFM, resident fire marshals', and fire equipment vendors' inspection forms be updated to include the following:

- **Information informing the general public that resident fire marshals' inspections can be appealed to the OSFM, and including the contact information for the OSFM.**
- **The Internet address for the free, current editions of the IFC and NFPA fire codes available on the OSFM website.**
- **The specific law, regulation, or fire code regarding the infraction.**

NOT IMPLEMENTED

The Office of State Fire Marshal, in response to this recommendation, authored a policy in 2011 that contains recommended text for inspection forms. The recommended text, as written in the policy, includes language informing the general public that resident fire marshals' and fire equipment vendors' inspections can be appealed.

The recommended text does not include contact information for the Office of State Fire Marshal, an internet address for free, current editions of the IFC and NFPA fire codes that are available on the OSFM website, or language that recommends including the specific law, regulation, or fire code that pertain to the infraction. Also, the agency does not have documentation that vendors and inspectors were directly notified of the addition of the recommended text to the policy. The Office of State Fire Marshal does not have statutory authority to make mandatory text additions to inspection forms; however, this does not preclude it from directly recommending the language to the vendors. The fire marshal does have control over its own inspection forms and is free to make changes on them.

NOVEMBER 2010

<u>Recommendation 9</u>

The General Assembly should amend S.C. Code §23-9-70 to increase to 30 days the time period for regulated organizations to appeal a resident fire marshal's inspection to the OSFM when no imminent danger is present.

IMPLEMENTED

Our 2010 audit found that the South Carolina Code of Laws allowed 24 hours for regulated organizations to appeal a fire marshal's inspection to OSFM. Act 37 of 2011 amended S.C. Code §23-9-70 to increase to 30 days the time period for regulated organizations to appeal a resident fire marshal's inspection to OSFM. Additionally, Act 37 amended S.C. Code §23-9-70 to read, "The appeal period shall not be allowed if the building or any other structure is deemed to be an imminent danger pursuant to Section 23-9-160."

NOVEMBER 2010
<u>**Recommendation 10**</u>

The General Assembly should amend S.C. Code §23-9-70 to increase to 30 days the time period for regulated organizations to appeal an OSFM decision to an administrative law judge when no imminent danger is present.

IMPLEMENTED

Our 2010 audit found that the South Carolina Code of Laws allowed 5 days for regulated organizations to appeal an OSFM decision to an administrative law judge. Act 37 of 2011 amended S.C. Code §23-9-70 to increase to 30 days the time period for regulated organizations to appeal an OSFM decision to an administrative law judge. Additionally, Act 37 amended S.C. Code §23-9-70 to read, "The appeal period shall not be allowed if the building or any other structure is deemed to be an imminent danger pursuant to Section 23-9-160."

NOVEMBER 2010
<u>**Recommendation 11**</u>

The General Assembly should amend S.C. Code §23-9-30 to authorize the Office of State Fire Marshal to revoke a resident fire marshal's certification for cause.

NOT IMPLEMENTED

Our 2010 audit defined "resident fire marshals" as employees of the local city, county, or state agency they serve. Although the OSFM has the ability to certify local fire marshals, we found that OSFM did not have authority to revoke a resident fire marshal's certification for cause. For example, if a local fire marshal performed illegal or negligent acts, OSFM could not revoke the fire marshal's certification unless the resident fire marshal lost his job. It should be noted that local fire marshals do not have to be certified to work as fire marshals in South Carolina.

Since our 2010 audit, S.C. Code §23-9-30 has not been amended to authorize OSFM to revoke a local fire marshal's certification for cause. During our follow-up, we found instances in which local fire marshals possibly engaged in negligent inspections. For example, we found instances in which local fire marshals inspected special seasonal attractions and did not find any problems with the facilities. However, when OSFM inspected the attractions pursuant to a citizen request, numerous serious violations were found. Amending S.C. Code §23-9-30 to allow for revoking fire marshal certifications for cause could allow for greater accountability for local fire marshals.

NOVEMBER 2010

<u>Recommendation 12</u>

The Office of State Fire Marshal should implement a quality review process to ensure that a sample of resident fire marshals' inspections is conducted consistently.

NOT IMPLEMENTED

In our 2010 audit, we spoke with numerous resident fire marshals and fire equipment vendors as well as individuals representing schools, churches, restaurants, daycare facilities, etc. Several individuals expressed concerns over inconsistency regarding various fire marshal inspections, prompting our recommendation for a quality review process.

In our follow-up, we found that OSFM has not instituted a quality review process to ensure consistency in inspections among local fire marshals. OSFM noted that local fire marshals do not have to be certified and that OSFM is not responsible for disciplinary actions for how local fire marshals enforce code. Also, as noted above Recommendation 11, OSFM does not have legal authority to revoke the certifications it does grant. Nevertheless, OSFM should implement a quality review process of a sample of local fire marshal inspections and provide guidance when necessary.

NOVEMBER 2010

<u>Recommendation 13</u>

The Office of State Fire Marshal should require fire protection equipment vendors' inspection forms to include a statement directing regulated organizations to contact the resident or state fire marshal with questions about the inspection.

PARTIALLY IMPLEMENTED

The OSFM has authored a policy that contains recommended text directing regulated organizations to contact the resident or state fire marshal with questions about the inspection. However, the OSFM did not provide documentation that it directly notified inspection vendors about the new language. The OSFM does not have statutory authority to make this language mandatory for vendors. The OSFM can, however, recommend vendors include the language on their inspection forms and ensure the vendors are aware of this recommendation.

NOVEMBER 2010

<u>Recommendation 14</u>

The Office of State Fire Marshal should implement a process to check fire protection equipment vendors' inspections for unnecessary upgrades. If it is determined that unnecessary upgrades have occurred the OSFM should impose fines or other disciplinary measures.

NOT IMPLEMENTED

We found that the OSFM has no process in place to check vendors' inspections for unnecessary upgrades. We also found that personnel of the OSFM have not reviewed or audited inspections conducted by vendors. The agency cannot confirm that it directly notified vendors about its appeals process relating to unnecessary upgrades. The agency published the policy regarding the appeals process on a relatively obscure webpage of its official website.

Recommendation

79. The General Assembly should amend state law to allow the Division of Fire and Life Safety to require that vendors and resident fire marshals include mandatory language on their documents regarding the appeal process, contact information, and code citations.

Acronyms and Defined Terms

Acronyms

CATE — Career and Technology Education

CPIP — Comprehensive Permanent Improvement Plan

CTC — State Department of Education's Career and Technology Centers

D4H — Modulated software program that, among other things, will help manage inventory and equipment for the Emergency Response Task Force

DFLS — Division of Fire and Life Safety

EMT — Emergency Medical Technician

ESF-4 — Emergency Support Function for Firefighting

ESF-9 — Emergency Support Function for Search & Rescue

FEMA — Federal Emergency Management Agency

ICC — International Code Council

ICS — Incident Command System

LLR — S.C. Department of Labor, Licensing and Regulation

MOU — Memorandum of Understanding

NFPA — National Fire Protection Association

NGO — Non-governmental Organization

NIMS — National Incident Management System

NRF — National Response Framework (which outlines ESF protocols)

OSFM — Office of State Fire Marshal

PORS — Police Officers Retirement System

SC-HART — S.C. Helicopter Aquatic Rescue Team
SC-TF1 — South Carolina Urban Search and Rescue Task Force
SCEMD — S.C. Emergency Management Division
SCEOP — South Carolina Emergency Operations Plans
SCERTF — South Carolina Emergency Response Task Force
SCNG — South Carolina National Guard
SCSG — South Carolina State Guard
SEOC — State Emergency Operations Center
SERC — State Emergency Response Commission
SLED — S.C. Law Enforcement Division
SME — Subject matter expert

USAR — Urban Search and Rescue

WebEOC© — Online Emergency Operations Center software (formerly used by SEOC Coordinators during states of emergency)

Defined Terms

Fire Academy — South Carolina Fire Academy

Firefighters' Association — S.C. State Firefighters' Association

Mobilization Committee — S.C. Firefighter Mobilization Oversight Committee

Agency Comments

LLR.
SC.gov

Henry D. McMaster
Governor

Emily H. Farr
Director

January 16, 2018

110 Centerview Drive
Post Office Box 11329
Columbia, SC 29211-1329
(803) 896-4390
FAX: (803) 896-4393

Via E-mail and Hand Delivery

K. Earle Powell, Director
Legislative Audit Council
1331 Elmwood Avenue, Suite 315
Columbia, SC 29201

Re: Agency Response to Legislative Audit Council's *Limited Review of the Division of
        Fire and Life Safety*

Dear Director Powell,

Thank you for the Legislative Audit Council staff members' efforts over the last nine months to thoroughly review the Division of Fire and Life Safety ("DFLS") of the Department of Labor, Licensing and Regulation ("LLR"). This was an opportunity for us to review DFLS's programs in depth, especially at a time when senior leadership at DFLS has changed. As noted by the LAC audit, DFLS is an effective part of LLR. DFLS's mission is to be the state's focal point for service and support to save life and property, which is an integral part of LLR's mission to promote the health and safety of the public through regulation, licensing, enforcement, training, and education. It is a mission that the division's employees and the agency's leadership takes seriously.

We are pleased that, after examining all of DFLS' programs and support for them within LLR – from administrative support from LLR management, to curriculum development and course delivery of all the Fire Academy's offerings, to the Emergency Response Task Force, to training props on the campus, to communication with fire service personnel – the audit did not express a finding of any inadequacy or ineffectiveness of any areas that are the audit's primary objectives. The process, however, did identify a number of recommendations concerning ways in which many of these areas can be improved and more effective. More than half of the recommendations concern drafting or review of policies, ask for legislative change from the General Assembly, acknowledge DFLS simply needs to continue its current practice, suggest the need to collect or track certain data, require cooperation of other groups and entities outside DFLS, or concern a private association over which the agency has no control.

DFLS has undergone a complete change in every leadership position since the general period of review for the audit (FY 12-13 through FY 15-16) with most of its new leadership hired into their positions within the last 15 months. These include a new:

- Emergency Response Task Force Manager – July 1, 2016
- Agency Director – August 17, 2016
- Assistant State Fire Marshal – October 1, 2016
- State Fire Marshal – March 16, 2017

- Fire Academy Superintendent – December 1, 2017

Thus, the audit process was a beneficial experience of organizational, administrative and operational discovery for the new leaders of DFLS. The recommendations to improve methods and procedures are well received and welcomed. In fact, many of the recommendations would have likely been identified through a planned internal review of DFLS by the new leadership.

While we appreciate the positive and helpful recommendations contained in the audit report, we are disappointed with the overall negative tone portrayed throughout the Summary and much of the report. Overall, we disagree that the Summary accurately reflects the accompanying sections in the actual report and strongly encourage those who review this audit to not rely solely upon that document as it is not necessarily an accurate reflection of the narrative and recommendations of the report itself.

We are also disappointed that this audit focuses heavily on the past and fails to identify where the organization stands at the present or where current efforts are leading for DFLS's future. There is little to no mention of the current plans of the division to continue to enhance and improve its services, the inclusion of relevant strategies and objectives in the agency's overall strategic plan, changes in meetings among management, and more recent feedback from external customers. This narrow review is unfortunate because DFLS is a different division from where it was just 12 months ago. In fact, I would be remiss in not acknowledging and thanking all the efforts of our employees at the division. They are passionate about what they do and want to make every effort to make an impact on the State as a "focal point for service and support to save life and property."

Therefore, because the entire audit is focused solely upon the past, Chief Jones and I wish to take this opportunity to respond about what this agency is already doing and will do in the future for DFLS.

To begin with, it is disheartening that the audit did not recognize and take note of any of the accomplishments, initiatives and significant events that have occurred at DFLS over the last year. Under a new leadership team, many positive changes have been implemented; many of which directly or indirectly address the recommendations provided in the LAC report. For example, in order to provide consistent and streamlined procurement and finance processes to DFLS, a new position was created and hired - Finance Operations Manager of DFLS. The successful candidate not only brings a relative background in procurement and finance but previously served as the Director of the Pennsylvania Fire Academy. As another example, the new State Fire Marshal held budget planning sessions with DFLS Senior Managers and LLR Department of Administration staff, resulting in a comprehensive budget analysis and plan. The detailed budget analysis and plan were presented to the Fire Academy Advisory Committee and the Firefighter Mobilization Oversight Committee. Both committees praised DFLS leadership on these presentations and the budget analysis and plan received many great reviews from DLFS stakeholders. As a third example, JBRC gave DLFS/LLR leadership Phase II approval for the renovation of the campus fire station and Phase I approval for the renovation of the campus dormitory.

Also in the last year, the new leadership team's ability to coordinate emergency response was put to the test through several national and state-level disasters. For the first time ever, SC-HART deployed out-of-state in response to Hurricane Harvey. The DFLS civilian rescuers performed multiple, successful aerial rescues. Also, DFLS leadership coordinated statewide search and rescue response through ESF 4/9 and Firefighter Mobilization during Hurricane Irma. LLR was publically commended and recognized for their planning, coordination and communication during the event.

The accomplishments and changes over the last year at DFLS are too numerous to list all in this limited response, but the following is an abbreviated list of some of its other achievements:

- Formed a mission focus group to redefine the mission statement of SC State Fire;
- Launched a rebranding campaign with new State Fire logos, "We are State Fire" video, and new website landing page;
- Took delivery of new ladder truck, engine and tanker at the Fire Academy;
- Held SC-HART qualification exercises to requalify existing SC-HART rescuers and qualify new rescuers;
- Launched Fire Safe SC; a statewide Community Risk Reduction program in partnership with SC State Firefighters' Association, SC Fire Chiefs Association, and SC Fire Marshals Association;
- Supported the SC Fire-Rescue Conference with Agency Director and State Fire Marshal being featured as speakers during the opening ceremony;
- Performed classification and compensation review for all Fire Academy Part-time Instructors;
- Hired 29 new Fire Academy Part-time Instructors;
- DFLS employees regularly attended Midlands Fire Marshal and SC State Firefighters' Executive Committee meetings and gave updates and reports on DFLS activities;
- Hosted the Colombian military for SC-HART exercise;
- Hosted the National Association of State Fire Marshals Annual Conference and National Fire Information Council Conference;
- Negotiated terms and requirements for fire departments to conduct live fire sprinkler demonstrations with SC DHEC;
- Redesigned Fire Academy organizational structure to more effectively manage operations;
- Administered the application period for V-SAFE grants;
- Successfully launched a new Fire Marshal Certification Exam Prep class and a new Fire Investigation class that includes IFSAC accredited certification test for the first time; and
- Executed new contracts for inspection services with DDSN, DSS, DOA and DEW.

Furthermore, the LAC report does not recognize the implementation of, and progress toward, many of the recommendations that are finally revealed to LLR and DFLS leadership after nine months of LAC review. Of the 64 recommendations directed to LLR/DFLS that we believe are warranted, 9 have already been implemented, 11 have been partially implemented, and 23 are in progress, at the conclusion of the audit process. The chart below summarizes DFLS' status with these recommendations.

Rec. #	Status	Description
1	In Progress	All policies are currently under review. New policies are being developed.
2	In Progress	Schedule for periodic review is included in policy review and development.
3	In Progress	All new/revised policies will be consolidated into a single digital manual.
4	In Progress	Included in policy/procedure review/development.
5	Partially Implemented	LLR already performs costs analyses to ensure that administrative charges are properly allocated. It does document changes to those administrative fees but will do so formally, in writing, moving forward.
8	Partially Implemented	DFLS has been working with the BPS on this recommendation. However, it is ultimately a decision of the Board.
9	Partially Implemented	DFLS has been working with the BPS on this recommendation. However, it is ultimately a decision of the Board.
11	In Progress	A RFP for a new software system has been given to the SC MMO.
13	Implemented	LLR/DFLS monitors the turnover rate of its part-time instructors.
14	In Progress	LLR/DFLS is reviewing record retention requirements.
22	Partially Implemented	DFLS has developed a report of training participants by department and will periodically analyze the information.
24	In Progress	New policy is being developed.
25	In Progress	Fire Academy Superintendent has been assigned this responsibility.
27	In Progress	New software to allow tracking of this nature is planned for inclusion in the Dormitory renovation.
28	In Progress	New software to allow tracking of this nature is planned for inclusion in the Dormitory renovation.
29	Partially Implemented	Phase I has been approved by JBRC and SFAA. Architectural and Engineering services have been procured.
30	In Progress	Will be completed as part of the upgrade to the Fire Academy Maintenance System.
36	In Progress	Fire Academy Curriculum Manager has been assigned this responsibility.
37	In Progress	Revised PD of Accreditation Manager to include Instructor Development. The manager has been assigned this responsibility.
40	In Progress	DFLS Finance Operations Manager and Fire Academy Superintendent have been assigned this responsibility.
46	Partially Implemented	Fire Academy currently tracks student enrollment of CTC students in Fire Academy courses. Fire Academy does not currently track CTC student completions of accredited testing separately from all other students completing the tests.
47	Implemented	Recommendation acknowledges DFLS has implemented and encourages us to continue.
48	Partially Implemented	DFLS tracks specific services performed, including topics covered, on the contract for services. DFLS partially tracks the remaining information, but will fully implement with its next event.
49	In Progress	Revised PD of Accreditation Manager to include Instructor Development. The manager has been assigned this responsibility.
50	In Progress	Revised PD of Accreditation Manager to include Instructor Development. The manager has been assigned this responsibility.
51	In Progress	Revised PD of Accreditation Manager to include Instructor Development. The manager has been assigned this responsibility.
55	Implemented	DFLS has an established social media strategy, as evidenced in the Agency's 2017 Annual Accountability Report.

56	Partially Implemented	The Continuity of Operations Plan for ESF 4/9 has been updated and returned to SCEMD for final edits and execution.
58	Implemented	Recommendation acknowledges that DFLS is already doing this and encourages us to continue.
59	Partially Implemented	DFLS has been encouraging counties and municipalities to sign the most recent Statewide Mutual Aid Agreement. The recent V-SAFE application period resulted in an increase of entities that have signed the most recent agreement.
60	Implemented	Recommendation acknowledges that DFLS has implemented and encourages us to continue.
61	Implemented	Recommendation acknowledges that DFLS has implemented and encourages us to continue.
62	In Progress	MOUs are being reviewed by LLR/DFLS and updated as deemed necessary.
63	In Progress	As MOUs are updated and newly signed MOUs are received, a thorough review is taking place.
64	In Progress	A new training plan communication strategy is in progress, which outlines the required training commensurate with the duties for each position on the ERTF.
65	Partially Implemented	DFLS has established an annual training calendar, providing ERTF members with initial training certifications and continuing education.
66	In Progress	DFLS is reviewing standards for physical fitness commensurate with the duties of each position on the ERTF.
67	Implemented	Recommendation acknowledges that DFLS has implemented and encourages us to continue.
68	Partially Implemented	Complete inventory of ERTF assets is at 30% completion.
70	Implemented	Budget was developed and approved to maintain the ERTF at its current level. As needs are identified or updated, a budget process is in place to plan for addressing those needs.
72	Implemented	The V-SAFE evaluation instrument has been revised to reflect statutorily-mandated funding priorities.
75	Implemented	Calculations and tallies are now performed electronically by the grant application system.
76	In Progress	DFLS is developing an online performance report that will be easily monitored for compliance.

Finally, following this letter, we also wish to take this opportunity to respond to certain portions of the report that we believe warrant more in depth discussion and explanation because we disagree with the LAC's analysis and/or conclusions.

Thank you again for your staff's time and thorough examination of DFLS. With kind regards, I am

Sincerely yours,

Emily H. Farr
Director

cc: Jonathan Jones, State Fire Marshal

Human Resources Issues

At the outset, LLR would like to comment on the process the LAC utilized, particularly in regards to this section. Throughout the nine months the LAC conducted its audit, LLR employees responded promptly and diligently to all requests for information. After the LAC submitted its initial draft to the agency for review and comment, the LAC pushed back the exit conference where we were to receive the final draft report. Ultimately, the final draft report included entirely new sections regarding human resources, part-time instructor pay, and turnover. LLR disagreed with the data and conclusions, and on the day the agency response was due, the LAC was still asking for additional data regarding how we calculated the percentage of turnover of part-time instructors because LLR data was "substantially different" from the LAC's data. This meant that LLR did not have a final copy of the report in which to base its final response on the day the LAC required it to be due.

These new sections make erroneous conclusions from data that LLR did not provide and the LAC would not share so that we could comment on its accuracy. Specifically, the LAC claims that LLR does not assess turnover rate among the part-time instructors at the Fire Academy, which is false and shown in a Director's Report provided to the LAC, and the LAC claims that LLR's recent compensation analysis for those instructors was too low with little explanation as to why it came to that conclusion. There are so many problematic assumptions and conclusions within this section that it is difficult to summarily address it within the page-limit required by the LAC, but we will attempt to do so here.

Regarding FTE turnover analysis, initially, the LAC's original data from the draft report did not appear to be the data provided to it by LLR's HR office. Using LLR's data, which came from SCEIS, we believe that voluntary turnover for FTEs has been relatively consistent.

Regarding the part-time instructor turnover analysis section, as stated above, this section was not in the draft report. During the LAC audit, LLR HR was not asked to provide any data regarding part-time instructors. Beginning in 2015, DFLS initiated an annual review process to ensure that a current and accurate roster of part-time instructors was maintained, because prior to the annual review, the roster included instructors that no longer taught classes. As part of this process, HR provides a report to DFLS of the hours worked for all part-time instructors from January 1 to November 30th. DFLS reviews the report to determine which, if any, part-time instructors should be removed from the active roster list due to no hours or low hours worked during the calendar year. This process began in 2015 and has continued each year. In 2015, 2016, and 2017, we had 34, 23, and 7 instructors separated, respectively. It is logical to conclude that part-time instructor turnover increased in 2015 because of the initial purge of part-time instructors who were not teaching sufficient hours for the Fire Academy. It seems misleading for the LAC to conclude there is a 22% difference from FTE turnover by using the 2015 numbers because that year was an outlier year as a result of that purge.

The LAC used the high part-time turnover rate to conclude that part-time instructors are leaving because of pay and/or compensation. The LAC fails to consider that there are numerous reasons why part-time instructors may leave the agency's employment. For example, reasons may be for retirement, disability, a conflict with the instructor's full-time job, and employees who accept an FTE position with DFLS. Further, the LAC report states that the part-time instructor turnover exceeded FTE voluntary turnover for 2013 and 2014 by 14.2%. First, we are unsure why voluntary turnover for FTEs is compared to all turnover (voluntary and involuntary) for part-time instructors. Second, for all the years except for 2015 and 2016 (when we began separating instructors who did not work a minimum number of hours), the turnover percentage between part-time instructors (voluntary and involuntary) and FTEs (voluntary) is less than 5%.

The LAC also found that the part-time instructor pay was the lowest among other employers utilizing "similar" positions and despite this, LLR found that the pay was "appropriate and market competitive." However, the LAC did not acknowledge that the agency prepared a seven-page memorandum assessing and reviewing the compensation. This memorandum and its analysis was prepared with the State Fire Marshal's input and with approval of senior leadership. Also, the pay analysis was shared with the Fire Academy Advisory Committee to ensure that DFLS's stakeholders were aware of the analysis and could raise any concerns prior to the agency implementing the pay increases.

The LAC also does not recognize that there are distinct differences, and reasons for those differences, between DFLS part-time instructor pay and that of the NC Office of State Fire Marshal, Greenville Technical College, and the SC Criminal Justice Academy. For example, a bachelor's degree and four years of law enforcement experience or a high school diploma and 8 years of law enforcement experience is required to teach for the SC Criminal Justice Academy. In contrast, to teach at the Fire Academy, the minimum requirement is a high school diploma and fire prevention or firefighting experience, preferably two years. The LAC's narrative also does not acknowledge that, while LLR found that part-time instructor pay was appropriate and market competitive, it ultimately concluded that the range of pay was very compressed and did not allow for much variation to account for an instructor's tenure or years of service, the complexity of classes that the instructor would be teaching, or the specific skills or knowledge required. Therefore, HR recommended an increased pay scale and compensation structure to utilize three instructor classifications (Fire Safety Officer I, Fire Safety Officer II, and Fire Safety Officer III) so that these variations could be assessed and valued. With the implementation of the revised pay ranges following the classification and compensation review, the average pay for part-time instructors increased from $15.85/hr. to $16.50/hr. (Fire Safety Officer I), $16.61/hr. (Fire Safety Officer II), and $17.71/hr. (Fire Safety Officer III). The pay range is as high as $22 per hour.

The LAC's report includes a lot of narrative that describes LLR's careful, calculated analysis of part-time instructors at DFLS in a way that implies many mistakes were made in that process. Despite this, ultimately, the LAC's sole recommendation is for the agency to monitor and analyze turnover among instructors and claims that, until we analyze the data, the agency will not know whether it is losing qualified instructors and the extent of the loss. As this response shows, LLR

monitors and analyzes turnover for all FTE and part-time instructors. We plan to continue the practice going forward.

Administrative Fees

The LAC correctly notes that LLR currently charges different divisions and areas of the agency for administrative support services based upon that program area's prior year total expenditures. The LAC concludes that the current formula by which the agency charges DFLS for administrative support "may" not be right because the Fire Academy is charged a higher percentage of administrative costs than the OSFM despite the fact that the two areas have about the same amount of full-time employees and total salaries. This is an erroneous analysis that ignores all of the other services a division of the agency receives from LLR's Division of Administration (and also ignores the large number of part-time employees that work within the Fire Academy). The LAC appears to have only considered "payroll and human resources support" of administrative support; however, Administration also includes finance, procurement, legal advice and counsel, and all of the services of LLR's Department of Technology and Security, including IT equipment and support and software programing and data collection and processing. Thus, LLR maintains that using a program area's total expenditures, rather than just the number of employees and total salaries that the LAC suggests, is a better metric by which to fairly allocate the agency's administrative costs. An area that has a larger amount of expenditures is using a greater number of administrative services such as procuring items that incur those expenses, processing those payments, having legal review of contracts, and obtaining IT support of new programs, in addition to human resource training, advice, analysis and support.

Safety

In the summary of the audit, the LAC states that "Firefighter training is not required...", asserting that the DFLS does not require training for firefighters. The summary further states, "This could result in firefighters and other responders being ill-prepared for the challenges they face."

The summary implies DFLS is impeding safety as a result, but does not explain that DFLS does not have the statutory authority to *require* training for South Carolina firefighters. South Carolina law does not require firefighters to earn certification in order to perform fire suppression or rescue activities. Section 40-80-50 of the South Carolina Code requires OSFM to register each firefighter subject to the provisions of §§ 40-80-30, -40, upon recommendation of the fire chief or other employer. Therefore, the responsibility of "certifying" a firefighter, and thereby requiring firefighter training, resides with the fire chief or local authority having jurisdiction. OSFM's statutory authority and responsibility is simply to register the firefighter in the Firefighter Registration System (Fire Portal). However, DFLS offers nationally recognized and internationally accredited training programs and certificates for South Carolina firefighters, which a local fire chief can require for firefighters under his supervision.

Certification and Training for Local Fire Marshals

In the summary of the audit, the LAC states, "DFLS replaced its in-house certification process with the certification processes of the NFPA and the ICC, *assuming it was a better process.*" (emphasis added.) This is, by its very nature, a better process and we are perplexed by the LAC's choice of words here. DFLS replaced its non-accredited, in-house process with the accredited certifications of NFPA and ICC in order to provide South Carolina fire inspectors with certifications that were validated by the same nationally recognized third-party entities that develop the codes adopted and referenced in South Carolina by the Building Codes Council.

Although the LAC challenges DFLS to insure the classes are effective by recommending DFLS ask a third party to give the necessary data, we have already implemented an internal procedure to better evaluate the effectiveness. DFLS now has a pre-test and post-test administered in the program. This method will determine if student scores on the test improve as a result of taking the class. During the pilot class, test scores improved by an average of 30 points from pre-test to post-test. This evaluation method indicates the students are gaining knowledge and improved test-taking ability from the class, regardless of whether they ultimately attempt to pass a national certification exam.

Fire Academy Facilities

In the summary of the audit, the LAC states, "The Fire Academy does not track training participants or dormitory visitors, by fire department." This is not correct. Although the Fire Academy does not track dormitory visitors by fire department, it does, more importantly, track training participants by fire department. During the field work of the audit, DFLS was asked for this information and provided it to the LAC as a report from the Fire Academy database. The summary should have more appropriately stated that the Fire Academy tracks training participants by fire department, and then make a recommendation for how the LAC believes this information could be better utilized.

Organizational Structure: Office of the State Fire Marshal

The audit report omits the Licensing and Permitting section of the OSFM from the description. The Licensing and Permitting section is tasked with licensing and permitting public fireworks displays; proximate audience fireworks displays; individual pyrotechnic operators and trainees; the storage, use, sale, and manufacturing of explosives; individual blaster employees; and fire equipment dealers and employees. It evaluates cigarette manufacturers' certifications and issues approvals.

V-SAFE

A chapter of the report is dedicated to reviewing the V-SAFE grant program and distribution of grant funds in 2007. DFLS is already implementing recommendations from the LAC regarding the application and scoring used during the grant process. However, it is important to point out that other recommendations directed to DFLS in this section would run afoul of current law without further change to the V-SAFE law.

The report, and accompanying recommendations, assume the statute requires that fire departments with higher ISO ratings receive higher scores because it demonstrates a greater financial need. However, the statute only refers to a fire department's ISO rating as a qualifying criteria of a department's eligibility to receive a grant through the program. Specifically, S.C. Code § 23-9-36(C)(1)(a) uses a fire department's ISO rating to define eligibility. In this definition, a "chartered fire department" must have "a minimum of a Class 9 rating from the Insurance Services Office." This is the only place where ISO is mentioned in the statute. The law has no requirement that the ISO rating be used to establish a mandated funding priority.

Additionally, the report, and accompanying recommendations, assume that the statute requires equality in the geographical distribution of the grant funds. As stated under "Miscellaneous Observations" in the report, "Seventy-three percent (73%) of grant funds, $2,135,862, were awarded to fire departments in four of the seven (57%) regions, indicating a disproportionate share of grant funds being awarded to fire departments in those four regions." While a geographically proportionate distribution of funds may seem desirable, it is not required by the statute and could prove inconsistent with distribution based on financial need.