



TO: Mike Russell, Acting Fire Chief

FROM: Andrea R. Russell, City Auditor *ARR*

DATE: March 18, 2025

SUBJECT: NAS 24-01 Cape Coral Fire Department (CCFD) Insurance Services
Office, Inc. (ISO) Assistance

At your request, the City Auditor's Office (CAO) assisted in calculating a projected ISO score for the next review to occur this year. This review was conducted as a Non-Audit Service (NAS) and cannot be considered an audit; therefore, this review is not subject to the same requirements as an audit performed in accordance with Generally Accepted Government Auditing Standards (GAGAS).

We completed this engagement as a NAS using agreed upon procedures. The review did not constitute an audit performed in compliance with GAGAS. Although this work does not constitute an audit, it was performed in compliance with GAGAS, as they relate to NAS and CAO policies and procedures.

We would like to express our sincere appreciation to CCFD and staff for the courtesy, cooperation, and proactive attitude extended to the team members during the review. If you have any questions or comments regarding this review, please contact Andrea Russell at 242-3380.

Purpose and Objectives

The purpose of this NAS was to develop potential Earned Credit for an upcoming ISO review and assist CCFD accumulating support and other documents more efficiently in preparation for the review. It should be noted the review has not been scheduled as of the date of this memo, but it is expected to be completed in 2025. In addition to preparation for the review we also intend on updating the tool, after the review, to more accurately predict how changes in the department will affect the ISO rating in the future.

Background

ISO reviews are completed approximately every five years to evaluate the fire prevention and fire suppression capabilities of individual communities or fire protection areas. The result of the review is the development of the Public Protection Classification (PPC) for property insurance rating. The PPC is one of several elements used to develop the property insurance loss cost and underwriting information. Members of the review committee consist of peers. The reviews are conducted in accordance with procedures and requirements set forth in the Fire Suppression Rating Schedule.

Areas reviewed and used to develop the rating include Fire Department Survey; Water Supply; Community Risk Reduction; Emergency Communications; and Training. ISO ratings can affect a community's insurance rates. The ratings are based on a scale of one to five, with one being the best rating. The last ISO review performed in 2019 and issued in July 2020, resulted in a rating of three.

Scope and Methodology

For the previous review, we utilized the criteria from the Fire Suppression Rating Schedule and developed a spreadsheet tool to calculate the earned credit. We also utilized the Fire Suppression Rating Schedule and the previously developed spreadsheet tool for the current review. We reviewed 2023 and 2024 pre-survey forms, reports, and information to complete categories in the calculation tool. We also discussed categories with CCFD to ensure our interpretation and utilization of data was accurate.

Results

Based on the work performed using the tool we developed, we determined a Calculated Earned Credit based on current data and an adjusted score based the current data that was adjusted from the previous review. We also identified potential areas for improvement and the accompanying scoring sections. These are detailed on the attached calculation tool. We will review the calculation tool after the ISO review to further refine the calculations and assist CCFD with future planning and the effect changes will have on the ISO score.

Recommendations

While this NAS was not conducted as an audit and does not have formal findings and recommendations; we noted some areas that could be improved to make the process of preparing for the review more efficient. We suggest these recommendations be put in place prior to the upcoming ISO review.

1. We recommend CCFD develop internal policies for the individuals involved in preparing the documentation for the review to provide clear roles and responsibilities; details of source data; where it is located; and how to obtain it.
2. In preparation for the upcoming review, gather and organize data for 2024, including ensuring files can be opened by external parties and the data is easily identifiable and organized for the reviewers.

C: Mayor Gunter and Council Members

Michael Ilczyszyn, City Manager

Connie Barron, Assistant City Manager

Mark Mason, Interim Assistant City Manager

Aleksandr Boksner, City Attorney

Kimberly Bruns, City Clerk

Mark Solich, Acting Fire Deputy Chief

Charles Raborn Fire Division Chief-Logistics
James Parker, Fire Division Chief- Operations
Alex Esteves, Jr, Fire Battalion Chief
Greg Markley, Fire Quality Assurance Specialist
Audit Committee

Attachment: 2024 ISO Score Calculation Summary.xlsx