
CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR



Follow-Up Audit of The San Antonio Police Department

Alarm Permitting

Project No. AU16-F05

January 26, 2017

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted a follow-up audit of the recommendations made in the audit of SAPD Alarm Permits dated October 16, 2015. The objective for this follow-up audit is:

Determine if the recommendations made in the prior audit of the San Antonio Police Department (SAPD) Alarm Permitting process have been adequately implemented.

We determined that SAPD has successfully implemented adequate controls to address prior audit recommendations.

There were six prior recommendations made to SAPD. All action plans within SAPD's control have been successfully implemented. One, which is the implementation of a point-of-sale system, remains in progress. SAPD is processing alarm permit applications correctly and charging the correct fees. Additionally, SAPD is monitoring outstanding alarm permit fees, processing customer credits on a timely basis, and addressing unmatched alarm notifications. Finally, users in the False Alarm Management System (FAMS) have appropriate access.

The point-of-sale system is a City-wide initiative that ITSD is currently in process implementing.

SAPD Management's verbatim response is in Appendix B on page 7.

Other Matters

During the audit, we also determined that SAPD corrected system limitations in FAMS that were identified during the previous audit. FAMS now has the capability to age credits and issue invoices at 30, 60, and 90 days for outstanding permit fees. Additionally, it can now show the entire population in the unassociated log and display a population of alarm permits with the permit date, date of last renewal, and most recent fee paid.

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Background

In October 16, 2015 the Office of the City Auditor completed an audit of the SAPD Alarm Permits process. The objective of the audit was as follows:

To determine if SAPD alarm permit issuance, monitoring, and revenues are appropriately managed.

The Office of the City Auditor concluded that alarm permit issuance, monitoring, and revenues were not appropriately managed. SAPD was not applying discounts appropriately and was not monitoring outstanding fees. They also were not actively monitoring outstanding credits and were not clearing unmatched alarm notifications in a timely manner. Additionally, correct user access was not maintained in FAMS. Finally, there was not a point-of-sale system in place for the alarm permitting process.

Other Matters

We identified limitations with the FAMS system. FAMS could not age outstanding credits and only generated a one-time invoice for alarm permit renewals. Additionally, FAMS could not display the entire unassociated log. Finally, FAMS was not capable of producing a listing of new permits with the original permit date, date of last renewal, and most recent fee paid.

Audit Scope and Methodology

The audit scope was limited to the recommendations and corrective action plans made in the original report for the period of October 2014 through March 2015.

We interviewed SAPD management and staff to gain an understanding of the current alarm permitting process. Testing criteria included AD 8.4 “Financial Management of Accounts Receivable” and SAPD alarm permitting procedures.

We tested a random sample of 25 alarm permit applications to determine if the correct fees had been charged and recorded accurately in both FAMS and SAP. We obtained a copy of the journal entry recorded in SAP for the alarm permit fees receivable and reviewed it for reasonableness. Additionally, we tested a random sample of 25 credits to determine if SAPD was processing credits on a timely basis.

We reviewed the unassociated log to determine if entries were being cleared on a timely basis. Also, we obtained a listing of users in FAMS to determine if their access was appropriate. We inquired about the status of the implementation of a point-of-sale system for the alarm permitting. Finally, we reviewed the FAMS system to determine if the issues identified in the previous audit had been corrected.

We relied on computer-processed data in the SAP and FAMS. Our reliance was based on performing direct tests on the data rather than evaluating the system’s general and application controls. Our direct testing included tracing alarm permit fees into SAP and FAMS and tracing credits into SAP. We do not believe that the absence of testing general and application controls had an effect on the results of our audit.

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

Prior Audit Recommendations and Status

A. Unqualified Discounts

Prior Recommendation:

Ensure SAPD staff follow and implement current alarm permit procedures so correct alarm permit fees are charged.

Status: Implemented.

We tested a random sample of 25 alarm permit applications out of 124 from the June 2016 quality control check and determined SAPD was charging the correct fees and processing the applications and payments correctly in both FAMS and SAP.

Recommendations

None

B. Inadequate Billing and Monitoring of Outstanding Fees

Prior Recommendation

Implement procedures and controls to ensure all outstanding fees are actively monitored, and the appropriate accounts receivable is recorded in SAP. Additionally, analyze staffing levels to determine staffing needs to identify and bill past outstanding alarm permit renewal fees to an extent feasible.

Status: Implemented

SAPD issues invoices at 30, 60, and 90 days to monitor outstanding alarm permit fees. Additionally, a receivable is recorded in SAP for outstanding alarm permit fees.

Recommendations

None

C. Monitoring of Outstanding Credits

Prior Recommendation:

Implement procedures and controls to ensure all outstanding credits are actively monitored and cleared in accordance with AD 8.4 "Financial Management of Accounts Receivable".

Status: Implemented.

We tested a random sample of 25 credits processed out of 629 from the third quarter of FY 2016 and determined SAPD has implemented controls so credits are processed on a timely basis.

Recommendations

None

D. Unresolved Potential False Alarms

Prior Recommendation:

Assign necessary staff to monitor and clear unmatched alarm notifications to determine if alarm fees should be billed and collected to the extent possible. Additionally, analyze staffing levels to determine actual staffing needs to work the potential false alarms on a timely basis.

Status: Implemented.

The unassociated log is created by FAMS to track unmatched alarm notifications. These result when triggered alarms do not match with an address in FAMS. SAPD now has two staff members assigned to investigate the unassociated log and is clearing unmatched alarm notifications on a timely basis. During the audit, we determined the oldest unassociated log entry was less than two weeks old.

Recommendations

None.

E. FAMS Access

Prior Recommendation:

Implement monitoring procedures in accordance with AD 7.8D to ensure the correct user access is maintained in the False Alarm Management System (FAMS).

Status: Implemented.

SAPD monitors the FAMS access on a monthly basis. We obtained the listing of active users in FAMS and determined users had appropriate access.

Recommendations

None

F. No Online Point-of-Sale System

Prior Recommendation:

Coordinate with the Finance Department and ITSD to discuss the implementation of an online point-of-sale system.

Status: In process.

ITSD is in the process of implementing a city-wide point-of sale system. SAPD is included in this project.

Recommendations

None

G. Other Matters

Prior Recommendation:

SAPD should continue submitting issues along with requests to correct issues and where applicable enhance FAMS functionality as well as the reporting capabilities.

Status: Implemented

SAPD has addressed the FAMS system limitations identified during the prior audit. FAMS now has the capability to age outstanding credits, issues invoices at 30, 60, and 90 days for outstanding alarm permit fees, and can now display the entire unassociated log. Additionally, it can now show the entire population in the unassociated log and display a population of alarm permits with the permit date, date of last renewal, and most recent fee paid.

Recommendations

None

Appendix A – Staff Acknowledgement

Buddy Vargas, CFE, Audit Manager
Douglas Francis, Auditor in Charge
Nastasha Leach, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

December 20, 2016

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: Management's Acknowledgement of its Review of San Antonio Police Department Alarm Permitting Follow-up Audit

San Antonio Police Department has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.

San Antonio Police Department

☒ Fully Agrees

☐ Does Not Agree (provide detailed comments)

Sincerely,

William McManus
Chief of Police
San Antonio Police Department

JAN 3 2017

Date

Erik Walsh
Deputy City Manager
City Manager's Office

Date

1/11/17