
CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR



Audit of San Antonio Police Department

Armory Inventory Management

Project No. AU16-025

June 29, 2017

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City Auditor

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the San Antonio Police Department (SAPD) armory inventory management. The audit objectives, conclusions, and recommendations follow:

Determine if inventory controls at the SAPD Armory are effective and efficient and in accordance with relevant policies and guidelines.

Inventory controls at the SAPD Armory are not effective, efficient, and in accordance with relevant policies and guidelines. SAPD does not have policies or procedures to control the inventory and distribution of firearms. The Quarter Master system, SAPD's system used for tracking firearms and equipment, did not accurately reflect the current disposition of firearms and former SAPD Officer's employment status. In addition, armory inventory exceeds the available storage capacity to adequately store and maintain firearms. Finally, SAPD does not have a maintenance agreement in place for the vendor to provide updates to the Quarter Master system and users had excessive access.

We recommend that the SAPD Police Chief:

- Create policies and procedures for processes related to the intake, issuing, and maintaining all firearms and equipment.
- Implement a standard process for conducting periodic physical inventories of firearms being stored within the Armory. Additionally, evidence of the inventories should be maintained and readily available.
- SAPD Management should require the Armorer and Property and Evidence Room Supervisor to periodically reconcile the SAPD firearms assigned to the Property and Evidence Room.
- SAPD Management should create a plan to sell or destroy the firearms currently being stored in the armory that were transferred from the Property and Evidence Room.
- SAPD Management should periodically reconcile the Quarter Master personnel records with SAP, CoSA system of record, to identify any discrepancies in active SAPD personnel.
- SAPD Management should re-establish a maintenance agreement with the software vendor so that the application is up to date with patches and updates. Additionally, SAPD Management should periodically review

Quarter Master user access to verify that access is appropriately assigned to users to perform their job duties.

SAPD management agreed with our recommendations and have developed positive actions plans. SAPD management's verbatim responses are included in ***Appendix B.***

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Background

It is the responsibility of the SAPD Armory and Supply Unit ("Armory") to ensure the efficient distribution and safe operation of all SAPD weapons and equipment. In fulfilling this responsibility, Armory personnel maintain, store and distribute all weapons, equipment, riot control chemicals, and ammunition to about 2,200 officers. The Armory is also responsible for tracking firearms used by SAPD officers as duty weapons. The Armory is a standalone structure located at the SAPD Training Academy. Currently, firearm tracking is being performed in the Quarter Master system.

Quarter Master is a commercial "off-the-shelf" package designed to automate the processes involved with the ordering, issuance and control of uniforms and kit items within police and other uniformed agencies. It is being used by the SAPD to track firearms and was implemented by the SAPD in 2007. Quarter Master is currently installed on four workstations of SAPD personnel that support the tracking of police issued firearms and equipment. Access is controlled by ITSD through use of active directory permissions.

Currently, there is one armorer and one administrative assistant charged with issuing, repairing, and maintaining all firearms for SAPD Officers. Currently there are 3,940 SAPD firearms in the Quarter Master system, 1,422 of which are currently being stored in the Armory. See the table below.

SAPD Firearms			
Firearm Type	Armory Inventory	Officer Issued	Total
Handgun	233	2,275	2,508
Rifle	43	82	125
Shotgun	91	77	168
SWAT Issue	42	47	89
Property and Evidence Room Transfers	1,013	37	1,050
TOTAL	1,422	2,518	3,940

*Source: Quarter Master system

Audit Scope and Methodology

The audit scope was from October 1, 2010 through August 31, 2016.

To establish our test criteria, we examined SAPD policies, procedures, and City Administrative Directives. We also reviewed the Department of Defense's Physical Security of Sensitive Arms, Ammunition, and Explosives Manual and Unified Facilities Criteria for Armories and Arms Rooms. When testing information technology, we used the Government Accountability Office's (GAO) Federal Information System Controls Audit Manual (FISCAM). The GAO's FISCAM presents a methodology for performing information system control audits in accordance with government auditing standards.

To gain an understanding of internal controls, we conducted interviews of appropriate personnel to identify controls related to the inventory management of firearms. As part of our testing procedures, we examined 100% of data and records for completeness and accuracy for the following:

- Firearms purchased, traded for, and retired
- Firearms transferred from the Property and Evidence Room
- Firearms being repaired

We tested the general and application controls of Quarter Master system for logical security and business continuity planning. In addition, we reviewed the armory physical security for adequate safeguarding of firearms. Finally, we tested the record keeping for documenting the receiving and issuing of firearms.

We relied on computer-processed data in the SAP system, the City's financial and accounting system of record, to obtain a list of all firearms purchased by the City. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. 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.

Audit Results and Recommendations

A. Armory Policies and Procedures

Standard policies and procedures are not established to direct and control the maintenance and distribution of all firearms and equipment by the Armorer.

Formal policies and procedures help to standardize processes associated with the intake, issuing, tracking, and maintaining all firearms and equipment.

The lack of standard operating procedures can contribute to an inefficient and ineffective working environment. In addition, the lack of formalized operating procedures may lead to the inconsistent or inadequate management and tracking of firearms and equipment.

Recommendation

SAPD Management should create policies and procedures for processes related to the intake, issuing, and maintaining all firearms and equipment.

B. Physical Inventory of Firearms

The Armorer could not provide evidence to show that periodic physical inventories of the firearms in the gun vault are performed.

According to the Department of Defense's Physical Security of Sensitive Arms, Ammunition, and Explosives Manual, "inspections and audits provide tools for the oversight, management, and control of firearms" and should be conducted at intervals not to exceed 18 months. Additionally, 'personnel who are responsible for the accountability of firearms shall be made aware of the importance of accurate receipt, dispatch, and inventory records.'

According to the Armorer, physical inventories of firearms in the gun vault are performed on a quarterly basis but evidence for these inventories is not maintained.

Physical inventories provide for appropriate monitoring of firearms and proactive identification of errors and missing firearms. Without documented periodic physical inventories, there is no evidence identifying errors or missing firearms and subsequent resolutions.

Recommendation

SAPD Management should implement a standard process for someone other than the Armorer to conduct periodic physical inventories of firearms being stored within the Armory. Additionally, evidence of the inventories should be maintained and readily available.

C. Firearms Stored at the Property and Evidence Room

The Quarter Master system was not accurate in reflecting the current disposition of five firearms that were or are currently being stored at the Property and Evidence Room. These five firearms include two firearms that were released to the custody of the Armorer but not updated in Quarter Master, two firearms that are currently being held at the Property and Evidence Room that the Armorer was unaware of, and one firearm was released to an SAPD Officer to be turned into the Armory but the Armorer did not receive it until 9 months later.

The Quarter Master system should be updated so that it accurately reflects who or where firearms are assigned to.

Currently, there is no periodic reconciliation between the Quarter Master system and the SAPD firearms being stored within the Property and Evidence Room. Additionally, SAPD firearms can be released to SAPD Officers with the assumption that it will be returned to the armory.

Without a periodic reconciliation, firearms within the Quarter Master system assigned to the Property and Evidence Room may result in the loss or misappropriation of firearms.

Recommendation

The Armorer and Property and Evidence Room Supervisor should periodically reconcile the SAPD firearms assigned to the Property and Evidence Room. Additionally, in the event an SAPD firearm is released to the Armory, the firearm should only be released from the Property and Evidence Room to the Armorer.

D. Inventory Management

The firearms being stored in the armory exceed the available storage capacity. We also noted that multiple firearms within the gun vault do not have asset tags or are not being stored in an organized fashion.

Currently, there are 1,422 firearms being stored in the armory. Of the 1,422 firearms, 1,013 were transferred from the Property and Evidence Room between 2007 and 2016 with the intent to trade with vendors for firearms that SAPD Officers could use for duty. Asset tags identify each firearm which provides

details such as the make, model, serial number and the date the firearm was acquired by SAPD.

Due to inadequate space for storing firearms, over a hundred handguns are being stored in a storage room that is not humidity controlled which is recommended by the Department of Defense's Unified Facilities Criteria for Armories and Arms Rooms. Additionally, of the 1,013 firearms transferred from the Property and Evidence Room, 1 of them is unaccounted for. In addition, firearms not stored with an asset tag or in an organized fashion does not allow for easily identifying or accessing firearms.

Recommendation

SAPD Management should create a plan to sell or destroy the firearms currently being stored in the armory that were transferred from the Property and Evidence Room. SAPD should also create a policy for firearms transferred from the Property and Evidence Room which establishes storage time limits and the types of firearms that can be transferred. Finally, SAPD Management should organize and create an asset tag for all firearms stored in the gun vault.

E. Retired Officers

The employee status of four former SAPD Officers and the firearms assigned to them was not updated in the Quarter Master system. Two of the four firearms were awarded to the families of two SAPD officers that passed away while the other two firearms belong to two retired SAPD Officers.

Additionally, three former SAPD Officers were listed as active in SAPD mainframe database, SAPD's system of record for maintaining personnel. The three former employees listed as active on the SAPD's mainframe did not have any equipment of firearms assigned to them.

The Armorer manually updates the Quarter Master system based upon monthly newsletters sent out by SAPD Management detailing who has retired or no longer employed with SAPD.

Not deactivating former employees creates an opportunity for ghost employees, someone active in the system that doesn't work for the department but can act as a placeholder to assign assets.

Recommendation

SAPD Management should periodically reconcile both the Quarter Master personnel and the SAPD mainframe personnel with SAP, CoSA system of record, to identify any discrepancies in active SAPD personnel.

F. Quarter Master System

Vendor Maintenance Agreement

SAPD does not have a maintenance agreement in place for the vendor to provide updates to the Quarter Master system or to provide technical support.

The Quarter Master system was purchased and implemented by SAPD in 2007. From 2007 through September 2014, Quarter Master, along with the other software packages purchased by this vendor, was covered under an annual support agreement which was purchased as needed. The agreement covered technical support, product updates and access the customer support area of the vendor's website.

The maintenance agreement was not renewed in 2015 because SAPD was not experiencing any problems with the software. If a problem were to arise, the maintenance agreement would be purchased in order to acquire the technical support services of the vendor.

Without a maintenance agreement, the systems lack the latest patches or security updates.

User Access

Three users who did not require access for their job duties had access to read and edit the Quarter Master system database files.

Administrative Directive 7.8D, Access Control, requires that staff only be given system access to the minimum resources necessary to perform the duties associated with their position.

Access is controlled by SAPD through use of network directory permissions. The group of users with access to the Quarter Master system database files was not reviewed for accuracy which resulted in three users with inappropriate access.

When inadequate segregation of duties exists, an employee has the ability to conceal errors and/or conduct fraudulent activities. During the audit, SAPD Management became aware of these issues and removed the inappropriate access rights.

Recommendation

SAPD Management should re-establish a maintenance agreement with the software vendor so that the application is up to date with patches and updates. Additionally, SAPD Management should periodically review Quarter Master user access to verify that access is appropriately assigned to users to perform their job duties.

Appendix A – Staff Acknowledgement

Buddy Vargas, CFE, Audit Manager
Gabe Trevino, CISA, Auditor in Charge
Cecilia Gonzalez, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

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April 3, 2017

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City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for Audit of San Antonio Police Department
Armory Inventory Management

The San Antonio Police Department has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

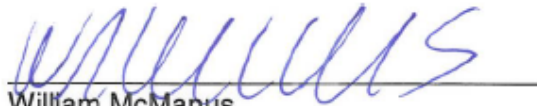
Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
1	Armory Policies and Procedures Recommendation SAPD Management should create policies and procedures for processes related to the intake, issuing, and maintaining all firearms and equipment.	3	Accept	Captain Adolph Zuniga #5023	06/01/17
Action plan: An updated Training Academy SOP has been drafted and approved which outlines the processes related to the intake, issuing, and maintaining all firearms and equipment. Training Academy staff is working with Fiscal Services to purchase the File on Q system which will allow for greater ability to maintain an accurate record database of SAPD firearms at the Armory and the Property and Evidence Room.					

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
2	Physical Inventory of Firearms Recommendation SAPD Management should implement a standard process for someone other than the Armorer to conduct periodic physical inventories of firearms being stored within the Armory. Additionally, evidence of the inventories should be maintained and readily available.	3	Accept	Captain Adolph Zuniga #5023	03/01/17
Action plan: An updated Training Academy SOP has been drafted and approved which outlines the process for conducting periodic physical inventories of firearms being stored within the Armory as follows: 1) The Armorer will continue to conduct physical inventories of all firearms in the gun vault as per the current SOP every quarter and will submit a written report to the Training Academy Skills Supervisor 2) The Training Academy Skills Supervisor will conduct an immediate follow-up audit upon receiving the written report from the Armorer. The Training Academy Skills supervisor will then provide a written report to the Training Academy Commander that reflects the results of the audit and any corrective measures that are taken. 3) The Training Academy Lieutenant will conduct an unannounced audit once a quarter to ensure that the SOP is being followed and that all firearms are accounted for. The Assistant Training Academy Commander will provide a written report to the Training Academy Commander that reflects the results of the audit and any corrective measures that are taken.					
3	Firearms Stored at the Property and Evidence Room Recommendation The Armorer and Property and Evidence Room Supervisor should periodically reconcile the SAPD firearms assigned to the Property and Evidence Room. Additionally, in the event an SAPD firearm is released to the Armory, the firearm should only be released from the Property and Evidence Room to the Armorer.	4	Accept	Captain Adolph Zuniga #5023	03/01/17

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p>Action plan: An updated Training Academy and Property and Evidence Room SOP has been drafted and approved which outlines the process for periodically reconciling the SAPD firearms assigned to the Property and Evidence Room on a quarterly basis. Additionally, the Property and Evidence Room Manager will be the custodian of any SAPD firearm impounded at the Property and Evidence Room until the final disposition of the case allows the SAPD firearm to only be released to the Armorer for officer re-issuance.</p>				
4	<p>Inventory Management</p> <p>Recommendation SAPD Management should create a plan to sell or destroy the firearms currently being stored in the armory that were transferred from the Property and Evidence Room. SAPD should also create a policy for firearms transferred from the Property and Evidence Room which establishes storage time limits and the types of firearms that can be transferred. Finally, SAPD Management should organize and create an asset tag for all firearms stored in the gun vault.</p>	4	Accept	Captain Adolph Zuniga #5023	09/01/17
	<p>Action plan: An updated Training Academy and Property and Evidence Room SOP has been drafted and approved which outlines the process to determine, biannually, if firearms need to be destroyed, sold or exchanged to a gun manufacturer. A comprehensive review of the entire SAPD firearm inventory will take place and those firearms deemed unusable will be destroyed according to SOP by the completion date. Additionally, collaboration with the Property Room will be initiated regarding said destruction of firearms along with establishing storage time limits and the types of firearms that can be transferred. A documented inspection by the Training Academy Skills Supervisor has already occurred and all firearms now have asset tags. In order to be progressive with our inventory procedures and organization, the Department will install a mobile storage system in the gun vault that has a professional image along with more efficient accountability measures.</p>				

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
5	<p>Retired Officers</p> <p>Recommendation SAPD Management should periodically reconcile both the Quarter Master personnel and the SAPD mainframe personnel with SAP, CoSA system of record, to identify any discrepancies in active SAPD personnel.</p>	5	Accept	Captain Adolph Zuniga #5023	03/01/17
<p>Action plan: An updated Training Academy and Accounting & Personnel SOP has been drafted and approved which outlines the process to reconcile both the Quarter Master personnel and the SAPD mainframe personnel with SAP, CoSA system of record, to identify any discrepancies in active SAPD personnel on a quarterly basis.</p>					
6	<p>Quarter Master System</p> <p>Recommendation SAPD Management should re-establish a maintenance agreement with the software vendor so that the application is up to date with patches and updates. Additionally, SAPD Management should periodically review Quarter Master user access to verify that access is appropriately assigned to users to perform their job duties.</p>	6	Accept	Captain Adolph Zuniga #5023	06/01/17
<p>Action plan: Training Academy staff is working with Fiscal Services to purchase the File on Q system which will allow for greater ability to maintain an accurate record database of SAPD firearms at the Armory and the Property and Evidence Room that includes a maintenance agreement to ensure that the application remains current with patches and other updates. An updated Training Academy SOP has been drafted and approved which outlines the responsibility of the Training Academy Skills Supervisor to review the list of individuals who have access to the Quarter Master System on a bi-annual basis. Additionally, the Training Academy Skills Supervisor will provide approval access to ITSD should an employee need access to the Quarter Master System.</p>					
<p>We are committed to addressing the recommendations in the audit report and the plan of actions presented above.</p> <p>4</p>					

Sincerely,



William McManus
Police Chief
SAPD

Date



Erik J. Walsh
Deputy City Manager
City Manager's Office

Date

4/7/17