

---

# **CITY OF SAN ANTONIO**

## **OFFICE OF THE CITY AUDITOR**



Follow-Up Audit of San Antonio Police Department

Armory Inventory Management

Project No. AU18-F09

January 22, 2019

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 Armory Inventory Management audit dated June 29, 2017. The objective for this follow-up audit is:

**Determine if recommendations made in the prior audit of the Armory Inventory Management Process have been effectively implemented.**

We determined that SAPD Management has established effective controls over Armory Inventory Management. SAPD has effectively implemented controls to:

- Establish policies and procedures for processes related to intake, issuing, and maintaining firearms and equipment
- Ensure physical inventories of firearms are performed by someone other than the armorer and are adequately documented
- Develop a plan to sell or destroy firearms currently being stored in the armory that were transferred from the Property & Evidence Room
- Reconcile SAPD firearms to the Property and Evidence Room
- Appropriately identify retired and separated officers
- Establish a vendor maintenance agreement and review user access to the Armory inventory management system

No findings were identified while conducting this audit. We make no recommendations to SAPD management; consequently, no management responses are required. SAPD management's acknowledgement of these results is in Appendix B on page 8.

## Table of Contents

---

Executive Summary .....	i
Background.....	1
Audit Scope and Methodology .....	2
Prior Audit Recommendations and Status .....	3
A. Armory Policies and Procedures.....	3
B. Physical Inventory of Firearms.....	3
C. Firearms Stored at the Property & Evidence Room.....	4
D. Inventory Management .....	4
E. Retired Officers.....	5
F. Quarter Master System .....	5
Appendix A – Staff Acknowledgement .....	7
Appendix B – Management Response.....	8

## Background

---

On June 29, 2017, the Office of the City Auditor completed an audit of the SAPD Armory Inventory Management process. The objective of the audit was as follows:

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

The Office of the City Auditor (OCA) concluded that inventory controls were not effective, efficient, and in accordance with relevant policies and guidelines. Our office provided recommendations to assist in providing assurance that the armory has adequate controls in place and is effectively managed.

Standard policies and procedures had not been established to direct and control the maintenance and distribution of all firearms and equipment by the Armorer. Additionally, physical inventories were insufficiently documented and SAPD firearms assigned to the Property and Evidence room were not being periodically reconciled. Further, firearm transfers from the Property and Evidence room exceeded the available storage capacity at the armory. OCA recommended developing a plan to sell or destroy excess firearms and ensure all weapons have an asset tag.

Finally, OCA recommended the Armory periodically reconcile Quarter Master personnel records with the SAPD Mainframe and SAP to identify any discrepancies in active SAPD personnel, re-establish a maintenance agreement with the software vendor, and periodically review Quarter Master user access.

SAPD management agreed with the conclusions and developed action plans to address the audit recommendations.

## Audit Scope and Methodology

---

The audit scope was limited to the recommendations and corrective action plans made in the original report for the time frame from October 2017 to October 2018.

Audit methodology included interviewing SAPD Armory and SAPD Payroll personnel to gain an understanding of newly implemented controls and processes related to armory inventory management.

We reviewed updated standard operating procedures, physical inventory documentation, correspondence memorandums, property room reconciliations, firearm destruction documentation, out-processing documentation, and user access documentation to determine the status of management action plans. In addition, we reviewed FileOnQ data related to Armory Inventory to gain an understanding of the newly implemented software and application controls.

We relied on computer-processed data in the FileOnQ system to validate inventory quantities, physical inventories, and user access. 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.

## Prior Audit Recommendations and Status

---

### A. Armory Policies and Procedures

*Prior Recommendation(s):*

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

**Status: Implemented**

SAPD Management has established Standard Operating Procedures (SOP) for the Armory which adequately address intake, issuing, and maintaining all firearms and equipment.

**Recommendations**

None.

### B. Physical Inventory of Firearms

*Prior Recommendation(s):*

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.

**Status: Implemented**

SAPD Management implemented a process in which the Training Academy Skills Supervisor performs a full inventory independent of the Armorer's inventory on a quarterly basis. In addition, the Training Academy Lieutenant performs an unannounced spot check each quarter. We obtained evidence of both quarterly inventories and verified that they were complete and accurate. We also verified that FileOnQ maintains the results of physical inventories performed.

**Recommendations**

None.

### **C. Firearms Stored at the Property and Evidence Room**

#### *Prior Recommendation(s):*

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.

#### **Status: Implemented**

SAPD Management implemented a process to reconcile SAPD firearms to the Property and Evidence Room (Property Room) inventory on a quarterly basis.

The Armorer generates a list of firearms assigned to the Property Room and sends it to the Property Room Supervisor who verifies that the firearms are indeed located in the Property Room and that the specific locations are accurate. During the audit, SAPD Management was working with the FileOnQ vendor to reconcile the two databases automatically without human intervention.

#### **Recommendations**

None

### **D. Inventory Management**

#### *Prior Recommendation(s):*

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 create 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.

#### **Status: Implemented**

SAPD Management implemented a process in which the Training Academy Skills Supervisor and Armory staff, on a bi-annual basis, identify weapons which can be purged. Since the prior audit, the Armory has destroyed 191 excess firearms. In addition, the Armory has identified which firearms have resale value and will attempt to sale or trade the firearms and destroy any remaining.

Additionally, SAPD Management installed mobile gun racks which allow for more storage space and organization. Finally, we reviewed all weapons within the

armory and determined that all weapons are appropriately labeled with an asset tag which correlates to a specific location within the FileOnQ system.

### **Recommendations**

None.

### **E. Retired Officers**

#### *Prior Recommendation(s):*

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.

#### **Status: Implemented**

In April 2018, SAPD Management implemented FileOnQ which is an asset management system which maintains personnel status as well as the location and assignments of all SAPD firearms. The Armorer no longer relies on the SAPD mainframe for personnel status. Rather, the Armorer is being notified by SAPD Payroll of personnel who have separated or retired from the department.

We verified that all separated or retired personnel were appropriately updated within the FileOnQ system. However, we noted that while the personnel status is being updated, assets can still be assigned to those former employees creating the opportunity for misappropriation of assets. During the audit, SAPD was working towards removing the ability for assets to be assigned to former employees.

### **Recommendations**

None.

### **F. Quarter Master System**

#### *Prior Recommendation(s):*

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, periodically review Quarter Master user access to verify that access is appropriately assigned to users to perform their job duties

#### **Status: Implemented**



With the transfer from the Quarter Master system to FileOnQ, SAPD established a maintenance agreement with the vendor. Additionally, a bi-annual process was implemented to review user access to FileOnQ.

The audit team verified that the current FileOnQ maintenance agreement is actively supporting the system and that SAPD plans to renew the agreement in 2019. Additionally we verified that a bi-annual FileOnQ user access review is occurring and that all 5 current users are appropriate.

### **Recommendations**

None.

## **Appendix A – Staff Acknowledgement**

---

Gabriel Treviño, CISA, Audit Manager  
Nastasha Leach, CIA, Auditor in Charge  
Sophia Konstantinidis, Auditor

## Appendix B – Management Response

---



### CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78203-3966

January 7, 2019

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

RE: Management's Acknowledgement of its Review of SAPD Armory Inventory Management Follow-Up Audit

SAPD 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 11 2019

Date

Erik Walsh  
Deputy City Manager  
City Manager's Office

1/14/19

Date