



# City of San Antonio

## Agenda Memorandum

**File Number:**18-5803

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**Agenda Item Number:** 4.

**Agenda Date:** 10/16/2018

**In Control:** Audit and Accountability Committee

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### **AUDIT COMMITTEE SUMMARY**

**October 16, 2018**

#### **Audit of SAFD Medical Supplies and Controlled Substances Inventory Management**

Report Issued October 8, 2018

### **Audit Objective**

Determine if the San Antonio Fire Department is adequately managing its medical supplies and controlled substances inventory.

### **Background**

The Services Division (Division) supports Fire Department operations through the procurement and distribution of medical supplies and drug inventory. The Division is responsible for delivering EMS and Fire medical supplies to fire personnel in the field. This Division also manages the purchasing, receiving, and warehousing of medical supplies and drug inventory. For FY2017 and FY2018, the Division expensed approximately \$3.02M and \$1.1M on medical supplies and controlled substances inventory, respectively.

The Division is under the command of a Division Chief, aided by a Supply Chain Manager and two Stock Control Supervisors. In addition, they have a crew leader and 5 stock clerks. The controlled substances are handled only by the Supply Chain Manager and stock crew leader and stored in a secured vault.

The Division carries over 40 different types of drugs in its inventory, 5 of which are controlled substances. Controlled substances are regulated by the US Drug Enforcement Agency (DEA) and Texas Department of Public Safety.

### **Audit Scope and Methodology**

The audit scope was from October 2016 through March 2018. We reviewed for appropriate segregation of duties over the purchasing of medical supplies. In addition we performed a physical inventory of medical supply items to determine agreement to SAP. We reviewed controls and proper documentation for a sample 80 units of controlled substances from purchasing through final distribution. In addition, we performed a physical inventory count of all controlled substances in the vault to determine if the inventory agreed to SAP. Finally, we reviewed the DEA Controlled Substances Registration Certificate for compliance with the DEA's Practitioner's Manual.

### **Audit Conclusions**

SAFD is adequately managing its medical supplies and controlled substances inventory. SAFD had controls in place to ensure the purchasing process for medical supplies was properly segregated. SAFD had controls

in place for the purchasing, receiving and final distribution of controlled substances as required by the DEA. In addition, physical security controls safeguarding medical supplies and controlled substances were adequate. Finally, the SAFD were in compliance with DEA controlled substance certification requirements.

However, we identified one area that needed improvement. While inventory records were accurately maintained in the subledgers, SAFD did not have accurate inventory records in SAP for the medical supplies and controlled substances.

We made recommendations to address the opportunity. Management agreed with the recommendations and developed positive corrective action plans.