



CITY OF SAN ANTONIO

P. O. BOX 839966
SAN ANTONIO, TEXAS 78283-3966

March 13, 2007

Phil Hardberger
Mayor

Roland Gutierrez
Councilman, District 3

Delicia Herrera
Councilwoman, District 6

Kevin Wolff
Councilman, District 9

Michael Bernard
City Attorney

Roger Flores
Councilman, District 1

Richard Perez
Councilman, District 4

Elena Guajardo
Councilwoman, District 7

Christopher "Chip" Haass
Councilman, District 10

William McManus
Chief of Police

Sheila McNeil
Councilwoman, District 2

Patti Radle
Councilwoman, District 5

Art Hall
Councilman, District 8

Sheryl Sculley
City Manager

Ladies and Gentlemen:

SUBJECT: San Antonio Police Department Firearm and Equipment Tracking Audit

We are pleased to send you the report and Management responses for an audit requested by Police Chief McManus of the San Antonio Police Department (SAPD) firearm and equipment tracking functions. This audit began in August 2006 and concluded with an exit conference with Chief McManus in February 2007.

The SAPD should be commended for their cooperation, assistance, and prompt responses during this audit. The SAPD Action Plan indicates full acceptance of all seven recommendations in our report.

The Internal Audit Department appreciates the opportunity to have performed this audit and is available to discuss this material with you individually at your convenience.

Respectfully submitted,

Mark S. Swann CPA, CIA, CISA
Interim City Auditor

cc: Leticia Vacek, City Clerk



CITY OF SAN ANTONIO

INTERNAL AUDIT DEPARTMENT

San Antonio Police Department Firearm and Equipment Tracking Audit



Project No. AU06-011

Issue Date: March 13, 2007

Mark Swann CPA, CIA, CISA

Mark Bigler CPA-Utah, CFE, CISA

Peter Stahley, CIA

Danny Zuniga

Table of Contents

	<u>PAGE</u>
Executive Summary	1
Introduction	
Background	2
Objectives	3
Scope	3
Criteria	3
Methodology	3
Conclusions	3
Risk Assessment Capability	4
Detailed Observations and Recommendations	
A. Firearms Tracking	5
A.1 Missing Firearms	5
A.2 Unreliable Firearm Tracking Data in PFAS and RangeMaster	5
A.3 Inadequate Firearm Tracking Systems	7
A.4 Lost/Stolen Firearms Not Properly Reported	8
A.5 Downtown Armory Poses a Health Risk	8
A.6 Downtown Armory Firearms Not Inventoried	9
B. Equipment Tracking	10
B.1 Accountability for SAPD Assets is Lacking	10
Attachments	
A Enterprise Risk Assessment Matrix	11

EXECUTIVE SUMMARY

Overview

This report is the result of a request made by the Chief of Police, soon after being hired, to review the San Antonio Police Department (SAPD) firearm and equipment tracking systems. The main objective of this audit was to determine if internal controls over firearm and equipment tracking were adequate.

This report includes background information to assist the reader in understanding SAPD firearm and equipment tracking systems and processes. The body of the report consists of observations and recommendations and is divided into two sections; Firearm Tracking and Equipment Tracking.

Results In Brief

SAPD controls over firearm and equipment tracking are inadequate. This audit has identified opportunities to improve accountability, modernize processes, enhance controls, and reduce the potential for fraud, theft, and misuse of City assets.

Our recommendations are summarized below. We commend SAPD efforts for already having implemented some of these. The Internal Audit Department believes the SAPD should:

- Perform a physical inventory of all firearms. Also, a reconciliation should be performed of firearms held in inventory to existing electronic records. (Recommendation A.1, Page 5)
- Perform an audit of all records in the Police Firearms Acquisition System (PFAS) and RangeMaster system to verify the status (i.e. whereabouts) of every firearm. Corrections should be made as necessary to ensure that any SAPD registered firearm can be located and retrieved if necessary. (Recommendation A.2, Page 6)
- Select a single system to track firearms that includes adequate security and audit trail functionality. (Recommendation A.3, Page 7)
- Perform an audit of all 144 firearms listed in the PFAS system as “Lost/Stolen,” prepare and file required internal reports, and register lost/stolen firearms in the Federal National Crime Information Center (NCIC) database as necessary. (Recommendation A.4, Page 8)
- Implement a plan to clean up the downtown Armory immediately. (Recommendation A.5, Page 8)
- Inventory all weapons in the downtown Armory, including non-duty firearms. The SAPD should transfer all weapons to the new Police Academy Armory and determine which ones are needed for duty and which ones can be disposed. Older weapons should be traded for new duty weapons or otherwise destroyed. (Recommendation A.6, Page 9)
- Implement a plan to properly enter and track assets in the City’s SAP system. This should include equipment which is currently being tracked outside of SAP on a decentralized basis. Also, the SAPD should perform a physical inventory of movable fixed assets and tracked property on an annual basis according to SAP business process requirements. (Recommendation B.1, Page 10)

Background

Armory Operations

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 2,000 officers. The Armory is also responsible for tracking firearms used by SAPD officers as duty weapons. Currently, firearm tracking is being performed in two systems; the Police Firearms Acquisition System (PFAS) and the RangeMaster system.

Police Firearms Acquisition System (PFAS)

The PFAS system is a legacy mainframe application implemented by the SAPD in March of 1993 to track firearms. The SAPD plans to phase out the use of the PFAS system in favor of the RangeMaster system as older firearms are sold and/or disposed. The PFAS database contained 5,827 firearm records as of August 2006 as shown in the table below:

Firearm Status	No. of City Owned Firearms	No. Officer Owned Firearms*	No. Firearms Converted to SAPD Use**	Total No. Firearms
Property Room	26	1	0	27
Inventory	433	13	696	1,142
Destroyed	220	3	1	224
Retirement	492	54	4	550
Lost/Stolen	136	4	4	144
Sold	1,150	17	15	1,182
Repaired	3	0	1	4
Issued	1,743	751	60	2,554
Total	4,203	843	781	5,827

*All SAPD officers are issued a Glock, Model 22 duty handgun. Officers are also allowed to carry a personally-owned handgun if: 1) their firearm is approved by the SAPD Firearms Proficiency Control Officer, 2) it is registered in PFAS, and 3) the officer has passed the SAPD firearm qualification course with the personal firearm.

**Firearms forfeited to the City by adjudication of cases against their original owners.

RangeMaster

RangeMaster is a commercial “off-the-shelf” package for recording information pertaining to firearm training. It is being used by the SAPD to track firearms and was implemented by the SAPD in 2003. The ongoing conversion of firearm data records from PFAS to RangeMaster is estimated to be 25 percent complete. Armory personnel are optimistic that the conversion process will be completed by August 2007. RangeMaster contains 2,605 records as shown below:

Firearm Status	No. Firearms
Assigned (to Officers)	859
Unassigned (Inventory)	1,746
Total	2,605

Fixed Assets and Tracked Property

According to COSA’s *Policies and Procedures for SAP-Enabled Processes*, all City Departments using SAP are expected to track their equipment in the City’s SAP system. This expectation includes the SAPD. Tracking should be performed for all assets (“moveable fixed assets”) that meet the City’s \$5,000 capitalization threshold, and for any property with a value less than \$5,000 (“tracked property”) that is deemed to be a “valuable commodity.” Also, these same SAP business procedures require City Departments to perform an annual certification, i.e. physical inventory, of all movable fixed assets and tracked property.

Objectives

The objectives of this audit were to determine if:

- Internal controls were adequate to ensure that City assets are accounted for and properly tracked.
- Firearm and equipment tracking systems have been maintained in accordance with City policies and procedures.

Scope

The scope of this audit included all firearms tracked by the SAPD as of August 23, 2006. The scope as it relates to SAPD equipment tracking was October 1, 2005 through August 31, 2006.

Criteria

This audit was based on the SAPD *Armory & Supply Unit Standard Operating Procedures (SOPs)* and the *COSA Policies & Procedures for SAP-Enabled Processes*.

Methodology

The audit methodology consisted of collecting information and documentation, conducting interviews with SAPD management and staff, observing facilities and processes, performing selected tests and other procedures, and analyzing and evaluating the results of tests performed.

The audit was performed in compliance with generally accepted government auditing standards issued by the U.S. Government Accountability Office (GAO).

Conclusion

Internal controls over SAPD firearms and equipment do not meet the City's objectives. The following observations were made during the course of the audit:

- Armory personnel could not physically locate seven City-owned firearms in a sample of 23 (about 30 percent) that were selected from the PFAS system as being held in inventory. If this ratio is representative of the entire population, about one-third (or 343) of the 1,129 City-owned firearms PFAS shows as being in inventory could potentially be missing.
- Test work performed on firearm records in PFAS suggests that the status (i.e. whereabouts) of over 1,100 firearms could be in error. Likewise, test work performed on firearms tracked in RangeMaster suggests that the status of over 1,400 firearms could be in error.
- The current process for tracking firearms is disjointed. The process requires the use of an outdated mainframe application, an inadequate firearm training/qualification software package, and various paper documents. These systems aren't connected and their use has resulted in an inefficient and ineffective process.
- SAPD Armory personnel didn't perform required procedures for two firearms which were recorded as lost/stolen in the PFAS system.
- The SAPD downtown armory poses a health risk. We found mold and mildew growing on the walls, bullet-proof vests, and paper files. This section of the SAPD building is not properly ventilated and subject to flooding during periods of rain.
- The SAPD downtown Armory contains an estimated 500 to 700 weapons that have not been inventoried. These firearms include many older smaller caliber duty weapons as well as non-duty weapons.
- The SAPD is not tracking assets in the City's SAP system as required by COSA policies. Furthermore, the SAPD has not conducted an annual certified physical inventory for "moveable fixed assets" (i.e. assets over \$5,000), or "tracked property" (assets under \$5,000).

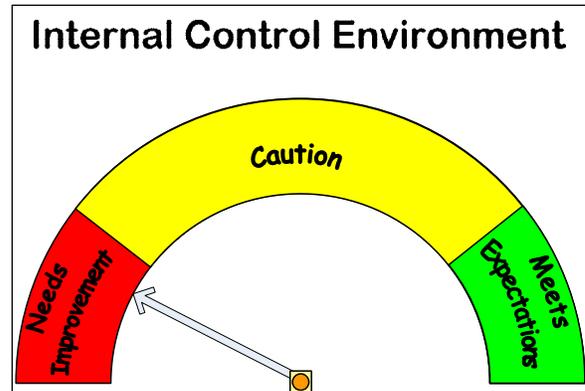
Risk Assessment Capability

In performing this audit, five risk management capabilities were considered for purposes of determining key risks to the City. The capabilities include strategies, processes, people, technology, and information. A more detailed description of the capability stages has been included as **Attachment A**. Of the five risk management capabilities, technology, processes, and people were deemed the most applicable to this audit. Each matrix is organized into five recognized capability maturity/development stages. Most entities achieve a *managed* stage while fewer achieve an *optimized* stage.

Based on the Enterprise Risk Assessment Capability Matrix included as **Attachment A**, it was determined that the SAPD **Technology Capabilities** were at the *Repeatable* stage since systems and technology are generally not interfaced and they trail the needs of the organization.

Using the Enterprise Risk Assessment Capability Matrix for **Process Capabilities**, we believe SAPD processes were at the *Repeatable* stage since some standard procedures exist. However, few performance metrics exist; consequently there is infrequent monitoring of performance.

Using the Enterprise Risk Assessment Capability Matrix for **People Capabilities**, we believe SAPD personnel were at the *Repeatable* stage since there are competent personnel in most areas; but they receive limited training and many functions tend to be under-resourced.



DETAILED OBSERVATIONS AND RECOMMENDATIONS

A. FIREARM TRACKING

A.1 Missing Firearms

Observation

Armory personnel could not physically locate seven firearms in a sample of 23 (about 30 percent) that were selected from the PFAS system as being held in inventory at the SAPD Armory. If this ratio is representative of the entire population, 343 of the 1,129 City issued firearms PFAS shows as being in inventory could potentially be missing.

In a separate test of 27 firearms that the Armory had sent to the SAPD Property and Evidence room, four of them (about 15 percent) could not be found. Records showed that the Property and Evidence Room released them back to the former SAPD Armorer, but they could not be located during our audit.

Observation

The SAPD Armory has not performed a physical inventory of firearms in its possession.

A new Armorer was hired in August, 2005. However, no inventory had been taken prior to him assuming Armorer duties. According to the SAPD Armory & Supply Unit SOP No. 104, prior to an exchange of command, the departing Armorer should ensure that his copy of the inventory listing is complete and accurate. After assuming the new duties, the incoming Armorer is supposed to verify the accuracy of the previous Armorer's inventory listing.

We could not confirm that the SAPD has ever performed a complete physical inventory of firearms.

Risk

SAPD firearms are susceptible to loss, theft and/or misuse as a result of weak inventory controls.

Recommendations

The SAPD should perform a physical inventory of all firearms, including those located in the current Armory, the old downtown SAPD Armory, and the SAPD Firing Range vault. A reconciliation should be performed of firearms actually held in inventory to PFAS records. Also, the SAPD should file the proper reports and make NCIC entries for all lost or stolen firearms, including those identified during the course of this audit.

A.2 Unreliable Firearm Tracking Data in PFAS and RangeMaster

Observation – PFAS System

Test work performed on firearm records in PFAS disclosed that the status (i.e. whereabouts) for 22 firearms in our statistical sample of 95 (about 23 percent) was in error as shown in the table below:

PFAS - Firearm Status	Number of City-Issued Firearms*	Number Tested (Sample Size)	Number In Error
Inventory	1,129	23	10
Destroyed	221	5	0
Retirement	496	5	0
Lost/Stolen	140	2	0
Sold	1,165	21	1
Repaired	4	0	0
Issued	1,803	39	11
Total	4,958	95	22

*Excludes personal weapons used by officers that are tracked in PFAS.

For the 10 errors found in our testing of “Inventory” firearms, seven relate to firearms that should have been recorded as “Lost/Stolen,” and three relate to firearms that should have been recorded as “Issued.” The “Sold” firearm should have been recorded as given to officer at “Retirement.” For the 11 errors found with “Issued” firearms, three should have been “Sold,” three should have been “Inventory,” two should have been given to officer at “Retirement,” one was issued but showed the wrong officer, one was a personal weapon not issued by the City, and one was loaned to the City and subsequently returned to the lender.

Our statistical sample of 95 was based on a confidence level of 98 percent with a 10 percent margin of error. The resulting error rate of about 23 percent projected to the entire population of 4,958 City issued firearms tracked in PFAS (excluding 27 firearms sent to the Property and Evidence Room as described in the paragraph below), suggests that the status of over 1,100 firearms ($4,958 \times 23\% = 1,140$) could be in error. **Stated another way, out of approximately 5,000 firearms, the SAPD could have difficulty locating over 1,100 of them.**

In a separate test of all 27 firearms PFAS shows as having been sent to the SAPD Property and Evidence Room, the status of five (about 19 percent) was in error. Four firearms should have been recorded as “Lost/Stolen,” and one recorded as “Issued.”

Observation – RangeMaster System

Test work performed on firearms tracked in RangeMaster disclosed that the status of 53 firearms out of a statistical sample of 95 firearms (about 56 percent) was in error as follows:

Firearm Status	Number of Firearms*	Number Tested (Sample Size)	Number In Error
Assigned to Officers	859	34	12
Unassigned Inventory	1,746	61	41
Total	2,605	95	53

*767 of these firearms are also registered in the PFAS system.

Our statistical sample of 95 was based on a confidence level of 95 percent with a 10 percent margin of error. The resulting error rate of 56 percent projected to the entire population of 2,605 City issued firearms tracked in RangeMaster, suggests that the status of over 1,400 firearms ($2,605 \times 56\% = 1,453$) could be in error.

According to Armory personnel, an overwhelming amount of administrative work associated with maintaining PFAS and RangeMaster has resulted in an eight month backlog of data entry into these systems.

Risk

The data in the PFAS and RangeMaster systems is inaccurate resulting in the SAPD being unable to account for (track) City issued firearms.

Recommendations

The SAPD should perform an audit of records in PFAS and RangeMaster to verify the status of all firearms. Corrections should be made as necessary to ensure that any SAPD registered firearm can be located and retrieved if necessary.

A.3 Inadequate Firearm Tracking Systems

Observation

The current process for tracking firearms is disjointed. The process requires the use of an outdated mainframe application, an inadequate firearm training/qualification software package, and various paper documents. These systems aren't connected and their use has resulted in an inefficient and ineffective process as evidenced by findings in this report.

The SAPD had planned to phase out PFAS in favor of the RangeMaster system. However, RangeMaster is an off-the-shelf (\$395) third-party software package designed to facilitate firearm training and qualification rather than firearm tracking. It lacks sufficient versatility, functionality, and application controls to be used for SAPD firearm tracking. We identified problems associated with the SAPD RangeMaster system as follows:

- RangeMaster allows for only two current firearm statuses; 1) "UNASSIGNED," which represents a firearm in inventory, and 2) "ASSIGNED," which represents a firearm issued to an officer. This severely limits the tracking utility of the software. At a minimum, RangeMaster should be able to facilitate other statuses such as Lost, Stolen, Destroyed, Property and Evidence Room, Sold, and Repair.
- When the Armorer enters a new ASSIGNED record, a duplicate record (keyed by serial number) of the firearm is also created with an UNASSIGNED status. The result is two records for the same firearm, one showing UNASSIGNED and one showing ASSIGNED. We noted 74 instances of this serious data integrity issue.
- RangeMaster doesn't have logging or audit trail (i.e. history file) functionality so there is no automated documentation (e.g. user ID, date, time) of record additions, changes, and deletions. Consequently, the record of a firearm's existence in the Armory for any purpose could be permanently eliminated with no audit trail whatsoever.
- RangeMaster doesn't automatically stamp new records being entered into the database with the date and time. Furthermore, there isn't even a "date" field in the firearm record to document when a firearm is entered into RangeMaster. Currently, the date of record must be entered manually into a comment field. This is also the case when a firearm's status changes from UNASSIGNED to ASSIGNED or vice versa; RangeMaster doesn't automatically record the date. This makes it almost impossible to obtain firearm data based on dates and allows for the manual manipulation of dates in the comment field.
- RangeMaster doesn't provide security roles for purposes of restricting access based on user need; its all or nothing.

Risk

Firearms are not being properly tracked under current SAPD practices rendering them susceptible to loss, theft and/or misuse. Also, the ability to effectively track firearms in RangeMaster is greatly impaired without appropriate functionality and application controls.

Recommendations

The SAPD should select a single system to track firearms. In doing so, it should determine the viability of using PFAS, RangeMaster, or an entirely new system suitable for the task. The selected solution should replace the current disjointed mainframe/RangeMaster scheme and should include adequate security and audit trail functionality.

A.4 Lost/Stolen Firearms Not Properly Reported

Observation

SAPD Armory personnel didn't perform required procedures for two firearms which were recorded as lost/stolen in the PFAS system. The SAPD General Manual requires that the loss or theft of a duty weapon be reported immediately to the Department Armorer and a supervisory officer, and that an Incident Report be filed.

Our previously mentioned sample of firearms in the PFAS system produced two test items (shotguns) with a status of "Lost/Stolen." Our compliance testing for the two shotguns revealed that the PFAS record for both shotguns referenced Incident Report 96-471236. However, this Incident Report didn't reference either shotgun, although it did reference a shotgun with a different serial number. To confirm the actual lost/stolen status of these two shotguns, we researched the Federal National Crime Information Center (NCIC) database which is used for tracking crime related information. We found that only one of the two shotguns in our sample had been reported stolen in the NCIC.

Risk

Inaccurate or incomplete lost/stolen records could be a sign of theft or misuse of firearms.

Recommendations

SAPD Armory personnel should perform required lost/stolen firearm procedures, as defined in SAPD SOPs. The SAPD should also include a procedure in the SOPs to require the registration of all lost/stolen firearms in the NCIC system. Finally, the SAPD should perform an audit of all 144 firearms listed in the PFAS system as "Lost/Stolen," file required internal reports, and register firearms in the Federal NCIC database as necessary.

A.5 Downtown Armory Poses a Health Risk

Observation

The SAPD downtown armory ("Old Armory") facility poses a health risk. A tour of the facility revealed the following:

- The odor of mold and mildew, high humidity moisture content, and stagnant air due to a lack of proper ventilation.
- Black mold spores are visible on many surfaces.
- In the closet of one of the storage rooms, there is a moldy pile of bullet proof vests approximately two feet high.
- Many water-damaged roof tiles are discolored or have fallen to the floor.
- Carpet, wooden floor pallets, and everything porous in contact with the floor is water damaged and rotting.
- The firing range and storage rooms are cluttered with damp, moldy trash, chemicals, old ammunition, spent shell casings, and supplies.
- There were no Material Safety Data Sheets (MSDSs) for any of the chemicals present as required by the Occupational Safety and Health Administration (OSHA). Users of chemicals are required to ensure that these MSDSs accompany the chemicals they purchase and that they are used and available in the workplace.

Risk

Mold produces toxic substances called mycotoxins that can cause irritations, allergic reactions, aggravated asthma, and possibly more serious health problems when inhaled. These conditions may also constitute OSHA violations and could expose the City to health related lawsuits.

Recommendations

The SAPD should implement a plan to clean up the downtown Armory immediately.

A.6 Downtown Armory Firearms Not Inventoried

Observation

The SAPD downtown Armory contains an estimated 500 to 700 weapons that have not been inventoried. These firearms include many older smaller caliber duty weapons as well as non-duty weapons.

Our tour of the downtown Armory revealed numerous weapons piled together in bins and boxes, lining the walls, and stacked on shelves. According to current Armory personnel, the former Armorer retired and left the old armory strewn with weapons everywhere; in file cabinets, on top of water pipes and ventilation ducts, behind office furniture, and piled in boxes, buckets, and bins.

Among the non-duty firearms we noted were numerous long-rifles, black-powder muskets, Thompson .45 caliber machine guns ("Tommy Guns"), double barrel shotguns, UZI submachine guns, antique "snake guns," a German World War II assault rifle, and MAC 10 submachine guns. Current Armory personnel explained that these weapons were left by the prior Armorer.

Risk

SAPD firearms are susceptible to loss, theft and/or misuse as a result of weak inventory controls. Furthermore, non-duty weapons for which no records exist, particularly antique and collectable guns with potentially high monetary values, are at great risk of theft.

Recommendations

The SAPD should inventory all weapons in the downtown Armory, including non-duty firearms. The SAPD should transfer all weapons to the new Police Academy Armory and determine which ones are needed for duty and which ones can be disposed. Non-necessary weapons should be traded for new duty weapons or otherwise destroyed.

B. EQUIPMENT TRACKING

B.1 Accountability for SAPD Assets is Lacking

Observation

The SAPD is not tracking assets in the City's SAP system as required by COSA policies. Furthermore, the SAPD has not conducted an annual certified physical inventory for moveable fixed assets (i.e. assets over \$5,000) or tracked property (assets under \$5,000).

According to COSA's *Policies and Procedures for SAP-Enabled Processes (COSA-BPR-FI)*:

- Assets which are deemed to be "valuable commodity" assets should be identified by the department purchasing the item and appropriately tracked in SAP. These assets become "tracked property" which should be accounted for annually via a physical inventory.
- Departmental "receivers" are responsible for creating tracked property master records in SAP for their own department at the time goods are received to identify property items that do not meet the City's \$5,000 capitalization threshold, but which are considered a "valuable commodity."
- An annual certification of movable fixed assets and tracked property should be conducted by each department. This process consists of conducting a physical inventory and certifying the existence and location of assets.

Risk

No accountability has been established for tracking and certifying the existence and location of SAPD assets. Consequently, assets are at risk of loss, theft and/or misuse.

Recommendations

The SAPD should implement a plan to properly enter and track assets in the City's SAP system. This should include equipment which is currently being tracked outside of SAP on a decentralized basis (e.g. by Unit and/or Detail). The SAPD should clearly define assets which should be tracked that have an individual value less than \$5,000 but are considered to be "valuable commodity" items. Furthermore, the SAPD should perform an annual physical inventory of movable fixed assets and tracked property according to SAP business process requirements.

ATTACHMENT A

ENTERPRISE RISK ASSESSMENT MATRIX

Technology Capabilities

Stage	Integration	Enhancements	Security
Ad Hoc	Limited, <i>stand-alone</i> systems and technology.	System and technology <i>enhancements</i> are rarely done unless they crash or are proven to be obsolete.	Lax to nonexistent technology infrastructure throughout the company for physical and logical <i>security</i> .
Repeatable	Viable, but <i>non-interfacing</i> systems and technology.	System and technology <i>enhancements</i> consistently trail business needs.	Limited technology infrastructure, resulting in inconsistent application of physical and logical <i>security</i> across the company.
Defined	Systems and technology are adequate to meet most of the company's current business needs, but most do not <i>interface</i> .	System and technology <i>enhancements</i> are typically reactive to business changes, but are implemented timely.	A formal technology infrastructure exists company-wide, but some physical and logical <i>security</i> exposures exist in certain areas.
Managed	Systems and technology are mostly <i>integrated</i> , effectively meeting most current business needs, and should be adequate in the near-term.	System and technology <i>enhancements</i> are planned to be proactive, and are generally implemented effectively.	A sound and formal technology infrastructure exists, and physical and logical <i>security</i> is generally effective throughout the company.
Optimized	Fully <i>integrated</i> systems and technology effectively enable the business and are generally considered a competitive advantage.	Systems and technology are <i>continuously improved</i> to maintain the competitive advantage.	A strong technology infrastructure exists, with best practice physical and logical <i>security</i> procedures operating throughout the company.

Process Capabilities

Stage	Procedures	Controls and Process Improvements	Metrics
Ad Hoc	No formal <i>procedures</i> exist.	<i>Controls</i> are either non-existent, or are primarily reactionary after a "surprise" within the company.	There are no <i>metrics</i> or monitoring of performance.
Repeatable	Some standard <i>procedures</i> exist.	Detective <i>controls</i> are relied upon throughout the company.	Few performance <i>metrics</i> exist, thus there is infrequent monitoring of performance.
Defined	<i>Procedures</i> are well documented, but are not regularly updated to reflect changing business needs.	Both preventive and detective <i>controls</i> are employed throughout the company.	Some <i>metrics</i> are used, but monitoring of performance is primarily manual.
Managed	<i>Procedures</i> and <i>controls</i> are well documented and kept current.	Best practices and benchmarking are used to <i>improve</i> process in certain areas of the company.	Many <i>metrics</i> are used, with a blend of automated and manual monitoring of performance.
Optimized	<i>Processes</i> and <i>controls</i> are continuously reviewed and <i>improved</i> .	Extensive use of best practices and benchmarking throughout the company helps to continuously <i>improve</i> processes.	Comprehensive, defined performance <i>metrics</i> exist, with extensive automated monitoring of performance employed.

ATTACHMENT A (cont'd)

ENTERPRISE RISK ASSESSMENT MATRIX

People Capabilities

Stage	Experience and Competence	Direction and Development	Authority and Accountability
Ad Hoc	<i>Inexperienced</i> personnel in most areas; no formal training programs are followed.	In most areas of the company there is little job guidance or other formal <i>direction</i> .	Vague or conflicting <i>authority and accountability</i> across business areas throughout the company.
Repeatable	Competent personnel in most areas; limited training; many functions tend to be under or over-resourced.	Some understanding of the basic job requirements in most areas, but still not much formal direction from management.	Lack of clear authority and accountability across business areas throughout the company.
Defined	<i>Experienced</i> personnel in most areas, but limited bench strength.	Job responsibilities and skill requirements are defined for all areas, but career <i>development</i> focus is lacking.	<i>Authority and accountability</i> are defined across the company, but not broadly or consistently understood by all affected areas.
Managed	<i>Strong</i> team in place with adequate bench strength in most areas.	A formal <i>development</i> program exists company-wide, with focus on both enhancing existing skills and developing new skills.	Clear articulation of <i>authority and accountability</i> , and consistent understanding among all affected areas.
Optimized	Formal succession planning and integrated resourcing program ensure <i>multiple sourcing options</i> for all key positions throughout the company.	Cross-training programs provide <i>job enrichment</i> opportunities for all employees and <i>multiple sourcing options</i> for all key positions.	A culture of empowerment engages employees throughout the company in exercising the <i>authority and accountability</i> they have been granted.

Source: Auditor's Risk Management Guide: Integrating Auditing and ERM by Paul J. Sobel, CPA, CIA

CITY OF SAN ANTONIO

P. O. BOX 839966
SAN ANTONIO TEXAS 78283-3966

March 7, 2007

City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for the SAPD Firearm & Equipment Tracking Audit

On October 31, 2006 Chief William McManus requested that the City Auditor review the status of all firearms recorded in inventory or possessed by the San Antonio Police Department. On February 1, 2007, Internal Audit Department Project #AUD6-011 was completed and forwarded to the Chief of Police.

City Management and the San Antonio Police Department have reviewed the audit report and have developed Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Partially Accept, Decline	Responsible Person's Name/Title	Completion Date
Detail Report					
A.1	Armory personnel could not physically locate seven City-owned firearms in a sample of 23 (about 30 percent) that were selected from the PFAS system as being held in inventory. If this ratio is representative of the entire population, about one-third (or 343) of the 1,129 City-owned firearms PFAS shows as being in inventory could potentially be missing.	5			
	The SAPD should perform a physical inventory of all firearms, including those located in the current Armory, the old downtown SAPD Armory, and the SAPD Firing Range vault. A reconciliation should be performed of firearms actually held in inventory to PFAS records. Also, the SAPD should file the proper reports and make NCIC entries for all lost or stolen firearms, including those identified during the course of this audit.		Accept	Capt. Birney	April 01, 2007

Action plan: *The SAPD should perform a physical inventory of all firearms, including those located in the current Armory, the old downtown SAPD Armory, and the SAPD Firing Range Vault:* Effective 02-09-07 all non-active firearms have been cataloged in accordance with ATF regulations. Additionally all non-active firearms have been tagged, coded, and placed in individually marked boxes for rapid location and identification. The ATF styled catalog in the following categories: Date, Make, Model, Caliber, Serial #, Origin, Prop. Rm. PFAS: NCIC/TCIC, RangeMaster.

A reconciliation should be performed of firearms actually held in inventory to PFAS records. The City Auditors broke down the Department PFAS list into the following categories: Repair, Property Room, Sold, Issued, Retired, Destroyed, In Inventory, Lost / Stolen. With the completion of the non-active firearm inventory we have now been able to begin the process of reconciliation. With the soon to be completed up-grading of the RangeMaster software (discussed below) the process of reconciliation of non-active firearms should begin no later than 02-23-07.

The SAPD should file the proper reports and make NCIC entries for all lost or stolen firearms, including those identified during the course of this audit. This category reflects our highest priority of record reconciliation. 144 weapons were identified and fell into this category. Beginning 02-18-07, two detectives from the department's Applicant Processing staff were placed on special assignment to the Training Academy Armory with specific instructions to reconcile the status of each of each of the 144 weapons. By March 5, 2007, each of the 144 guns had been accounted for. 133 were found to have been previously reported stolen and were correctly entered into TCIC/NCIC and PPGI. 4 were located in the police property room having been recovered previously. One had been previously recovered and was located in the police armory. One was lost in a boating accident, one was lost by a now deceased officer, one had been recovered stolen and later was sold during a weapon replacement and the record never updated, one had an inaccurate serial number listed and was not stolen or lost, one was found in the inventory of the SAPD armory, and the final one was reported lost by a SAPD officer who paid for the weapon, then later found it and maintained possession of it.

Additional: All active firearms are categorized in accordance with ATF guidelines. While the RangeMaster software was not designed for the purpose of addressing certain identified issues it is being manipulated to address the tracking of active duty officers, retired officers, active duty issued guns, and active guns in inventory. Working closely with the departments information systems specialist and RangeMaster programmers other recommended categories will included. Departmental systems specialists are in the process of completing an officer inspection program which will reconcile each piece of assigned weaponry as well as all other equipment assigned to an individual officer (e.g. tazers, body armor, radios, handcuffs, etc). Beta testing of this program is set to begin at the West police substation on March 7, 2007. The program will only cross-reference the QuarterMaster system. All substations are targeted to be on-line no later than 04-01-07.

A.2	<p>Test work performed on firearm records in PFAS suggests that the status (i.e. whereabouts) of over 1,100 firearms is in error. Likewise, test work performed on firearms tracked in RangeMaster suggests that the status of over 1,400 firearms is in error.</p>	6			
	<p>The SAPD should perform an audit of records in PFAS and RangeMaster to verify the status of all firearms. Corrections should be made as necessary to ensure that any SAPD registered firearm can be located and retrieved if necessary.</p>		Accept	Capt. Birney	April 01, 2007
<p>Action plan: The SAPD should perform an audit of records in PFAS and RangeMaster to verify the status of all firearms. In order to accomplish this task it was first necessary to complete an inventory of all non-active firearms. This has been accomplished. Next it may be necessary to verify the accuracy and dependability the newly developed active duty inventory program currently being beta tested.. SAPD Academy personnel are in the process of entering the available weapon inventories and other inventories into the QuarterMaster system. This information will then be ported to an internally developed web based lookup system for individual officer inspections, to take place on or before April 1, 2007. At these inspections each piece of officer issued equipment will be justified against the available data and the official inventory record will either be accepted or noted for modification. Additionally officers will be required to sign this inventory record sheet. The QuarterMaster system will then be justified post inspection and will become the official database of record to track assigned weapons and equipment.</p> <p>Note: Although RangeMaster records referenced by the City Auditors were reviewed during the audit, it has been determined that using RangeMaster software to track weapon inventory may not represent the best course of action. Internal Staff have suggested utilizing the QuarterMaster software as an alternative since it will track weapons and all other officer issued equipment. RangeMaster's unique intended purpose is to track individual officer weapon qualifications.</p> <p>Corrections should be made as necessary to ensure that any SAPD registered firearm can be located and retrieved if necessary. Utilizing the QuarterMaster Software will allow SAPD command the ability to track all issued equipment including weapons on an officer by officer basis. Neither the antiquated PFAS system nor the RangeMaster system is capable of performing this function adequately. Furthermore, utilizing the web based inventory lookup systems will not only allow supervisors to conduct inspections but will also provide accurate and timely weapons tracking.</p>					
A.3	<p>The current process for tracking firearms is disjointed. The process requires the use of an outdated mainframe application, an inadequate firearm training/qualification software package, and various paper documents. These systems aren't connected and their use has resulted in an inefficient and ineffective process filled with errors.</p>	7			
	<p>The SAPD should select a single system to track firearms. In doing so, it should determine the viability of using PFAS, RangeMaster, or an entirely new system suitable for firearm tracking. The system selected should replace the current disjointed mainframe/RangeMaster solution and should include adequate security and audit trail functionality.</p>		Accept	Capt. Birney	April/May 2007

	<p>Action plan: <i>The SAPD should select a single system to track firearms. In doing so, it should determine the viability of using PFAS, RangeMaster, or an entirely new system suitable for firearm tracking. As mentioned above it may be a mistake to scrap PFAS, Quartermaster, or RangeMaster in favor of a new system(s) at this time. Each of the currently used systems contains needed and positive information that should be mined and become part of any new direction.</i></p> <p><i>The system selected should replace the current disjointed mainframe/RangeMasater solution and should include adequate security and audit trail functionality.</i> RangeMaster has already been manipulated to contain the city recommended categories of record keeping as recommended by auditors. We continue to work with RangeMaster software personnel and GIS In redesigning and expanding RangeMaster capabilities. It appears at this time that PFAS will not meet our needs and after retrieving all available positive information the program will be phased out.</p> <p>A department specific software program will be finalized and on-line no later than 03-17-07. No later than April 1, 2007 the active duty on line inspection process will ensure that any SAPD registered firearm can be located and retrieved.</p>				
A.4	<p>SAPD Armory personnel didn't perform required procedures for two firearms which were recorded as lost/stolen in the PFAS system.</p>	8			
	<p>SAPD Armory personnel should perform required lost/stolen firearm procedures, as defined in SAPD SOPs. The SAPD should also include a procedure in the SOPs to require the registration of all lost/stolen firearms in the NCIC system. Finally, the SAPD should perform an audit of all 144 firearms listed in the PFAS system as "Lost/Stolen," file required internal reports, and register firearms in the Federal NCIC database as necessary.</p>			Accept	Capt. Birney April 1, 2007
	<p>Action plan: <i>SAPD Armory personnel should perform required lost/stolen firearm procedures, as defined in SAPD SOP's.</i> Over the last several months the state of armory personnel has been in flux. It is anticipated that a new civilian armory head will be on line no later than 03-15-07. In addition effective 02-07-07, the SAPD Academy Ranger Master was moved into a newly created position whose responsibilities encompass Armory oversight. With this change continuity of responsibility (including performance of lost/stolen firearms) will be maintained in the event of personnel changes.</p> <p>Note: Officers equipment will need to be entered in a timely manner to facilitate the web based inventory lookup systems. QuarterMaster software must utilize officers unique PIN number as a key identifier not the badge number. Reason being badge numbers are often recycled within rank and are changed during promotions.</p> <p><i>The SAPD should also include a procedure in the SOP's to require the registration of all lost/stolen firearms in the NCIC system.</i> The Academy SOP's as they relate to the Armory are currently being updated. The updated version will be available no later that April 1, 2007.</p> <p><i>The SAPD should perform an audit of all 144 firearms listed in the PFAS system as "Lost/Stolen", file required internal reports, and register firearms in the Federal NCIC database as necessary.</i></p> <p>As mention earlier, this category reflects our highest priority of record reconciliation. It also has the potential of being the most time consuming. Beginning 02-17-07, two detectives from the department's applicant processing staff will be placed on special assignment to the Training Academy Armory with specific instructions to reconcile the status of each of the 144 weapons. Currently no authorization exists for Armory personnel to access and make changes in TCIC/NCIC as this procedure is normally processed by individuals holding the rank of detective investigator. It is difficult to speculate on a completion date however it will be no later than 04-01-07.</p>				

A.5	<p>The SAPD downtown armory poses a health risk. We found mold and mildew growing on the walls, bullet-proof vests, and paper files. This section of the SAPD building is not properly ventilated and subject to flooding during periods of rain.</p>	8			
	<p>The SAPD should implement a plan to clean up the downtown Armory immediately</p>		Accept and Completed		
<p>Action plan: <i>The SAPD should implement a plan to clean up the downtown Armory immediately.</i> This has been accomplished. The downtown armory no longer exists the space has been cleaned, remodeled, and converted to office space for other units. Work still needs to be done in reference to the clean up as it applies to the downtown basement firing range. This responsibility has been forwarded to Capt. William C. Smith in SAPD Resource Management.</p>					
A.6	<p>The SAPD downtown Armory contains an estimated 500 to 700 weapons that have not been inventoried. These firearms include many older smaller caliber duty weapons as well as non-duty weapons.</p>	9			
	<p>The SAPD should inventory all weapons in the downtown Armory, including non-duty firearms. The SAPD should transfer all weapons to the new Police Academy Armory and determine which ones are needed for duty and which ones can be disposed. Weapons should be traded for new duty weapons or otherwise destroyed.</p>		Accept	Capt. Birney	Accomplished
<p>Action plan: <i>The SAPD should inventory all weapons in the downtown Armory, including non-duty firearms.</i> All weapons removed from the downtown Armory have been cataloged according to ATF regulations and individually placed in descriptive boxes for ease of location.</p> <p>The SAPD should transfer all weapons to the new Police Academy Armory and determine which ones are needed for duty and which ones can be disposed. All non-active weapons have been transferred to the Police Academy Armory. Additionally they have been cataloged and properly recorded. Once the status of all armory weapons have been determined including all NCIC/TCIC checks and the status of the all assumed missing weapons has been determined a final decision will be made on which weapons are needed for duty and which ones can be traded, or destroyed.</p>					

B.1	The SAPD is not tracking assets in the City's SAP system as required by COSA policies. Furthermore, the SAPD has not conducted an annual certified physical inventory for "moveable fixed assets" (i.e. assets over \$5,000), or "tracked property" (assets under \$5,000).	10			
	The SAPD should implement a plan to properly enter and track assets in the City's SAP system. This should include equipment which is currently being tracked outside of SAP on a decentralized basis (e.g. by Unit and/or Detail). The SAPD should clearly define assets which should be tracked that have an individual value less than \$5,000 but are considered to be "valuable commodity" items. Furthermore, the SAPD should perform an annual physical inventory of movable fixed assets and tracked property according to SAP business process requirements.		Accept	Capt. William C. Smith	Dec 2007
<p>Action plan: <i>The SAPD should implement a plan to properly enter and track assets in the City's SAP system. This should include equipment which is currently being tracked outside of SAP on a decentralized basis.</i></p> <p>Currently utilizing the SAP system to track this critical inventory presents several problems, including: training staff to use the system, accessibility / portability and the ability to keep each and every officer accountable for their equipment via a written signature. Due to the immediate needs of the department, migrating to a SAP based system will have to be explored as a long term solution.</p> <p>The SAPD should clearly define assets which should be tracked that have an individual value less than \$5,000 but are considered to be 'valuable commodity' items.</p> <p>Again, because of the aggressive timeline associated with this response, solutions that utilize SAP will be explored as a viable long term solution.</p> <p>The SAPD should perform an annual physical inventory of movable fixed assets and tracked property according to SAP business process requirements.</p> <p>Internal staff will begin to examine the SAP business process requirements and determine how to best implement these in the future.</p>					

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,


 William McManus
 Chief of Police