
CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR



Follow-Up Audit of San Antonio Police Department

Alarm Permits

Project No. AU22-F05

September 22, 2022

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 San Antonio Police Department (SAPD) Alarm Permits audit dated January 22, 2021. The objective for this follow-up audit is:

Determine if audit recommendations made in the prior audit of SAPD Alarm Permits have been effectively implemented.

We determined that the SAPD Alarms Unit has successfully implemented adequate controls to address all prior audit recommendations.

The Alarms Unit makes regular deposits in accordance with an approved variance to COSA Administrative Directive (AD) 8.1 - Cash Handling.

Additionally, the SAPD is following a new Standard Operating Procedure (SOP) that requires monitoring and tracking outstanding alarm permit receivables with a monthly False Alarm Management System (FAMS) aging report. The aging report is utilized to identify and monitor outstanding receivables, customers/permit holders that are delinquent on false alarm fees, and repeat offenders.

Lastly, user access to the SharePoint drive is appropriate and SAPD is following a newly created self-audit SOP that requires a FAMS access report to be run quarterly and reviewed to ensure user access is appropriate.

There were no audit findings identified in this audit and we make no recommendations. Consequently, no management responses are required. SAPD management's acknowledgement of these results is in Appendix B on page 6.

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Background

On January 22, 2021, the Office of the City Auditor completed an audit of San Antonio Police Department Alarm Permits. The objective of the audit was as follows:

Determine if Alarm Permit issuance, monitoring, and revenues are appropriately managed.

The Office of the City Auditor concluded that the SAPD Alarms Unit properly processed and recorded the collection of alarm permit applications. However, we determined that they lacked controls for the monitoring and effective management and collection of outstanding receivables. Additionally, the Alarms Unit did not have adequate controls for cash handling and enforcement of penalties for excessive false alarm notifications. Lastly, user access to the department shared drive was excessive and password requirements to the False Alarm Management System (FAMS) were not in compliance with City AD 7.3A - Data Security.

SAPD Alarms Unit 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 audit report for the time frame April 1, 2021 to March 31, 2022.

We interviewed key SAPD Alarms Unit personnel to gain an understanding of Alarm Permits controls implemented after the completion of the prior audit. Testing criteria included City Administrative Directives and the National Institute of Standards and Technology (NIST) 800-53.

We assessed internal controls relevant to the audit objective. This included a review of their policies and procedures (SOP), self-audit SOP, user access, cash handling, and false alarm payment processing controls.

We relied on computer-processed data in the False Alarm Management System (FAMS) to validate the alarm fee receivables aging report. 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 verifying the aging report is utilized to monitor and identify outstanding receivables, customers/permit holders that are delinquent paying false alarm fees, and repeat offenders. 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. Outstanding Alarm Collections

Prior Recommendation:

SAPD Alarms Management should establish and implement controls for the effective monitoring and accurate identification of outstanding receivables to increase permit collections and alarm permit compliance.

Status: Implemented

SAPD follows a newly implemented SOP that requires monitoring and tracking outstanding alarm permit receivables with a monthly FAMS aging report.

Recommendations

None.

B. Cash Handling

Prior Recommendation:

SAPD Alarms Management should establish and implement controls to ensure the timely and independent verification of deposits. Additionally, establish controls to ensure the adequate safeguarding of cash and cash equivalents.

Status: Implemented

SAPD requested that mail (including deposits) not be required to be opened immediately but be held until staff has sufficient time to open and process it. Due to limited staff and high volumes of mail at times, SAPD received a variance to AD 8.1 from the Finance Department allowing them to extend the deposit requirement from 24 hours to 48 hours. SAPD has been making deposits within the 48-hour time allowance. Additionally, the SAPD Alarms Unit has safe combination controls in place that comply with COSA AD 8.1.

Recommendations

None.

C. False Alarm Enforcement

Prior Recommendation:

SAPD Alarms Management should develop a formalized process and implement monitoring controls to ensure excessive false alarms are consistently identified, monitored, and enforced.

Status: Implemented

False alarm notifications are being issued. Current Alarms Unit procedures require false alarm fees be consistently identified, monitored, and enforced. An aging report is utilized to monitor and identify outstanding receivables, customers/permit holders that are delinquent on false alarm fees, and repeat offenders. The report is run once a month and is provided to the Administrative Services and Alarms Investigation Supervisor for review and action.

Recommendations

None.

D. User Access

Prior Recommendation:

SAPD Alarms Management should remove unauthorized users from the department shared drive. Additionally, develop and implement monitoring controls to ensure access to the department shared drive is based on the principle of least privilege and restricted to authorized users.

Status: Implemented

The Alarm Office has moved away from the network share drive and has established a new SharePoint drive which we determined access to be appropriate. An SOP was created to require tracking and reviewing SharePoint drive user access quarterly to ensure that only authorized users have access.

The vendor ORION provides FAMS to the Alarms Unit. The Alarms Unit explained that FAMS doesn't have any built-in password requirements and stated ORION is not capable of providing it. However, the Alarms Unit has created a self-audit SOP requiring a FAMS access report be run quarterly and reviewed to ensure user access is appropriate.


Recommendations

None.

Appendix A – Staff Acknowledgement

Mark Bigler, CPA-Utah, CISA, CFE, Audit Manager
Doug Francis, CIA, Auditor in Charge
Javier Castillo, IT Auditor

Appendix B – Management Acknowledgement



CITY OF SAN ANTONIO
SAN ANTONIO TEXAS 78283-3966

August 11, 2022

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

RE: Management's Acknowledgement of its Review of SAPD Alarm Permits Follow-Up Audit

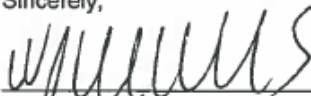
San Antonio Police Department has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.

San Antonio Police Department:


Fully Agrees

Does Not Agree (provide detailed comments)

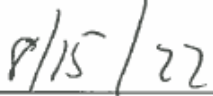
Sincerely,



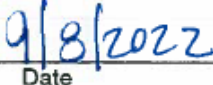
William McManus
Chief of Police
San Antonio Police Department



Maria Villagomez
Deputy City Manager
City Manager's Office



Date



Date