
CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR



Audit of San Antonio Fire Department
Medical Supplies & Controlled Substances Inventory Management

Project No. AU23-017

June 12, 2023

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the San Antonio Fire Department (SAFD), specifically medical supplies and controlled substances inventory management. The audit objectives, conclusions, and recommendations follow:

Determine if the San Antonio Fire Department is adequately managing its medical supplies and drug inventories.

The medical supplies and drug inventories are adequately managed by the San Antonio Fire Department. SAFD has effective procedures that ensure medical supplies and controlled substances are properly purchased, received, and stored. SAFD also has effective controls that ensure controlled substances are properly tracked from purchase to usage.

In addition, SAFD has effective procedures and controls to ensure the overall physical security of the inventory, specifically physical access to the medical supplies storage room and to the controlled substances vault. Also, camera systems are in use and functioning properly.

We make no recommendations to the San Antonio Fire Department; consequently, no management responses are required. Management's Acknowledgement of these results is in Appendix B on page 5.

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Background

The mission statement of the San Antonio Fire Department (SAFD) is to provide the highest level of professional service to the public by protecting lives, property, and the environment. The Administrative Services Division of SAFD is comprised of four divisions, and the largest component is the Logistics and Services Division. This division is responsible for the procurement and distribution of supplies and materials necessary for day-to-day functions.

One of the groups within the Logistics and Services Division is the Supply/Logistics Group. This group is responsible for delivering EMS and Fire supplies to fire personnel in the field and to fire stations each day. This group also manages the purchasing, receiving, and storing of medical supplies and controlled substances. Once inventory is received, the inventory of medical supplies is tracked in SAP, and the inventory of controlled substances is tracked manually.

The Supply/Logistics Group manages an inventory of approximately 200 different medical supplies and 25 different medications at the SAFD Service Station. Of these 25 medications, 8 medications are classified as controlled substances.

The Supply/Logistics Group is comprised of a Supply Chain Manager, a Stock Control Supervisor, a Stock Crew Leader, and 4 Stock Clerks. The Stock Control Supervisor orders the inventory needed, the Stock Crew Leader receives the controlled substances, and the Stock Clerks receive and distribute the medical supplies and issue the controlled substances. Lastly, the Supply Chain Manager oversees the day-to-day operation.

The Drug Enforcement Administration (DEA) is the lead Federal agency that enforces the laws and regulations for the purchase, storage, and distribution of controlled substances as detailed by the Controlled Substance Act. The DEA has specific requirements on who is authorized to purchase controlled substances, the levels of security for their storage, and how they should be recorded and tracked as their location changes up until usage or disposal. SAFD must maintain detailed records of these requirements to show their department is complying with DEA regulations. Non-compliance with any of these regulations may be seen as negatively affecting public health and safety, and this may result in the suspension or revocation of the DEA Registration (License).

Audit Scope and Methodology

The audit scope included all documents and systems used to track and secure medical supplies and controlled substances from purchase to usage/disposal for FY 2021 through April 30, 2023.

We interviewed SAFD staff to obtain an understanding of the procedures for ordering, receiving, and distributing medical supplies and controlled substances, how this inventory is tracked and secured, and the DEA requirements that govern these procedures.

We reviewed inventory purchase orders to determine if adequate controls exist for ordering and receiving medical supplies and controlled substances. Additionally, we conducted physical inventories to determine if inventory records are accurate, if controlled substances are adequately labeled, and if expired controlled substances are properly identified and removed from stock. We also reviewed inventory issue logs to verify controlled substances are tracked from purchase to usage/disposal.

Furthermore, we tested 10 Medic Units to confirm the controlled substances on board are properly secured. Badge access reports were reviewed to verify access to the inventory storage area and the controlled substances vault are appropriate. Lastly, we tested the vault alarm and the facility's security cameras to verify they are functioning and recording properly.

We assessed internal controls relevant to the audit objective. This included a review of the SAFD Controlled Substances Medications Policy and process flow charts illustrating the purchasing, receiving, storing, and distribution of medical supplies and controlled substances.

We relied on computer-processed data in SAP to validate the existence and accuracy of inventory purchase orders. 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 reviewing the inventory items and their quantities listed on the purchase orders. 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

SAFD has effective procedures that ensure inventories of medical supplies and controlled substances are properly purchased, received, and stored. SAFD also has effective controls that ensure controlled substances are properly tracked from purchase to usage.

We reviewed a sample of 25 purchase orders of medical supplies and 4 purchase orders of controlled substances and determined sufficient controls exist for ordering and receiving these inventories. Additionally, we conducted physical inventories for a sample of 25 medical supplies and all controlled substances stored at the Service Center and determined the inventory records were accurate, controlled substances were properly labeled, and controlled substances were not expired. Also, we tested the controlled substances inside a sample of 10 Medic Units and determined the controlled substances were properly secured inside the medical vaults. Inventory issue logs were also reviewed for these controlled substances inside the Medic Unit, and we determined that the controlled substances were adequately tracked from purchase through usage.


Lastly, SAFD has effective procedures to ensure access to the medical supplies storage room and the controlled substances vault is appropriate, monitored, and recorded.

We reviewed key access and badge access to inventory areas for the Supply/Logistics Group and determined key access and badge access were appropriate. Furthermore, we tested the alarm monitoring the controlled substances vault and determined it was working properly. Finally, we tested the security cameras of the Service Center and determined the cameras were functioning properly, recording in real time, and properly storing camera footage from 10 business days prior.

Appendix A – Staff Acknowledgement

Buddy Vargas, CPA, CIA, CFE, Audit Manager
Michael Gutierrez, Auditor in Charge
Megan Dodd, Auditor
Sabrina Saldaña, Auditor
Rudy Carrasco, Auditor

Appendix B – Management Acknowledgement



CITY OF SAN ANTONIO
SAN ANTONIO TEXAS 78283-3966

May 24, 2023

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


RE: Management's Acknowledgement of its Review of San Antonio Fire Department Medical Supplies & Controlled Substances Inventory Management

The San Antonio Fire 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.

The San Antonio Fire Department:

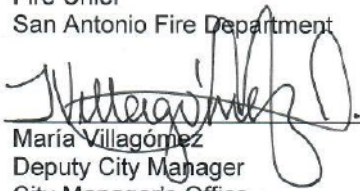
Fully Agrees

Does Not Agree (provide detailed comments)

Sincerely, 

Charles Hood
Fire Chief
San Antonio Fire Department

Date 5/31/23



María Villagómez
Deputy City Manager
City Manager's Office

Date 6/5/2023