
CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR



Audit of San Antonio Fire Department

Hazardous Material Inspections

Project No. AU22-019

September 8, 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 the hazardous material (HazMat) inspection program. The audit objectives, conclusions, and recommendations follow:

Determine if controls over SAFD’s HazMat inspection program are adequate to ensure appropriate and timely inspections.

Controls over SAFD’s HazMat inspection program are working to ensure previously identified HazMat facilities are subject to inspection. Additionally, SAFD staff have received necessary training. Furthermore, user access to permit data in the online permitting system (Accela) is appropriate.

However, the audit team identified areas in which controls could be improved over facility identification, re-inspections, permit fee billing, and Accela system data. Roles and responsibilities performed by SAFD and Development Services Department (DSD) divisions involved in the HazMat facility identification process are not formally defined or adhered to. Notice of violations are not consistently issued, and facilities are not consistently subject to re-inspection. HazMat permit holders were billed inaccurately and reconciliations are not performed between Accela and SAP for HazMat revenue. Lastly, Accela system issues reported by SAFD remain unresolved due to incorrect and/or missing permit holder data.

We provided recommendations to management to strengthen controls and resolve identified issues.

SAFD Management agreed with the audit findings and has developed positive action plans to address them. Management’s verbatim response is in Appendix C on page 10.

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Background

SAFD's Fire Prevention Division, under direction of the Fire Marshal, provides a fire-safe environment for the citizens of San Antonio by ensuring facilities are compliant with the 2018 International Fire Code (IFC), National Fire Prevention Association (NFPA) Standards, and Fire Prevention Code Amendments through inspections and permitting.

The SAFD Fire Prevention Division maintains a HazMat inspection program consisting of approximately 4,000 facilities. The program is managed by one HazMat Fire Captain, one HazMat Fire Lieutenant and two HazMat Fire Inspectors. Any facility within the City of San Antonio using, storing, or disposing of hazardous materials weighing over 100 pounds is subject to inspection.

HazMat facilities are identified through the Certificate of Occupancy (COO) application process by the DSD Plan Review Division. If hazardous material is confirmed onsite, the facility must acquire a HazMat permit to receive routine inspections. Facilities are then assigned a priority classification, ranging from marginally to highly hazardous, determining the frequency of subsequent inspections (once every one, two, or three years).

In November 2020, DSD initiated the system transition from Hansen to Accela as the City's online permitting system, eventually replacing HazMat permit fee billing through SAP. However, system transition issues caused a substantial amount of HazMat permit fees to remain billed out of SAP instead of Accela until November 2022. A summary of annual permit rates for FY 2023 is listed at **Appendix A**. Fees are applied based upon the maximum quantity of HazMat present at any time during the preceding year and are due on an annual basis.

Table 1 – Hazardous Material Permit Revenues

FY	HazMat Permit Revenue
2021	\$1,612,633.93
2022	\$1,576,473.34

Source: SAP

Audit Scope and Methodology

The audit scope included HazMat facility inspections, required training, permit fee billing and collection, and reported Accela issues for FY 2021 through 2023.

We interviewed staff from SAFD Fire Prevention and Fiscal, to gain an understanding of processes pertaining to permitting, inspections, and permit fee billing and collection. Additionally, we interviewed DSD Support Division staff to understand the resolution process for reported Accela issues and Accela user access procedures. Testing criteria included the IFC, NFPA Standards, Fire Prevention Code Amendments, and relevant City Administrative Directives (AD).

We assessed internal controls relevant to the audit objective. This included a review of SAFD policies and procedures and Accela system reports. In addition, as part of our testing procedures we examined the following areas:

We reviewed SAFD Fire Prevention and Fiscal training requirements which included a Texas Commission on Fire Protection (TCFP) approved training program and cash handling training required by City AD 8.1 Cash Handling.

We reviewed the 2021 Tier II Chemical Report¹ in addition to COO applications/permits to determine if the HazMat Inspection Team is identifying facilities storing hazardous materials. Furthermore, we reviewed data in Accela to determine if existing permitted facilities were inspected according to priority classification assignment and if HazMat inspections were performed according to IFC and NFPA Standards. Lastly, we confirmed permit fees were billed in accordance with established rates.

We relied on computer-processed data in SAP and Accela to validate facility inspections and permit fee billing. 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 confirming if inspections were adequately performed and permit fees were accurate. Additionally, we performed a limited user access review for users with access to Accela. We do not believe 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

¹ This report is released annually by the Texas Commission on Environmental Quality and provides information about Texas facilities, their hazardous chemicals, and emergency contacts.

evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results and Recommendations

Facilities captured in the HazMat inspection program are being inspected within the appropriate timeframe and are in accordance with standards. We reviewed 40 HazMat permit records in Accela and confirmed they were inspected within the applicable priority classification timeframe. We also determined that inspection results are being sufficiently documented.

In addition, SAFD Fire Prevention and Fiscal staff have received necessary training to adequately perform inspections and collect permit fees. We reviewed training records for the four SAFD Fire Prevention staff performing HazMat inspections and determined training and continuing education met TCFP requirements. Furthermore, we confirmed the three SAFD Fiscal staff handling HazMat fees received training required by City AD 8.1 Cash Handling.

In addition, user access to HazMat permit data in the online permitting system (Accela) is appropriate. We reviewed 7 employees with HazMat inspection roles and determined user access permissions in Accela are appropriate.

However, the audit team identified areas in which controls could be improved as noted below.

A. Facility Identification

Roles and responsibilities performed by SAFD and DSD divisions involved in the HazMat facility identification process are not formally defined or adhered to.

For example, the DSD Fire Protection Engineer and SAFD Fire Inspectors may notify the SAFD HazMat Inspection Team when they come across facilities that may potentially be storing hazardous materials as part of their general inspection process for COO issuance. However, their involvement in the identification of potential HazMat facilities is not formally specified in policies and procedures to determine whether facilities may be subject to inspection.

Additionally, a review is not performed to confirm facilities identified in the State Tier II Chemical Report have been identified as HazMat facilities by SAFD and are subject to inspection.

As a best practice, policies and procedures should be updated and periodically reviewed to reflect current processes. Updated policies and procedures reduce the risk of inconsistencies in program execution. Furthermore, without a periodic

review of the Tier II Chemical Report, facilities may remain unidentified and therefore, noncompliant with the HazMat inspection program.

Recommendation

The SAFD Fire Chief ensure policies and procedures are updated and formally define responsibilities of SAFD and DSD divisions involved in facility identification. In addition, periodically review the Tier II Chemical Report to identify potential HazMat facilities within the City limits.

B. Facility Re-Inspections

Notice of violations (where applicable) are not consistently issued and facilities are not consistently subjected to re-inspection.

We obtained a sample of 25 inspections and determined 8 of 25 facilities should have been issued a notice of violation for failed inspections or the inability to perform an inspection due to lack of access to the premise. Additionally, 4 of 25 facilities were not re-inspected after failing an inspection. Per the IFC, a notice of violation should be mailed to unattended facilities by certified mail and re-inspections should occur for facilities that have failed a recent inspection.

Lastly, re-inspections are not performed in a timely manner. We determined in instances where re-inspections were performed, they occurred between 29-848 days after the initial, failed inspection. Existing policies and procedures do not specify a re-inspection timeframe.

Recommendation

The SAFD Fire Chief ensure issuance of notice of violations to facilities and establish a re-inspection timeframe.

C. Billing Inaccuracies

HazMat permit holders were billed inaccurately and reconciliations are not performed between Accela and SAP, the City's financial reporting system.

We reviewed a sample of 40 permit holders and determined:

- 5 of 40 were not billed for FY 23 HazMat permits,
- 1 of 40 was billed the incorrect HazMat permit fee amount, and
- 1 of 40 was billed although hazardous material was not found at the facility.

HazMat permit fees are assigned based on hazardous material weight and must be paid annually to comply with the HazMat inspection program. Currently, periodic reviews to ensure HazMat permit fees are accurate are not being performed.

Additionally, a reconciliation over permit fee revenue between Accela and SAP is not performed as required by AD 8.4 Financial Management of Accounts Receivable.

If fees billed are not reviewed for accuracy and reconciliations are not performed, revenue losses (or inaccuracies) may be experienced.

Recommendation

The SAFD Fire Chief ensure HazMat permit fees are reviewed for accuracy (at least on a sample basis) and perform reconciliations between Accela and SAP.

D. Accela Issues

Accela system issues reported by SAFD remain unresolved due to incorrect and/or missing HazMat permit holder data in Accela.

We reviewed 8 issues reported to DSD and determined 5 of 8 issues could not be addressed within the incident response timeframe stated in the Accela Service Level Agreement (SLA) due to incorrect and/or missing HazMat permit holder data in Accela. Examples of these issues include:

- Inaccurate billing of permit fees and/or late fees,
- Customer notification emails not displaying permit fee and/or late fees due in addition to permit holder status, and
- Permit holder status not being updated based on payments received

Due to limited resources, SAFD is experiencing delays in addressing incorrect and/or missing HazMat permit holder data. Currently, the Division consists of four individuals: one HazMat Fire Captain, one HazMat Fire Lieutenant, one HazMat Fire Inspector, and one administrative personnel. Furthermore, much of the incorrect/missing permit holder data stems from the migration from Hansen to Accela where data was either missing or incorrect when it was migrated to Accela. Delays in this process have contributed to ongoing billing issues (as identified at Result C).

Recommendation

The SAFD Fire Chief consider dedicating resources to addressing incorrect and/or missing HazMat permit holder data. In addition, continue working with the DSD Director and ITSD Teams to resolve ongoing issues with Fire HazMat permits in Accela.

Appendix A – FY 2023 Hazardous Material Fees

FY 23 Annual Permit Fee	Hazardous Material Pound Range	
	Lower Pound Limit	Upper Pound Limit
\$600.00/\$150.00	Retail Service Stations with over a 30,000-gallon capacity/ Retail Service Stations with a 30,000-gallon capacity or less	
300.00	101 lbs	999 lbs
390.00	1,000 lbs	4,999 lbs
490.00	5,000 lbs	9,999 lbs
600.00	10,000 lbs	49,999 lbs
1,020.00	50,000 lbs	99,999 lbs
1,190.00	100,000 lbs	499,999 lbs
1,530.00	500,000 lbs	999,999 lbs
1,870.00	1,000,000 lbs	4,999,999 lbs
2,220.00	5,000,000 lbs	9,999,999 lbs
2,560.00	10,000,000 lbs	49,999,999 lbs
3,250.00	50,000,000 lbs	99,999,999 lbs
3,930.00	100,000,000 lbs	and above

Source: San Antonio Code of Ordinances – Chapter 16 Licenses & Business Regulations

Appendix B – Staff Acknowledgement

Abigail Estevez, CPA, CISA, CIA, Audit Manager
Sophia Konstantinidis, Auditor in Charge
Loretta Faxlanger, Auditor

Appendix C – Management Response



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

August 31, 2023

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

RE: Management's Corrective Action Plan for Audit of San Antonio Fire Department Hazardous Material Inspections

The San Antonio Fire Department has reviewed the audit report and has developed the Corrective Action Plan below corresponding to the report recommendation.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
1	<p>Facility Identification</p> <p>The SAFD Fire Chief will ensure policies and procedures are updated and formally define responsibilities of SAFD and DSD involved in facility identification.</p> <p>In addition, periodically review the Tier II Chemical Report to identify potential HazMat facilities within the City limits.</p>	5	Accept	Deputy Chief Christopher Monestier	Complete 05-31-2023
<p>Action plan: The SAFD agrees with the finding on Facility Identification.</p> <p>The SAFD and DSD implemented an interdepartmental policy in May 2023 to define current and new procedures used by both departments to identify hazardous material facilities. Additionally, the Fire Prevention Division staff will perform an annual review of the Tier II Chemical Reports (May-June), cross-referencing with Accela, to ensure chemical information reported to the State is consistent with that submitted to the City. As outlined in the Facility Identification Policy, the annual review and other safeguards will assist with facility identification.</p> <p>The SAFD will continue to work closely with the DSD to ensure these facilities are identified and permitted, as required.</p>					

Appendix C – Management Response (cont.)

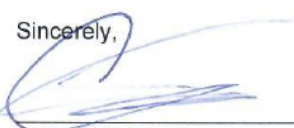
Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
2	<p>Facility Re-Inspections</p> <p>The SAFD Fire Chief ensure issuance of notice of violations to facilities and establish a re-inspection timeframe.</p>	5	Accept	Deputy Chief Christopher Monestier	10-01-2023
<p>Action plan: The SAFD agrees with this finding. The SAFD encourages and helps to maintain and improve the safety of our community by administering a fair and unbiased enforcement program to correct violations of municipal codes and ordinances.</p> <p>In an effort to comprehensively and effectively address code violations, the Fire Prevention Division is in the process of developing a Code Enforcement Policy to assist with addressing code violations, based on severity of the infraction, to obtain compliance of violations of the Fire Prevention Code and/or locally adopted ordinances.</p> <p>New and existing staff will receive initial and refresher training on how to administer Notice of Violations and Citations, when appropriate, for fire and life safety violations. Training will also reiterate the importance of follow up inspections (re-inspections) to verify compliance.</p>					
3	<p>Billing Inaccuracies</p> <p>The SAFD Fire Chief ensure HazMat permit fees are reviewed for accuracy (at least on a sample basis) and perform reconciliations between Accela and SAP.</p>	6	Accept	Deputy Chief Christopher Monestier	11-30-2023
<p>Action plan: The SAFD agrees with this finding. The SAFD is in the process of transitioning to point-of-sale transactions to minimize occurrences of inaccurate billing. Fire Prevention staff will also perform periodic reviews following the billing cycles of customer account(s) to ensure accuracy.</p>					

Appendix C – Management Response (cont.)

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	<p>Accela Issues</p> <p>The SAFD Fire Chief consider dedicating resources to addressing incorrect and/or missing HazMat permit holder data. In addition, continue working with the DSD Director and ITSD Teams to resolve ongoing issues with Fire HazMat permits in Accela.</p>	7	Accept	Deputy Chief Christopher Monestier	Ongoing
<p>Action plan: The SAFD agrees with this finding.</p> <p>Accela updates remain ongoing with the most recent changes, effective 8/21/23, affecting Hazardous Material Permits. Updates include the activation of a Completeness Review, which will allow staff to review and research HazMat permit applications. This fix will help avoid any duplicate applications and erroneous fees. The issue of Accela scheduling re-inspections and/or annual inspections (based on priority) on non-working days has also been corrected. And, lastly, additional fields were added to the HazMat Application to reduce the occurrence of erroneous fees and incomplete reporting by the customer.</p> <p>The Fire Prevention Division will continue to work closely with the DSD and ITSD Directors to report and address system issues timely.</p>					

We are committed to addressing the recommendation in the audit report and the plan of action presented above.

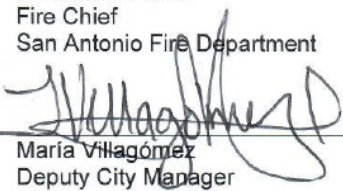
Sincerely,



Charles N. Hood
Fire Chief
San Antonio Fire Department

9/1/23

Date



María Villagómez
Deputy City Manager
City Manager's Office

9/1/2023

Date