



CITY OF SAN ANTONIO

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

April 14, 2026

Gina Ortiz Jones

Mayor

Sukh Kaur

Councilwoman, District 1

Jalen McKee-Rodriguez

Councilman, District 2

Phyllis Viagran

Councilwoman, District 3

Edward Mungia

Councilman, District 4

Teri Castillo

Councilwoman, District 5

Ric Galvan

Councilman, District 6

Marina Alderete Gavito

Councilwoman, District 7

Ivalis Meza Gonzalez

Councilwoman, District 8

Misty Spears

Councilwoman, District 9

Marc Whyte

Councilman, District 10

SUBJECT: Audit Report of San Antonio Fire Department Inventory Management

Mayor and Council Members:

We are pleased to send you the final report of the San Antonio Fire Department Inventory Management. This audit began in February 2025 and concluded in October 2025. Management's verbatim response is included in Appendix B of the report. The San Antonio Fire Department management and staff should be commended for their cooperation and assistance during this audit.

The Office of the City Auditor is available to discuss this report with you individually at your convenience.

Respectfully Submitted,

Buddy Vargas, CPA, CIA, CFE
City Auditor
City of San Antonio

Distribution:

Erik Walsh, City Manager

María Villagómez, Deputy City Manager

Ben Gorzell, Chief of Financial and Administrative Services

Valerie Frausto, Fire Chief, San Antonio Fire Department

Andrew Segovia, City Attorney

Debbie Racca-Sittre, City Clerk

Dr. Jenise M. Carroll, Chief of Staff, Office of the Mayor

Joe Frank Picazo, Assistant to the City Manager, Office of the City Manager

Trisha Taino, Audit Committee Member

Daniel Pacheco, Audit Committee Member

**CITY OF SAN ANTONIO
OFFICE OF THE CITY AUDITOR**

**SAN ANTONIO FIRE DEPARTMENT
AUDIT OF INVENTORY MANAGEMENT
PROJECT NO. AU25-018
APRIL 14, 2026**

**BUDDY VARGAS, CPA, CIA, CFE
CITY AUDITOR**



Table of Contents

Table of Contents 1

Executive Summary..... 2

Background 3

Audit Scope and Methodology 5

Audit Results and Recommendations..... 6

 Policies and Procedures 6

 A. Inventory Purchasing and Receiving 6

 B. Physical Inventory..... 7

 C. Inventory Distribution..... 8

 D. Burnet St. Warehouse 8

 E. Security Access 9

Appendix A – Staff Acknowledgement..... 10

Appendix B – Management Response 11

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 inventory management. The audit objective, conclusion, and recommendations follow:

Determine if San Antonio Fire Department inventory and supplies within Fire Divisions are effectively managed and properly accounted for.

Overall, SAFD lacks written policies, procedures, and controls to ensure the effective management of inventory and supplies. In addition, there are inconsistencies in the documentation of inventory management processes.

The Fire divisions are not appropriately documenting the approval of inventory purchases and verifying inventory deliveries for accuracy. In addition, inventory records maintained by two divisions are not accurate. Also, one division is not consistently maintaining records for their inventory and is not properly tracking the distribution of inventory and equipment to their staff. The issuance of equipment for vehicles is not adequately documented.

SAFD is not properly documenting and tracking the intake, storage, and distribution of inventory at the Burnet St. Warehouse. The warehouse team was not able to provide updated inventory records in a timely manner. Furthermore, one of the Container Express (Conex) storage containers inside the warehouse contained ammunition that was not recorded on inventory records.

Lastly, one division is not tracking the assignment of keys to individuals that provide access to inventory-controlled areas. Additionally, the same division does not document when combination locks on inventory lockers are changed when there is turnover in staff.

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 B on page 11.

Background

The San Antonio Fire Department (SAFD) is comprised of 14 Divisions within the City. The largest group is Emergency Services, which is made up of three Divisions and three Special Operations Teams, and it provides fire protection, rescue services, and medical first responder service to over 1.5 million citizens. To support the department is the Services Division, which is responsible for ordering, purchasing, and supplying fire stations and Emergency Medical Services (EMS) with inventory and supplies. This is stored at the SAFD Service Center warehouse, located at 230 South Callaghan Road, and distributed throughout the City's 54 fire stations. Inventory and supplies include EMS stretchers, fire hoses, axes, trauma kits, gloves, and janitorial.

The Service Center Division includes a Division Chief, a Supply Chain Manager, a Stock Control Supervisor, and five Stock Clerks. The Division Chief and Supply Chain Manager review and approve purchase requests and orders inventory; the Stock Control Supervisor may also approve purchase requests, review receiving orders and inventory; and the Stock Clerks manage the receiving and distribution of inventory to fire stations.

The Arson Bureau Division is responsible for investigating the cause of fires and explosions within the city limits of San Antonio. They also investigate fire-related deaths, life threatening burn injuries, suspected explosive devices, and bomb threats. This Division maintains its own inventory, separately from the Service Center warehouse, which is stored at the Public Safety Headquarters (PSHQ) or the San Antonio Police Department Armory. Inventory includes firearms, ammunition, body gear, and body-worn cameras.

The Arson Bureau Division includes one Captain, two Lieutenants, and ten Investigators. The Captain approves purchase requests while the Lieutenants handle ordering and distribute inventory to Investigators.

Emergency Services has 3 Special Operations Teams: Technical Rescue Team, Wildland Team, and Hazard Material (Hazmat) Response Team. These teams are trained in expertise beyond the traditional Fire and EMS response to mitigate manmade conditions, natural disasters, or events. The Special Operations Teams manage their inventory separately from the Service Center warehouse, which is located at the fire stations where the teams are stationed. Inventory includes chainsaws, protective gear, rope, and sledgehammers.

The Special Operations Teams include:

- Technical Rescue Team: One coordinator and 66 crew members in two stations
- Wildland Team: One coordinator and 15 crew members at one station
- Hazard Material (Hazmat) Response Team: One coordinator and 60 crew members in two stations.

The coordinators review and approve purchase requests as well as distribute inventory to their respective crew members.

Audit of the San Antonio Fire Department
Inventory Management

Additional to the Service Center warehouse, inventory may be stored at a warehouse located at 502 Burnet St., also referred to as the Cherry St. warehouse. Inventory includes COVID supplies and emergency supplies, as well as inventory from other departments such as animal crates for Animal Care Services, trash cans for Building & Equipment Services, and perishable items for the San Antonio Police Department. The Arson Bureau and Rescue Task Force (RTF) each have one Container Express (Conex) storage container with supplies. The Burnet warehouse is overseen by one supervisor and staffed by one light duty person who is supported by additional staff as needed. Firefighters from Fire Station 1, located across the street, sometimes assist staff at the warehouse.

Additionally, SAFD Fiscal is responsible for the entry, approval, and payment of purchase requests and good receipts in SAePS and SAP from SAFD Divisions.

The table below outlines the inventory purchase totals per Division for FY 2024 – 2025.

Purchases by Division		
Division	FY 2024	FY 2025
Service Center Division	\$ 1,945,300	\$ 1,717,621
Arson Bureau Division	\$ 19,778	\$ 11,402
Special Operations Division	\$ 313,501	\$ 399,421
Total	\$ 2,278,579	\$ 2,128,444

Source: SAP

Audit Scope and Methodology

The audit scope included inventory management processes, non-personal equipment, and inventory during the period of October 2023 through May 2025. SAFD testing was performed across the Service Center Division, Arson Bureau Division, the three Special Operations teams, Fiscal, and the Burnet St. Warehouse to ensure that inventory and supplies within Fire Divisions are effectively managed and properly accounted for.

To gain an understanding of department operations, we interviewed fire department personnel and conducted walkthroughs of inventory management procedures within the Service Center, Arson Bureau, and Special Operations Divisions, payment processing, and grant capital assets. In addition, the Arson Bureau General Manual and COSA Administrative Directives were our primary criteria for this audit.

We assessed internal controls relevant to the audit objective. This included a review of the criteria above. In addition, as part of our testing procedures, we reviewed:

- Procurement requests, purchase orders, and vendor packing slips to determine if purchases were approved, and deliveries were verified for accuracy.
- Inventory records and conducted physical inventories to determine if inventory records were accurate.
- Supporting documentation for issuing and distributing inventory and equipment to SAFD staff to determine if documentation was complete and accurate.
- Security cameras to determine if they are working as intended and monitoring inventory areas.
- Badge and key access reports to determine if access to inventory areas is appropriate.

We relied on computer-processed data in SAP to validate purchase orders and payments paid from the City to vendors. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. 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 and Recommendations

Policies and Procedures

SAFD lacks policies and procedures over the inventory management process. SAFD did not consistently execute various tasks involving inventory management such as ordering, receiving, storing, and distributing inventory as explained in the following sections.

A lack of policies and procedures for the inventory management process may increase the risk for the misappropriation of inventory and may result in a financial loss to the City.

A. Inventory Purchasing and Receiving

SAFD is not properly approving purchases and is not properly verifying incoming deliveries are accurate. We tested a total of 86 purchases by purchase order and by P-Card. We reviewed procurement request forms, purchase orders, P-Card supporting documentation, and vendor packing slips for the Service Center, Arson Bureau, and Special Operations Divisions between September 2023 and May 2025. See the table below:

Sample of Purchases Reviewed

SAFD Division	No. of Purchases Reviewed
Service Center	25
Arson Bureau	20
Special Operations – Technical Rescue Team	16
Special Operations – Hazmat Team	14
Special Operations – Wildland	11
Total	86

Source: Compiled by Audit Team

For each purchase, we reviewed the procurement request forms for proper approval and identified issues with approvals on 19 of 86 forms (22%). We identified 2 procurement request forms from the Service Center without approval signatures. Additionally, the Arson Bureau did not retain 17 procurement request forms, subsequently we were unable to verify approvals for these purchases.

We also reviewed the quantities of inventory requested on the procurement request forms for 69 of the 86 purchases provided by SAFD. We compared these quantities to the quantities of inventory listed on the applicable purchase orders, or P-Card supporting documentation, for accuracy. We identified issues with 9 of 69 supporting documentation (13%). We could not determine the accuracy of the quantities of inventory ordered due to SAFD not retaining supporting documentation for 9 purchases by P-Card.

We also attempted to test 69 of the purchases for accuracy of delivery. Eight purchases were bulk orders and deemed not applicable for this test. For the remaining 61 purchases, SAFD did

not retain vendor packing slips, therefore we could not determine the accuracy of quantities of inventory delivered.

Per AD 8.3 Accounts Payable, purchases are required to have a properly executed purchase order, goods receipt from the department, and vendor's invoice before approval is needed for payment. Additionally, per AD 1.6 Purchasing Procedures, purchase orders may still be required for certain purchases and must be determined by the Purchasing and General Services Department.

Recommendation

The Fire Chief establish policies, procedures, and controls for the proper review, approval, reconciliation, and document retention of procurement request forms, purchase orders, and vendor packing slips.

B. Physical Inventory

We conducted physical inventory counts for a total sample of 216 inventory items with varying quantities within the Service Center, Arson Bureau, and Special Operations Divisions. Examples of inventory items included axes, ammunition, body cameras, situational awareness cameras, bolt cutters, and chemical warfare agent detectors. See the table below:

Sample of Inventory Items

Division	No. of Inventory Items Tested	Inventory Location
Service Center	50	Service Center Warehouse
Arson Bureau	51	Arson Armory & SAPD Armory
Special Operations - Technical Rescue Team	56	Fire Stations 11 and 51
Special Operations - Hazmat Team	56	Fire Stations 1 and 34
Special Operations - Wildland Team	3	Fire Station 34
Total	216	

Source: Compiled by Audit Team

Inventory records for the Service Center Division were complete and accurate as they showed accurate quantities and locations for the sample of 50 inventory items. However, we determined inventory records for the Arson Bureau and the Special Operations Divisions were not accurate.

Of the 51 inventory items tested for the Arson Bureau, we identified issues with ammunition. A box of 50 rounds of ammunition had been distributed to staff and was not properly removed from inventory records. Additionally, there were 676 rounds of ammunition in inventory that were not listed on inventory records.

We tested a total of 112 inventory items with varying quantities within the Technical Rescue and Hazmat Teams, and we determined the quantities of 16 items (14%) in inventory did not reconcile to the quantities listed on inventory records. In addition, we were unable to determine the accuracy

of inventory records for the Wildland Team due to the team not maintaining inventory tracking records. However, we were able to verify the existence of 3 capital assets.

AD 8.7 Financial Management of Capital Assets and Tracked Property states each City department is required to develop, maintain, and follow their own internal standard operating procedures for tracked property.

Recommendation

The Fire Chief establish policies, procedures, and controls to ensure inventory records are accurate and adequately maintained. Additionally, validate the accuracy of inventory records periodically.

C. Inventory Distribution

The Service Center and Arson Bureau Divisions are properly issuing and distributing inventory and equipment to their teams. We tested a sample of 16 inventory distributions by the Service Center to Fire Stations and determined inventory was properly requested, issued, and delivered. We also reviewed 15 Equipment Issue Forms by the Arson Bureau to their team and determined equipment was properly issued and approved.

However, we determined the Special Operations Division is not properly documenting the distribution of inventory and equipment to their teams. Equipment is placed in service inside division vehicles, but there is no documentation in place to track this equipment. Additionally, even though SAFD did not dispose of inventory during our scope period, SAFD does not have procedures for disposal.

Recommendation

The Fire Chief establish policies, procedures, and controls for inventory and equipment distributions and proper disposals, including relevant documentation.

D. Burnet St. Warehouse

SAFD is not properly documenting and tracking the intake, storage, or distribution of inventory at the Burnet St. Warehouse. We were unable to determine the accuracy of inventory records for the warehouse due to SAFD's inability to provide updated inventory records in a timely manner.

Additionally, we observed the warehouse stores inventory items for other City Departments, such as the Office of Emergency Management and Animal Care Services. The Arson Bureau Division and Rescue Task Force (RTF) each have one Container Express (Conex) storage container with inventory inside. SAFD warehouse staff were unaware of contents inside the Conex

containers. Within the RTF Conex container, we observed 4,000 rounds of ammunition that were not listed on inventory records.

Recommendation

The Fire Chief establish policies, procedures, and controls for documenting and tracking the intake, storage, and distribution of all inventory within the Burnet St. Warehouse. Additionally, validate the accuracy of inventory records periodically.

E. Security Access

Security cameras monitoring locations with inventory are appropriate and working as intended. We tested the 59 surveillance cameras monitoring inventory and surrounding areas. We confirmed the surveillance cameras were working, were pointed to an appropriate area, and provided accessible playback footage for up to 14 days.

Key access to the Service Center and Arson Bureau Divisions are also appropriate. We tested the keys assigned to 32 individuals and determined their key access was appropriate based on their position and level of access. However, the Arson Bureau Division is not using a key log to track the assignment of keys to individuals which provide access to the inventory-controlled areas. In addition, the Arson Bureau Division does not document when combination locks are changed when there is turnover in staff.

Per AD 7.8d Access Controls, access authorizations should be formal, well-defined, documented, and an auditable process.

Recommendation

The Fire Chief establish policies and procedures for monitoring badge and key access to secure areas. Also, establish a policy and procedure for changing the combination locks on inventory lockers periodically. Lastly, establish monitoring controls to periodically monitor these procedures to ensure proper execution.

Appendix A – Staff Acknowledgement

Michael Gutierrez, CFE, Audit Manager
Sabrina Saldaña, Auditor in Charge
Francisco Narvaez, Auditor

Appendix B – Management Response



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

February 27, 2026

Buddy Vargas, CPA, CIA, CFE
City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for Audit of San Antonio Fire Department Inventory Management

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

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
A	Inventory Purchasing and Receiving The Fire Chief establish policies, procedures, and controls for the proper review, approval, reconciliation, and document retention of procurement request forms, purchase orders, and vendor packing slips.	6	Accept	Neal Ague, Assistant Chief	Sept 2025



Audit of the San Antonio Fire Department
Inventory Management

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
B	Action plan: Updated inventory policies across all SAFD divisions to clarify roles, documentation requirements, timelines, and accountability with expectations communicated to all personnel. Training on updated inventory and retention procedures completed September 2025, with annual refresher training scheduled. Division Chief of Services conducts monthly compliance reviews and reports status and corrective actions to the Deputy Chief of Services. Arson inventory involves sensitive, chain of custody items; documentation gaps during the audit period were related to inconsistent form use, limited administrative support, and staffing transitions. Effective September 2025, policies require Captain pre-approval for procurement, mandatory document retention in Microsoft Teams, and routine supervisory spot checks. Full implementation and compliance targeted by March 2026.				
	Physical Inventory The Fire Chief establish policies, procedures, and controls to ensure inventory records are accurate and adequately maintained. Additionally, validate the accuracy of inventory records periodically.	7	Accept	Neal Ague, Assistant Chief	Sept 2025
	Action plan: Inventory policies updated and staff trained to standardize controls and accountability. Cycle counts and audits implemented; discrepancies documented and corrected. Digital inventory records maintained in Teams; full compliance targeted by March 2026.				
C	Inventory Distribution The Fire Chief establish policies, procedures, and controls for inventory and equipment distributions and proper disposals, including relevant documentation.	8	Accept	Brandon Murray, Deputy Chief	Jan 2026

Audit of the San Antonio Fire Department
Inventory Management

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	<u>Action plan:</u> Special Operations Division implemented written inventory distribution and tracking policies; staff trained on updated procedures.				
D	Burnet St. Warehouse The Fire Chief establish policies, procedures, and controls for documenting and tracking the intake, storage, and distribution of all inventories within the Burnet St. Warehouse. Additionally, validate the accuracy of inventory records periodically.	8	Accept	Brian O'Neill, Deputy Chief	Jan 2026
	<u>Action plan:</u> Inventory tracking and management guidelines implemented for Burnet Street Warehouse operations supporting the Emergency Operations Center (EOC), Arson, and Special Operations. Annual audits of the outside storage unit (Conex), intake and distribution logs, and bi-weekly evidence transport documentation have been implemented. Processes are active, with staff familiarization ongoing to ensure sustained compliance.				
E	Security Access The Fire Chief establish policies and procedures for monitoring badge and key access to secure areas. Also, establish a policy and procedure for changing the combination locks on inventory lockers periodically. Lastly, establish monitoring controls to periodically monitor these procedures to ensure proper execution.	9	Accept	James Bennett, Assistant Chief	Sept 2025

Audit of the San Antonio Fire Department
Inventory Management

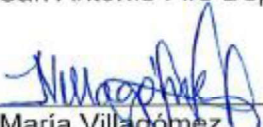
Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	<u>Action plan:</u> Identified gaps in Arson Division key logs and combination lock tracking; controls have been corrected. Policy now requires formal key logs, documented lock changes, annual badge /ID reviews coordinated with COSA ID Registrar, and restricted access per CJIS. Controls are in place and operating, with ongoing training to ensure sustained compliance.				

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

Sincerely,


 Valerie Frausto
 Fire Chief
 San Antonio Fire Department

2-27-26
 Date


 María Villagómez
 Deputy City Manager
 City Manager's Office

2/27/2026
 Date