

# Memorandum



**DATE:** October 22, 2024

**TO:** Honorable Members of Firearms, Ammunition, and

**SUBJECT:** Internal Audit Reports Released Between September 14, 2024, and October 11, 2024

Attached for your review are the Office of the City Auditor audit reports released between September 14, 2024, and October 11, 2024. The full reports are included in [Attachment 1. Exhibit 1](#) summarizes the number of report recommendations accepted by city management.

**Exhibit 1:**

### Summary of Audit Reports Recommendations Accepted

Audit Report Title	Report Recommendations		
	Accepted	Total	Percentage
Audit of Firearms, Ammunition, and Equipment Tracking - Dallas Fire-Rescue	4	4	100%

If you have any questions, please contact me at (214) 670-3222 or [mark.swann@dallas.gov](mailto:mark.swann@dallas.gov).

Sincerely,



Mark S. Swann  
City Auditor

Attachment

C: Kimberly Bizer Tolbert, City Manager (I)  
Tammy Palomino, City Attorney  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Dominique Artis, Chief of Public Safety (I)  
Dev Rastogi, Assistant City Manager  
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager  
Alina Ciocan, Assistant City Manager  
Donzell Gipson, Assistant City Manager (I)  
Robin Bentley, Assistant City Manager (I)  
Jack Ireland, Chief Financial Officer  
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)  
Sheri Kowalski, City Controller  
Directors and Assistant Directors  
Alpha Jalloh, Assistant Director – Financial Compliance, Auditing & Monitoring  
Jeffrey Brill, Manager – Financial Compliance, Auditing & Monitoring



### Reports Released:

1. Audit of Firearms, Ammunition, and Equipment Tracking - Dallas Fire-Rescue (September 16, 2024)



# Audit of Firearms, Ammunition, and Equipment Tracking – Dallas Fire-Rescue

September 16, 2024

Mark S. Swann, City Auditor

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## Mayor

Eric L. Johnson

## Mayor Pro Tem

Tennell Atkins

## Deputy Mayor Pro Tem

Adam Bazaldua

## Council Members

Carolyn King Arnold

Paula Blackmon

Zarin D. Gracey

Cara Mendelsohn

Jesse Moreno

Omar Narvaez

Jaime Resendez

Paul E. Ridley

Jaynie Schultz

Kathy Stewart

Chad West

Gay Donnell Willis



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## Executive Summary

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### Objective and Scope

The objective of this audit was to determine whether Dallas Fire-Rescue has controls and procedures in place to ensure firearms, ammunition, and equipment are procured, received, identified, recorded, tracked, secured, and disposed of (if required) in accordance with applicable requirements.

The scope of the audit was from October 1, 2021, through December 31, 2023.

### Recommendations

Management should:

- Revise and update current inventory management procedures.
- Automate the inventory management process through the incorporation or adoption of an information technology system in coordination with other departments.
- Use existing practices to dispose of older firearms that are no longer needed.

### Background

Maintaining, monitoring, and tracking high-risk equipment is an important responsibility of City government. Thefts or loss of City firearms, ammunition, and less-lethal equipment may impact the public's trust in law enforcement.

Three City departments – Dallas Police Department, Dallas Marshal's Office, and Dallas Fire-Rescue – oversee licensed police officers and provide officers firearms, ammunition, and less-lethal equipment as part of their daily duties. The audit is split into separate reports for each department, as they rely on separate inventories, armories, and monitoring procedures.

Firefighters performing arson investigations are peace officers under Texas state law. Dallas Fire-Rescue provides firearms, ammunition, and less-lethal equipment to serve its 32 firefighters serving in this critical role as law enforcement officers.

### Observed Conditions

Dallas Fire-Rescue has procedures and controls for maintaining its inventory and relies on experienced officers to oversee the inventory.

Those procedures and controls have weaknesses that may put the inventory at risk, including lack of armory access monitoring, procedures that are overly broad, incomplete inventory lists, and reliance on manual processes subject to error.



## Objectives and Conclusions

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1. Does Dallas Fire-Rescue have controls and procedures in place to ensure firearms, ammunition, and equipment are procured, received, identified, recorded, tracked, secured, and disposed of (if required) in accordance with applicable requirements?

**Generally, yes.** Dallas Fire-Rescue developed and implemented procedures and controls for the management of inventories, which are performed by experienced staff. However, there were errors in the inventory records and the documented procedures are limited, not in sufficient detail as independent work instructions, and have not been updated to reflect changes in current working practices. (See [Observation A.](#))

## Audit Results

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Both *City Council Resolution 88-3428* and Administrative Directive 4-09, *Internal Control* prescribe policy for the City to establish and maintain an internal control system. The audit observations listed are offered to assist management in fulfilling their internal control responsibilities.

### **Observation A:** Firearm and Ammunition Inventory Practices and Procedures

Dallas Fire-Rescue's 53 City-owned firearms and related ammunition are secured and monitored using documented practices and procedures. Those procedures include weaknesses that could lead to loss of critical equipment necessary to the department's role performing arson investigations and a safety risk if firearms and ammunition are not adequately secured and monitored.

#### Inventory documentation and procedures

The inventory documentation was not complete and accurate:

- Nine firearms (17 percent) out of 53 reviewed were in the armory and not listed on the most recent inventory.
- Three firearms (7 percent) of 44 listed on the inventory had errors in the serial numbers.
- Ammunition inventory records were overwritten when updated until earlier this fiscal year, eliminating prior records needed for monitoring over time.
- There is not a log of access to the armory.

The procedures include inconsistencies with current practices:

- Different position titles are responsible for purchasing inventory in practice than those listed in the procedure.
- The procedure says only the Range Master and Deputy Chief have keys to the armory, while two Section Chiefs also have keys to the armory for efficiency.
- Old firearms no longer acceptable for use are not being disposed of in accordance with procedures.

The inventory is conducted using manual inventory practices, which are vulnerable to errors. Dallas Fire-Rescue does not use an inventory system for monitoring its firearms, ammunition, and equipment. The City uses multiple inventory systems to track and manage inventory. Dallas Police Department uses an existing system for firearm inventory management and is reviewing its system needs for firearms, ammunition, and equipment.

Dallas Fire-Rescue refers, in its policies and procedures, to Dallas Police Department General Orders, but those general orders for inventory do not always apply to a smaller organization



with 32 sworn officers. Dallas Fire-Rescue's own inventory procedures are high level and do not include details on how inventory counts, purchases, and firearm destruction activities are to be performed.

### Criteria

- ❖ Dallas Fire Rescue, Fire Investigation Division, *Armory and Range Master Duties*
- ❖ Dallas Fire Rescue, Standard Operating Procedures, *Fire Investigation and Explosive Ordnance Disposal*
- ❖ Dallas Police Department, General Orders, *809.00 Fixed Assets, Equipment, Personal Property, and Donation/Gifts*
- ❖ Administrative Directive 6-01, *Control of City Property*
- ❖ Dallas City Code, Section 2-37.7, *Destruction of Restricted Weapons; Exceptions*
- ❖ Standards for Internal Control in the Federal Government:
  - *Principle 10 – Design Control Activities*
  - *Principle 11 – Design Activities for the Information System*
  - *Principle 14 – Communicate Internally*

Assessed Risk Rating:

**Moderate**

We recommend the **Dallas Fire Chief:**

**A.1:** Automate the inventory management process through coordinating with the Dallas Police Department, the Dallas Marshal's Office, and Information Technology Services on a common information system, if applicable.

**A.2:** Evaluate current procedures and make updates needed to align with current work practices and industry guidelines or best practices.

**A.3:** Destroy or trade-in unusable, or out-of-date firearms, ammunition, or equipment and update existing processes to review whether any items should be disposed of as part of the annual inventory performed.

**A.4:** Keep a log of individuals accessing the armory and their purpose for access (add, remove, or count inventory).

## Emerging Risks

### Less-Lethal Equipment

Dallas Fire-Rescue's less-lethal equipment is not being tracked as part of the annual inventory. Not all officers carry all assigned equipment, such as spray and batons. It is important that less-lethal equipment is monitored as part of the inventory process. Dallas Fire-Rescue is expecting to distribute tasers, increasing the need for this monitoring.

### Security Camera Coverage

There is no direct surveillance camera coverage of the armory and its door. Management is aware of the need for surveillance camera coverage of the armory but said more cameras are not needed because the current building is subject to an eminent domain action and may be demolished. As the timeline for moving the armory is not yet determined, it is important to assess this need over time and again when the armory is moved.

## Appendix A: Background and Methodology

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### Background

Texas State Law establishes arson investigators are peace officers. Dallas Fire-Rescue procedures require firefighters serving as arson investigators to complete police academy training and become sworn peace officers. The Dallas City Code and City Charter also give firefighters the responsibility of law enforcement actions for arson. As a result, Dallas Fire-Rescue arson investigators carry firearms, ammunition, and less-lethal equipment as part of their daily duties.

Twenty-seven Dallas Fire-Rescue officers within the Fire Investigation and Explosive Ordnance Disposal Unit conduct arson investigations. They make up about one percent of Dallas Fire-Rescue's nearly 2,600 employees. In addition, five other Dallas Fire-Rescue officers maintain their law enforcement certifications and carry firearms and less-lethal equipment to perform law enforcement duties.

Dallas Fire-Rescue is one of three City departments responsible for overseeing firearms along with the Dallas Marshal's Office and the Dallas Police Department. As each maintains a separate inventory in their own armories or safes following distinct procedures, this audit was split into phases for each responsible department to better focus on each department's practices.

Maintaining, monitoring, and tracking equipment is an important responsibility of City government. Department directors are responsible for establishing and maintaining adequate internal controls and security for the personal equipment, through City Administrative Directive 6-1, *Control of City Property*. Theft or misuse of City-owned firearms, ammunition, and equipment can affect public safety and public trust.

Dallas Fire-Rescue uses Dallas Police Department General Orders for its law enforcement function, but it also has additional procedures specific to Dallas Fire-Rescue. The two documents are the Dallas Fire-Rescue, Fire Investigation Division, *Armory and Range Master Duties* and Dallas Fire Rescue, Standard Operating Procedures, *Fire Investigation and Explosive Ordnance Disposal*.

These procedures designate specific firearms to be used. This audit was conducted as the City is transitioning its primary pistols from one manufacturer to another, Sig-Sauer to Glock. These procedures also allow officers to buy and use their own firearms after being reviewed by the Range Master. Three officers use only their personal firearms, and several officers use a mix of City-owned and personal firearms. This audit focused on the City-owned firearms.

### Methodology

The audit methodology included: (1) interviewing personnel from Dallas Fire-Rescue, Dallas Marshal's Office, Dallas Police Department, and the City Controller's Office; (2) reviewing policies and procedures, the *Texas Local Government Code*, applicable Administrative Directives, and best practices; and (3) performing various analyses. In addition, all five components of *Standards for Internal Control in the Federal Government* were considered.

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 upon our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

### Major Contributors to the Report

Jennifer Phung – In-Charge Auditor, CIA

Frank Mayhew – In-Charge Auditor for the overall audit, CIA, CISA, CFE

Daniel Genz – Engagement Manager, CIA, CISA, CFE

## Appendix B: Management's Response

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### Memorandum



CITY OF DALLAS

DATE September 12, 2024

TO Mark S. Swann – City Auditor

SUBJECT **Response to Audit of Firearms, Ammunition, and Equipment – Dallas Fire-Rescue**

This letter acknowledges the City Manager's Office received the *Audit of Firearms, Ammunition, and Equipment – Dallas Fire-Rescue* and submitted responses to the recommendations in consultation with Dallas Fire-Rescue.

Dallas Fire-Rescue is pleased the audit concluded that the department generally has controls in place, including documented procedures, to ensure firearms, ammunition, and equipment are tracked and safeguarded.

Dallas Fire-Rescue recognizes there are opportunities to enhance its processes and agrees to implement the auditor's recommendations. Specifically, Dallas Fire-Rescue agrees to:

- Request participation in discussions around procuring a common inventory management system. If these discussions result in the City procuring a system that meets Dallas Fire-Rescue's operational needs, Dallas Fire-Rescue will implement the recommendation. In the interim, Dallas Fire-Rescue will review its existing procedures and make necessary improvements to the current manual processes to ensure inventory documentation is complete and accurate;
- Update the inventory management procedures to align with current work practices, improve inventory controls, and address documented weaknesses;
- Review its existing processes to help ensure obsolete and damaged items are identified and disposed of as part of its regular inventory process; and
- Create and maintain a log for individuals accessing the armory and their purpose for access.

Service First, Now!

A handwritten signature in black ink, appearing to read 'Kimberly Bizer Tolbert'.

Kimberly Bizer Tolbert  
City Manager (I)

C: Jack Ireland, Chief Financial Officer  
Dominique Artis, Chief of Public Safety (I)  
Justin Ball, Director, Fire Chief (I), Dallas Fire-Rescue

Assessed Risk Rating	Recommendations	Concurrence and Action Plans	Implementation Date	Follow-Up/ Maturity Date	
<b>Moderate</b>	<b>We recommend the Dallas Fire Chief:</b>				
	<p><b>A.1:</b> Automate the inventory management process through coordinating with the Dallas Police Department, the Dallas Marshal’s Office, and Information Technology Services on a common information system, if applicable.</p>	<p><b>Agree</b></p>	<p>Dallas Fire-Rescue agrees there are benefits to a common information system. Dallas Fire-Rescue will request participating in discussions as coordinated by the Office of Procurement Services around procuring a common inventory management system. If these discussions result in the City procuring a system that meets Dallas Fire-Rescue’s operational needs, Dallas Fire-Rescue will implement the recommendation.</p> <p>In the interim, Dallas Fire-Rescue will, within 90 days, review its existing procedures and make necessary improvements to the current manual processes to ensure inventory documentation is complete and accurate.</p>	<p>3/31/2027</p>	<p>9/30/2027</p>
	<p><b>A.2:</b> Evaluate current procedures and make updates needed to align with current work practices and industry guidelines or best practices.</p>	<p><b>Agree</b></p>	<p>Dallas Fire-Rescue will update the current inventory management procedures to align with current work practices, improve inventory controls, and address the documented weaknesses.</p>	<p>12/31/2024</p>	<p>6/30/2025</p>

Assessed Risk Rating	Recommendations	Concurrence and Action Plans	Implementation Date	Follow-Up/ Maturity Date	
<b>Moderate</b>	<b>We recommend the Dallas Fire Chief:</b>				
	<b>A.3</b> Destroy or trade-in unusable, or out-of-date firearms, ammunition, or equipment and update existing processes to review whether any items should be disposed of as part of the annual inventory performed.	<b>Agree</b>	Dallas Fire-Rescue will review its existing processes within 90 days to help ensure obsolete and damaged items are identified and disposed of as part of its regular inventory process. Additionally, Dallas Fire-Rescue’s vendor offers credit for obsolete and damaged items, depending upon their nature and condition, that may be applied towards future purchases.	3/31/2025	6/30/2025
	<b>A.4:</b> Keep a log of individuals accessing the armory and their purpose for access (add, remove, or count inventory).	<b>Agree</b>	Dallas Fire-Rescue will, within 90 days, create and maintain a log for individuals accessing the armory and their purpose for access. Additionally, Dallas Fire-Rescue will research the possibility of adding surveillance cameras and/or a badge access system.	6/30/2025	12/31/2025