



Internal Audit Department El Paso International Airport — Accounts Payable Audit A2025-02

Objectives

- Determine if transactions are processed in accordance with Policy.
- Determine if appropriate documentation supports the transactions.
- Determine if transactions are reviewed and approved.
- Determine if there are any unallowable purchases.
- Determine if EPIA operates within budgetary limits.
- Determine if EPIA has adequate internal controls.

Scope

The scope of September 1, 2023 to August 31, 2024 included:

- Obtaining an understanding of the EPIA procedures.
- Interviewing EPIA Accounts Payable personnel.
- Conducting a review of invoices processed by EPIA.
- Evaluating EPIA's monitoring and reconciliation of transactions.

Finding 1

- AP Procedure was last updated on November 6, 2008.
- A fuel card is no longer utilized, a FOB System is now in place.
- A listing of personnel designated to authorize invoices for payment is not maintained.
- The AP Procedure references job titles no longer in use.

Recommendation

El Paso International Airport should update their Procedures to include:

- Current practices in place.
- A listing of personnel designated to authorize invoices for payment.
- Current job titles.

Management Response

Finding 1

“El Paso International Airport will review and update its internal Accounts Payable policy and procedures to align with the City of El Paso Accounts Payable policy. We will incorporate the recommendations provided by the Internal Audit Department and will execute and implement the updated procedures within 9 months.”

Finding 2

Between November 13, 2023, and November 7, 2024, 52 invoices for uniform rental charges were paid for a former employee totaling \$744.92. The individual left employment in November 2023.

Recommendation

Staff must ensure that all goods/services have been received before approving invoices for payment.

Management Response

Finding 2

“El Paso International Airport will implement an annual requirement for division managers to submit a list of authorized invoice approvers for each division by April 18, 2025. The list will be reviewed and updated annually with the start of each fiscal year, or as needed.

Additionally, we are in the process of phasing out the use of uniform rentals and transitioning to a uniform purchase for employees to improve cost efficiency and prevent billing issues.”

Finding 3

- Eleven out of 30 (36.67%) invoices were not paid within 30 calendar days.
- Five out of 3,054 (0.16%) invoices were identified as double payments:
 - One (1) invoice for \$147.50 has not been refunded.
 - Four (4) invoices totaling \$1,586.68 were refunded.

Recommendation

El Paso International Airport staff should:

- Pay invoices within 30 days of receipt of invoice or goods/services.
- Take necessary steps to avoid paying invoices twice.

Management Response

Finding 3

“As of March 1, 2025, Airport Accounting began using Monday.com to upload and track invoices between Airport divisions. This system will aid in processing invoices for payment within 30 days.

Additionally, we will create an internal procedure for verifying vendor information to avoid duplicate payments prior to disbursement.

Lastly, we will provide retraining for both accounting and user division staff to ensure adherence to the new processes.”

Conclusion

EPIA met the audit objectives in the following areas:

- Maintaining appropriate documentation to support transactions.
- Ensuring transactions are approved for payment by authorized personnel.
- Operating within budgetary limits.

Conclusion (Cont.)

EPIA did not meet the audit objectives in the following areas:

- Ensuring procedures reflect current practices.
- Processing transactions in accordance with the *City Policy*.
- Ensuring transactions are properly reviewed for delivery of goods and services.
- Implementing adequate controls to limit exposure of unauthorized accounts payable transactions.

Requested Action

To accept the results of the El Paso International Airport – Accounts Payable Audit and forward the Audit Report to City Council for action.