



CITY OF EL PASO

Presentation on the Preparation of the FY 2025-2026 Annual Audit Plan

Stakeholders Input Interviews

- Schedule individual meetings with each stakeholder. Stakeholders include:
 - FOAC members,
 - City Manager,
 - A sample of Deputy City Managers,
 - A sample of Department Heads and Staff.

9 Risk Areas

1. Management Interest
2. Budget Risk
3. Strategic Risk
4. Reputation Risk
5. Compliance Risk
6. High Level of Decentralization
7. Legal Claims
8. Time Last Audited
9. Change in Management

Risk Scoring

- 5 Point Scoring Method
 - 9 Risk Areas x 5 points each = 45 points
 - 45 points + 5 points for weighting = 50 points maximum
- Historically, the average number of points needed to be considered for an audit is **38 to 42 points**.

Available Audit Hours

- 40 hour work week x 52 weeks = 2,080 hours available per Auditor.
- Subtract time for Vacations, Holidays, Sick Leave, Training, Contingency, and Office Admin Time. (Approximately 520 Hours)
- Leaves you with **1,560 audit hours available per Auditor.**
- 1,560 hours x Number of Auditors = Total hours available for audits
 - (1,560 x 8 = **12,480 total hours available for audits**)

Approximate Hours per type of Engagement

- Full Audits = 500 hours
- Follow-Up Audits = 250 hours
- Recurring Audits = Varies by engagement (Hotline, FOAC meetings, Tax Office Refunds, HOT Audits, Franchise Fee Audits, Sales Tax Monitoring, Cybersecurity Audits)

Scheduling

- Which quarter do the engagements go?
- Who gets the assignment?
- Team members involved?
- Intangibles (e.g., auditor resigns, goes on sick leave, or auditor skill sets/experience increases)

Q & A