

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**



REVISED

11:31 am, Oct 06, 2025

DEPARTMENT: Internal Audit

AGENDA DATE: October 14, 2025

PUBLIC HEARING DATE:

CONTACT PERSON NAME: Miguel Montiel

PHONE NUMBER: 915-212-1367

2nd CONTACT PERSON NAME: Liz De La O

PHONE NUMBER: 915-212-1371

DISTRICT(S) AFFECTED: All Districts

STRATEGIC GOAL:

Goal 6: Set the Standard for Sound Governance and Fiscal Management

SUBGOAL:

SUBJECT:

Discussion and Action to accept the results of the Vehicle Allowance & Take-Home Cars Project P2025-02. Project was accepted by FOAC at the September 11, 2025 meeting.

BACKGROUND / DISCUSSION:

The timeframe for this project was Fiscal Year 2024 and Fiscal Year 2025. The objectives of this project were to review Vehicle Allowance recipients and Take-Home Cars Policies and Procedures. Based on our review we found that:

- An updated Vehicle Allowance Program Policy was implemented on March 13, 2025.
- There is an existing but undocumented process for issuing Take-Home Cars, which allows City departments to manage their own fleets and determine vehicle assignments based on operational needs. However, there is no City-wide program to monitor Take-Home Cars.

COMMUNITY AND STAKEHOLDER OUTREACH:

Not applicable

PRIOR COUNCIL ACTION:

Not applicable

AMOUNT AND SOURCE OF FUNDING:

Not applicable

REPORTING OF CONTRIBUTION OR DONATION TO CITY COUNCIL:

Not applicable

NAME	AMOUNT (\$)

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)



Vehicle Allowance & Take-Home Cars Project P2025-02

Draft

Issued by the
Internal Audit Department
April 9, 2025



Internal Audit Department

MAYOR

Renard U. Johnson

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Chris Canales

CITY MANAGER

Dionne Mack

DATE: April 9, 2025

TO: Araceli Guerra – Deputy City Manager
Mary Wiggins – Chief Human Resources Officer

FROM: Edmundo S. Calderón, CIA, CGAP, CRMA, Chief Internal Auditor

SUBJECT: Vehicle Allowance & Take-Home Cars Project P2025-02

The Internal Audit Department conducted a review of Vehicle Allowance Payments & Take-Home Cars. This engagement was accepted based on the engagement's potential to support the evaluation and improvement of the organization's governance, risk management, and control processes (IIA 9.4). The work performed does not constitute an engagement conducted in accordance with Generally Accepted Government Auditing Standards (GAS 1.16). The observations and conclusions that are reported in this memorandum do not require Management Responses.

Background:

This review serves as a continuation of the original *Vehicle Allowance Program Analysis* memorandum dated July 8, 2024. The purpose of the original memo was to provide Management with an analysis of the Vehicle Allowance Program and to identify opportunities for Policy updates. A Policy update was recommended in order to address certain job positions receiving an Allowance not specifically covered by the Policy.

The City Of El Paso's *Vehicle Allowance Program Policy (The Program)* is intended to cover costs associated with the use of a personal vehicle for City business, including the cost of an automobile, vehicle maintenance, vehicle insurance, repairs, and fuel. This allowance is part of the employee's compensation package.

On March 13, 2025, the City of El Paso updated the *Vehicle Allowance Program Policy* to include Municipal Court Judges, Fire Department Personnel, and Employees with offer letters. *The Program* addresses this by stating *additional employees authorized and approved to participate in the Program will be paid the amount designated by the City Manager or his designee*. The Policy update satisfied the recommendation made in the July 8, 2024 memorandum.

The City of El Paso has a fleet of city-owned vehicles assigned to various City departments. Take-Home Cars are issued to employees to complete their job duties. Department Heads currently decide who is assigned a Take-Home Car. These vehicles are allowed to be driven home and used after normal business hours. Per the *Vehicle Allowance Program Policy*, an employee may not receive both a car allowance and a City vehicle.

Edmundo S. Calderón, CIA, CGAP, CRMA – Chief Internal Auditor

Internal Audit Department | 218 N. Campbell | El Paso, TX 79901

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Objectives:

The objectives of the Vehicle Allowance & Take-Home Cars Project were to review Vehicle Allowance recipients and Take-Home Cars Policies and Procedures. To achieve the project objectives, the Internal Audit Department:

- Reviewed Vehicle Allowance payments for compliance with the *Vehicle Allowance Program Policy*.
- Determined if City employees who received a Vehicle Allowance are not assigned a Take-Home Car.
- Reviewed Policies and Procedures for the use and assignment of City-Owned Take-Home Cars.
- Determined if the usage of Take-Home Cars is monitored.

Scope and Methodology:

Our scope for Fiscal Years 2024 and 2025 will include:

- Conducting a review of applicable City Policies and Procedures regarding the receipt of Vehicle Allowances and the use of Take-Home Cars.
- Obtaining an understanding of any regulatory requirements regarding Take-Home Cars.
- Conducting a review of Vehicle Allowance recipients.
- Conducting interviews with Fire Department management.
- Conducting a review of the Fire Department's Vehicle Allowance recipients and assigned Take-Home Cars.

Results:

Based on our review, we have identified the following Observation:

OBSERVATION 1

Take-Home Cars

City of El Paso Strategic Plan:

- *Goal 6.6 Ensure continued financial stability and accountability through sound financial management, budgeting, and reporting.*
- *Goal 6.12 Maintain systems integrity, compliance and business continuity.*

There is no City-wide program for monitoring the use of Take-Home Cars. Currently, City Departments manage their own vehicle fleet. Department Heads determine who is assigned a Take-Home Car. There is no specific department with overall responsibility over Take-Home Cars. Per the *Vehicle Allowance Program Policy*, an employee may not receive both a car allowance and a City vehicle.

RECOMMENDATION

Management should decide if a City-wide policy should be created for departments to adhere to or continue allowing each department to self-manage their vehicle fleets.

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Conclusion:

Based on our review of the Vehicle Allowance and Take-Home Cars we determined:

- An updated *Vehicle Allowance Program Policy* was implemented on March 13, 2025 in response to the recommendation outlined in the original *Vehicle Allowance Program Analysis* memorandum dated July 8, 2024.
- There is an existing, but undocumented process for issuing Take-Home Cars, which allows City departments to manage their own fleets and determine vehicle assignments based on operational needs. However, there is no City-wide program in place to monitor Take-Home Cars.

If you have any questions, please feel free to contact me at extension 21365.

cc: Financial Oversight Audit Committee

Dionne Mack, City Manager

Robert Cortinas, Deputy City Manager & Chief Financial Officer

DRAFT

Edmundo S. Calderón, CIA, CGAP, CRMA – Chief Internal Auditor

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DELIVERING EXCEPTIONAL SERVICES

**Vehicle Allowance & Take-Home Cars
Project P2025-02**

**Management Responses from the Human
Resources Department**



Department of Human Resources

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Dionne Mack

TO: Eliabeth De La O, Deputy Chief Internal Auditor

FROM: Mary Wiggins, Chief Human Resources Officer

DATE: August 21, 2025

SUBJECT: Take Home Vehicles Audit

The Human Resources Department is creating a Take-Home Vehicle Policy to clearly outline the rules and regulations regarding the assignment, use, and accountability of City vehicles. This policy aims to ensure consistency, promote fairness, and provide clear guidance to both employees and supervisors about expectations and responsibilities. Additionally, a process will be established in conjunction with the policy.

Through the policy and process, each City department will have the authority to manage the assignment of fleet vehicles in accordance with the policy. This approach will ensure consistency and fairness across the City while allowing departments the flexibility to address their specific operational needs. We anticipate completing the **Take-Home Vehicle Policy** by November 15, 2025.

Mary Wiggins PHR, SHRM-CP – Chief Human Resources Officer
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