

City of El Paso - Internal Audit Current State, Maturity, and Needs Assessment

Detailed Recommendations and Road Map

						Priority Scoring		Involved Parties					
Element	Component	Ref #	Long Term or Short Term	Core Theme	Action Item	Potential Impact	Level of Effort	CAE / IA Dept.	FOAC	City Council	City Attorney	City Manager	City Directors
Ethics, Independence, and Professional Judgment	Ethics and Integrity	A.1.1.ST	ST	Strategic Alignment of Audit Outcomes	Ethics & Training Program Review: The CAE should conduct a structured review of Internal Audit training to evaluate sufficiency in covering ethics, confidentiality, and emerging risks. The review should: 1. Assess current training content, CPE logs, and ethics/confidentiality coverage. 2. Evaluate alignment with the City's Ethics Ordinance, strategic goals, and conduct expectations. 3. Confirm staff understanding of confidentiality obligations across the audit lifecycle 4. Identify training needs for emerging risks and ethical decision-making. The process should be documented, with gaps and criteria noted, and used to update training to strengthen compliance and practical application of ethical and confidentiality standards in alignment with City objectives and values. Specifically, CAE ethical conduct and competencies updated through this process should align with on-going continuous improvement	High	Med	R	A	E	C	M	D
				Strengthening Public Trust and Visibility									
Ethics, Independence, and Professional Judgment	Ethics and Integrity	A.1.1.LT	LT	Stakeholder Engagement, Communication, and Collaboration	Institutionalize Ongoing Ethics Training Alignment: The CAE should establish a formal protocol to ensure IA's ethics-related training remains current, relevant, and aligned with the City's evolving ethical priorities. This protocol should: 1. Require periodic (EG: annual or biennial) reviews and updates of IA ethics training materials based on input from 2. City governance stakeholders, including the FOAC, Senior Management, and the City Attorney. Stakeholder roles should be formally defined (aligned with RACI principles) to ensure clarity of responsibilities and effective efforts. 3. Incorporate structured mechanisms for collecting meaningful auditee feedback on auditor ethical conduct and professional competencies (EG: integrity, independence, professional courage), ensuring this feedback directly informs training refinements. 4. Formalize IA's participation in ongoing strategic discussions around City ethical objectives to ensure training content reflects emerging risks, expectations, and changes in City cultural priorities. 5. Establish a protocol to evidence how updates to training content are tracked, evaluated for effectiveness, and reported back to oversight bodies.	Med	Med	R	A	E	C	C	C
Ethics, Independence, and Professional Judgment	Ethics and Integrity	A.1.2.ST	ST	Stakeholder Engagement, Communication, and Collaboration	Strengthen Ethical Objective Alignment: In the short term, the CAE should facilitate structured, two-way dialogue with City governance stakeholders (EG: City Managers, Directors, and the FOAC) specifically focused on reconciling Internal Audit's ethical objectives with those of the City. These discussions should go beyond general transparency and include intentional comparison of IA's ethical commitments (EG: integrity, independence, objectivity, professional courage) with the City's cultural and ethical priorities. Feedback from these discussions should be documented and incorporated to refine IA Ethical Objectives in line with professional standards and City values to establish a shared foundation of expectations.	Low	Low	R	A	E	C	C	C
Ethics, Independence, and Professional Judgment	Ethics and Integrity	A.1.3.LT	LT	Strategic Alignment of Audit Outcomes	Ethical Culture Oversight and Integration: The FOAC should actively oversee IA's ongoing efforts to integrate into the City's ethical culture by monitoring collaboration with stakeholders, facilitating open dialogue on ethical priorities, and reviewing updates to IA's ethical objectives and practices. A structured process for documenting and communicating these adjustments through FOAC channels will help ensure accountability, reinforce alignment with City-wide ethical goals, and position IA as a consistent contributor to advancing the City's ethical culture.	Med	Low	C	R A	I	C	C	C
Ethics, Independence, and Professional Judgment	Ethics and Integrity	A.1.5.ST	ST	Performance Measurement and Accountability	Ethics Performance Metrics: In realigning the IA Ethical Objectives with the City Ethical Objectives, the CAE, in consultation with audit supervisors, should develop a core set of targeted ethics related performance metrics. These metrics should be integrated into on-going and annual auditor evaluation procedures. The development of ethical goals into performance evaluation criteria should follow the SMART framework (Specific, Measurable, Achievable, Relevant, and Time-Bound) to ensure goals are clear, attainable, and increase the likelihood of success. These metrics should be communicated to IA staff with space for feedback on effectiveness of metrics in promoting efficiency, accountability, and transparency of audit work. Professional audit standards and best practice criteria should also be considered when developing goals. <u>Examples of possible metrics include:</u> 1. Feedback scores from auditees on auditor conduct (EG: fairness, respect, professionalism). 2. Evidence of integrating ethical considerations into audit planning and reporting (EG: documenting how independence or objectivity risks were addressed)	Med	Med	R	A	E	C	M	
Ethics, Independence, and Professional Judgment	Internal Audit Professionalism	A.2.1.ST	ST	Performance Measurement and Accountability	Certification Standards and Staff Qualification Gap Analysis: The CAE should develop a consolidated list of minimum expected certifications and professional credentials for each role and level within the IA team, aligned with industry best practices and professional standards. This baseline should then be used to conduct a gap analysis comparing current staff qualifications, including those of IA managers and leaders, against the defined expectations. Identified gaps should be quantified and used to design personalized development plans or learning tracks to strengthen team capabilities and align professional growth with the strategic needs of the IA function. Current IA policies/procedures should be reviewed and updated to reflect updates/changes to the minimum required certifications for each level within the IA function. This should include establishing an excepted pathway to certification or upskilling in alignment with the City professional development policies, and integrated into the department annual budget.	Med	Low	R	A	I	C	C	
Ethics, Independence, and Professional Judgment	Internal Audit Professionalism	A.2.1.LT	LT	Performance Measurement and Accountability	Professional Development Alignment: The IA function should implement a proactive process to identify and address emerging needs for credentialing and professional development, aligning staff skills and certifications with strategic objectives and evolving risks. Individual development plans should be tied to performance evaluations to strengthen accountability, track progress, and ensure growth is managed in line with organizational priorities.	Med	Med	R	A				
Ethics, Independence, and Professional Judgment	Internal Audit Professionalism	A.2.3.ST	ST	Transparency of Procedures Strengthening Public Trust and Visibility	Audit Reporting Protocol and Confidentiality: The CAE should establish a formal reporting and communication protocol that defines all reporting stages, including draft, review, final, and public release, and the related confidentiality requirements. This protocol should include: • Draft Report Procedures: Specify which stakeholders (EG: auditee management, process owners, relevant directors) receive draft reports and their responsibilities in reviewing, providing feedback, and raising concerns. • Feedback and Disagreement Resolution: Implement structured procedures to capture stakeholder feedback, document disagreements on findings or recommendations, and define a process for resolving these issues prior to finalization. All changes and decisions should be clearly recorded in the workpapers or a centralized tracking mechanism. • Final Report Authorization and Distribution: Clarify roles and responsibilities for approving and distributing the final report, including guidance for public records requests, ensuring transparency while protecting sensitive information. • Communication Consistency: Ensure all stakeholders are informed of the protocol, promoting standardized understanding and execution of reporting processes across the IA function.	High	High	R	A	I	I	I	

City of El Paso - Internal Audit Current State, Maturity, and Needs Assessment

Detailed Recommendations and Road Map

Element	Component	Ref #	Long Term or Short Term	Core Theme	Action Item	Potential Impact	Level of Effort	CAE / IA Dept.	FOAC	City Council	City Attorney	City Manager	City Directors
Ethics, Independence, and Professional Judgment	Internal Audit Professionalism	A.2.5.ST	ST	Transparency of Procedures Strengthening Public Trust and Visibility	Secure Audit Documentation and Record Management: In partnership with City IT personnel, the CAE should assess what secure file management and document control systems are already available through the City for potential use by the internal audit department. Based on this assessment, the department should implement a secure platform for audit documentation and version control. Access should be restricted using role-based and need-to-know principles. Supporting procedures should include encryption for sensitive data, periodic review of user access, and clear guidance for secure communication with <u>auditees and external stakeholders</u> .	High	Med	R	A	I	I	I	C
Ethics, Independence, and Professional Judgment	Structural Independence and Objectivity	A.3.4.ST	ST	Stakeholder Engagement, Communication, & Collaboration Performance Measurement and Accountability	FOAC and Council Oversight Training: The CAE should update onboarding and training materials for FOAC and Council members to improve understanding of their governance responsibilities over Internal Audit. The approach should include: Review of current onboarding content against professional standard guidance for Board Oversight to identify gaps in oversight roles, governance principles, and interactions with Internal Audit. Facilitate discussions with FOAC and Council members to assess their knowledge, prior experience, and information needs. Revise and expand onboarding to clarify oversight responsibilities (EG: reviewing reports, setting audit priorities, supporting independence, interpreting results), supplemented with external resources for self-study. Establish periodic refresher sessions, briefings, and Q&As to promote continuous learning, active engagement, and transparency.	Med	Med	R	A	I	I	I	I
Ethics, Independence, and Professional Judgment	Structural Independence and Objectivity	A.3.4.LT	LT	Strategic Alignment of Audit Outcomes Stakeholder Engagement and Collaboration Strengthening Public Trust and Visibility	Integrate Internal Audit into City Governance and Strategy: The City should adopt a phased and intentional approach to integrating the CAE and the Internal Audit function into strategic and governance-level discussions to realign mutual objectives, rebuild trust, and foster a collaborative environment at the leadership level. The approach should consider: Providing the CAE with a consistent presence in leadership forums, strategic planning sessions, and governance meetings focused on long-term priorities, risks, and resources. Repositioning Internal Audit as a strategic partner by facilitating consistent two-way dialogue, where audit insights inform <u>decisions and leadership opportunities both within Internal Audit's risk focus</u> .	High	High	R	R	A	C	C	C
Governance over the Internal Audit Function	Internal Audit Mandate	B.1.1.ST	ST	Strategic Alignment of Audit Outcomes	Risk & Control Frameworks: The CAE should develop two structured frameworks to regularly assess factors influencing the City's risk environment and internal control landscape: 1. External Risk Framework – Incorporate political, economic, social, technological, legal, and environmental (PESTLE) factors to analyze changes in the external environment that may impact the City's strategy and risk profile. 2. Internal Control Framework – Evaluate key internal environment components such as people, processes, and technology, focusing on how these factors influence the City's ability to meet strategic objectives and manage risk. Insights from both frameworks should be embedded into engagement planning procedures to ensure objectives, scope, and work programs are explicitly risk-aligned. The planning process should also incorporate an adaptive approach with mechanisms to update objectives and procedures in response to evolving risks, ensuring that Internal Audit work remains relevant and value-driven. Additionally, results should inform periodic reviews of the IA mandate and charter, maintaining alignment with the City's evolving priorities, emerging risks, and IA's role in supporting strategic initiatives, ethical objectives, and performance accountability.	Med	Med	R	A	I	C	C	C
Governance over the Internal Audit Function	Internal Audit Mandate	B.1.1.LT	LT	Strategic Alignment of Audit Outcomes Performance Measurement and Accountability	FOAC Oversight & Collaboration Metrics: To sustain accountability over strategic alignment of IA and City objectives, the FOAC should establish a formal oversight mechanism, supported by metrics and a joint working group with Senior Management and the CAE, to track collaboration, transparency, and alignment of IA objectives with City goals. These metrics should be designed to track: - The extent of Senior Management participation in the IA planning process - The degree of alignment between IA objectives and broader City goals - The frequency and quality of communication and feedback loops between IA and departments - The level of stakeholder satisfaction with IA's support, transparency, and responsiveness <u>Evidence of collaborative decision-making and co-ownership of risk mitigation strategies</u>	High	High	C	R	A	C	C	C
Governance Over the IA Function	Internal Audit Mandate	B.1.3.ST	ST	Stakeholder Engagement, Communication, and Collaboration Transparency of Procedures	Strengthen Trust & Transparency: The CAE should enhance communication and transparency with City leadership through a structured approach that clarifies IA's role, objectives, and value. This will reestablish trust, reduce misperceptions, and position IA as a strategic partner that supports governance, integrity, and public value. Specific actions may include: - Developing and delivering tailored IA orientation sessions with senior management and department leaders to discuss IA's mandate, methodology, and how its work aligns with the City's strategic priorities and risk management efforts and solicit feedback/questions from participants. - Creating accessible overviews of IA procedures and work products, using plain language summaries and process visuals to support clarity and transparency of procedures. - Establishing regular, informal engagement opportunities (EG: lunch-and-learn sessions, Q&A forums, or department-level visits) to promote open dialogue and build rapport between IA and operating departments. - Incorporating stakeholder feedback mechanisms to understand concerns or misconceptions about IA's work, and to co-create expectations around communication, escalation protocols, and collaboration norms. - Enhancing transparency in the risk assessment process that underpins the Annual Audit Plan, including communication of the scoring and weighting methodologies used, and explaining how audit priorities directly link to the City's broader risk environment.	High	Med	R	A	C	C	R	C
Governance Over the IA Function	Authorization and Oversight of IA	B.2.1.ST	ST	Performance Measurement and Accountability	Establish Performance Metrics for Oversight: In the short term, the FOAC, in consultation with the CAE, should define a core set of performance metrics to evaluate IA effectiveness (EG: timeliness of audit work, responsiveness to stakeholders, corrective action implementation rates, and quality of stakeholder feedback). These metrics should be incorporated into FOAC oversight discussions on a standing basis to shift dialogue from reactive review of completed audits toward proactive monitoring of audit impact, organizational risk coverage, and alignment with City priorities.	High	Med	C	R A	I			
Governance Over the IA Function	Authorization and Oversight of IA	B.2.1.LT	LT	Stakeholder Engagement, Communication, and Collaboration	Feedback-Driven Oversight Improvements: To proactively identify ineffective reporting and oversight processes in the long-term, the CAE should periodically obtain feedback from the Executive Team, Board, and other stakeholders regarding the adequacy and clarity of communication and reporting of key activities coordinated amongst the lines of defense. Identifying any discrepancies between stakeholders regarding IA Function results, reports, performance, ethics and integrity practices (including how the function demonstrates leadership in supporting and advancing the City's ethical culture), and perceived value will help to target what roles and responsibilities should be reiterated or reassessed for necessary adjustments and ensure continued alignment with organizational structure and expectations.	High	Med	R	A	I	C	C	C

City of El Paso - Internal Audit Current State, Maturity, and Needs Assessment

Detailed Recommendations and Road Map

Element	Component	Ref #	Long Term or Short Term	Core Theme	Action Item	Potential Impact	Level of Effort	CAE / IA Dept.	FOAC	City Council	City Attorney	City Manager	City Directors
Governance Over the IA Function	Authorization and Oversight of IA	B.2.2.ST	ST	Strategic Alignment of Audit Outcomes	Evaluation of IA Resource Sufficiency: The CAE should initiate an initial formal discussion regarding resource sufficiency of the IA department with FOAC and senior management. The current audit plan should be presented alongside a clear summary of resource constraints (EG: number of staff, technological needs, on-going training costs, specialized skills), or resource sufficiency. Discussion should be backed up by the IA Mandate, IA Charter, and City strategic documentation to understand and explain resourcing objectives. The agenda for this discussion and minutes should be documented and retained.	Med	Med	R	A	I		C	C*
Governance Over the IA Function	Authorization and Oversight of IA	B.2.2.LT	LT	Strategic Alignment of Audit Outcomes	Proactive Resource Strategy: Future Internal Audit plans should include a dedicated section on resource strategy and workforce planning to proactively address emerging skill gaps, training needs, and succession planning. This section should outline how the IA function will remain agile and capable of meeting evolving audit demands in alignment with the City's strategic direction. To support this, the CAE should: Solicit and document input from the FOAC and Senior Management regarding anticipated changes in risk, strategic priorities, and resource needs. Conduct a comprehensive IA resourcing and capability assessment every 2-3 years, using benchmarking data and staffing analysis to validate current resourcing levels, identify critical skill shortages, and determine areas that may require dedicated or specialized audit coverage. Integrate IA resource planning with City-wide strategic planning discussions, ensuring the CAE is involved in broader organizational planning conversations to align audit capacity with upcoming initiatives, risks, and priorities.	Med	Med	R	A	C		C	C*
Governance Over the IA Function	Authorization and Oversight of IA	B.2.3.ST	ST	Stakeholder Engagement, Communication, and Collaboration	Establishing Stakeholder Roles: The CAE and FOAC should assess and formally define the roles and responsibilities of each line of defense within the City's risk governance and risk management framework (alignment with the IIA's Three Lines Model). This should include clear articulation of stakeholder interdependencies, required coordination activities, and expectations for communication, ongoing engagement, and oversight. Establishing this structure will provide a consistent foundation for the Internal Audit function's role within the City and enhance the value and impact of audit outcomes as recognized by all stakeholders.	High	High	R	R A	I	C	C	C
Management of the IA function	Performance Management	C.1.1.ST	ST	Performance Measurement and Accountability	Develop Engagement-Specific Metrics: The CAE, in consultation with audit supervisors and understanding the City's risk environment, should develop a core set of engagement-level performance metrics to track for all engagements (EG: audit cycle time, time to report issuance, number of high-impact findings, and management agreement rate) that align with internal expectations and IIA Standards. Goals should follow the SMART framework (Specific, Measurable, Achievable, Relevant, and Time-Bound) to ensure goals are clear, attainable, and increase the likelihood of success. These metrics should be communicated to IA staff with space for feedback on effectiveness of metrics in promoting efficiency, accountability, and transparency of audit work.	Med	Med	R	A	I			
Management of the IA function	Performance Management	C.1.2.ST	ST	Strategic Alignment of Audit Outcomes	Enhance Supervisory Assignment Procedures: The IA team applies a standard procedure to reasonably assign supervisory resources to audits/engagements and should continue to do so. The IA function should enhance documented directives to better detail the existing methods to assign supervisory responsibilities at the engagement level including the considerations for engagement complexity, risk, technical requirements, and supervisory experience. These procedures should be communicated to management and IA governance stakeholders to ensure transparent and accurate understanding of procedures.	Low	Low	R	A				
Management of the IA function	Performance Management	C.1.3.ST	ST	Performance Measurement and Accountability	Strengthen Feedback and Continuous Improvement: Client surveys and post-engagement communications should be enhanced to more directly solicit feedback on specific aspects of engagement performance (EG: clarity of scope, communication, value of findings, and professionalism). The CAE should systematically review and analyze survey results to identify recurring themes, trends, and improvement opportunities. These findings should be clearly documented and integrated into both continuous improvement discussions with IA staff, and the broader Internal Audit performance framework, informing adjustments to audit methodology, communication practices, or reporting formats as needed.	Med	Med	R	A	I	I	C	C
Management of the IA function	Performance Management	C.1.3.LT	LT	Performance Measurement and Accountability	Ongoing Performance Management: The IA function should continue to monitor and document the performance and progress of updated procedures to identify trends and initiate timely adjustments to performance through the lens of people, processes, and technology. IA performance results, including those from internal and external QA, should be summarized on an annual basis and presented in a formalized meeting with City Management and the FOAC for oversight. Year-on-year comparisons should be discussed to track long-term progress of goals and inform future decision/goal-setting.	High	Med	R	A	I		I	
Management of the IA function	Performance Management	C.1.4.LT	LT	Performance Measurement and Accountability	Actioning Performance Insights Through Training: In the long term, the CAE should ensure that results from performance evaluations and FOAC oversight metrics are systematically analyzed to identify gaps, strengths, and emerging trends across the IA function. These insights should be translated into tailored training, skill development, and competency-building initiatives for staff, management, and leadership. By linking evaluation outcomes to targeted professional development, the IA function can address identified weaknesses, reinforce areas of strength, and continuously enhance its capacity to deliver high-quality, value-driven audit services aligned with City priorities and professional standards.	Med	Med	R	A	I			
Management of the IA function	Strategic and Organizational Alignment	C.2.1.ST	ST	Strategic Alignment of Audit Outcomes	Develop and Approve IA Strategy: The CAE should initiate a planning session to review the current IA Charter, IA Mandate, and City Strategy to draft a mission, vision, and strategic pillars for the IA Strategy. The draft strategy should be clearly defined and documented, including current year and future objectives. Consideration of key concepts to facilitate developing the strategy should include: IA function's current role Desired value contribution City's current and future strategic priorities Roles and responsibilities (RACI) of stakeholders within each line of defense	High	High	R	A	I	C	C	C
				Performance Measurement and Accountability	A formal communication channel should be established with the FOAC and Senior Management to review and approve of this strategy. Feedback should be discussed, documented, and integrated where appropriate. Progress against objectives, milestones, and KPIs aligned with the IA strategy and performance goals should be tracked and documented within a dashboard or tracking tool. Results should be included in internal check-ins and quarterly FOAC updates, and discussion/feedback should include assessment of the detail, format, and frequency of reporting regarding coordinated activities that is needed to adjust and align the strategy within the City.								

City of El Paso - Internal Audit Current State, Maturity, and Needs Assessment

Detailed Recommendations and Road Map

Element	Component	Ref #	Long Term or Short Term	Core Theme	Action Item	Potential Impact	Level of Effort	CAE / IA Dept.	FOAC	City Council	City Attorney	City Manager	City Directors
Management of the IA function	Strategic and Organizational Alignment	C.2.3.ST	ST	Strategic Alignment of Audit Outcomes Performance Measurement and Accountability	Define Department-Level Metrics: Develop a core set of department-level performance metrics (SMART Goals) to track internally, that assesses alignment with IA mandate, strategy (once developed), and City objectives. These metrics should extend beyond basic measures of engagement or audit plan completeness but should consider how IA outcomes fulfill City objectives. Some example metrics include assessing: The level of alignment between audit findings/result risk themes to emerging risks faced by the City Number of new/emerging risks identified Degree in implementation of high-risk recommendations <i>Corrective plans, remediation, quality assessment results, and effectiveness of implementation</i>	Med	Med	R	R A	I	I	I	I
Management of the IA function	Strategic and Organizational Alignment	C.2.5.ST	ST	Performance Measurement and Accountability	Standardized but Adaptive Methodology Training & Reinforcement: The CAE should implement periodic, structured training sessions to reinforce the consistent application of IA methodology across all staff, ensuring that planning and execution procedures are applied uniformly and effectively. Standardized templates and tools should be embedded into engagement planning and execution processes to guide scope definition, risk identification, and workpaper documentation, while supervisors emphasize methodology adherence through routine workpaper reviews and timely feedback discussions. At the same time, auditors should be trained and encouraged to think critically about adapting templates and procedures to the unique risks, processes, and objectives of each engagement. This balance of standardized methodology with adaptive application will strengthen audit quality, enhance risk relevance, and support continuous improvement across the IA function.	High	High	R	A	I			
Management of the IA function	Quality Management	C.3.1.ST	ST	Strategic Alignment of Audit Outcomes	Strengthen QAIP Alignment and Metrics: The Internal Audit function should revisit its charter, mandate, and strategy (once developed) to realign quality objectives with the City's broader strategic priorities. As part of this, the QAIP should be expanded to include clearly defined objectives and enhanced criteria that assess how audit outcomes contribute to organizational improvement, such as risk coverage effectiveness, audit cycle time, and the impact of recommendations. To begin this transition, the department should pilot at least one qualitative or impact-driven KPI (EG: stakeholder satisfaction trend or recommendation implementation rates) and formally document these new objectives and metrics within the Policies and Procedures Manual to ensure consistency, visibility, and accountability across the function.	Med	Low	R	A	I			

City of El Paso - Internal Audit Current State, Maturity, and Needs Assessment

Detailed Recommendations and Road Map

Element	Component	Ref #	Long Term or Short Term	Core Theme	Action Item	Potential Impact	Level of Effort	CAE / IA Dept.	FOAC	City Council	City Attorney	City Manager	City Directors
Management of the IA function	Quality Management	C.3.2.LT	LT	Strategic Alignment of Audit Outcomes	Establish Periodic Self-Assessment Protocols: The CAE should implement documented self-assessments, conducted at least annually, to evaluate the IA function's conformance with professional standards and overall departmental effectiveness. These assessments should extend beyond engagement-level reviews to include department-wide practices such as risk assessment, planning, communication, stakeholder engagement, and follow-up. Results should be formally documented, reported to the FOAC, and used to identify improvement opportunities and prepare for future external quality assessments.	High	Med	R	A	I		I	
				Performance Measurement and Accountability									
Management of the IA function	Quality Management	C.3.4.ST	ST	Performance Measurement and Accountability	Formalize Corrective Action Process for QA Results: The CAE should establish a structured corrective action process in response to QA results. This process should define responsible parties/ownership, implementation timelines, and a tracking mechanism to monitor progress. Results and corrective actions should be documented and incorporated into periodic updates provided to the FOAC, ensuring accountability and transparency in addressing improvement needs.	Med	Low	R	A	I			
Management of the IA function	Quality Management	C.3.4.LT	LT	Transparency of Procedures	Institutionalize QA Results Communication & Oversight: The FOAC should implement an oversight protocol requiring regular reporting of QA results, corrective action progress, and completion status to governance stakeholders (FOAC, City Council, and senior management). This protocol should include standardized reporting templates, defined update frequencies, and clear expectations for management responses. Institutionalizing structured communication will ensure that QA assessments drive continuous improvement, enhance transparency, and reinforce accountability across the IA function and governance bodies.	High	Med	R	R A	I			
			Performance Measurement and Accountability										
Engagement Level Planning and Execution	Engagement Independence and Individual Objectivity	D.1.1.ST	ST	Strategic Alignment of Audit Outcomes	Structured Independence Safeguards: The CAE should implement a structured approach to identify, assess, and mitigate engagement-level threats to auditor independence, ensuring that appropriate safeguards are applied to maintain objectivity, transparency, and public trust. To facilitate this, the CAE should: 1. Update IA procedures to require identification, documentation, and escalation of common independence threats for all engagements—including audits, follow-ups, and advisory projects. 2. Establish expectations for assigning safeguards on a case-by-case basis, including documentation of rationale and intended outcomes (e.g., changes to engagement scope, staffing, or supervisory structure). 3. Define a clear escalation protocol for potential threats, including risk tiers or thresholds that determine the level of oversight required (e.g., high-risk cases escalated to the FOAC for awareness and review). This process should aim to reduce independence risks to an acceptable level, ensure compliance with professional standards, and strengthen stakeholder confidence in the objectivity and integrity of the IA function within the City.	Med	Med	R	A	I	I	I	I
Engagement Level Planning and Execution	Engagement Independence and Individual Objectivity	D.1.1.LT	LT	Performance Measurement and Accountability	Independence Monitoring into Oversight: The IA function's ability to identify, address, and resolve independence threats should be integrated into the continuous monitoring activities of the CAE, FOAC, and City Senior Management. Long-term trends in the types of independence issues and how they are being resolved (EG: mitigating activities and safeguards) should be analyzed to better understand the City's changing risk environment. On-going reporting and monitoring of these trends and on-going efforts to identify, address, and mitigate engagement-level independence threats to the FOAC, as part of the quarterly update, will establish comfort that issues are addressed timely, consistently, and effectively.	Med	Med	R	R A	I	I	I	I
Engagement Level Planning and Execution	Engagement Planning and Alignment	D.2.1.ST	ST	Stakeholder Engagement, Communication, & Collaboration	Embedding Strategic Stakeholder Input into Engagement Planning: The IA function should integrate structured discussions with engagement area process owners, functional directors, and other relevant stakeholders into engagement planning procedures to actively seek input on pre-engagement information gathering, planning, and functional area risks. These discussions should be supported by a systematic process for management and auditee validation of key risks, scope, and objectives, strengthening collaboration and buy-in. Consistent pre-planning practices should also be applied across all engagements, incorporating elements such as litigation reviews, fraud risk considerations, and stakeholder interviews. All discussions and feedback should be documented within audit workpapers, supported by a structured agenda to ensure that key risk areas, including audit scope, objectives, and evaluation criteria, are consistently addressed.	High	Med	R	A	I		C	C
Engagement Level Planning and Execution	Engagement Resource Management	D.3.1.ST	ST	Strategic Alignment of Audit Outcomes	Develop a Comprehensive IA Resourcing Strategy: The CAE should implement a structured process to define a full IA resourcing strategy that goes beyond audit hour planning to include financial, technological, and staffing needs. This should include: Conducting a complete inventory of current IA resources, including finances, technology, and workforce capacity, aligned with City budgeting procedures. Documenting the rationale for resource requirements and explicitly linking them to strategic priorities, risk coverage, and functional sustainability. Establishing structured collaboration with the CFO, FOAC, and senior leadership during the City's budget cycle to ensure transparent alignment of IA resource requests with organizational objectives. Introducing a framework to track and report resource utilization, performance against plan, and variances, providing accountability and enabling continuous improvement.	Med	Med	R	A	I		I	C*
				Transparency of Procedures									
Engagement Level Planning and Execution	Engagement Resource Management	D.3.1.LT	LT	Strategic Alignment of Audit Outcomes	Institutionalize an Annual IA Budget and Resourcing Review Process: The City should formalize a recurring process to ensure IA resourcing remains strategically aligned and sustainable over time. This should include: - Annual Budget Review: Establishing a standing protocol requiring the CAE, CFO, FOAC, and senior leadership to jointly review and update the IA budget at least once per fiscal year, timed to the City's budget cycle. - Strategic Alignment: Ensuring IA budget requests are explicitly tied to the City's evolving strategic priorities, risk profile, and long-term financial strategy to maximize efficiency of shared goals. - Multi-year Planning: Incorporating forward-looking analysis (e.g., technology needs, succession planning, skills development) into the annual review to build a sustainable multi-year resourcing plan. - Governance and Accountability: Documenting decisions, rationales, and resource trade-offs to create transparency and a historical record of how strategic priorities are incorporated into the annual budget process.	High	High	R	A	I		I	C*
			Performance Measurement and Accountability										

City of El Paso - Internal Audit Current State, Maturity, and Needs Assessment

Detailed Recommendations and Road Map

Element	Component	Ref #	Long Term or Short Term	Core Theme	Action Item	Potential Impact	Level of Effort	CAE / IA Dept.	FOAC	City Council	City Attorney	City Manager	City Directors
Engagement Level Planning and Execution	Engagement Resource Management	D.3.3.ST	ST	Technology and Resource Enablement	Initiate Workforce and Succession Planning: The CAE should proactively assess IA human resources and develop a framework for succession planning to ensure continuity in leadership and key roles. This should include: Conducting an initial human resource gap assessment to evaluate whether current staffing levels, skills, and experience meet the needs of the audit plan and IA strategy. Developing a succession planning framework tailored to the CAE role and other critical positions, reflecting the City's culture, values, and strategic direction. Using the framework to support long-term workforce planning and ensure readiness for leadership transitions.	Med	Med	R	A	I		I	
Engagement Level Planning and Execution	Engagement Resource Management	D.4.1.ST	ST	Technology and Resource Enablement Strategic Alignment of Audit Outcomes Transparency of Procedures Stakeholder Engagement, Communication, & Collaboration	Enhance Evidence-Gathering and Documentation Practices: The CAE should implement a structured initiative to elevate audit execution by ensuring that workpapers and evidence-gathering procedures not only comply with the existing methodology but also maximize value to the City. This should include: Reviewing current templates, checklists, and guidance to ensure audit procedures directly support findings while identifying potential insights beyond initial planning assumptions. Integrating technology and data-driven processes into evidence collection, analysis, and documentation to improve efficiency, accuracy, and analytical depth. Standardizing presentation and retention of workpapers to enable stakeholders to clearly trace how identified risks were assessed, addressed, and connected to audit results. Providing supervisors and staff with focused guidance and training on applying these enhanced procedures consistently across the department.	Med	Med	R	A	I		I	I
Engagement Level Planning and Execution	Technology	D.5.1.ST	ST	Technology and Resource Enablement	Technology Gap Analysis and Structured Upskilling Plan: The CAE should initiate a technology gap analysis to assess the current state of technology integration within the IA department. This assessment should evaluate both: The availability and use of technological tools across audit procedures, and The technological proficiency and consistency of use across IA staff. The analysis should be conducted with reference to the IA strategy, annual audit plan, and broader City objectives, and should clearly define the department's technology needs to fulfill organizational goals. Based on the results of the gap analysis, the CAE should: Collaborate with City IT personnel to identify existing tools that can address immediate skill or capability gaps. Develop a structured, phased upskilling plan for IA staff, targeting technological proficiency gaps and linking training to professional development objectives, audit plan requirements, and continuous improvement goals. Ensure the upskilling plan complements short-term solutions such as utilizing specialist resources to fill urgent technology needs, with staff training following to build internal capability. Integrate accountability for technology adoption and proficiency into performance measures and report progress periodically	High	Med	R	A	I		I	C*
Engagement Level Planning and Execution	Technology	D.5.2.ST	ST	Technology and Resource Enablement Strategic Alignment of Audit Outcomes	Implement a Strategic Technology Integration Plan: The CAE should develop a structured, short-term plan to integrate technology across the Internal Audit function in alignment with City objectives. Key actions should include: Alignment with City Objectives: Map IA technology initiatives to organizational priorities and incorporate these into IA policies, procedures, and the annual audit planning cycle. Consistent Technology-Enabled Practices: Standardize the use of technology tools and data-driven processes across all audit engagements while retaining the ability to tailor procedures to engagement-specific risks and objectives. Governance and Monitoring: Establish periodic reporting to the FOAC or relevant governance stakeholders on technology adoption, consistency of application, and impact on audit quality and efficiency. This approach will ensure that technology adoption is strategic, consistent, and adaptable, enhancing audit effectiveness while supporting the IA function's alignment with City priorities.	High	Med	R	A	I		I	C*
Engagement Level Planning and Execution	Technology	D.5.1.LT	LT	Technology and Resource Enablement Strategic Alignment of Audit Outcomes	Establish a Technology Benchmarking and Continuous Improvement Framework: The CAE should develop a structured, long-term framework to guide ongoing assessment, optimization, and innovation in the Internal Audit function's technology adoption. Key components should include: Peer Benchmarking: Review technology practices in comparable audit functions to identify best practices and emerging trends. Performance Metrics & Lessons Learned: Track adoption, efficiency, and impact, incorporating lessons from prior initiatives. Stakeholder Engagement: Maintain communication with governance, City IT, and budget teams to align with City IT strategy and resource planning. Integration & Adaptiveness: Feed insights into IA policies, procedures, annual planning, and staff development while enabling flexible, engagement-specific technology use.	High	Med	R	A	I	C	C	C*
Communication, Reporting, and Monitoring	Communicate Engagement Results and Monitor Action Plans	E.1.1.ST	ST	Stakeholder Engagement, Communication, & Collaboration Transparency of Procedures	Standardize Management Response Process: The CAE should formalize a consistent process for obtaining, validating, and integrating management responses into audit results by: Defining clear roles and responsibilities (aligned with the Three Lines Model). Using standardized templates and deadlines for responses. Requiring SMART, actionable plans validated by Department Directors. Structuring exit meetings to clarify responses, resolve misconceptions, and integrate feedback. <i>Establishing procedures for reporting, dissemination, and monitoring of implementation progress.</i>	High	Med	R	A	I		I	C

City of El Paso - Internal Audit Current State, Maturity, and Needs Assessment

Detailed Recommendations and Road Map

Element	Component	Ref #	Long Term or Short Term	Core Theme	Action Item	Potential Impact	Level of Effort	CAE / IA Dept.	FOAC	City Council	City Attorney	City Manager	City Directors
Communication, Reporting, and Monitoring	Communicate Engagement Results and Monitor Action Plans	E.1.2.ST	ST	Stakeholder Engagement, Communication, & Collaboration	Adaptive and Accessible Audit Reporting: To strengthen stakeholder understanding and maximize the value of audit results, the CAE should develop an adaptive reporting approach that tailors report formatting and presentation methods to its key audiences (EG: FOAC, City Management, operational staff, and public stakeholders). While maintaining consistency in minimum report components, such as scope, objectives, findings, recommendations, and clarity of language, report design should incorporate adaptable features such as plain-language executive summaries, visual aids (tables, charts, risk heatmaps), and, where appropriate, live data dashboards. Reports should be agile enough to align with the needs and preferences of the intended audience, enhancing accessibility, transparency, and the practical application of audit results across the City and to its constituents.	High	Med	R	A	C	I	C	C
				Transparency of Procedures									
Communication, Reporting, and Monitoring	Communicate Engagement Results and Monitor Action Plans	E.1.3.ST	ST	Stakeholder Engagement, Communication, & Collaboration	Strengthen Root Cause Analysis, Risk-Linked Reporting, and Alignment Protocols: The CAE should implement structured procedures to enhance the depth, strategic value, and alignment of audit reporting. This should include: Incorporating root cause analysis for all findings to identify underlying issues rather than surface-level symptoms. Including clear linkage of individual findings to broader governance, risk, and control themes within conclusions and executive summaries. Engaging relevant management and operational stakeholders in a two-way dialogue to validate findings, recommendations, and risk assessments before finalizing reports. Introducing a standardized approach to categorize findings by risk priority (e.g., high/medium/low) and ensuring recurring issues or trends are documented for future reference. IA reporting should also be supported by consistent communication of results and identified weaknesses between FOAC, Department Directors, and Internal Audit, utilizing a standardized communication protocol across all engagement types. This will ensure mutual understanding of the value, appropriateness, and implementation of recommendations.	High	Med	R	A	I	I	I	I
				Transparency of Procedures									
				Strategic Alignment of Audit Outcomes									
Communication, Reporting, and Monitoring	Communicate Engagement Results and Monitor Action Plans	E.1.5.ST	ST	Transparency of Procedures	Tailored Identification and Transparent Disclosure of Engagement-Specific Limitations: The CAE should establish a structured and tailored approach to identifying, documenting, and communicating engagement-specific limitations to maximize the transparency and value of audit work. To implement this, Internal Audit should review the current standard disclaimer clauses and build off them to add additional sufficient insight into how limitations (EG: data access, timing, or resource constraints) may affect procedures, analyses, or conclusions. IA should: Identify and assess engagement-specific limitations for each audit or review and evaluate their impact on risk coverage and alignment with the Audit Plan. Clearly document these limitations in audit reports, with explanations of how they affect findings and conclusions. Incorporate detailed discussions of limitations into communications with management and the FOAC to ensure mutual understanding, agree on mitigation steps, and strengthen confidence in the objectivity of audit results.	Low	Low	R	A	I	I	I	I