



City of El Paso Agenda Summary Form

City Clerk

Submitted On:
Jun 22, 2026, 07:04PM EDT

Department / Council Office	Internal Audit
Agenda Date	July 07, 2026
Public Hearing Date	
Email of User Submitting Form	carrillosj1@elpasotexas.gov
Contact Person	Adrian Serrano (915) 212-1365
2nd Contact Person	Miguel Montiel (915) 212-1367
District(s) Affected	All Districts
Agenda Item	Discussion and Action on the results of the El Paso International Airport - Accounts Payable Follow-Up Audit A2026-03.
Issue Statement	City Council is asked to accept the results of the El Paso Internal Airport - Accounts Payable Follow-Up Audit. Acceptance of the results will allow the Internal Audit Department to finalize the report and make it available to the public via the Internal Audit website.
Background	<p>The timeframe for this audit was Fiscal Year 2026. The objectives of this audit were to ensure that corrective action was taken to address the recommendations detailed in the original audit report titled El Paso International Airport - Accounts Payable Audit dated March 18, 2025.</p> <p>The original audit contained three (3) findings. The results of the Follow-Up Audit indicated that all 3 Findings were considered "Implemented." El Paso International Airport implemented the recommendations by:</p> <ul style="list-style-type: none">-Updating the Accounts Payable Standard Operating Procedure.-Verifying goods/services are received before invoice approval.-Ensuring invoices are paid timely within 30 days of the later of receipt of invoice or goods/services.-Preventing duplicate payments.
Council Options	<ol style="list-style-type: none">1. Accept the results of the Audit.2. Not accept the results of the audit and provider further guidance.
Committee Review and/or Recommendation	This item was accepted by the Financial Oversight and Audit Committee (FOAC) on June 18, 2026.
Community and Stakeholder Outreach (if applicable, as an attachment) – please include	N/A
Related City Policies	N/A

Prior Council Action	City Council has accepted audit reports previously accepted by the FOAC.
The City Attorney's Office has reviewed the documents and signed off on the necessary forms	Yes
Amount and Source of Funding	N/A
Enter the elected official's name followed by the amount donated.	N/A
For More Information	Adrian Serrano (915) 212-1365 SerranoAA@elpasotexas.gov



**El Paso International Airport –
Accounts Payable Follow-Up Audit**

No. A2026-03

Issued by the
Internal Audit Department
May 18, 2026

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

EXECUTIVE SUMMARY

The Internal Audit Department conducted a Follow-Up Audit of El Paso International Airport Audit Report dated March 18, 2025. The original Audit Report contained three (3) findings. Upon completion of the audit fieldwork, we have determined the status of the recommendation for each audit finding as outlined in the table below:

Finding No.	Description of Original Findings	Status
1	The El Paso International Airport (EPIA) <i>Accounts Payable Procedure - Purchases</i> manual was last updated on November 6, 2008.	Implemented
2	Fifty-two (52) invoices totaling \$744.92 in uniform rental charges for an ex-employee were authorized for payment between November 13, 2023 and November 7, 2024. The individual left employment in November 2023.	Implemented
3	For the period of September 1, 2023 to August 31, 2024: <ul style="list-style-type: none"> • Eleven (11) out of 30 (36.67%) invoices reviewed were not paid within 30 days of receiving the invoice or goods/services. • Five (5) out of 3,054 (0.16%) invoices were identified as having been paid twice for the same goods/services. 	Implemented

For a detailed explanation of the findings and current observations please refer to the appropriate finding contained in the body of this Audit Report.

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

BACKGROUND

The *Generally Accepted Government Auditing Standards* (Standard 8.30) states that auditors should evaluate whether the audited entity has taken appropriate corrective action to address findings and recommendations from previous engagements. The *Global Internal Audit Standards* (Standard 15.2) require that the Chief Audit Executive establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

El Paso International Airport (EPIA) serves as the regional transportation gateway connecting Texas, New Mexico, and Mexico. Offering over 50 daily flights and nonstop services to 16 airports, including several of the nation’s largest air hubs. EPIA’s mission is provide customers with a safe, secure and efficient airport, operating in an environmentally conscious and self-sustaining manner. The Airport Operating Fund is an enterprise fund with a total budget of \$74.5 million. This fund accounts for all airport activities and services. For the month of March 2026, EPIA paid 237 invoices, totaling \$942,961.61.

AUDIT OBJECTIVES

The audit objective was to ensure that the corrective action was taken by management to address the recommendations detailed in the *El Paso International Airport – Accounts Payable Audit Report* dated March 18, 2025.

AUDIT SCOPE AND METHODOLOGY

The scope for this audit covered Fiscal Year 2026. To achieve our audit objectives, we:

- Conducted interviews with EPIA management and staff to obtain an understanding of their Accounts Payable processes.
- Reviewed EPIA’s Accounts Payable Standard Operating Procedure effective January 6, 2026.
- Analyzed a sample of 27 invoices paid by EPIA during the month of March 2026 to identify if:
 - EPIA has a process in place to ensure all goods and services were received prior to approving invoices for payment.
 - EPIA has stopped renting uniforms for employees.
 - Invoices were paid within 30 days of receiving the invoice or goods/services.
 - Invoices have not been paid twice for the same goods/services.

We conducted this audit in accordance with *Generally Accepted Government Auditing Standards* and the *Global Internal Audit 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 on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

ORIGINAL FINDINGS, CRITERIA, ORIGINAL RECOMMENDATIONS, MANAGEMENT'S RESPONSES TO ORIGINAL FINDINGS, CURRENT OBSERVATION AND STATUS

Based on the follow-up audit results, each original finding recommendation will be designated with one of the following four status categories:

<i>Implemented</i>	The finding has been addressed by implementing the original corrective action or an alternative corrective action.
<i>In Progress</i>	The corrective action has been initiated but is not complete.
<i>Not Applicable</i>	The recommendation is no longer applicable due to changes in procedures or changes in technology.
<i>Not Implemented</i>	The recommendation was ignored, there were changes in staffing levels, or management has decided to assume the risk.

Original Finding 1 (Report dated March 18, 2025)

El Paso International Airport Accounts Payable Procedures

Our review of the El Paso International Airport (EPIA) *Accounts Payable Procedure - Purchases (AP Procedure)* identified that:

- The EPIA's *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.

Standard/Criteria

City of El Paso Strategic Plan:

- *Goal 6.12 Maintain systems integrity, compliance and business continuity.*

A strong system of internal controls requires that Policies and Procedures be developed that document routine or repetitive activity followed by an organization. The development and use of Policies and Procedures are an integral part of a successful quality system as it provides individuals with the information and guidance to perform a job properly.

Original Recommendation

El Paso International Airport (EPIA) should update their *Accounts Payable Procedure* to:

- Align with current practices that are unique to its Accounts Payable activities.
- Eliminate programs and procedures that are no longer in place.
- Maintain a listing of personnel designated to authorize invoices for payment.
- Refer to job titles currently reflected on EPIA's staffing tables.

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

Management’s Response to Original Finding

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.

Responsible Party

Annette Ditty, Administrative Services Manager

Implementation Date

January 22, 2026

Current Observation

The El Paso International Airport has updated their *Accounts Payable Standard Operating Procedure* to include:

- Procedures that align with current practices that are unique to its Accounts Payable activities.
- Eliminating procedures that are no longer in place for fuel purchases.

The *Accounts Payable Standard Operating Procedure* was not updated to include:

- Maintaining a listing of personnel designated to authorize invoices for payment.
 - EPIA implemented an alternative procedure in which each Airport division submits a Signature Authorization Form identifying individuals authorized to approve invoices. The form is updated every Fiscal Year. This approach is considered sufficient.
- Referencing job titles reflected on EPIA’s staffing tables.
 - EPIA references divisions instead of specific job titles in the procedures. Doing so minimizes the need for updates, as division names remain more stable than individual job titles. This approach is considered sufficient.

Status

Implemented

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

Original Finding 2 (Report dated March 18, 2025)

Authorization of Invoices for Payment

During the period of November 13, 2023 to November 7, 2024, El Paso International Airport paid 52 invoices for uniform rental charges totaling \$744.92 for a former employee. The individual left employment with the City in November 2023.

Standard/Criteria

City of El Paso Strategic Plan:

- *Goal 6.12 Maintain systems integrity, compliance and business continuity.*

City of El Paso Accounts Payable Policy dated June 2024:

- *Section 4.0, bullet 3: Departments are responsible for processing vouchers accurately and in a timely manner with approval by the appropriate supervisory personnel.*
- *Section 5.0, bullet 8: ...The approval to pay on the invoice means the department has received the good and/or services...*

Original Recommendation

El Paso International Airport staff must ensure that all goods/services have been received before approving invoices for payment.

Management's Response to Original Finding

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.

Responsible Party

Annette Ditty, Administrative Services Manager

Implementation Date

Distribute form by April 18, 2025

Phase out vendor by August 31, 2025

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

Current Observation

For the month of March 2026, EPIA paid 237 invoices totaling \$942,961.61. A sample of 27 invoices were selected for review (11.39% sample). Our review identified the following:

- 27 out of 27 invoices (100%) were properly reviewed to ensure that goods/services were received prior to approving invoices for payment.

EPIA's current process is to purchase uniforms for employees instead of renting. EPIA is working with the City Attorney's Office and Purchasing Department to terminate the contract for uniform rentals.

Status

Implemented

DRAFT

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

Original Finding 3 (Report dated March 18, 2025)

Payment of Invoices

A sample of 30 invoices processed by El Paso International Airport during the period of September 1, 2023 to August 31, 2024 was reviewed for compliance with the *City of El Paso Accounts Payable Policy*. Our review identified that:

- Eleven invoices, for 11 individual vendors, were not paid within 30 calendar days of receiving the invoice. The 11 invoices were paid between 31 and 49 calendar days of receiving the invoice.

#	Voucher #	Invoice #	Invoice Amount	Invoice Date (Received Date)	Payment Date	# of Calendar Days Payment was made after Invoice Date
1	24039228	9952459627	\$ 329.14	January 8, 2024	February 8, 2024	31
2	24095006	2880153492	\$ 52.38	July 5, 2024	August 6, 2024	32
3	24063472	2868-179249	\$ 21.12	March 25, 2024	April 29, 2024	35
4	24048534	349643997001	\$ 137.99	January 24, 2024	February 29, 2024	36
5	24072211	928160089	\$ 120.94	April 16, 2024	May 23, 2024	37
6	25005116	08202024	\$ 2,100.00	August 20, 2024	September 26, 2024	37
7	24040415	7586705	\$ 58.47	January 22, 2024	March 4, 2024	42
8	24076434	CI_104702	\$ 108.50	April 29, 2024	June 11, 2024	43
9	24040547	2686-2	\$ 228.65	January 19, 2024	March 4, 2024	45
10	24087055	32516	\$ 380.00	May 31, 2024	July 16, 2024	46
11	24101947	6330-412753	\$ 54.33	July 16, 2024	September 3, 2024	49

Out of a population of 3,054 invoices processed during the period of September 1, 2023 to August 31, 2024, five (5) were paid twice for the same goods/services. Our review of the double payments identified that:

- One (1) of five (5) was paid twice and a refund of \$147.50 ***has not*** been received (invoice #1).
- Four (4) of five (5) were paid twice and refunds totaling \$1,586.68 were received (invoices #2-5).

Double Payments				
#	Voucher #	Invoice #	Invoice Amount	Refund Date
1	24040396	163391	\$ 147.50	<i>Pending</i>
2	24053225	022724104682	\$ 315.00	April 4, 2024
3	24050375	T73487	\$ 61.31	March 19, 2024
4	24050369	T73488	\$ 54.00	March 19, 2024
5	24053308	T74462	\$ 1,156.37	April 1, 2024

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

Standard/Criteria

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.*

City of El Paso Accounts Payable Policy dated June 2024:

- *Section 5.0, bullet 1, As per the Prompt Payment Act, invoices are to be paid before the 30th day after the latest of:
 1. the date the governmental entity receives the goods under the contract,
 2. the date the performance of the service under the contract is completed, or
 3. the date the governmental entity receives an invoice for the goods or service.*

Original Recommendation

El Paso International Airport staff should ensure invoices are:

- Paid within 30 days of receiving the invoice or receiving the goods/services.
- Not paid twice for the same goods or services.

Management's Response to Original Finding

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.

Responsible Party

Annette Ditty, Administrative Services Manager

Implementation Date

Mandatory Airport Financial Training June 2025

New Airport Accounts Payable Policy and Procedure training February 2026

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

Current Observation

For the month of March 2026, EPIA paid 237 invoices totaling \$942,961.61. An analysis was performed to identify potential duplicate payments, and no duplicates were found. Additionally, a sample of 27 invoices paid by EPIA during March 2026 were selected for detailed review, with the following results:

- 26 out of 27 invoices (96.30%) were paid within 30 days of receiving the invoice or goods/services.
 - One (1) invoice was paid 35 days from the receipt of the invoice.

Invoice #	Invoice Amount	Date Invoice Received	Payment Date	# of Calendar Days Payment Was Made After Date Invoice Received
172629	\$ 140.76	2/3/26	3/10/26	35

Additional Observation

It was also noted that 12 of the 27 invoices reviewed (44.44%) did not reflect the correct receipt date in PeopleSoft Financials. This discrepancy occurred because EPIA recorded the date the invoice was uploaded into Monday.com rather than the date the invoice was actually received. The Internal Audit Department notified EPIA’s Business and Finance Assistant Director and Administrative Services Manager regarding the proper use of the “Invoice Receipt Date” field. EPIA acknowledged the issue and will communicate the correct process to staff.

Status

Implemented

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

INHERENT LIMITATIONS

Because of the inherent limitations of internal controls, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods beyond the Audit Report date are subject to the risk that procedures may become inadequate due to changes in conditions, management override of internal controls, or that the degree of compliance with the procedures may deteriorate. This was a limited scope audit which only reviewed the areas stated in the Audit Objectives during the Audit Scope period. No representations of assurance are made to other areas or periods not covered by this audit.

CONCLUSION

We have concluded our audit work on the objectives of the El Paso International Airport – Accounts Payable Follow-Up Audit. The audit evidence used in the analysis is sufficient and appropriate for addressing the objectives and supporting the observations and conclusion. In accordance with *Generally Accepted Government Auditing Standards*, we are required to conclude on whether El Paso International Airport met the objectives of this Follow-Up Audit. Based on our audit work, we have determined that:

1. El Paso International Airport substantially **met** the audit objectives in the following areas:
 - Updating the *Accounts Payable Standard Operating Procedure* to include the following:
 - Ensuring procedures align with Accounts Payable activities.
 - Eliminating programs and procedures no longer in place.
 - Implementing a procedure requiring each Airport Division to submit an annual Signature Authorization Form identifying personnel authorized to approve invoices.
 - Referencing Divisions and eliminating references to specific job titles.
 - Ensuring that all goods/services have been received before approving invoices for payment.
 - Ensuring invoices are paid within 30 days of receiving the invoice or goods/services.
 - Ensuring invoices are not paid twice for the same goods or services.

We wish to thank El Paso International Airport management and staff for their assistance and courtesies extended during the completion of this Follow-Up Audit.

Adrian Serrano, CPA
Chief Internal Auditor

Christian Castro, CIA, MAcc
Auditor II

Miguel A. Montiel, CIA, CGAP
Audit Manager

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