



AGENDA FOR THE FINANCIAL OVERSIGHT AND AUDIT COMMITTEE

February 12, 2026
COUNCIL CHAMBERS, CITY HALL, 300 N. CAMPBELL - FIRST FLOOR
12:30 PM

Notice is hereby given that a meeting of the Financial Oversight and Audit Committee (FOAC) will be conducted on the above date and time.

Members of the public may view the meeting via the following means:

Via the City's website. <http://www.elpasotexas.gov/videos>

Via television on City15,

YouTube: <https://www.youtube.com/user/cityofelpasotx/videos>

In compliance with the requirement that the City provide two-way communication for members of the public, members of the public may communicate with the Financial Oversight and Audit Committee during public comment, and regarding agenda items by calling the following number:

1-915-213-4096 or Toll Free Number: 1-833-664-9267

At the prompt please enter the corresponding Conference ID: 280-242-95#

If you wish to sign up to speak please contact Miguel Montiel at MontielMA@elpasotexas.gov no later than two (2) hours prior to the meeting date and time. Please provide your name, phone number, email address and the agenda item(s) you wish to speak on.

A quorum of the Financial Oversight and Audit Committee must be present and participate in the meeting.

ROLL CALL

PLEDGE OF ALLEGIANCE

AGENDA

1. Selection of the FOAC Chairperson. [BC-1627](#)
2. Approval of Minutes for the Financial Oversight and Audit Committee meeting of January 15, 2026. [Internal Audit, Elizabeth De La O, (915) 212-1371] [BC-1628](#)
3. Presentation on the City's outstanding debt, upcoming refunding opportunity, and planned debt issuances from the remaining 2019 Public Safety and 2022 Community Progress Bonds. [City Manager's Office, Robert Cortinas, (915) 212-1067] [BC-1702](#)
4. Presentation on Enterprise Risk Management (ERM) deployment. [Risk Management, Yvette Griffin, (915) 212-1243] [BC-1629](#)
5. Discussion and Action on the results of the Environmental Services - P-Card and Travel Audit A2026-07. [Internal Audit, Miguel Montiel, (915) 212-1367] [BC-1695](#)

ADJOURN

NOTICE TO THE PUBLIC

This is a meeting of the Financial Oversight and Audit Committee of the El Paso City Council. The committee ordinarily consists of 4 Council members for purposes of establishing a quorum and the voting membership on the committee. However, any other member of the City Council may, on an ad hoc basis, join the meeting and participate in the discussions.

Sign language interpreters will be provided for this meeting upon request. Requests must be made to Miguel Montiel at MontielMA@elpasotexas.gov a minimum of 48 hours prior to the date and time of this hearing.

If you need Spanish Translation Services, please email MontielMA@elpasotexas.gov at least 48 hours in advance of the meeting.

Posted this 5th day of February, 2026 at 9:44 a.m., at City Hall, 300 N. Campbell Street by Sergio Carrillo.



El Paso, TX

300 N. Campbell
El Paso, TX

Legislation Text

File #: BC-1627, **Version:** 1

**CITY OF EL PASO, TEXAS
LEGISTAR AGENDA ITEM SUMMARY FORM**

AGENDA LANGUAGE:

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Selection of the FOAC Chairperson.

There is no Backup for this Agenda Item



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Legislation Text

File #: BC-1628, Version: 1

**CITY OF EL PASO, TEXAS
LEGISTAR AGENDA ITEM SUMMARY FORM**

AGENDA LANGUAGE:

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Approval of Minutes for the Financial Oversight and Audit Committee meeting of January 15, 2026. [Internal Audit, Elizabeth De La O, (915) 212-1371]



FINANCIAL OVERSIGHT AND AUDIT COMMITTEE MINUTES
January 15, 2026
COUNCIL CHAMBERS, CITY HALL
12:30 PM

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The Financial and Oversight and Audit Committee members of the City of El Paso met at the above place and date. Meeting was called to order at 12:37 p.m. Committee Chair Dr. Josh Acevedo was present and presiding and the following Committee Members answered roll call: Dr. Josh Acevedo, Alejandra Chávez, Deanna Maldonado-Rocha, Ivan Niño (joined at 12:39 p.m.), Elizabeth De La O – Deputy Chief Internal Auditor, and Dionne Mack – City Manager.

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PLEDGE OF ALLEGIANCE

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AGENDA

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1. Motion made by Committee member Chávez, seconded by Committee member Maldonado-Rocha, and unanimously carried to **APPROVE** the Minutes for the Financial Oversight and Audit Committee meeting of December 11, 2025.

AYES: Committee Members Acevedo, Chávez, Maldonado-Rocha

NAYS: None

ABSENT: Committee Member Niño

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2. **Presentation on Project Financing Zones, Texas Tax Code 351.1015.**

Mr. Robert Cortinas, Chief Financial Officer/Deputy City Manager, delivered a PowerPoint presentation.

The following members of the FOAC commented:

- Dr. Josh Acevedo, Committee Chair.
- Ms. Alejandra Chávez, Committee Member.
- Ms. Deanna Maldonado-Rocha, Committee Member.
- Mr. Ivan Niño, Committee Member.
- Ms. Dionne Mack, City Manager.

No **ACTION** was taken on this item.

3. **Discussion on FY 2025-2026 Audit Plan 1st Quarter Updates.**

Mr. Miguel Montiel – Audit Manager, delivered a PowerPoint presentation.

The following members of the FOAC commented:

- Dr. Josh Acevedo, Committee Chair.
- Ms. Alejandra Chávez, Committee Member.
- Ms. Deanna Maldonado-Rocha, Committee Member.
- Mr. Ivan Niño, Committee Member.

No **ACTION** was taken on this item.

4. **Discussion and Action on the results of the Accounts Receivable Program – 2nd Follow-Up Audit A2025-10.**

Ms. Elizabeth De La O – Deputy Chief Internal Auditor, delivered a PowerPoint presentation.

The following members of the FOAC commented:

- Dr. Josh Acevedo, Committee Chair.
- Ms. Alejandra Chávez, Committee Member.
- Ms. Deanna Maldonado-Rocha, Committee Member.

The following City staff member commented:

- Ms. Margarita Marin – Comptroller/Deputy Chief Financial Officer.

Motion made by Committee Member Niño, seconded by Committee Member Chávez, and unanimously carried to **ACCEPT** the results of the Accounts Receivable Program – 2nd Follow-up Audit and send to City Council for action.

AYES: Committee Members Acevedo, Chávez, Maldonado-Rocha and Niño

NAYS: None

ADJOURN

Motion made by Committee Member Niño, seconded by Committee Chair Maldonado-Rocha and unanimously carried to **ADJOURN** the meeting at 1:39 p.m.

AYES: Committee Members Acevedo, Chávez, Maldonado-Rocha and Niño

NAYS: None

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APPROVED AS TO CONTENT:

Committee Chair,
Financial Oversight and Audit Committee

Elizabeth De La O – Deputy Chief Internal Auditor,
Internal Audit Department



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**CITY OF EL PASO, TEXAS
LEGISTAR AGENDA ITEM SUMMARY FORM**

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Presentation on the City's outstanding debt, upcoming refunding opportunity, and planned debt issuances from the remaining 2019 Public Safety and 2022 Community Progress Bonds. [City Manager's Office, Robert Cortinas, (915) 212-1067]



CITY OF EL PASO

City of El Paso Debt Service

February 12, 2026

Agenda Items

1. Debt Management
2. Outstanding Debt
3. Debt Limits and Bond Ratings
4. Refunding Opportunity
5. Bond Issuance Status and Planned



Importance of Debt Management

Future Financial Planning - Understanding debt structure (maturity, call dates, principal/interest) is critical to plan for future financial obligations and opportunities

Importance of Debt Management

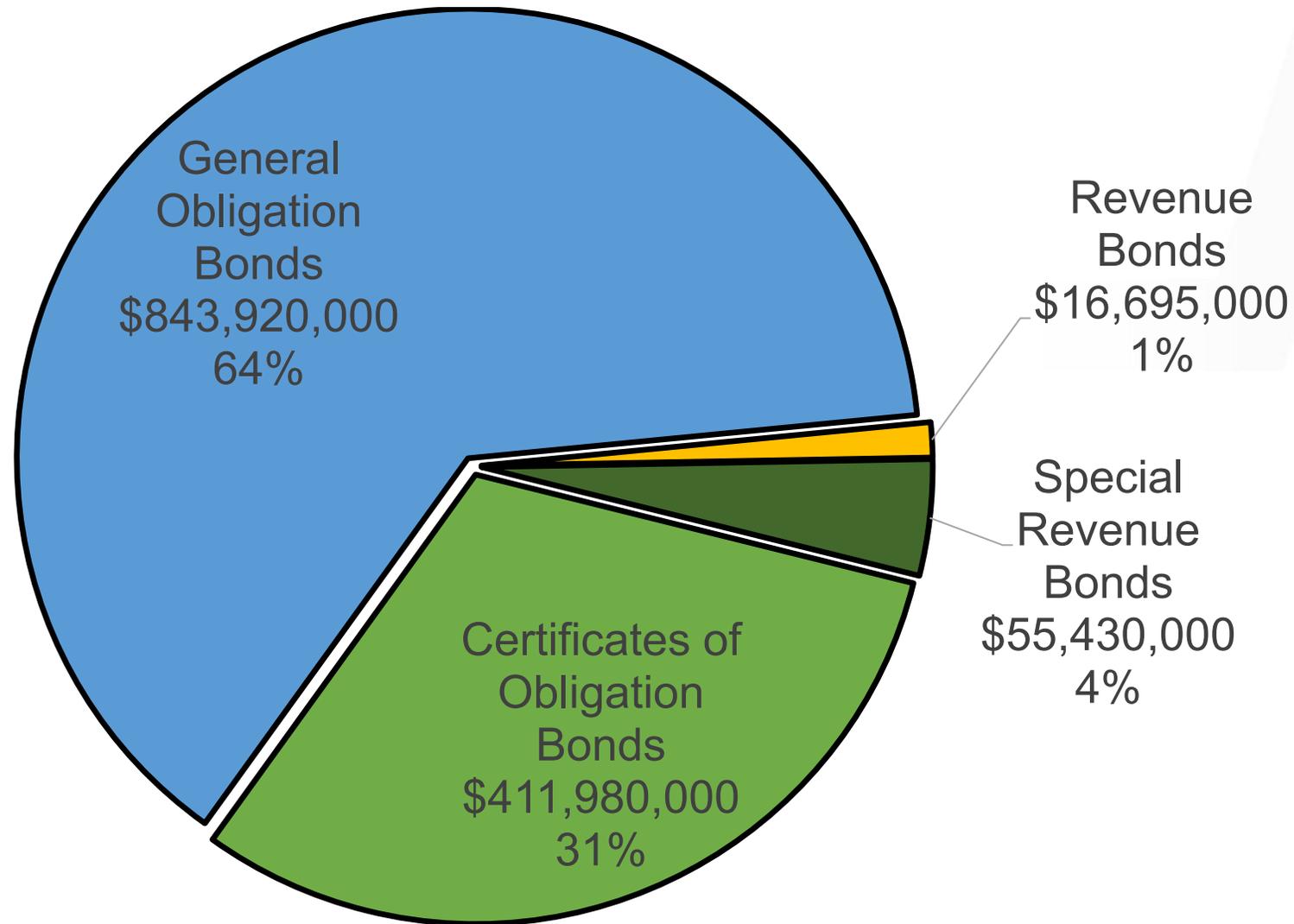
- Provides ability to invest in essential infrastructure and services
- Ensures the City can meet obligations without financial strain
- Sustains and improves the credit rating, which is vital for lower borrowing costs

Importance of Debt Management

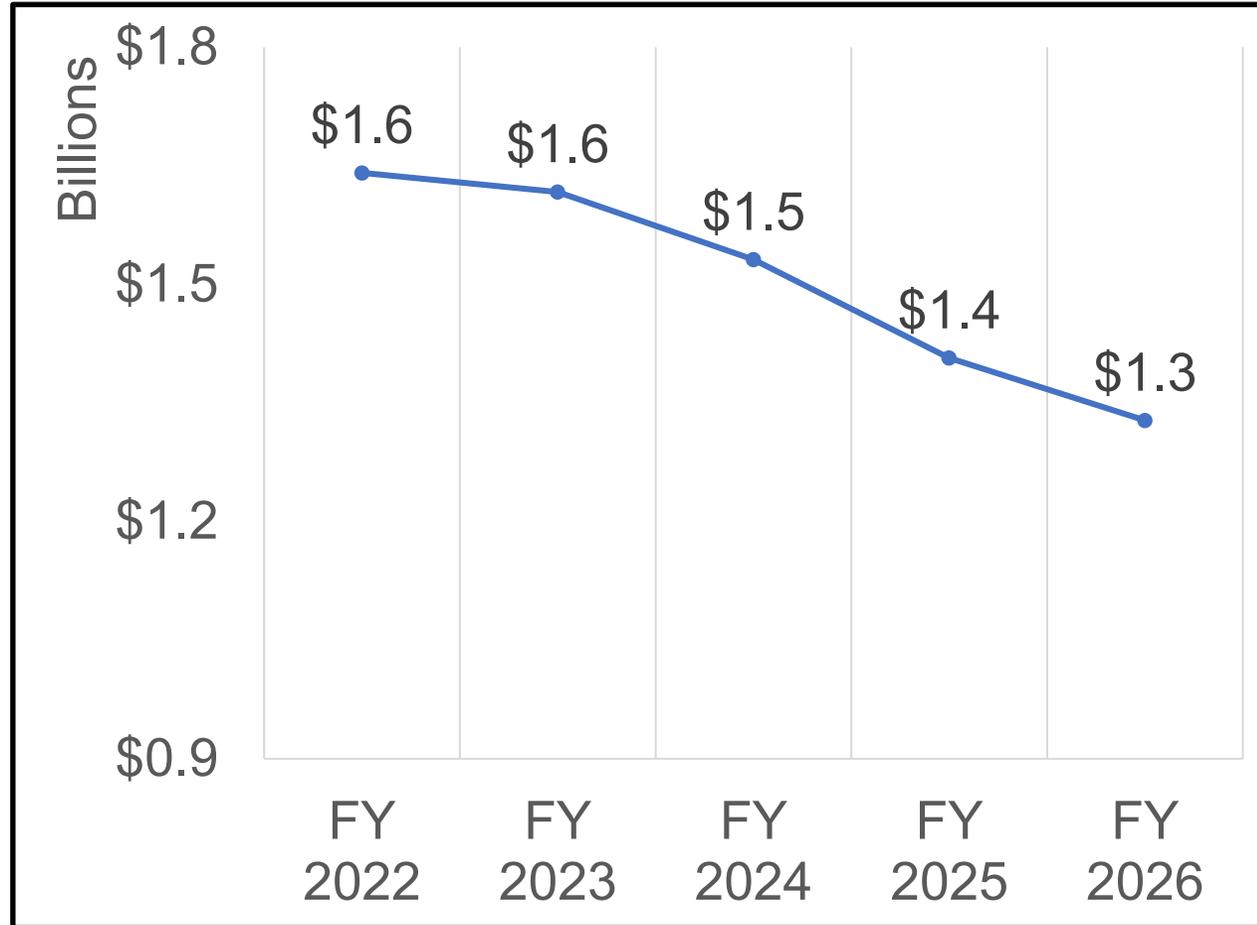
- Current debt – no current debt paid off until 2032
- \$472.2 million GO authorized debt to issue over next 8 years
- Fluctuating interest rate market
- Maintaining high investment grade bond rating

We have been strategic and proactive to minimize impact on tax rate

Breakdown of Outstanding Debt



Long-Term Debt Outstanding

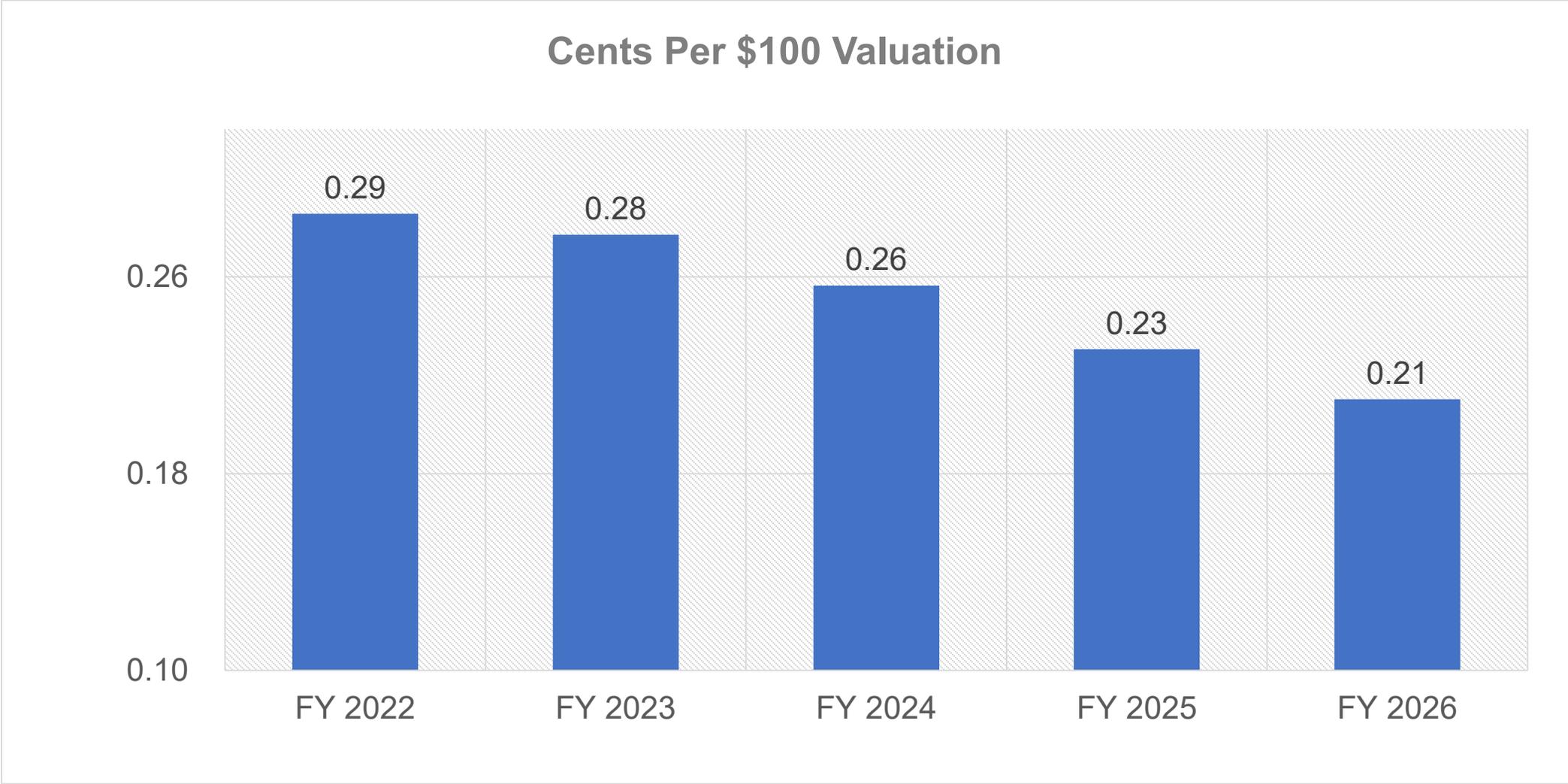


- The City has been able to reduce debt obligations through:
 - Early payoffs: Defeasances
 - Refundings: better interest rate = lower debt payment
 - No debt issuances since 2023

Recent Debt Refunding Savings

Calendar Year	Refunded Par	Refunding Par	Gross Debt Service Savings	Present Value DS Savings
2021	\$105.29MM	\$96.15MM	\$11.00MM	\$10.31MM
2023	\$14.38MM	\$11.56MM	\$0.40MM	\$0.42MM
2024	\$80.47MM	\$71.37MM	\$8.11MM	\$4.21MM
2025	\$84.72MM	\$79.36MM	\$5.12MM	\$4.49MM
Total			\$24.63MM	\$19.43MM

Debt Service Property Tax Rate



Debt Maturity (# years to payoff)

<u>Issuance</u>	Years to Maturity (Paid Off)
General Obligation Refunding Bonds Series 2020B	7
General Obligation Refunding Bonds Taxable Series 2014	9
General Obligation Refunding Bonds Series 2016	9
Taxable General Obligation Pension Bonds Series 2007	10
General Obligation Refunding Bonds, Series 2025	11
General Obligation Refunding Bonds Series 2023A	12
Combination Tax and Airport Revenue Certificates of Obligation Taxable Series 2014	13
General Obligation Refunding Bonds Series 2024	13
General Obligation Refunding and Improvement Bonds Series 2014	14
General Obligation Refunding Bonds Taxable Series 2021A	14
Combination Tax and Revenue Certificates of Obligation Series 2014	15
General Obligation Refunding and Improvement Bonds Series 2015	16
Combination Tax and Revenue Certificates of Obligation Series 2015	16
General Obligation Bonds Series 2016	17
Combination Tax and Revenue Certificates of Obligation Series 2016	17
General Obligation Refunding and Improvement Bonds Series 2019A	19
General Obligation Bonds Series 2019B	19
Combination Tax and Revenue Certificates of Obligation Series 2019	19
General Obligation Refunding and Improvement Bonds Series 2020A	20
Combination Tax and Revenue Certificates of Obligation Series 2020	20
General Obligation Bonds Series 2021	22
Combination Tax and Revenue Certificates of Obligation Series 2021A	22
Combination Tax and Revenue Certificates of Obligation Series 2021B	22
General Obligation Bonds Series 2021B	22
Combination Tax and Revenue Certificates of Obligation Series 2021C	22
General Obligation Bonds Series 2023	23
Average	16

\$1.32 billion in current principal balance (CO's and GO's)

Debt Limits

Measure	Maximum	Actual
Total principal amount of tax-supported indebtedness to total taxable assessed valuation	10%	2.3%
Net direct debt service as a percent of Net Operating Revenues	20%	8.9%
Council shall annually adopt the necessary debt service tax rate in order to meet debt service requirement	40 ¢	21 ¢

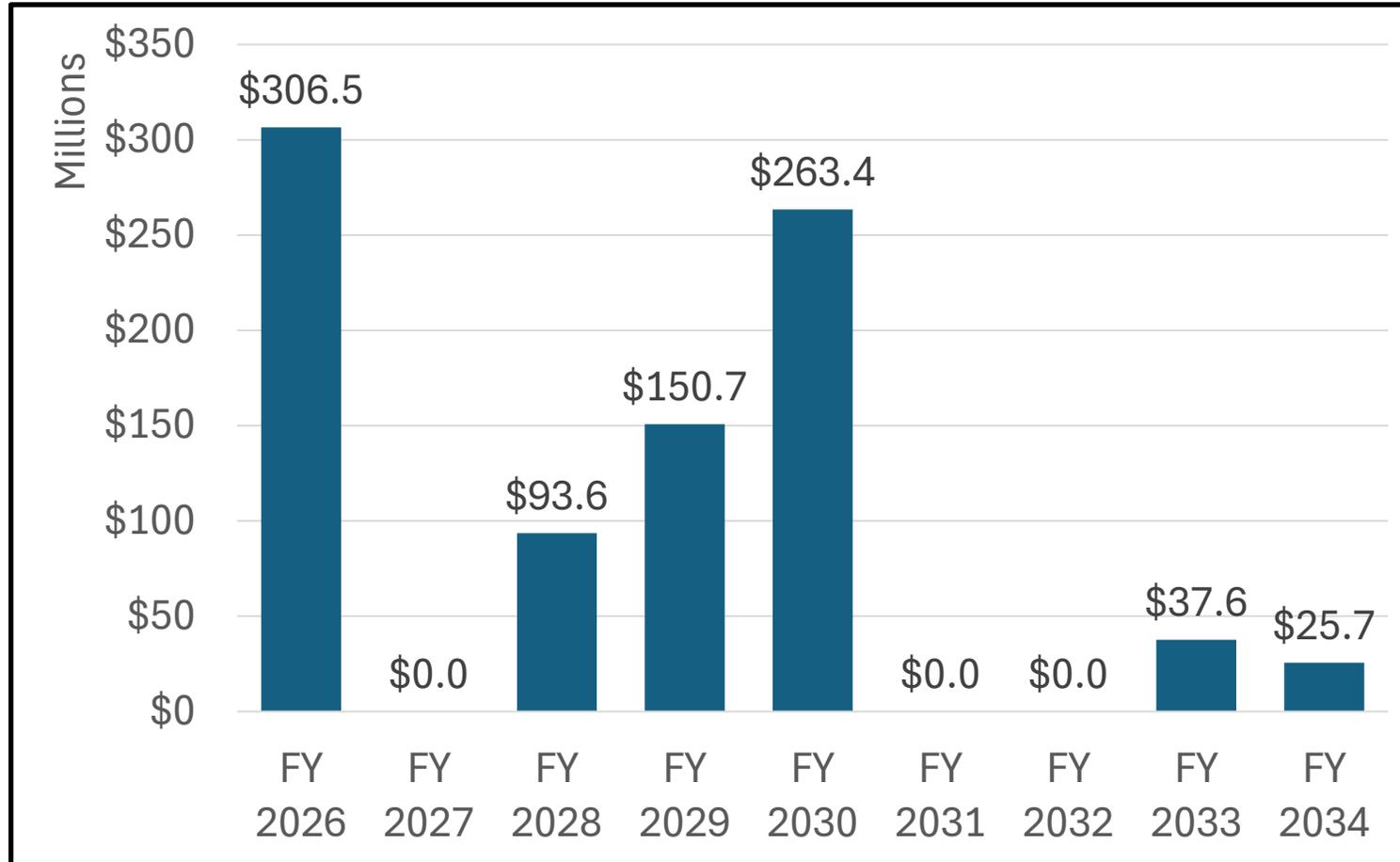
Bond Ratings

City's Ratings are investment grade with very low credit risk:

- S&P = AA
- Fitch = AA
- Kroll = AA+

	Rating	Description
Investment-grade	AAA	Lowest level of credit risk
	AA+, AA, AA-	Very low credit risk
	A+, A, A-	Low credit risk
	BBB+, BBB, BBB-	Moderate credit risk
Non-investment-grade	BB+, BB, BB-	Substantial credit risk
	B+, B, B-	High credit risk
	CCC+, CCC, CCC-	Very high credit risk
	CC	Highly speculative
	C	Highest level of credit risk
	D	Currently in default

Annual Callable Schedule (Refunding Opportunities)



- Refundings: Replace existing debt service payments by paying off an “Existing” bond with a “New” bond that produces LOWER overall debt service payments

Tax-Exempt Current Refunding Candidates

<u>Issuance</u>	<u>Amount Callable</u>	<u>Next Call Date</u>	<u>Final Maturity</u>
General Obligation Refunding Bonds Series 2016	86,145,000	08/15/2026	08/15/2034
General Obligation Bonds Series 2016	143,180,000	08/15/2026	08/15/2042
Certificates of Obligation Series 2016	77,205,000	08/15/2026	08/15/2042
Total	\$306,530,000		

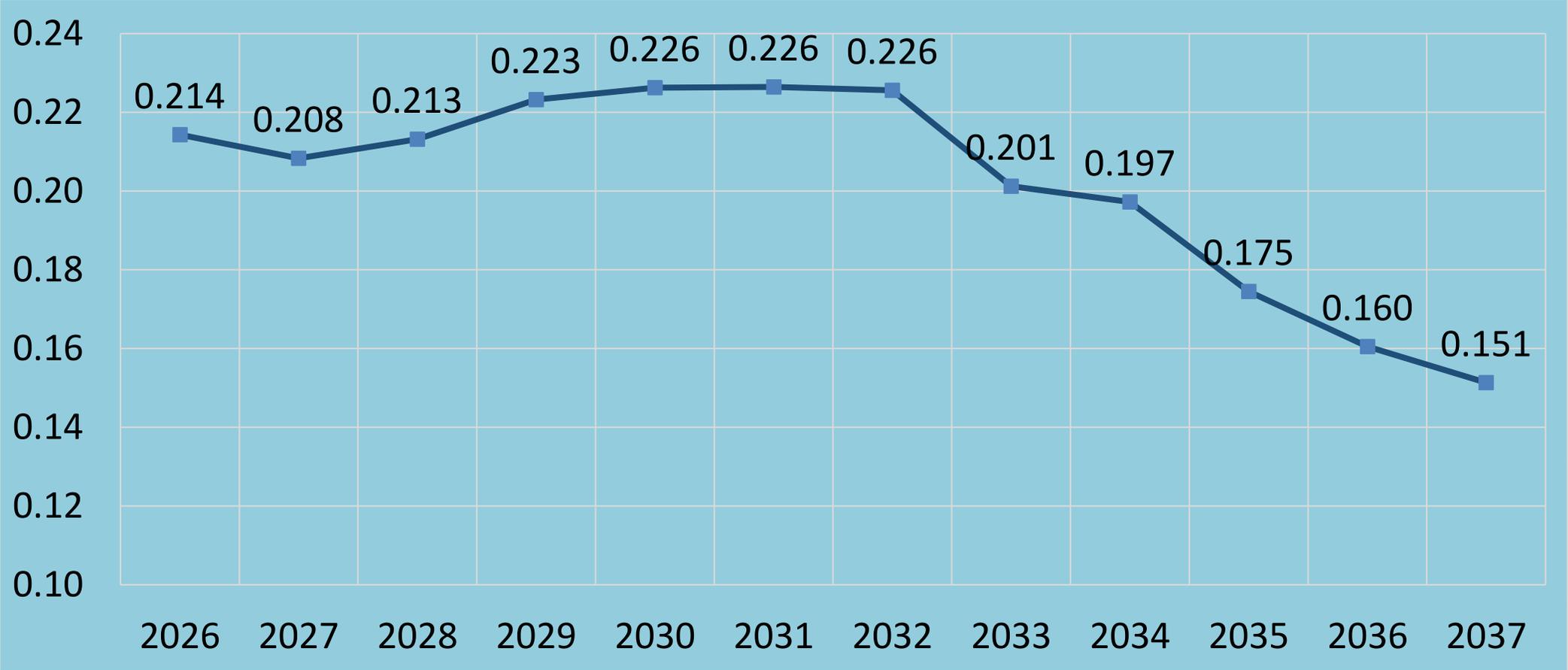
Tax-Exempt Refunding

- The City 2016 Bonds/Certificates will become callable on August 15, 2026 and can be current refunded as early as May 2026
- A current refunding of these bonds, structured to generate uniform annual debt service savings (on a series-by-series basis), generates:
 - Present value savings of ~\$18.1 million (5.9% of refunded par)
 - Average annual savings of \$1.1 million (FY 2027 to FY 2042)

Bond Issuance Status and Planned Issuances

	Public Safety Bond	Community Progress	SIB Loans	Total
Total Budget	413,122,650	272,480,000	29,087,857	714,690,507
Debt Issued	167,297,200	46,100,000	7,364,726	220,761,926
Remaining to Issue	\$245,825,450	\$226,380,000	\$21,723,131	\$493,928,581
FY 2027	75,000,000	50,000,000	14,723,131	139,723,131
FY 2028	85,000,000	60,000,000	7,000,000	152,000,000
FY 2029	80,000,000	40,000,000		120,000,000
FY 2030-2033	5,825,650	76,380,000		82,205,650
Remaining to Issue	\$245,825,650	\$226,380,000	\$21,723,131	\$493,928,781

Projected Debt Service Tax Rate (cents per \$100 valuation)



Estimated Debt Service Amounts (\$ Millions)



Next Steps

- Begin work on Preliminary Official Statements - provides potential investors with essential details about the issuer and the bonds
- Develop “pricing parameters” to be included in Bond Ordinance
- April 2026 – City Council considers approval of Bond Ordinance for Refunding and new issuance for Public Safety and Community Progress Bonds

MISSION



Deliver exceptional services to support a high quality of life and place for our community.

VISION



Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government.



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Accountability, **P**eople



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**CITY OF EL PASO, TEXAS
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Presentation on Enterprise Risk Management (ERM) deployment. [Risk Management, Yvette Griffin, (915) 212-1243]



Risk Management Journey to ERM

Deploying an Enterprise Risk Management Framework

How it all started...

The Risk and Safety Kaizen

An internal review was conducted in 2022, sponsored by the CFO and managing directors for Internal Services and Environmental Services. The core team included Human Resources, Risk Management, Information Technology, and a few additional departmental liaisons.

This initiative aligned with Strategic Goal 6:

***SET THE STANDARD FOR SOUND GOVERNANCE AND
FISCAL MANAGEMENT***

6.3 Implement programs to reduce organizational risk

How it all started...

- The outcome of the Kaizen review found that risks are often identified and addressed in isolation, with no consistent Citywide method for tracking, comparing, or monitoring.
- After evaluating the potential for unaddressed risks, the review concluded that implementation of an Enterprise Risk Management (ERM) framework is warranted.

What is ERM and Why is it Important...

- An Enterprise Risk Management (ERM) framework provides a structured, Citywide approach to identify, assess, and proactively manage risks.
- ERM links risk management to planning, budgeting, and informed decision-making.
- ERM establishes a shared risk language and shifts the City from reactive to proactive



ERM is a Journey

- There's no “one size fits all” model of risk management.
- ERM is a repetitive process that should be consistently refined to meet our organization's needs.

ERM is a Journey

Exhibit 1: Elements of an ERM Process



Source: Beasley, Mark. "What is Enterprise Risk Management (ERM)?" NC State Poole College of Management. July 17, 2020. erm.ncsu.edu/library/article/what-is-enterprise-risk-management.

What's the Recipe for Success in Implementing ERM

- Effective Strategic Planning
- Leadership commitment and engagement
- ERM Framework
- Proactive Engagement with Legal
- Key stakeholder communication and engagement
- Integrated risk model with Internal Audit protocols

Why Does Risk Management and Internal Audit Need to Work Together

The City's Internal Audit Current State, Maturity, and Needs Assessment and Road Map (September 2025) found that while Internal Audit has solid foundational practices, the department is not yet fully operating at an enterprise or strategic level.

Implementing ERM provides Internal Audit with a clear picture of enterprise risks, allowing Internal Audit the roadmap it needs to prioritize audits based on actual risks rather than past practice or isolated concerns.

How Risk Management and Internal Audit Work Together

ERM depends on a strong working relationship between Risk Management and Internal Audit, with clearly defined roles:

- ***Risk Management*** helps departments identify risks, evaluates how serious those risks are, and supports departments in developing ways to reduce or manage them. This work is forward-looking and focused on prevention. [Identifies & Organizes risks]
- ***Internal Audit*** independently reviews and tests whether risks are being managed properly and whether controls are working as intended. Internal Audit does not manage risks itself—it provides independent assurance to City Council and its oversight committees. [Reviews & Validates risks]

When both functions are aligned through ERM, the City avoids gaps, duplication, and confusion.

Three Lines of Defense

GOVERNING BODY / AUDIT COMMITTEE

SENIOR MANAGEMENT **Executive Risk Council**

↑ 1st Line of Defense

↑ 2nd Line of Defense

↑ 3rd Line of Defense


Management
Controls


Internal Control
Measures

 Financial Control

 Security

 Risk Management

 Quality

 Inspection

 Compliance


Internal
Audit

External Audit

Regulator

Why This Matters

For the City Council Finance Oversight and Audit Oversight Committee, ERM strengthens oversight by providing clear, understandable information about the City's most significant risks. It helps ensure that audit priorities align with real risks, that public funds are protected, and that the City is making informed decisions.

ERM Key Implementation Activities

Governance & Culture

- Establish Executive Risk Council
- Upskill staff
- Align commitment to strategy
- Define Risk Appetite & Taxonomy

Cross-departmental risk identification workshops

- Deliver training to embed risk awareness in daily operations
- Conduct risk assessments
- Establish mitigation and response strategies

Reporting

- Dashboards
- Risk registers
- Heat maps

Alignment

- Formalize Risk Control Matrix
- Internal Audit

Expected Benefits

- In the near term, ERM will improve coordination across departments and bring structure and consistency to how risks are managed.
- Over time, ERM will reduce the likelihood and impact of major risk events, strengthen internal controls, improve audit effectiveness, and build public confidence in how the City governs and manages its resources.

Next Steps

- Fill vacancies
- Consider options for a consultant
- Schedule training and risk identification departmental meetings
- Prepare for departmental sessions

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VISION



Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government.



VALUES

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**CITY OF EL PASO, TEXAS
LEGISTAR AGENDA ITEM SUMMARY FORM**

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Discussion and Action on the results of the Environmental Services - P-Card and Travel Audit A2026-07.
[Internal Audit, Miguel Montiel, (915) 212-1367]



Internal Audit Department Environmental Services – P-Card and Travel Audit A2026-07

Objectives

The audit objectives were to review P-Card transactions and Travel Requests made by the Environmental Services Department (ESD) during FY 2025. The audit concentrated on the following areas:

- Obtain an understanding of ESD's P-Card Program and Travel Request approval process.
- Determine if the current ESD P-Card primary approvers and reconcilers are properly reviewing and monitoring the expenditures related to purchases through P-Cards.
- Determine if Travel Requests are properly approved and reconciled.
- Determine if P-Card transactions are for proper expenditures to include travel.

Objectives (cont.)

- Verify that original receipts properly support P-Card transactions and travel expenditures.
- Identify if Sales Tax was paid using the P-Card.
- Determine if spending limits on P-Card transaction have been followed.

Scope and Methodology

The scope of September 1, 2024 to August 31, 2025, included:

- Reviewing City of El Paso Policies and Procedures.
- Conducting interview with Environmental Services management and staff.
- Reviewing P-Card transactions made by ESD.
- Reviewing completed Travel Requests.
- Reviewing ESD employee departures and P-Card closures.

Finding 1 (Positive)

Based on the results of our review of Environmental Services' P-Card transactions and Travel Requests during Fiscal Year 2025, we identified that the Environmental Services Department:

- Has established processes to properly review and approve P-Card purchases and submit proper receipts as backup.
- Properly completes Travel Requests before travel occurs and properly reconciles Travel Requests after travel.
- Ensures the cancellation of P-Cards and that no transactions occur with an employee's P-Card after an employee's separation/transfer.

We can provide reasonable assurance that the Environmental Services Department has processes in place to ensure that P-Card purchases and Travel Requests are properly reviewed and approved in accordance with City of El Paso Policies and Procedures.

Recommendation

The Environmental Services Department should continue to ensure that all aspects of their P-Card and Travel processes function in accordance with City of El Paso Policies and Procedures.

Management Response

None required.

Conclusion

The Environmental Services Department met the audit objectives in the following areas:

- Has established processes to properly review and approve P-Card purchases and submit proper receipts as backup.
- Properly completes Travel Requests before travel occurs and properly reconciles Travel Requests after travel.
- Ensures the cancellation of P-Cards and that no transactions occur with an employee's P-Card after an employee's separation/transfer.

Requested Action

To accept the results of the Environmental Services – P-Card and Travel Audit A2026-07 and forward the Audit Report to City Council for action.



**Environmental Services –
P-Card and Travel Audit
No. A2026-07**

Draft

Issued by the
Internal Audit Department
February 3, 2026

City of El Paso
Internal Audit Department
Environmental Services – P-Card and Travel Audit A2026-07

EXECUTIVE SUMMARY

The Internal Audit Department has concluded the Environmental Services – P-Card and Travel Audit. The audit was approved in the Fiscal Year 2025-2026 Annual Audit Plan. The scope for this audit was Fiscal Year 2025. The audit objectives were to:

1. Review Procurement Card (P-Card) purchases and Travel conducted by the Environmental Services Department during the period of September 1, 2024 to August 31, 2025.
2. Review and verify that:
 - P-Card transactions and Travel Requests were appropriately reviewed, properly approved, and had required supporting documentation,
 - P-Cards were closed after employees separated from the City of El Paso or transferred to another City department.

Based on the results of the audit, we can provide reasonable assurance that:

- The Environmental Services Department (ESD) has established and maintained processes to ensure that all P-Card transactions and Travel Requests are properly reviewed and approved in accordance with City of El Paso Policies.
- P-Cards are promptly closed upon an employee's separation from ESD or from the City of El Paso.

For more detail on the areas under review, please refer to the body of the Audit Report.

City of El Paso
Internal Audit Department
Environmental Services – P-Card and Travel Audit A2026-07

BACKGROUND

The City of El Paso's Procurement Card (P-Card) Program is a credit card-based program used to facilitate the requisitioning, purchasing, and payment of generally small dollar purchases. The program is designed to reduce the administrative process, time related to purchase orders, vouchers, and check processing to expedite payment. As of October 27, 2025, the City had 444 active P-Cards and the Environmental Services Department (ESD) had 21 active P-Cards. During the audit scope of September 1, 2024 to August 31, 2025, ESD conducted 544 P-Card transactions totaling \$166,218.49.

The P-Card Program incorporates controls and reporting features that help ensure the P-Card is used for official purchases and within spending limits. Transaction limitations are as follows:

- Single transaction amount limits and total monthly limits on a per employee basis,
- Restrictions for type of purchase,
- Restrictions on merchants.

The City of El Paso utilizes WellOne® Expense Manager (WOEM), which streamlines the expense approval process through its receipt-linking functionality. P-Card holders have the ultimate responsibility for ensuring all charges are reconciled, and receipts/approvals for purchases are uploaded in WOEM. Each P-Card holder is designated a WOEM Manager authorized to approve monthly transactions. The Program is administered and monitored by the P-Card Administrator in the Office of the Comptroller. Each department has both a P-Card Approver and Reconciler. The department's P-Card Approver is responsible for the initial set-up of all authorized users within the department. The approver must have budgetary authority to maintain spending limits and be at a supervisory level above the P-Card user to enforce proper purchases to the extent possible. The department's P-Card Reconciler verifies transactions, reconciles receipts to purchases and signs off on the payments for the P-Card. In some cases, the P-Card Reconciler can be the P-Card user.

Each department is responsible to plan, arrange and approve requested travel for employees so as to achieve maximum economy and efficiency. Travel should not be granted if the purpose of the trip could be handled by mail, telephone, available local training or other viable options. The City of El Paso utilizes the Travel Request Form to document approval. All Travel Request Forms shall be approved in advance and upon completion of the travel. A department head or budget authority shall approve all Travel Requests. This audit will be to ascertain the municipal purpose of travel.

AUDIT OBJECTIVES

The objectives of the Environmental Services P-card and Travel Audit were to:

- Obtain an understanding of the City of El Paso's ESD's P-Card Program and Travel Request approval process.
- Determine if the current ESD P-Card primary approvers and reconcilers are properly reviewing and monitoring the expenditures related to purchases through P-Cards.
- Determine if Travel Requests are properly approved and reconciled.
- Determine if P-Card transactions are for proper expenditures to include travel. (Travel paid by using the P-Card or a voucher).
- Verify that original receipts properly support P-Card transactions and travel expenditures.
- Identify if Sales Tax was paid using the P-Card.
- Determine if spending limits on P-Card transaction have been followed.

City of El Paso
Internal Audit Department
Environmental Services – P-Card and Travel Audit A2026-07

AUDIT SCOPE AND METHODOLOGY

The scope for this audit was from September 1, 2024 to August 31, 2025. To achieve our audit objectives, we:

- Reviewed City of El Paso Policies and Procedures.
- Obtained an understanding of the City of El Paso’s P-Card and Travel processes.
- Conducted interviews with Environmental Services management and staff.
- Downloaded the listing of P-Card transactions made by the Environmental Services Department during the review period. The listing included 544 transactions totaling \$166,218.49.
- Selected a statistical sample of 30 P-Card transactions totaling \$8,995.69 to review if:
 - Purchases were not personal in nature,
 - Itemized receipts were submitted,
 - Purchases were properly reviewed and approved,
 - Purchases incurred Texas State Sales Tax,
 - P-Card spending limits were followed.
- Reviewed 11 Travel Requests totaling \$14,796.32 arising from the sample of P-Card transactions to verify if:
 - Travel Requests were submitted for approval at least 10 days prior to travel,
 - Travel Requests were reconciled and submitted for approval 10 days or fewer after travel.
 - All supporting documentation was provided,
 - The correct Travel Request form was used,
 - Employee owed the City of El Paso travel advance money and if so, it was paid back.
- Reviewed five (5) P-Cards closed by ESD during Fiscal Year to verify that:
 - P-Cards were immediately cancelled for employees no longer employed by the City of El Paso,
 - PCM-1 forms to close P-Card accounts were submitted before or immediately after an employee’s separation,
 - No transactions were conducted after the last day of employment/separation.

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
Environmental Services – P-Card and Travel Audit A2026-07**

***FINDING, CRITERIA, RECOMMENDATION,
AND MANAGEMENT’S RESPONSE***

Finding 1 (Positive Finding)

Environmental Services Department Processes

Based on the results of our review of Environmental Services’ P-Card transactions and Travel Requests during Fiscal Year 2025, we identified that the Environmental Service Department:

1. Has established processes to properly review and approve P-Card purchases and submit proper receipts as backup.
2. Properly completes Travel Requests before travel occurs and properly reconciles Travel Requests after travel.
3. Ensures that P-Cards are cancelled and no transactions occur with an employee’s P-Card after their separation from the City of El Paso or transfer to another City department.

We can provide reasonable assurance that the Environmental Services Department has processes in place to ensure that P-Card purchases and Travel Requests are properly reviewed and approved in accordance with City of El Paso Policies and Procedures.

Standard/Criteria

City of El Paso’s Strategic Plan:

- *Goal 6.3 Implement programs to reduce organizational risk.*
- *Goal 6.6 Ensure continued financial stability and accountability through sound financial management, budgeting, and reporting.*

City of El Paso Procurement Card Policies dated October 10, 2024 and February 19, 2025.

City of El Paso Travel Policies dated November 1, 2023 and October 10, 2024.

Recommendation

The Environmental Services Department should continue to ensure that all aspects of their P-Card and Travel processes function in accordance with City of El Paso Policies and Procedures.

Management’s Response

None Required.

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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 work on the objectives of the Environmental Services – P-Card and Travel Audit. The audit evidence used in our analysis is sufficient and appropriate for addressing the objectives and supporting the findings and conclusion. In accordance with Generally Accepted Government Auditing Standards, we are required to conclude on whether the Environmental Services Department met the objectives of this audit. Based on our audit work, we have determined that:

The Environmental Services Department met the audit objectives in the following areas:

- Has established processes to properly review and approve P-Card purchases and submit proper receipts as backup.
- Properly completes Travel Requests before travel occurs and properly reconciles Travel Requests after travel.
- Ensures that P-Cards are cancelled and no transactions occur with an employee's P-Card after their separation from the City of El Paso or transfer to another City department.

We wish to thank the Environmental Services Department management and staff for their assistance and courtesies extended during the completion of this audit.

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