



AGENDA FOR THE FINANCIAL OVERSIGHT AND AUDIT COMMITTEE

June 05, 2025

COUNCIL CHAMBERS, CITY HALL, 300 N. CAMPBELL - FIRST FLOOR

2:00 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: 667-429-581#

If you wish to sign up to speak please contact Miguel Montiel at MontielMA@elpasotexas.gov no later than one day prior to the meeting date. 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. Approval of Minutes for the Financial Oversight and Audit Committee meeting of May 8, 2025. [Internal Audit, Edmundo Calderon, (915) 212-1365] [BC-702](#)
2. Discussion and Action on the results of the El Paso International Airport - Accounts Payable Audit A2025-02. [Internal Audit, Edmundo Calderon, (915) 212-1365] [BC-703](#)
3. Discussion and Action on the results of the Division of Veteran and Military Affairs - Travel and Accounts Payable Follow-Up Audit A2025-03. [Internal Audit, Edmundo Calderon, (915) 212-1365] [BC-704](#)
4. Discussion and Action on the Audit Scope and Objectives for the approved Code Compliance Audit. [Internal Audit, Edmundo Calderon, (915) 212-1365] [BC-706](#)
5. Discussion and Action on the Emergency Solutions Grant Audit Scope Change to Single-Family Owner-Occupied Renovation Program. [Internal Audit, Elizabeth De La O, (915) 212-1371] [BC-707](#)

ADJOURN

CLOSED MEETING

The Financial Oversight and Audit Committee of the City of El Paso may retire into CLOSED MEETING pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Chapter 551, Subchapter D, to discuss any of the following: (The items listed below are matters of the sort routinely discussed in Closed Meeting, but the Financial Oversight and Audit Committee of the City of El Paso may move to Closed Meeting any of the items on this agenda, consistent with the terms of the Open Meetings Act.) The Financial Oversight and Audit Committee will return to open session to take any final action and may also, at any time during the meeting, bring forward any of the following items for public discussion, as appropriate.

Section 551.071 CONSULTATION WITH ATTORNEY

Section 551.072 DELIBERATION REGARDING REAL PROPERTY

Section 551.073 DELIBERATION REGARDING PROSPECTIVE GIFTS

Section 551.074 PERSONNEL MATTERS

Section 551.076 DELIBERATION REGARDING SECURITY DEVICES OR SECURITY AUDITS

Section 551.087 DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Section 551.089 DELIBERATION REGARDING SECURITY DEVICES OR SECURITY AUDITS;
CLOSED MEETING

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 2nd day of June, 2025 at 11:42 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-702, Version: 1

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

AGENDA LANGUAGE:

This is the language that will be posted to the agenda. Please use ARIAL 11 Font.

Approval of Minutes for the Financial Oversight and Audit Committee meeting of May 8, 2025. [Internal Audit, Edmundo Calderon, (915) 212-1365]



FINANCIAL OVERSIGHT AND AUDIT COMMITTEE MINUTES

May 8, 2025

COUNCIL CHAMBERS, CITY HALL

10:00 AM

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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 10:00 a.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, 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 Niño, and unanimously carried to **APPROVE** the Minutes for the Financial Oversight and Audit Committee meeting of April 10, 2025.

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

NAYS: None

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2. **Discussion and Action on the approval of the City of El Paso Budget Policies to include an amendment to Section 10 – Reserves, to establish fund balance guidelines for the General Fund.**

Mr. Robert Cortinas – Deputy City Manager/Chief Financial Officer (CFO), 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.
- Ms. Dionne Mack, City Manager.

Motion made by Committee Member Maldonado-Rocha, seconded by Committee Member Chávez, and unanimously carried to **APPROVE** the City of El Paso Budget Policies to include an amendment to Section 10 – Reserves, to establish fund balance guidelines for the General Fund and send to City Council for action.

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

NAYS: None

3. **Discussion and Action on the results of the Parks and Recreation Department - Park Usage Permit Audit A2025-01.**

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.
- Mr. Ivan Niño, Committee Member.
- Ms. Dionne Mack, City Manager.

The following City staff members commented:

- Mr. Pablo Caballero, Director Parks & Recreation.
- Ms. Karla Nieman, City Attorney.

Motion made by Committee Member Niño, seconded by Committee Chair Acevedo, and unanimously carried to **POSTPONE** the results of the Parks and Recreation Department – Park Usage Permit Audit A2025-01 for sixty (60) days to allow the City Manager to have pertinent departments collaborate on a joint process.

4. **Discussion and Action on the results of the Accounts Receivable – Hotel Occupancy Tax Review P2025-01.**

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.
- Mr. Ivan Niño, Committee Member.

The following City staff member commented:

- Mr. Robert Cortinas, Deputy City Manager/CFO.

Motion made by Committee Member Maldonado-Rocha, seconded by Committee Member Chávez, and unanimously carried to **ACCEPT** the results of the Accounts Receivable – Hotel Occupancy Tax Review P2025-01 and send to City Council for action.

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

NAYS: None

ADJOURN

Motion made by Committee Member Maldonado-Rocha seconded by Committee Member Chávez and unanimously carried to **ADJOURN** the meeting at 10:59 a.m.

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

NAYS: None

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APPROVED AS TO CONTENT:

Dr. Josh Acevedo – Committee Chair,
Financial Oversight and Audit Committee

Edmundo S. Calderon – Chief Internal Auditor,
Internal Audit Department



El Paso, TX

300 N. Campbell
El Paso, TX

Legislation Text

File #: BC-703, Version: 1

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

AGENDA LANGUAGE:

This is the language that will be posted to the agenda. Please use ARIAL 11 Font.

Discussion and Action on the results of the El Paso International Airport - Accounts Payable Audit A2025-02.
[Internal Audit, Edmundo Calderon, (915) 212-1365]



Internal Audit Department El Paso International Airport — Accounts Payable Audit A2025-02

Objectives

- Determine if transactions are processed in accordance with Policy.
- Determine if appropriate documentation supports the transactions.
- Determine if transactions are reviewed and approved.
- Determine if there are any unallowable purchases.
- Determine if EPIA operates within budgetary limits.
- Determine if EPIA has adequate internal controls.

Scope

The scope of September 1, 2023 to August 31, 2024 included:

- Obtaining an understanding of the EPIA procedures.
- Interviewing EPIA Accounts Payable personnel.
- Conducting a review of invoices processed by EPIA.
- Evaluating EPIA's monitoring and reconciliation of transactions.

Finding 1

- 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.

Recommendation

El Paso International Airport should update their Procedures to include:

- Current practices in place.
- A listing of personnel designated to authorize invoices for payment.
- Current job titles.

Management Response

Finding 1

“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.”

Finding 2

Between November 13, 2023, and November 7, 2024, 52 invoices for uniform rental charges were paid for a former employee totaling \$744.92. The individual left employment in November 2023.

Recommendation

Staff must ensure that all goods/services have been received before approving invoices for payment.

Management Response

Finding 2

“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.”

Finding 3

- Eleven out of 30 (36.67%) invoices were not paid within 30 calendar days.
- Five out of 3,054 (0.16%) invoices were identified as double payments:
 - One (1) invoice for \$147.50 has not been refunded.
 - Four (4) invoices totaling \$1,586.68 were refunded.

Recommendation

El Paso International Airport staff should:

- Pay invoices within 30 days of receipt of invoice or goods/services.
- Take necessary steps to avoid paying invoices twice.

Management Response

Finding 3

“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.”

Conclusion

EPIA met the audit objectives in the following areas:

- Maintaining appropriate documentation to support transactions.
- Ensuring transactions are approved for payment by authorized personnel.
- Operating within budgetary limits.

Conclusion (Cont.)

EPIA **did not meet** the audit objectives in the following areas:

- Ensuring procedures reflect current practices.
- Processing transactions in accordance with the *City Policy*.
- Ensuring transactions are properly reviewed for delivery of goods and services.
- Implementing adequate controls to limit exposure of unauthorized accounts payable transactions.

Requested Action

To accept the results of the El Paso International Airport – Accounts Payable Audit and forward the Audit Report to City Council for action.



**El Paso International Airport –
Accounts Payable Audit
No. A2025-02**

DRAFT

Issued by the
Internal Audit Department
March 18, 2025

EXECUTIVE SUMMARY

The Internal Audit Department has concluded the El Paso International Airport – Accounts Payable Audit. Based on the results of the audit, three findings were identified. The findings are considered significant in nature due to internal control breakdowns and violations of law and/or City Policy.

Listed below is a summary of the findings identified in this report:

1. The El Paso International Airport (EPIA) *Accounts Payable Procedure - Purchases* manual was last updated on November 6, 2008.
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.
3. For the period of September 1, 2023 to August 31, 2024:
 - 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.

For a detailed explanation of the findings, please refer to the body of this Audit Report.

BACKGROUND

El Paso International Airport (EPIA) is operated by the City of El Paso Aviation Department, which is an enterprise fund with a \$68.5 million budget for Fiscal Year 2025. Its mission is to provide customers with a safe, efficient airport, operating in an environmentally-conscious and self-sustaining manner.

EPIA offers passenger and cargo destinations. A total of 15 ramps are distributed between concourses A and B, and it houses a diversity of shops and restaurants. It is the busiest commercial airport in West Texas, and also serves Southern New Mexico as well as Northern Mexico.

AUDIT OBJECTIVES

The audit objectives for the El Paso International Airport – Accounts Payable Audit are to:

- Determine if Accounts Payable transactions are processed in accordance with the *City of El Paso Accounts Payable Policy* and the Texas Prompt Payment Act.
- Determine if appropriate documentation is in place to support Accounts Payable transactions.
- Determine if transactions are properly reviewed and approved for payment by authorized personnel.
- Determine if there are unallowable purchases (e.g., food and alcohol).
- Determine if the EPIA operates within budgetary limits.
- Determine if the EPIA has implemented adequate internal controls to limit exposure to unauthorized or inappropriate Accounts Payable transactions.
- Document areas where inefficiencies may exist and where internal controls may be strengthened.

AUDIT SCOPE AND METHODOLOGY

Our audit scope for September 1, 2023 to August 31, 2024 will:

- Obtain an understanding of the EPIA procedures for paying invoices.
- Interview EPIA Accounts Payable personnel.
- Conduct a review of a sample of invoices processed by EPIA for FY2024.
- Evaluate EPIA's monitoring and reconciliation of Accounts Payable transactions.

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.

***SIGNIFICANT FINDINGS, RECOMMENDATIONS,
AND MANAGEMENT’S RESPONSES***

The definition of a “Significant Finding” is one that has a material effect on the City of El Paso’s financial statements, identifies an internal control breakdown, is a violation of a City procedure, or a violation of a law and/or regulation, which the City is required to follow. Any finding not meeting these criteria will be classified as a “Regular Finding”.

Finding 1

El Paso International Airport Accounts Payable Procedures

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.

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.

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.

Management's Response

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

Finding 2

Authorization of Invoices for Payment

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...*

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.

Recommendation

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

Management's Response

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

Finding 3

Payment of Invoices

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.*

A strong system of internal controls requires that Accounts Payable Sections take preventative steps to ensure invoices are not paid more than once and are paid once the goods or services are received.

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

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable Audit A2025-02**

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

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

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

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 El Paso International Airport – Accounts Payable Audit. The audit evidence used in the 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 whether the El Paso International Airport met the objectives of this audit. Based on our audit work, we have determined that:

1. El Paso International Airport met the audit objectives in the following areas:
 - Maintaining appropriate documentation to support Accounts Payable transactions.
 - Ensuring Accounts Payable transactions are approved for payment by authorized personnel.
 - Operating within budgetary limits.
 - Ensuring unallowable food and alcohol transactions are not incurred.
2. EPIA did not meet the audit objectives in the following areas:
 - Updating their *Accounts Payable Procedure – Purchases* manual to reflect current Accounts Payable practices in place. Last update was on November 6, 2008.
 - Processing Accounts Payable transactions in accordance with the *City of El Paso Accounts Payable Policy* and the *Texas Prompt Payment Act*.
 - Ensuring Accounts Payable transactions are properly reviewed for delivery of goods and services.
 - Implementing adequate controls to limit the exposure of unauthorized Accounts Payable transactions.

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

Martha L. Vargas, CPA, CIA, CFE, CGFM
Auditor IV

Miguel A. Montiel, CIA, CGAP
Audit Manager

Distribution:
Financial Oversight and Audit Committee
Dionne Mack, City Manager
Yvette Hernandez, Deputy City Manager/City Engineer



El Paso, TX

300 N. Campbell
El Paso, TX

Legislation Text

File #: BC-704, Version: 1

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

AGENDA LANGUAGE:

This is the language that will be posted to the agenda. Please use ARIAL 11 Font.

Discussion and Action on the results of the Division of Veteran and Military Affairs - Travel and Accounts Payable Follow-Up Audit A2025-03. [Internal Audit, Edmundo Calderon, (915) 212-1365]



Internal Audit Department Division of Military Affairs – Travel and Accounts Payable Follow-Up Audit A2025-03

Objectives

The objective was to ensure that corrective action was taken by management to address the recommendations identified in the original Audit Report dated June 10, 2024.

Scope

The scope of October 1, 2024 to February 28, 2025 included:

- Verifying that Travel Requests were reconciled 10 working days after travel.
- Determining if the Department is obtaining After-Travel approvals.
- Verifying that invoices were paid within 30 days.

Finding 1

Original Finding

- Ten vouchers had invoices with no evidence of mathematical review.
- Four vouchers were not paid within 30 calendar days.

Current Observations

- The City's Accounts Payable Policy dated September 10, 2024, no longer requires evidence of mathematical review.
- One out of two vouchers was not paid within 30 calendar days.

Finding 2

Original Finding

- Three Travel Request Forms were not reconciled within five days.
- One Travel Request Form was missing the After-Travel Approval.
- One Travel Request Form included a \$36.00 overpayment of Per-Diem expenses.

Current Observations

- Three out of three trips were reconciled within ten business days after travel.
- Three out of three trips had the After-Travel approval.
- The Military Program Administrator refunded the \$36.00 overpayment.

Conclusion

The Division of Military Affairs met the audit objectives as follows:

- Travel Request Forms were reconciled within ten business days.
- Obtaining required After-Travel approvals.

The Division of Military Affairs did not meet the audit objectives by not paying one invoice within 30 days.

Requested Action

To accept the results of the Division of Military Affairs – Travel and Accounts Payable Follow-Up Audit and forward the Audit Report to City Council for action.



**Division of Military Affairs – Travel and
Accounts Payable Follow-Up Audit
No. A2025-03**

Issued by the
Internal Audit Department
April 1, 2025

City of El Paso
Internal Audit Department
Division of Military Affairs – Travel and Accounts Payable A2025-03

EXECUTIVE SUMMARY

The Internal Audit Department conducted a Follow-Up Audit of the Division of Military Affairs – Travel and Accounts Payable Audit Report dated June 10, 2024. The original Audit Report contained two 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	A sample of ten (10) payment vouchers from the Division of Veteran and Military Affairs for the period of September 1, 2022 to January 23, 2024 were reviewed for compliance with the City of El Paso <i>Accounts Payable Policy</i> dated August 2022. Our review identified the following non-compliance issues:					
	Ten (10) out of 10 (100%) vouchers reviewed included invoices with no evidence that mathematical accuracy of quantities and dollar amounts paid were confirmed by the department.					No Longer Applicable
	Four (4) out of 10 (40%) vouchers reviewed included invoices that were not paid within 30 calendar days of receiving the invoice. Below is a breakdown of the four invoices not paid on time:					In Progress - Management will assume the risk
	#	Invoice #	Invoice Amount	Invoice Date	Payment Date	
1	27202	\$ 2,637.60	April 27, 2023	June 14, 2023	48	
2	14353	\$ 2,500.00	April 19, 2023	June 14, 2023	56	
3	31221	\$ 672.00	March 15, 2023	May 19, 2023	65	
4	2310005	\$ 257.59	June 14, 2023	November 2, 2023	141	
2	A sample of eight (8) business trips conducted by the Division of Veteran and Military Affairs during the period of September 1, 2022 to January 23, 2024 were reviewed for compliance with the City of El Paso <i>Travel Policy</i> dated September 2022. Our review identified the following non-compliance issues:					
	Three (3) out of 8 (38%) business trips reviewed had a Travel Request Form that was not reconciled within five (5) working days after the completion of the travel. The Travel Request Forms were reconciled nine (9) to fourteen (14) working days after the trip ended.					Implemented
	One (1) out of 8 (13%) business trips reviewed was missing the After-Travel Approval signature required on the Travel Request Form. A reimbursement of \$147.90 for Uber expenses was paid to the Military Program Administrator even though there was no After-Travel Approval signature on the Travel Request Form.					Implemented

City of El Paso
Internal Audit Department
Division of Military Affairs – Travel and Accounts Payable A2025-03

	<p>One (1) out of 8 (13%) business trips reviewed included a \$36.00 overpayment of per diem paid to the Military Program Administrator for meal expenses.</p> <ul style="list-style-type: none">• The Military Program Administrator purchased and attended the October 12, 2022 – Marshall Memorial Reception & Dinner during the trip. The reception included dinner, which was not deducted from the per diem allowance used to calculate the traveler's meals.	Implemented	
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For a detailed explanation of the current observations please refer to the appropriate finding contained in the body of this Audit Report.

City of El Paso
Internal Audit Department
Division of Military Affairs – Travel and Accounts Payable A2025-03

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.

AUDIT OBJECTIVES

The audit objective was to ensure that corrective action was taken by management to address the recommendations for Finding #1 and Finding #2 identified in the original Audit Report dated June 10, 2024.

AUDIT SCOPE AND METHODOLOGY

Our scope for October 1, 2024 to February 28, 2025 will include:

- Obtain a listing of all travel events that Division of Military Affairs employees conducted during the scope of the audit.
 - Verify that Travel Requests are reconciled 10 working days after the conclusion of travel.
 - Determine if the Department is obtaining the After-Travel approval signature on the Travel Request Form.
- Obtain a listing of all the Accounts Payable transactions and select a sample.
 - Verify that invoices are paid within 30 days of the receipt of goods/services or the invoice.
- Summarize the results of testing.

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.

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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.

Finding 1

Current Observations

The Division of Military Affairs processed two (2) invoices during the period of October 1, 2024 to February 28, 2025. Based on the review of the two (2) invoices, we determined the following:

Not Applicable

The City of El Paso Accounts Payable Policy dated September 10, 2024 no longer requires that the invoice should be footed and cross-footed to ensure the accuracy of the calculations made by the vendor. This section of the original finding is no longer applicable.

In Progress

One (1) out of 2 (50%) invoices reviewed was not paid within 30 calendar days of receiving the invoice as required by the City of El Paso Accounts Payable Policy.

- Invoice #165361 for \$16,655.43 was paid 37 days after the invoice date. The invoice was paid late due to staffing changes in the Division of Military Affairs. Additionally, there were not enough funds available to pay the invoice on time.

Status

In Progress – The Division of Military Affairs should ensure invoices are paid within 30 days of receiving an invoice for goods or services. The Division of Military Affairs will assume the risk of ensuring invoices are paid within the 30-day requirement. A second follow-up audit will not be conducted.

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Finding 2

Current Observations

The Division of Military Affairs conducted three (3) business trips during the period of October 1 2024, to February 28, 2025. A review of the three (3) trips identified the following:

- Three (3) out of 3 (100%) business trips reviewed were reconciled within ten business days after completing travel.
- Three (3) out of 3 (100%) business trips reviewed had a Travel Request Form with the required After-Travel approval signature.
- The Military Program Administrator refunded a \$36.00 overpayment of Per Diem owed to the City.

Status

Implemented

City of El Paso
Internal Audit Department
Division of Military Affairs – Travel and Accounts Payable A2025-03

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 Division of Military Affairs – Travel and 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 the Division of Military Affairs met the objectives of this Follow-Up Audit. Based on our audit work, we have determined that:

1. The Division of Military Affairs met the audit objectives in the following areas:
 - Travel Request Forms are reconciled within ten business days after completing travel.
 - Obtaining required After-Travel approval signatures.
2. The Division of Military Affairs did not meet the audit objectives in the following area:
 - Paying invoices within 30 calendar days of receiving the invoice from the vendor.

We wish to thank the Division of Military Affairs management and staff for their assistance and courtesies extended during the completion of this Follow-Up Audit.

Edmundo Calderon - Chief Internal Auditor

Esmeralda Herrera - Auditor II

Miguel Montiel - Audit Manager

Distribution:

Financial Oversight and Audit Committee

Dionne Mack – City Manager

Ian Voglewede - Strategic and Legislative Affairs Director

Paul Albright – Military Program Administrator



El Paso, TX

300 N. Campbell
El Paso, TX

Legislation Text

File #: BC-706, **Version:** 1

CITY OF EL PASO, TEXAS
LEGISTAR AGENDA ITEM SUMMARY FORM

AGENDA LANGUAGE:

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Discussion and Action on the Audit Scope and Objectives for the approved Code Compliance Audit. [Internal Audit, Edmundo Calderon, (915) 212-1365]



CITY OF EL PASO

Code Compliance Audit – Audit Scope & Objectives

Planning Process

To arrive at our scope and objectives, the Internal Audit Department:

- Obtained input from:
 - FOAC Members,
 - City Manager,
 - Code Enforcement Director.
- Researched City Code Enforcement violations and applicable City Ordinances.
- Received and analyzed sample data extracted from Accela.
- Searched for similar audits performed by other municipalities.
- Performed a Risk Assessment to identify high-risk areas.

Scope

The scope for Fiscal Years 2024 and 2025 will include:

- Reviewing City Policies, Procedures, and Ordinances.
- Obtaining an understanding of Code Enforcement processes.
- Conducting interviews with Code Enforcement personnel.
- Analyzing the top 5 types of violations and associated data.
- Reviewing education and outreach efforts.
- Analyzing department budget and staffing levels.

Audit Objectives

To perform an assessment of enforcement efforts for nuisance cases managed by the Code Enforcement Department. To achieve the audit objectives, the Internal Audit Department will:

- Identify and review the top 5 types of violations and associated data.
- Review and determine if established enforcement processes are in accordance with City Ordinances.
- Evaluate whether imposed penalties and costs are in accordance with established fee schedules and ordinances.
- Identify and document education and outreach efforts for violation categories.
- Evaluate budget and staffing levels of the Code Enforcement Department.

Requested Action

Accept the Audit Scope and Objectives for the Code Compliance Audit.



El Paso, TX

300 N. Campbell
El Paso, TX

Legislation Text

File #: BC-707, Version: 1

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

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Discussion and Action on the Emergency Solutions Grant Audit Scope Change to Single-Family Owner-Occupied Renovation Program. [Internal Audit, Elizabeth De La O, (915) 212-1371]



Emergency Solutions Grant Audit Scope Change to Single-Family Owner- Occupied Renovation Program

Scope Change:

- The Fiscal Year 2024 – 2025 Annual Audit Plan scheduled an audit of the Emergency Solutions Grant (ESG) Program.
- Replacing ESG with the Single-Family Owner-Occupied Renovation Program meets our goal of auditing a Minor Home Repair Program.
- ESG addresses housing for the homeless. The Single-Family Owner-Occupied Renovation Program addresses specific home repairs for applicants.

Requested Action

Accept the Audit Scope Change from
Emergency Solutions Grant (ESG) Audit
to Single-Family Owner-Occupied
Renovation Program Audit.