



Internal Audit Department Vehicle Allowance Program Analysis

Objectives

1. The objective was to perform an analysis of City employees and elected Municipal Court Judges receiving a Vehicle Allowance payment.

Scope

The time frame audited was Fiscal Year 2023-2024.

Observation 1

1. The FY2024 Budget Resolution does not address Vehicle Allowance payments for Municipal Court Judges, as required.
2. Six (6) Municipal Court Judges received a monthly Vehicle Allowance.

Observation 2

1. The analysis identified 96 employees receiving a total of \$367,766.88 annually.

Observation 3

1. The analysis identified 61 of 96 employee paid in accordance with *Policy*.
2. Remaining 35 consisted of:
 - 6 Municipal Court Judges.
 - 19 Fire Department personnel.
 - 3 City employees receiving payments per their Employment Agreement.
 - 7 City employees receiving payments in excess of the maximum.

Observation 4

1. We identified 33 departments with employees receiving a Vehicle Allowance.

Conclusion

1. Our analyses indicate non-compliance with the current City's Vehicle Allowance Program regarding payments.
2. A detail audit of the Vehicle Allowance Program will be scheduled in the FY2024-2025 Audit Plan.

Management Response

Observation 1

1. The Vehicle Allowance for Municipal Court Judges was originally established and governed by the Budget Resolution. It may have been mistakenly omitted from last year's version, or a previous version. We are updating the Vehicle Allowance policy and will add the judges and their corresponding amount to the policy to ensure consistency.

Management Response (Cont.)

Observation 2

There are different classifications listed in this report.

A - Attorneys are in a separate pay plan, so they are included under this classification, separate from other Unclassified employees.

EX - Executive level employees including Department Directors and Assistant Directors.

FMS002 - Fire employees who were included beginning in 2010. The decision was made to pay a car allowance rather than purchasing a new fleet.

Management Response (Cont.)

Observation 2 (Cont.)

FM8 - Fire employees who were included beginning in 2010. The decision was made to pay a car allowance rather than purchasing a new fleet.

Judges - These employee salaries are governed by the Budget Resolution and are in a different classification.

Management Response (Cont.)

Observation 3

The remaining 35 of 96 recipients (36.5%) are receiving Vehicle Allowance payments not specified by the Vehicle Allowance Program Policy.

1. The City Judges are addressed in Observation #1. These will be added to the revised policy instead of relying on the Budget Resolution.
2. In 2010, Leadership directed us to add specific Fire personnel to the Policy. This decision was made due to vehicles that were being sent to auction and the direction to not replace those vehicles.

Management Response (Cont.)

Observation 3 (Cont.)

3. The 3 employees identified do not hold Department Head positions.
 - Parks & Recreation Assistant Director – Parks & Recreation Department – Joel McKnight was grandfathered into the policy because he already received the \$350 monthly allowance when the new policy was established. The City Manager, Tommy Gonzalez, did not want to take money away from him. Mr. McKnight terminated his employment with the City on July 5, 2024.

Management Response (Cont.)

Observation 3 (Cont.)

- International Bridges Strategic Project Manager – Internal Bridges Department – Carlos Olmedo was hired on August 17, 2015. His Offer Letter contained a monthly Car Allowance. I questioned this allowance through email and was told Mr. Gonzalez authorized it. He reference the following section:

“Additional employees authorized and approved to participate in the program will be paid the amount designated by the City Manager or his designee.”

- Special Projects Manager – Public Information Office – PEG – Julie Lozano was grandfathered into the policy because she already received the \$350 monthly allowance when the new policy was established. The City Manager, Tommy Gonzalez, did not want to take money away from her.

Management Response (Cont.)

Observation 3 (Cont.)

4. These amounts do not correspond to the Policy:

- Deputy City Managers, Chief Operations Officer, and Chief Transit Officer – The City Manager, Mr. Gonzalez, increased the amount to \$400 per month to these titles through an amended Offer Letter. He referenced the following section:

“Additional employees authorized and approved to participate in the program will be paid the amount designated by the City Manager or his designee.”

- City of El Paso Employees Retirement Trust (CERT) Executive Director – Mr. Ash is not a City employee. His contract governs his amount, but we can add wording in the revised to policy to include his allowance.

Q & A