



CITY OF EL PASO

# Presentation on the FY 2025-2026 Annual Audit Plan

# What is an Audit Plan?

An Audit Plan\* is a risk-based, strategic document developed by the Chief Internal Auditor (CIA) to determine the priorities of the internal audit function, ensuring alignment with the organization's objectives and risk profile. It is a dynamic, forward-looking plan that guides the internal audit activity in delivering assurance and advisory services that are most relevant to the organization's needs.

The Audit Plan is a *living-document* that is flexible and can be updated as needed throughout the Fiscal Year with the approval of the FOAC to remain aligned with the City's most critical and current risks.

# Risk Assessment Process

The Audits included in the Fiscal Year 2026 Annual Audit Plan were primarily identified through our *Risk-Assessment* process. The process included interviews with key City Stakeholders to include FOAC members, the City Manager, City Attorney, DCM's, Deputy CFO and a sample of Department Heads and Internal Audit Department staff's knowledge of City operations.

The Audit Plan includes audits related to the evaluation of internal controls, assessment of compliance with City policies, contracts, regulations, review of economic and efficient use of City resources, and follow-up of prior Audit recommendations.

# Risk Assessment Process

General audit objectives are included in the Audit Plan, specific audit objectives are determined at the beginning of each engagement.

Each Auditor performs an engagement level risk-assessment to identify specific audit objectives taking into account potentially significant risks to the objectives of the area under review. The Auditor performs research, interviews, and/or issues a questionnaire to become familiar with the area under review.



# Breakdown of Staff Hours

1. Audits and Projects	12,780 Hours
2. General Administration	2,575 Hours
3. Vacation and Sick Leave	1,637 Hours
4. Holidays	840 Hours
5. Training and CPE Hours	438 Hours
<b>*Total:</b>	<b>18,270 Hours</b>

\*Total hours based on 8.75 full time staff members



# Approximate Hours per type of Engagement

- Full Audits = 500 hours\*
- Follow-Up Audits = 100 – 250 hours
- Recurring Audits/Projects = Hours vary by engagement
- Carry Forwards = Hours vary by engagement

\*City of San Antonio – *Approved Annual Audit Plan FY2025* (90hrs – 1,200hrs per audit)

\*City of Houston – *FY2025 Annual Audit Plan* (1,000hrs/audit avg.)

\*City of Dallas – *FY2025 Approved Audit Work Plan* (200hrs – 1,000hrs/audit)

# Audit Resource Allocation

The Audit Plan prioritizes the Internal Audit Department's (IAD) limited resources and emphasizes audits with a high or moderate risk profile rating.

Specific risk factors related to internal controls, estimated liability and levels of exposure are used to identify and prioritize risks. As such, the City's audit function serves as a risk evaluation resource.

The number of audits or projects included in the Annual Audit Plan are based in consideration on the number of IAD staff, staff experience, average hours estimated per engagement, use of external consultants/experts and unplanned requests from the FOAC members and/or City Management throughout the Fiscal Year.

# 1<sup>st</sup> Quarter

(September 1, 2025 to November 30, 2025)

Type	Audit Name	Hours
Carry Fwd	Vehicle Allowance & Take-Home Cars Project	15
Carry Fwd	Cyber Audits: EPPD – Admin.	50
Carry Fwd	El Paso Zoo – Financial Activity Audit	100
Carry Fwd	Red Book Assessment	250
Carry Fwd	Animal Services – Construction Audit	400
Carry Fwd	Code Enforcement Division Audit	400
Follow-Up	Accounts Receivable Program – 2 <sup>nd</sup> Follow-Up Audit	150
Follow-Up	Planning & Inspections – Permit Review Audit	100





# 2<sup>nd</sup> Quarter

(December 1, 2025 to February 28, 2026)

Type	Audit Name	Hours
Carry Fwd	Single-Family Owner-Occupied Renovation Program Audit	500
Audit	El Paso Police Department – Overtime Audit	500
Audit	P-Card and Travel Review Audit – City Dept.	250
Follow-Up	380 Agreement Monitoring Audit (Pending FOAC Decision)	250
Follow-Up	On-Call Services Agreement Audit	250

# 3<sup>rd</sup> Quarter

(March 1, 2026 to May 31, 2026)

Type	Audit Name	Hours
Audit	Accounts Payable Audit – City Department	500
Audit	Streets and Maintenance – Facility Maintenance Audit	500
Audit	City Council & City Manager’s Office P-Card and Travel Review – Admin. (Co-Sourcing)	45
Peer Review	Peer Review of the Internal Audit Department	500
Follow-Up	Parks & Recreation – Park Usage Permit Audit	150
Follow-Up	EPIA Accounts Payable Audit	200



# 4<sup>th</sup> Quarter

(June 1, 2026 to August 31, 2026)

Type	Audit Name	Hours
Audit	El Paso International Airport – Construction Audit	500
Audit	Parks & Recreation – Sports Fields Audit	500
Audit	La Nube Children’s Museum Contract Audit	500
Audit	P-Card and Travel Review Audit – City Dept.	250

# Continuous Quarterly Engagements

Type	Audit Name	Hours
Continuous	Citywide Sales Tax Analysis – Clearview	40
Continuous	Franchise Fee Audits (EPWU) – Admin.	50
Continuous	TX Sales Tax Discovery – Admin.	50
Continuous	City Employee Hotline	75
Continuous	Hotel Occupancy Tax Audits – Admin.	100
Continuous	Tax Office Refund Review Project	100
Continuous	Cyber Audits: Health Department – Admin.	100 - 200
Continuous	Financial Oversight and Audit Committee	500



# Q & A



# Requested Action

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REMOVE THIS BOX ONCE THE PRESENTATION IS FINALIZED.

To accept the Fiscal Year 2025 – 2026 Audit Plan and forward it to City Council for action.