

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



**DEPARTMENT / COUNCIL OFFICE:** Internal Audit

**AGENDA DATE:** 6/9/26

**PUBLIC HEARING DATE:**

**CONTACT PERSON NAME:** Miguel Montiel

**PHONE NUMBER:** (915) 212 1367

**2nd CONTACT PERSON NAME:** Adrian Serrano

**PHONE NUMBER:** (915) 212 1365

**DISTRICT(S) AFFECTED:** All Districts

**AGENDA ITEM:**

Discussion and Action to accept the results of the Sun Metro - Accounts Payable Audit A2026-09

**ISSUE STATEMENT:**

City Council is asked to accept the results of the Sun Metro - Accounts Payable 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:**

The audit covered September 1, 2025, through January 31, 2026. The objectives were to determine whether Sun Metro's Accounts Payable (A/P) transactions complied with the City of El Paso Accounts Payable Policy, the Texas Prompt Payment Act, and applicable contracts or agreements.

Based on our audit work, we determined that Sun Metro met the audit objectives in the following areas:

- Maintaining proper documentation and required approvals for A/P transactions.
- Restricting purchases to allowable items through controls that prevent unauthorized activity.
- Monitoring utility payments for active facilities.

Sun Metro did not meet the audit objectives in the following area:

- Processing A/P transactions in compliance with City Policy and the Texas Prompt Payment Act.

**COUNCIL OPTIONS:**

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 May 21, 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.

**LEGAL REVIEW:**

- Legal counsel reviewed as a part of Council packet*
- Legal counsel reviewed in advance of packet as an individual item*

**AMOUNT AND SOURCE OF FUNDING:**

N/A

**REPORTING OF CONTRIBUTION OR DONATION TO CITY COUNCIL:**

N/A

NAME	AMOUNT (\$)
N/A	

**ATTACHMENTS:**

Audit Report draft

**FOR MORE INFORMATION:**

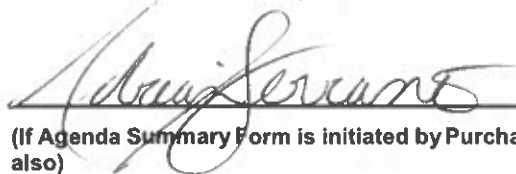
Adrian Serrano

(915) 212 1365

serrranoaa@elpasotexas.gov

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**SIGNATURE:**



(If Agenda Summary Form is initiated by Purchasing, client department should sign also)



**Sun Metro –  
Accounts Payable Audit  
No. A2026-09**

Issued by the  
Internal Audit Department  
April 7, 2026

**City of El Paso**  
**Internal Audit Department**  
**Sun Metro – Accounts Payable Audit A2026-09**

---

***EXECUTIVE SUMMARY***

The Internal Audit Department has concluded the Sun Metro – Accounts Payable Audit. The audit was approved in the Fiscal Year 2025-2026 Annual Audit Plan. The scope for this audit was Fiscal Year 2026. The audit objectives were to:

- Determine if Accounts Payable transactions were processed in accordance with the *City of El Paso Accounts Payable Policy*, Texas Prompt Payment Act, and established contract(s)/agreement(s).
- Determine if appropriate documentation was in place to support Accounts Payable transactions.
- Determine if transactions were properly reviewed and approved for payment by authorized personnel.
- Determine if there were unallowable purchases (e.g., food and alcohol).
- Determine how Sun Metro monitors utility payments and whether utility payments are being processed for vacant facilities.
- Determine if Sun Metro 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.

The audit noted noncompliance with timely processing of invoice payments. Listed below is a summary of the finding identified in this report:

A review of 50 invoices paid by Sun Metro for the month of January 2026 identified the following:

- 11 of the 50 invoices (22%) had a receipt date that differed from the invoice date. The date the invoice was received was not recorded in PeopleSoft Financials or in the supporting documentation uploaded for payment. Based on the dates recorded in PeopleSoft Financials the invoices appeared to be paid 31 to 77 days from the invoice date. However, with the additional documentation provided by Sun Metro, the invoices were reclassified as paid 12 to 30 days from the date the invoices/goods or services were actually received. In accordance with the Texas Prompt Payment Act, invoices must be paid within 30 days of the later of the invoice receipt date or the date goods/services were actually received.
- 11 out of 50 (22%) invoices were not paid within 30 calendar days of receiving the invoice. Payments were posted 33 to 74 days from date invoice was received.

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

**City of El Paso**  
**Internal Audit Department**  
**Sun Metro – Accounts Payable Audit A2026-09**

---

***BACKGROUND***

Sun Metro is the City of El Paso’s public transportation provider. As a city department, it primarily relies on a local half-cent sales tax, federal grant funding, and fare revenue to operate 52 bus routes, paratransit services, and one streetcar line. Sun Metro’s mission is to connect the community through high-quality transit services.

Over the past decade, Sun Metro has launched and expanded BRIO, its Bus Rapid Transit (BRT) network, and has opened a historic streetcar line along with two new transit centers. The system operates a fleet of 226 vehicles, six streetcars and 79 non-revenue vehicles, serving more than 6 million passengers annually. Fares may be purchased on the bus, through the Sun Metro mobile application, by U.S. Mail, at any transit center, or at ticket vending machines. Sun Metro currently operates eight transit centers, nine Park and Ride Locations, three parking garages and three Operations Centers. The main Transit Operations Center is located at 10151 Montana Ave., El Paso, TX 79925.

The Mass Transit Fund is an enterprise fund with a total FY2026 budget of \$103 million and accounts for all Sun Metro operations. From September 1, 2025, through January 31, 2026, Sun Metro processed 2,791 invoices totaling \$22,241,005.84. In January 2026 alone, Sun Metro processed 528 invoices, consisting of 452 standard invoices of \$100 or more and 76 utility invoices, totaling \$5,397,970.88.

As an enterprise fund, Sun Metro is responsible for utility expenses at all of its facilities. The department currently maintains 30 facilities that incur water, gas, and/or electricity charges. Sun Metro also operates 91 BRIO stations, most of which require water for irrigation and electricity for lighting. In addition, Sun Metro is billed for electricity associated with the downtown streetcar system and for three parking garages under its operation.

***AUDIT OBJECTIVES***

The audit objectives for the Sun Metro – Accounts Payable Audit were to:

- Determine if Accounts Payable transactions were processed in accordance with the *City of El Paso Accounts Payable Policy*, Texas Prompt Payment Act, and established contract(s)/agreement(s).
- Determine if appropriate documentation was in place to support Accounts Payable transactions.
- Determine if transactions were properly reviewed and approved for payment by authorized personnel.
- Determine if there were unallowable purchases (e.g., food and alcohol).
- Determine how Sun Metro monitors utility payments and whether utility payments are being made for vacant facilities.
- Determine if Sun Metro 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.

**City of El Paso**  
**Internal Audit Department**  
**Sun Metro – Accounts Payable Audit A2026-09**

---

***AUDIT SCOPE AND METHODOLOGY***

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

- Interviewed Sun Metro personnel to obtain an understanding of the accounts payable and monitoring processes.
- Reviewed City of El Paso’s and Sun Metro’s Policies and Procedures over accounts payable.
- Obtained a listing of invoices paid by Sun Metro from September 1, 2025 to January 31, 2026. The listing included 2,791 invoices totaling \$22,241,005.84.
- Selected a sample of 28 standard invoices paid by Sun Metro for January 2026, totaling \$122,941.26, to determine whether:
  - Purchases were allowable,
  - Transactions were properly reviewed and approved,
  - Amounts aligned with contract terms or agreed upon rates,
  - Appropriate documentation supported the transaction,
  - Transactions were processed in accordance with the *City of El Paso Accounts Payable Policy* and Texas Prompt Payment Act,
  - Sales and use taxes was not paid,
  - Amounts expended did not exceed contracted amounts,
  - Costs were properly billed or allocated to the appropriate department.
- Selected a sample of 22 utility invoices paid by Sun Metro for January 2026, totaling \$23,324.45, to determine whether:
  - Transactions were properly reviewed and approved,
  - Appropriate documentation supported the transactions,
  - Transactions were processed in accordance with the *City of El Paso Accounts Payable Policy* and Texas Prompt Payment Act,
  - Sales and use taxes was not paid,
  - The facility associated with each utility payment was occupied or vacant during the billing period.

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  
Sun Metro – Accounts Payable Audit A2026-09**

***FINDINGS, CRITERIA, RECOMMENDATIONS,  
AND MANAGEMENT'S RESPONSES***

**Finding 1**

**Payment of Invoices**

For the month of January 2026, Sun Metro processed 528 invoices; 452 standard invoices in the amount of \$100 or above and 76 invoices specifically for utility payments. A sample of 50 (9.47%) invoices were statically selected for review, of which 28 invoices were standard invoices and 22 were specifically for utility payments. Our review identified the following:

- 11 of the 50 invoices (22%) had a receipt date that differed from the invoice date. The date the invoice was received was not recorded in PeopleSoft Financials or in the supporting documentation uploaded for payment. Based on the dates recorded in PeopleSoft Financials the invoices appeared to be paid 31 to 77 days from the invoice date. However, with additional documentation provided by Sun Metro, the invoices were reclassified as paid 12 to 30 days from the date the invoices/goods or services were actually received.

**Invoice Date Vs. Invoices Receipt Date**

#	Type of Invoice	Invoice #	Invoice Amount	Invoice Date Recorded in PeopleSoft (A)	Actual Invoice Receipt Date per Documentation provided by Sun Metro (B)	Payment Date (C)	# of calendar days between Invoice Date and Payment Date (C) - (A)	# of calendar days between Receipt Date and Payment Date (C) - (B)
1	Standard	IV149815	\$ 3,441.17	12/15/2025	12/24/2025	1/15/2026	31	22
2	Standard	I200091	\$ 25,744.50	12/29/2025	12/30/2025	1/29/2026	31	30
3	Standard	5610487756	\$ 27,080.00	12/12/2025	12/16/2025	1/15/2026	34	30
4	Standard	244822-2	\$ 201.12	12/16/2025	1/10/2026	1/29/2026	44	19
5	Standard	468288-1	\$ 240.24	11/10/2025	12/31/2025	1/13/2026	64	13
6	Standard	468723-1	\$ 225.00	11/26/2025	1/15/2026	1/29/2026	64	14
7	Standard	468320-1	\$ 215.98	11/12/2025	12/31/2025	1/20/2026	69	20
8	Standard	244282-2	\$ 223.37	11/13/2025	1/15/2026	1/27/2026	75	12
9	Standard	244290-2	\$ 222.46	11/13/2025	1/15/2026	1/27/2026	75	12
10	Standard	468382-1	\$ 214.80	11/13/2025	1/15/2026	1/29/2026	77	14
11	Standard	244430-2	\$ 224.16	11/13/2025	1/15/2026	1/29/2026	77	14

**City of El Paso**  
**Internal Audit Department**  
**Sun Metro – Accounts Payable Audit A2026-09**

**Late Invoice Payments**

- 11 out of 50 (22%) invoices were not paid within 30 calendar days of receiving the invoice. Payments were posted 33 to 74 days from date invoice was received.

#	Type of Invoice	Invoice #	Invoice Amount	Date Invoice Received	Payment Date	# of Calendar Days
1	Standard	6585385529	\$ 11,766.17	12/11/2025	1/13/2026	33
2	Standard	84073748	\$ 149.30	12/2/2025	1/13/2026	42
3	Standard	AR20506	\$ 18,942.08	11/30/2025	1/29/2026	60
4	Standard	AR20513	\$ 10,925.35	11/30/2025	1/29/2026	60
5	Standard	9698810182	\$ 1,178.84	11/20/2025	1/20/2026	61
6	Standard	44-251132780	\$ 4,565.72	11/18/2025	1/20/2026	63
7	Standard	01557906081	\$ 430.85	11/18/2025	1/20/2026	63
8	Standard	84034591	\$ 2,527.16	11/14/2025	1/22/2026	69
9	Standard	84040500	\$ 1,586.40	11/12/2025	1/22/2026	71
10	Standard	84037528	\$ 385.52	11/14/2025	1/27/2026	74
11	Utility	0302377536 12/01/25	\$ 45.15	12/1/2025	1/13/2026	43

**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 September 8, 2025:

- Section 2.0 Purpose: *...the City complies with the State of Texas Prompt Payment Act Texas Government Code, Title 10, Subtitle F, Chapter 2251.*

State of Texas Government Code, Title 10, Subtitle F, Subchapter B., Chapter 2251.021 – Time for Payment by Government Entity:

- *A payment by a government entity under a contract executed on or after September 1, 1987, is overdue on the 31st day after the later of the date the government entity receives an invoice for the goods or services.*

**City of El Paso**  
**Internal Audit Department**  
**Sun Metro – Accounts Payable Audit A2026-09**

---

**Recommendation**

Sun Metro should:

- Consider utilizing the “Invoice Receipt Date” field in PeopleSoft Financials to enter the actual date the invoice was received to ensure clarity of payment terms were met.
- Ensure that invoices are being paid within 30 days of receiving the invoice.

**Management’s Response**

Sun Metro appreciates the efforts of the Internal Audit Department in reviewing our payables policies and procedures and timeliness of payments to vendors. We acknowledge the finding that the date invoices selected for review was not recorded in the City’s financial system of record, PeopleSoft, and further that 11 out of 50 invoices reviewed were not paid within 30 calendar days of invoice receipt. Sun Metro, in keeping with a recent change to the City’s invoice posting process, has now adopted the practice of recording invoice receipt dates in PeopleSoft. In addition, we have also initiated the practice of recording and tracking when invoices are sent to the approval authority to ensure payment approvals are timely to allow for prompt payment.

Sun Metro processes nearly 8,500 invoices for payment per year the majority of which are processed within 30 days of invoice receipt. We will continue to monitor payment status of invoices as they are received and review all instances of late payment to ensure compliance with Texas Government Code, Title 10, Subtitle F, Subchapter B., Chapter 2251.021 – Time for Payment by Government Entity; said monitoring will be facilitated by the change in the invoice posting process.

**Responsible Party:**

Jesus Trejo

**Implementation Date:**

April 23, 2026

**City of El Paso**  
**Internal Audit Department**  
**Sun Metro – Accounts Payable Audit A2026-09**

---

***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 Sun Metro – Accounts Payable 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 Sun Metro met the objectives of this Audit. Based on our audit work, we have determined that:

1. Sun Metro met the audit objectives in the following areas:
  - Maintaining appropriate documentation to support Accounts Payable transactions.
  - Ensuring Accounts Payable transactions are properly reviewed and approved prior to payment.
  - Ensuring Accounts Payable transactions are for allowable purchases.
  - Ensuring that utility payments are made for facilities currently in use.
  - Implementing adequate controls to limit exposure to unauthorized or inappropriate Accounts Payable transactions.
2. Sun Metro did not meet the audit objective in the following area:
  - Processing Accounts Payable transactions in accordance with *City of El Paso Accounts Payable Policy* and the *Texas Prompt Payment Act*.

We wish to thank Sun Metro’s management and staff for their assistance and courtesies extended during the completion of this Audit.

---

Liz De La O, CFE, CIA, CGAP, MPA  
Deputy Chief Internal Auditor

---

Christian Castro, CIA, MAcc  
Auditor II

---

Miguel Montiel, CIA, CGAP  
Audit Manager

**Distribution:**

Financial Oversight and Audit Committee  
Dionne Mack, City Manager  
Nicole Cote, Deputy City Manager  
Anthony Dekeyzer, Director of Mass Transit  
Margarita Marin, Deputy Chief Financial Officer/Comptroller