



**2025-2026**  
**Annual Audit Plan**  
**1<sup>st</sup> Quarter Update**

**DRAFT**

Issued by the  
Internal Audit Department  
As of November 30, 2025

## **INTRODUCTION**

According to Domain III & IV of the Global Internal Audit Standards, Principle 8 - Standard 8.1 and Principle 9 - Standard 9.4 as issued by the Institute of Internal Auditors, the Chief Internal Auditor must report periodically to the Financial Oversight and Audit Committee and Senior Management on the internal audit activity's purpose, authority, responsibility, and performance relative to its Audit Plan. The Chief Internal Auditor is also responsible for reporting significant risk exposures, control issues, fraud risks, governance issues, and other matters needed or requested by the Financial Oversight and Audit Committee and Senior Management.

In addition, by periodically reporting to the Financial Oversight and Audit Committee and Senior Management, the Internal Audit Department helps support the City of El Paso's *Strategic Plan* Goals 6.6 and 6.8;

- Goal 6.6: *Ensure continued financial stability and accountability through sound financial management, budgeting and reporting.*
- Goal 6.8: *Support transparent and inclusive government.*

The Chief Internal Auditor is also responsible to communicate the internal audit activity's plans and resource requirements, including significant interim changes, to the Financial Oversight and Audit Committee for review and approval. The Chief Internal Auditor must also communicate the impact of any resource limitations.

Based on this requirement, this Annual Audit Plan Update is being provided to the Financial Oversight and Audit Committee. The Chief Internal Auditor will provide an update on the following three critical areas required in the management of an internal audit activity. The three critical areas are:

1. Pending Audits and Projects
2. Miscellaneous Items affecting the Internal Audit Department's Activity
3. Annual Audit Plan Update

As required by the Global Internal Audit Standards, Standard 7.1, the City of El Paso's Internal Audit Department continues to maintain its independence. Per the City Charter amended May 6, 2023, the Chief Internal Auditor reports operationally to the Chairman of the Financial Oversight and Audit Committee (FOAC) and legislatively to the FOAC. The FOAC reviews and recommends for approval by City Council the Internal Audit Charter and annual risk-based Audit Plan. The FOAC also receives quarterly updates to the Annual Audit Plan from the Chief Internal Auditor. The City Manager shall be responsible for the implementation of any audit recommendations for changes to City administrative procedures and operations as requested by City Council. Standard 8.3 requires the Internal Audit Department ensure conformance with the Global Internal Audit Standards, to include the Ethics and Professionalism Domain II. The Ethics and Professionalism Domain Principles includes Integrity, Objectivity, Confidentiality, Competency, and Due Professional Care. Any non-conformance will be reported.

We conduct audits in accordance with both Generally Accepted Government Auditing Standards and the Global Internal Audit Standards.

## **PENDING AUDITS & PROJECTS**

*This section will provide the Financial Oversight and Audit Committee and the City Manager a short synopsis of the pending Audits and Projects currently being completed by the staff of the Internal Audit Department as of the end of the 1<sup>st</sup> Quarter. A brief synopsis is provided on the scope and objective of the Audit or Project.*

### **1. El Paso Zoo – Financial Activity Audit**

The objectives of this Audit are to perform a review of the El Paso Zoo’s financial activity to ensure proper accounting and reporting. The audit will concentrate on the following areas:

- Ticket Sales,
- Zoo Memberships,
- Zoo Sponsorships,
- Zoo Fundraising Events,
- Identify discrepancies and document any areas where inefficiencies can be strengthened.

### **2. Animal Services – Westside Adoption Center Construction Audit**

The objectives of the Audit are to review construction costs and processes used by the Capital Improvement Department to renovate Morehead Middle School to the new “Animal Services – Westside Adoption Center”. The construction audit will focus on Phase I and include a review of the following areas:

- Compliance with Capital Improvement Department Policies and Procedures,
- Construction Expenditures, Change Orders, and Inspections,
- Proper approvals and supporting documentation.

### **3. Planning and Inspections – Permit Review Follow-Up Audit**

The objective of this Follow-Up Audit is to determine whether the finding and recommendation identified in the original Audit Report dated October 22, 2024 have been adequately addressed. Specifically, the following items:

- Updating the Plan Review Division’s Policies and Procedures to reflect current practices.
- Adding comprehensive Policies and Procedures on how to manage the following areas:
  - Roles and responsibilities for staff in charge of issuing Permits.
  - Required documents/information to be included in each Permit Application.
  - Review and approval process before issuing a Permit.
  - Permits requested online via the Citizen Access Portal.

### **4. Accounts Receivable Program – 2<sup>nd</sup> Follow-Up Audit**

The objectives of this Follow-Up Audit are to determine whether the findings and recommendations identified in the original Audit Report dated August 11, 2022 have been adequately addressed. Specifically, the following three items:

- Updating the Accounts Receivable Manual to address specific billing procedures for City Departments.

City of El Paso  
Internal Audit Department  
Financial Oversight and Audit Committee  
1<sup>st</sup> Quarter 2025-2026 Audit Plan Update  
As of November 30, 2025

---

- Updating the Accounts Receivable Manual to address the collection and account management of past-due accounts.
- Ensuring that all City Departments are:
  - Recording and tracking all billable activities in the PeopleSoft Accounts Receivable Module.
  - Invoicing customers within 30 days of date of service or submit a request for the Office of the Comptroller (OTC) to invoice on behalf of the department within 30 days.
  - Informing OTC when a payment is posted to an incorrect account.
  - Conducting monthly Accounts Receivable reconciliations and submit them to OTC for review.

**5. Police Department – Cyber Security Assessment**

The objectives of the Assessment are to determine if City-owned applications managed by the Police Department meet National Institute of Standards and Technology (NIST) cyber security standards. The NIST cyber security standards help organizations manage and reduce cyber security risks.

**6. Code Enforcement Division Audit**

The objective of the Code Enforcement Division Audit is to perform an assessment of enforcement efforts for nuisance cases. To achieve the audit objectives, the Internal Audit Department will:

- Identify and review the top five (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 fees and/or fines.
- Identify and document education and outreach efforts.
- Evaluate budget for staffing levels of the Code Enforcement Division.

**7. Environmental Services – P-Card and Travel Audit**

The objectives of the Environmental Services P-Card and Travel Audit are to select a sample of P-Card transactions and Travel Requests to:

- Evaluate the adequacy of controls in effect over P-Card transactions and Travel Requests, and
- Determine whether P-Card transactions and Travel Requests comply with the City of El Paso's Policies and Procedures.

City of El Paso  
Internal Audit Department  
Financial Oversight and Audit Committee  
1<sup>st</sup> Quarter 2025-2026 Audit Plan Update  
As of November 30, 2025

---

**FINANCIAL OVERSIGHT AND AUDIT COMMITTEE (“FOAC”)**

1. The FOAC met on September 11, 2025 to discuss the following:

- Approval of Minutes for the Financial Oversight and Audit Committee meeting of August 28, 2025.
- Presentation and Discussion on the City’s unfunded pension liabilities for the City of El Paso Employees Retirement Trust and the El Paso Police and Fire Pension Funds.
- Discussion and Action on the results of the Vehicle Allowance & Take-Home Cars Project P2025-02.
- Discussion and Action on the results of the On-Call Services Agreement Audit A2024-08.

2. The FOAC met on October 9, 2025 to discuss the following:

- Approval of Minutes for the Financial Oversight and Audit Committee meeting of September 11, 2025.
- Discussion and Action to reschedule the November FOAC Meeting to Friday, November 14.
- Discussion and Action on the Update to the City of El Paso Investment Policy.
- Discussion on FY 2024-2025 Audit Plan 4<sup>th</sup> Quarter Updates.
- Discussion on Action on the results of the Economic Development – 380 Agreement Monitoring Audit Report A2023-07.
- Discussion and Action on FY 2025-2026 Annual Internal Audit Plan.

3. The FOAC met on November 14, 2025 to discuss the following:

- Approval of Minutes for the Financial Oversight and Audit Committee meeting on October 9, 2025.
- Discussion and Action on the City of El Paso’s Internal Audit Current State, Maturity, and Needs Assessment, prepared by Weaver and Tidwell, LLP.

## **MISCELLANEOUS ITEMS**

*This section provides the Financial Oversight and Audit Committee and the City Manager with miscellaneous information regarding the Internal Audit Department's activities. These activities can vary from community service activities, training sessions attended, Professional Certification Examinations attempted with result, and Internal Audit Profession news and updates.*

## **CERTIFICATIONS**

Christian Castro and Sergio Carrillo successfully sat for and earned the *Certified Internal Auditor* (CIA) designation. This is a significant professional achievement and a testament to their expertise and dedication to the field of internal auditing.

## **TRAINING SESSIONS**

*The Internal Audit Department staff participates in Continuing Professional Education (CPE) trainings and webinars to help maintain our competency and skill sets. As of the 1<sup>st</sup> Quarter, staff have earned the following number of CPE hours. Staff with professional certifications are required to earn 40 CPE hours per calendar year.*

<b>Name</b>	<b>Position</b>	<b>CPE Hours</b>
Liz De La O	Deputy Chief Internal Auditor	43.80
Mike Montiel	Audit Manager	49.50
Martha Vargas	Auditor IV	92.30
Miguel Ortega	Auditor III	44.80
Sergio Carrillo	Auditor III	49.80
Christian Castro	Auditor II	48.80
Christopher Gallardo	Auditor II	57.70
Miguel Olivas	Auditor I	42.80

## **SERVICE TO THE PROFESSION**

- I. Association of Government Accountants – El Paso Chapter
  - Martha Vargas volunteered as a Board Member.
- II. Institute of Internal Auditors – El Paso Chapter
  - Martha Vargas volunteered as a Board Member.
- III. Association of Certified Fraud Examiners – El Paso Chapter
  - Liz De La O and Miguel Montiel volunteered as Board Members.

City of El Paso  
Internal Audit Department  
Financial Oversight and Audit Committee  
1<sup>st</sup> Quarter 2025-2026 Audit Plan Update  
As of November 30, 2025

### **AUDIT PLAN UPDATE**

*This section will provide the Financial Oversight and Audit Committee and the City Manager with an update on the progress of the 2025-2026 Annual Audit Plan. An analysis is provided listing the Audits/Projects scheduled by quarter with their associated budgeted hours. The actual audit hours worked per Audit/Project is provided. This analysis is a great management tool to demonstrate how the Internal Audit Department's resources are being used.*

	<b>BUDGETED HOURS</b>	<b>YTD as of 11/30/25</b>
<b>First Quarter</b>	-	-
(CarryFwds) Vehicle Allowance & Take-Home Cars Project P2025-02	15.00	17.25
(CarryFwds) Cyber Audits: EPPD – Administration	50.00	11.00
(CarryFwds) El Paso Zoo – Financial Activity Audit A2025-09	100.00	93.00
(CarryFwds) Red Book Assessment	250.00	15.25
(CarryFwds) Animal Services – Construction Audit A2025-08	400.00	239.50
(CarryFwds) Code Enforcement Division Audit A2025-05	400.00	100.75
Follow-Up: Accounts Receivable Program – 2 <sup>nd</sup> Follow-Up Audit A2025-10	150.00	171.50
Follow-Up: Planning & Inspections – Permit Review Audit A2026-01	100.00	101.25
Citywide Sales Tax Analysis - Clearview	40.00	26.75
Franchise Fee Audits (Spectrum) – Administration	50.00	-
TX Sales Tax Discovery - Administration	50.00	-
City Employee Hotline	75.00	54.25
Hotel Occupancy Tax Audits - Administration	100.00	38.50
Tax Office Refund Review Project	100.00	183.75
Cyber Audits: Health Department (Administration)	200.00	-
Financial Oversight and Audit Committee	500.00	431.50
Contingency Hours	359.00	453.00
Administrative Duties - Chief Internal Auditor	0.00	-
Administrative Duties – Deputy Chief Internal Auditor	87.00	145.75
Administrative Duties – Audit Manager	87.00	75.25
Administrative Duties - Staff Auditors	375.00	423.25
Auditor Training	100.00	332.50
Vacation/Sick Leave/Holiday	572.00	804.00
<b>Total</b>	<b>4,160.00</b>	<b>3,718.00</b>
<b>Second Quarter</b>	-	-
(CarryFwds) Single-Family Owner-Occupied Renovation Program Audit A2026-06	500.00	31.25
El Paso Police Department – Overtime Audit A2026-05	500.00	96.50
P-Card and Travel Review Audit – City Department (ESD) A2026-07	250.00	114.50
Follow-Up: 380 Agreement Monitoring Audit	250.00	-
Follow-Up: On-Call Services Agreement Audit	250.00	10.50
Citywide Sales Tax Analysis – Clearview	40.00	-
Franchise Fee Audits (Spectrum) – Administration	50.00	-
TX Sales Tax Discovery – Administration	50.00	-
City Employee Hotline	75.00	-

City of El Paso  
Internal Audit Department  
Financial Oversight and Audit Committee  
1<sup>st</sup> Quarter 2025-2026 Audit Plan Update  
As of November 30, 2025

	<b>BUDGETED HOURS</b>	<b>YTD as of 11/30/25</b>
<b>Second Quarter (Cont.)</b>	-	-
Hotel Occupancy Tax Audits – Administration	100.00	-
Tax Office Refund Review Project	100.00	-
Cyber Audits: Health Department (Administration)	100.00	-
Financial Oversight and Audit Committee	500.00	-
Contingency Hours	494.00	-
Administrative Duties - Chief Internal Auditor	125.00	-
Administrative Duties – Deputy Chief Internal Auditor	87.00	-
Administrative Duties – Audit Manager	87.00	-
Administrative Duties - Staff Auditors	375.00	-
Auditor Training	112.00	-
Vacation/Sick Leave/Holiday	635.00	-
<b>Total</b>	<b>4,680.00</b>	<b>252.75</b>
<b>Third Quarter</b>	-	-
Accounts Payable Audit – City Department	500.00	65.00
Streets and Maintenance – Facility Maintenance Audit	500.00	63.00
Peer Review of the Internal Audit Department	500.00	-
Follow-Up: Parks & Recreations – Park Usage Permit Audit	150.00	5.50
Follow-Up: EPIA Accounts Payable Audit	200.00	-
City Council & City Manager’s Office P-Card and Travel Review (Administration: Co-Sourcing)	45.00	-
Citywide Sales Tax Analysis - Clearview	40.00	-
Franchise Fee Audits (Spectrum) – Administration	50.00	-
TX Sales Tax Discovery - Administration	50.00	-
City Employee Hotline	75.00	-
Hotel Occupancy Tax Audits - Administration	100.00	-
Tax Office Refund Review Project	100.00	-
Cyber Audits: Health Department (Administration)	100.00	-
Financial Oversight and Audit Committee	500.00	-
Contingency Hours	346.00	-
Administrative Duties - Chief Internal Auditor	125.00	-
Administrative Duties – Deputy Chief Internal Auditor	88.00	-
Administrative Duties – Audit Manager	88.00	-
Administrative Duties - Staff Auditors	375.00	-
Auditor Training	113.00	-
Vacation/Sick Leave/Holiday	635.00	-
<b>Total</b>	<b>4,680.00</b>	<b>133.50</b>
<b>Fourth Quarter</b>	-	-
El Paso International Airport – Construction Audit	500.00	-
Parks Department – Sports Fields Audit	500.00	-
La Nube Children’s Museum Contract Audit	500.00	-
P-Card and Travel Review – City Department	250.00	-
Citywide Sales Tax Analysis - Clearview	40.00	-
Franchise Fee Audits (Spectrum) – Administration	50.00	-
TX Sales Tax Discovery - Administration	50.00	-
City Employee Hotline	75.00	-



City of El Paso  
Internal Audit Department  
Financial Oversight and Audit Committee  
1<sup>st</sup> Quarter 2025-2026 Audit Plan Update  
As of November 30, 2025

	<b>BUDGETED HOURS</b>	<b>YTD as of 11/30/25</b>
<b>Fourth Quarter (Cont.)</b>		
Hotel Occupancy Tax Audits - Administration	100.00	-
Tax Office Refund Review Project	100.00	-
Cyber Audits: Health Department (Administration)	100.00	-
Financial Oversight and Audit Committee	500.00	-
Contingency Hours	563.00	-
Administrative Duties - Chief Internal Auditor	125.00	-
Administrative Duties – Deputy Chief Internal Auditor	88.00	-
Administrative Duties – Audit Manager	88.00	-
Administrative Duties - Staff Auditors	375.00	-
Auditor Training	113.00	-
Vacation/Sick Leave/Holiday	635.00	-
<b>Total</b>	<b>4,752.00</b>	<b>-</b>
<b>Totals for 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> &amp; 4<sup>th</sup> Quarters</b>	<b>18,720.00</b>	<b>4,104.25</b>

City of El Paso  
Internal Audit Department  
Financial Oversight and Audit Committee  
1<sup>st</sup> Quarter 2025-2026 Audit Plan Update  
As of November 30, 2025

---

**CONCLUSION**

The 1<sup>st</sup> Quarter of the 2025-2026 Audit Plan was another productive quarter for the Internal Audit Department. During the 1<sup>st</sup> Quarter, 7 Audits/Projects are in various stages of planning or completion.

It continues to be a pleasure serving the Mayor and City Council, the Financial Oversight and Audit Committee, the City Manager, the Deputy City Managers, and the Managing Directors. The Internal Audit Department staff continues to strive for excellence in meeting our departmental motto, “Exceeding our Client’s Expectations.”

Respectfully Submitted

---

Elizabeth De La O, CFE, CIA, CGAP, MPA  
Deputy Chief Internal Auditor  
City of El Paso

Distribution:  
Financial Oversight and Audit Committee  
Dionne Mack, City Manager  
Robert Cortinas, Deputy City Manager/Chief Financial Officer