



AGENDA FOR THE FINANCIAL OVERSIGHT AND AUDIT COMMITTEE

June 18, 2026
COUNCIL CHAMBERS, CITY HALL, 300 N. CAMPBELL - FIRST FLOOR
12:30 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: 966-160-240#

If you wish to sign up to speak please contact Miguel Montiel at MontielMA@elpasotexas.gov no later than two (2) hours prior to the meeting date and time. 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 21, 2026. [Internal Audit, Adrian Serrano, (915) 212-1365] [BC-2130](#)
2. Discussion and Action on the City of El Paso Internal Audit Charter. [Internal Audit, Adrian Serrano, (915) 212-1365] [BC-2131](#)
3. Discussion on FY 2025-2026 Audit Plan 3rd Quarter Update. [Internal Audit, Miguel Montiel, (915) 212-1367] [BC-2132](#)
4. Discussion and Action on the results of the El Paso International Airport - Accounts Payable Follow-Up Audit A2026-03. [Internal Audit, Christian Castro, (915) 212-1373] [BC-2134](#)

ADJOURN

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 11th day of June, 2026 at 4:12 p.m., at City Hall, 300 N. Campbell Street by Sergio Carrillo.



El Paso, TX

300 N. Campbell
El Paso, TX

Legislation Text

File #: BC-2130, 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 21, 2026. [Internal Audit, Adrian Serrano, (915) 212-1365]



FINANCIAL OVERSIGHT AND AUDIT COMMITTEE MINUTES
May 21, 2026
COUNCIL CHAMBERS, CITY HALL
12:30 PM

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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 12:31 p.m. Committee Chair Alejandra Chávez was present and presiding and the following Committee Members answered roll call Alejandra Chávez, Chris Canales, Deanna Maldonado-Rocha, Ivan Niño (joined remotely), Adrian Serrano – 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. Approval of Minutes for the Financial Oversight and Audit Committee meeting of April 9, 2026.

Motion made by Committee Member Rocha, seconded by Committee Member Canales, and carried to **APPROVE** the Minutes for the Financial Oversight and Audit Committee meeting of April 9, 2026.

AYES: Committee Members Chávez, Canales, Maldonado-Rocha, and Niño
NAYS: None

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2. Introduction of new Chief Internal Auditor.

FOAC Chairwoman Chavez introduced Mr. Adrian Serrano – Chief Internal Auditor, who delivered a statement.

No **ACTION** was taken on this item.
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3. Discussion and Action on the results of the Code Enforcement Division Audit A2025-05.

Mr. Miguel Montiel – Audit Manager, delivered a PowerPoint presentation.

The following members of the FOAC commented:

- Ms. Alejandra Chávez, Committee Chair.
- Mr. Chris Canales, Committee Member.
- Ms. Deanna Maldonado-Rocha, Committee Member.
- Mr. Ivan Niño, Committee Member.

The following City staff member commented:

- Mr. Steve Alvarado – Code Enforcement Director.

Motion made by Committee Member Maldonado-Rocha, seconded by Committee Member Canales, and unanimously carried to **ACCEPT** the results of the Code Enforcement Division Audit and send to City Council for action.

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

NAYS: None

4. Discussion and Action on the results of the Sun Metro – Accounts Payable Audit A2025-05.

Mr. Christian Castro – Auditor II, delivered a PowerPoint presentation.

The following members of the FOAC commented:

- Ms. Alejandra Chávez, Committee Chair.
- Mr. Ivan Niño, Committee Member.

The following City staff members commented:

- Ms. Margarita Marin – Comptroller/Deputy Chief Financial Officer.
- Mr. Jerry DeMuro – Deputy Transit Officer.

Motion made by Committee Member Canales, seconded by Committee Member Maldonado-Rocha, and unanimously carried to **ACCEPT** the results of the Sun Metro – Accounts Payable Audit and send to City Council for action.

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

NAYS: None

5. Discussion and Action on the results of Round 10 of the Hotel Occupancy Tax Audit.

Mr. Miguel Ortega – Auditor IV, delivered a PowerPoint presentation.

The following members of the FOAC commented:

- Ms. Alejandra Chávez, Committee Chair.
- Mr. Chris Canales, Committee Member.
- Ms. Deanna Maldonado-Rocha, Committee Member.
- Mr. Ivan Niño, Committee Member.
- Mr. Adrian Serrano – Chief Internal Auditor.

The following City staff members commented:

- Ms. Margarita Marin – Comptroller/Deputy Chief Financial Officer.
- Mr. Jose Espino – Financial Reporting Coordinator.

Motion made by Committee Member Canales, seconded by Committee Member Maldonado-Rocha, and unanimously carried to **ACCEPT** the results of Round 10 of the Hotel Occupancy Tax Audit and send to City Council for action.

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

NAYS: None

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6. Discussion on the Status of Certificates of Obligation and General Obligation.

Ms. Yvette Hernandez – Deputy City Manager/City Engineer, delivered a PowerPoint presentation.

The following members of the FOAC commented:

- Ms. Alejandra Chávez, Committee Chair.
- Mr. Chris Canales, Committee Member.
- Ms. Deanna Maldonado-Rocha, Committee Member.
- Mr. Ivan Niño, Committee Member.
- Ms. Dionne Mack, City Manager.

No **ACTION** was taken on this item.

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7. Discussion and Action on Community Benefit Leases.

Ms. MaryLou Espinoza – Capital Assets Manager, delivered a PowerPoint presentation.

The following member of the FOAC commented:

- Ms. Dionne Mack, City Manager.

Motion made by Committee Member Canales, seconded by Committee Member Maldonado-Rocha, and unanimously carried to **RETIRE** into Closed Meeting at 2:08 p.m. pursuant to Section 3.5A of the El Paso City Charter and the Texas Government Code, Sections 551.071 – 551.089.

AYES: Committee Members Chávez, Canales, Maldonado-Rocha, and Niño
NAYS: None

Motion made by Committee Member Canales, seconded by Committee Member Maldonado-Rocha, and unanimously carried to **RECONVENE** the meeting at 2:24 p.m.

AYES: Committee Members Chávez, Canales, Maldonado-Rocha, and Niño
NAYS: None

No **ACTION** was taken on this item.

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ADJOURN

Motion made by Committee Member Canales, seconded by Committee Member Maldonado-Rocha and unanimously carried to **ADJOURN** the meeting at 2:25 p.m.

AYES: Committee Members Chávez, Canales, Maldonado-Rocha, and Niño
NAYS: None

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APPROVED AS TO CONTENT:

Alejandra Chávez – Committee Chair,
Financial Oversight and Audit Committee

Adrian Serrano – Chief Internal Auditor,
Internal Audit Department



El Paso, TX

300 N. Campbell
El Paso, TX

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

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Discussion and Action on the City of El Paso Internal Audit Charter. [Internal Audit, Adrian Serrano, (915) 212-1365]

BACKUP COMING SOON



El Paso, TX

300 N. Campbell
El Paso, TX

Legislation Text

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

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Discussion on FY 2025-2026 Audit Plan 3rd Quarter Update. [Internal Audit, Miguel Montiel, (915) 212-1367]



3rd Fiscal Quarter Update

Internal Audit Department

March 1, 2026 to May 31, 2026

Reporting Statement

According to Domains 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.

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

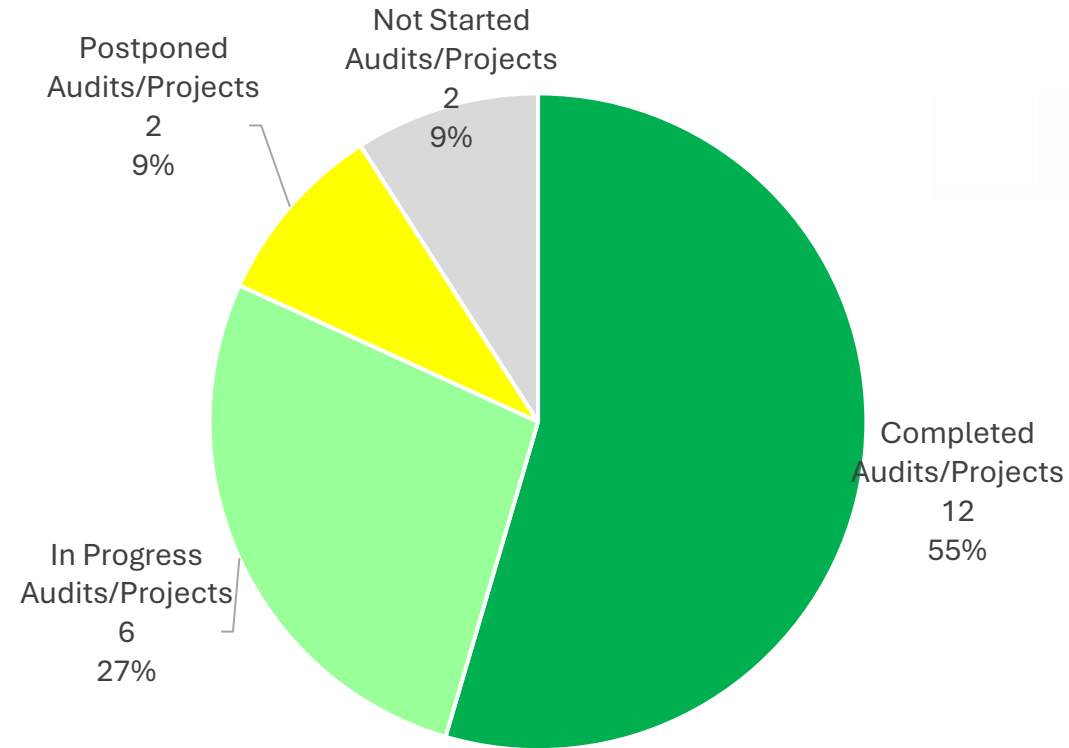
Independence Statement

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 Chairperson of the Financial Oversight and Audit Committee (FOAC) and legislatively to the entire 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.

YTD Audit Plan Progress

General Status Overview

September 1, 2025 through May 31, 2026



YTD Audit Plan Progress (Cont'd)

Completed Audits/Projects

September 1, 2025 through May 31, 2026

Ref.	Audit/Project	Ref.	Audit/Project
A2025-05	Code Enforcement Division Audit	A2026-04	On-Call Services Agreement Follow-Up Audit
A2025-08	Animal Services – Westside Adoption Center Construction Audit	A2026-07	Environmental Services - P-Card and Travel Audit
A2025-09	El Paso Zoo – Financial Activity Audit	A2026-09	Sun Metro Accounts Payable Audit
A2025-10	Accounts Receivable program – 2 nd Follow-Up Audit	Co-Sourced	Hotel Occupancy Tax (HOT) Review - Round 10
A2026-01	Planning & Inspections – Permit Review Follow-Up Audit	Co-Sourced	Police Department - Cybersecurity Assessment
A2026-03	EPIA – Accounts Payable Follow-Up Audit	N/A	Weekly Tax Office Refund Reviews

YTD Audit Plan Progress (Cont'd)

In Progress Audits/Projects

September 1, 2025 through May 31, 2026

Ref.	Audit/Project	Ref.	Audit/Project
A2026-05	El Paso Police Department – Overtime Audit	A2026-10	La Nube Children’s Museum Contract Audit
A2026-06	Single Family Owner-Occupied Renovation Program Audit	Co-Sourced	Health Department – Cybersecurity Assessment
A2026-08	Streets and Maintenance – Facility Maintenance Audit	N/A	“Red Book” Internal Self-Assessment

YTD Audit Plan Progress (Cont'd)

Postponed & Not Started Audits/Projects

September 1, 2025 through May 31, 2026

Postponed

Ref.	Audit/Project	Ref.	Audit/Project
N/A	Franchise Fee Audits (EPWU) - Administration	N/A	Follow-Up: 380 Agreement Monitoring Audit

Not Started

Ref.	Audit/Project	Ref.	Audit/Project
N/A	Follow-Up: Parks & Recreation – Park Usage Permit Audit	Co-Sourced	City Council & City Manager’s Office P-Card and Travel Review

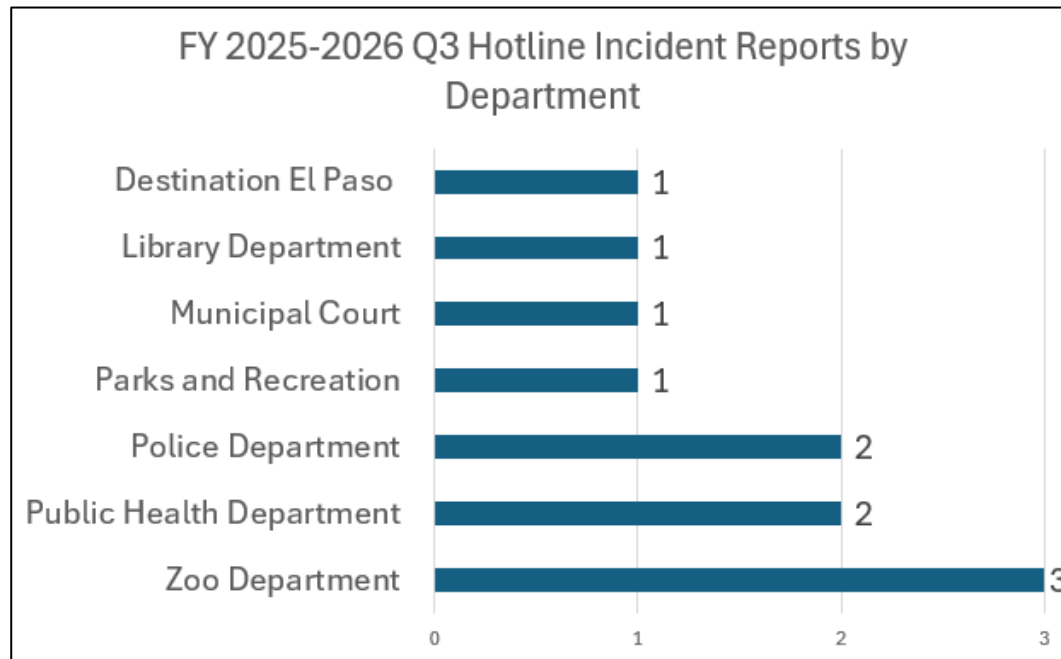
2025-2026 Professional Services Sales Tax Discovery Contract

- Sales tax discovery contractor identified 2 vendors that failed to remit required Texas sales tax.
- Approx. \$33K in total unremitted taxes were identified.
- Issue surfaced during a review of vendor reporting, payment patterns, and tax compliance.
- Contractor notified the vendors and remediation was completed with the State.

Vendor	Unremitted Sales Tax
“A”	\$ 60.23
“B”	33,144.59
Total	\$ 33,204.82

Employee Hotline

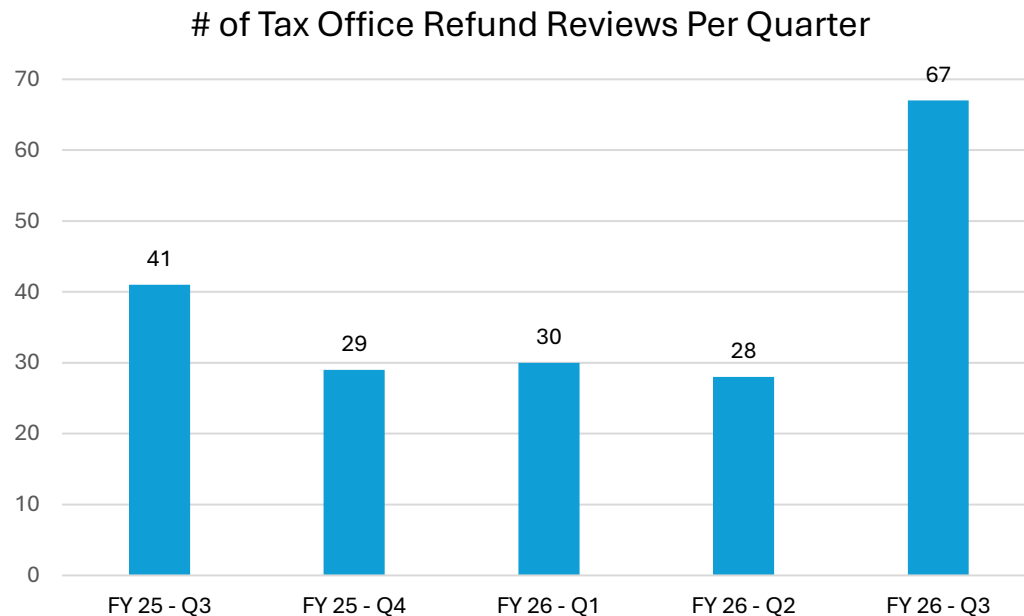
March 1, 2026 through May 31, 2026



- 11 new Hotline incidents reported during Q3
- 6 newly reported incidents open as of May 31, 2026
- 6 previously reported (from Q1 & Q2) incidents open as of May 31, 2026

Tax Office Refund Reviews

March 1, 2026 through May 31, 2026



- In Q3, Tax Office issued 1,441 tax refunds totaling \$1,229,096.77.
- Internal Audit completed 67 refund reviews, covering 664 individual refunds (46% of all refunds) totaling \$961,265.96 (78.2% of the total dollars refunded).

Client Surveys

March 1, 2026 through May 31, 2026

Audit	Survey Opened	Survey Closed	Surveys Requested	Surveys Completed	% Completed	Avg. Rating*
On-Call Services Agreement Follow-Up Audit (A2026-04)	3/5/26	3/19/26	3	2	67%	3.77
Sun Metro – Accounts Payable Audit (A2026-09)	4/20/26	5/5/26	4	2	50%	3.47
Code Enforcement Division Audit (A2025-05)	4/20/26	5/5/26	3	2	67%	3.87

*Ratings are based on a 4-point scale.

Other Matters

March 1, 2026 through May 31, 2026

- New Chief Internal Auditor commenced his tenure with the City of El Paso on April 20, 2026.
- Initiated a joint evaluation with IT in Q3 to modernize Internal Audit operations through an audit management solution, offering streamlined workflows, centralized documentation, enhanced reporting, and support for risk assessment, audit planning, budgeting, issue tracking, and monitoring.
 - Targeting implementation by end of Q4 pending procurement.

Questions & Comments



2025-2026
Annual Audit Plan
3rd Quarter Update

Issued by the
Internal Audit Department
As of May 31, 2026

INTRODUCTION

According to Domains 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 (“FOAC”) 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 (the “Department” or “Internal Audit”) 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 for communicating 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 these requirements, 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:

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 Chairperson of the Financial Oversight and Audit Committee and legislatively to the entire 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 include 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 provides a brief status summary of audits and projects currently in progress as of the end of the 3rd Quarter. Each entry includes the audit's primary objective(s) and scope.

1. El Paso Police Department – Overtime Audit

The objectives of the El Paso Police Department (EPPD) – Overtime Audit are to:

- Determine if overtime is consistently managed, appropriately authorized, and supported by sufficient documentation.
- Determine if EPPD has established an effective monitoring program to ensure that overtime expenditures and overtime processes are in compliance with:
 - The Collective Bargaining Agreement between the City of El Paso and the El Paso Municipal Police Officer's Association.
 - City of El Paso and EPPD Policies and Procedures.
 - Applicable MOUs and/or grant agreements.

2. Single-Family Owner-Occupied Renovation Program Audit

The objective of the audit is to determine if the SFOO Renovation Program is being administered in compliance with applicable grant and program requirements. To achieve this, the audit will assess the following:

- Applicant intake and eligibility processing,
- Individual project execution,
- Project contracting and procurement,
- Financial management and closeout, and
- Administrative oversight and reporting.

3. Streets and Maintenance – Facility Maintenance Audit

The objectives of the Streets and Maintenance – Facility Maintenance Audit are to provide assurance that City facilities are being adequately maintained, efficiently managed to support operational needs, and preserved to extend asset life. To achieve the audit objectives, the Internal Audit Department will:

- Determine if the Facility and Fleet Maintenance Division maintains an accurate and complete inventory of all buildings, critical assets, and components under its responsibility.
- Determine if the City tracks and assesses the maintenance needs of City-owned facilities.
- Determine if the work order system is effectively and accurately managing maintenance requests.
- Evaluate whether Facility and Fleet Maintenance Division budget allocates sufficient funds for the needs of City-owned facilities.
- Determine if maintenance expenditures are processed in accordance with the *City of El Paso Accounts Payable Policy*, Texas Prompt Payment Act, and established contract(s)/agreement(s).

4. Health Department – Cybersecurity Assessment

The objective is to perform an assessment of the Information Technology controls at the Public Health Department to:

- Assess the adequacy and effectiveness of IT general controls over key patient information, financial information and operational systems.
- Verify compliance with applicable laws, regulations, and internal policies regarding information technology.
- Identify control weaknesses and recommend improvements to reduce risk to health data and IT operations.

5. La Nube Children’s Museum Contract Audit

The objectives for the La Nube Children’s Museum Contract Audit are to determine if:

- Accounts payable transactions are processed in a timely manner and in accordance with the:
 - Funding, Operating, and Lease Agreements between the City and The EPC Museum (EPC), a Texas nonprofit corporation
 - *City of El Paso Accounts Payable Policy*
- Appropriate documentation is in place to support Accounts Payable transactions.
- Accounts Payable transactions are properly reviewed and approved for payment by authorized personnel.
- The City has implemented adequate controls to limit exposure of unauthorized accounts payable transactions.
- EPC is operating within budgetary limits.
- EPC and the City are complying with the terms and conditions of the Funding, Operating, and Lease Agreements to include budget, reporting and oversight.
- EPC’s Donor pledge agreements, notes payable, and other key financial factors are supported by sufficient and appropriate evidence and are properly authorized in accordance with applicable contractual agreements.

6. Hotel Occupancy Tax Audits – Round 10 - Redeterminations

The objectives of this Audit are to determine whether 20 El Paso-area hotels are compliant in remitting Hotel Occupancy Taxes due to the City of El Paso. Several audited hotels have requested a redetermination of taxes due, and Internal Audit is currently evaluating each request to determine its validity.

City of El Paso
Internal Audit Department
Financial Oversight and Audit Committee
3rd Quarter 2025-2026 Audit Plan Update
As of May 31, 2026

FINANCIAL OVERSIGHT AND AUDIT COMMITTEE

1. The FOAC met on March 12, 2026 to discuss the following:
 - Approval of Minutes for the Financial Oversight and Audit Committee meeting of February 12, 2026.
 - Discussion on FY 2025-2026 Audit Plan 2nd Quarter Updates.
 - Discussion and Action on the results of the On-Call Services Agreement Follow-Up Audit A2026-04.

2. The FOAC met on April 9, 2026 to discuss the following:
 - Approval of Minutes for the Financial Oversight and Audit Committee meeting of March 12, 2026.
 - Discussion and Action on the El Paso Police Department - Cybersecurity Assessment.

3. The FOAC met on May 21, 2026 to discuss the following:
 - Approval of Minutes for the Financial Oversight and Audit Committee meeting of April 9, 2026.
 - Introduction of new Chief Internal Auditor.
 - Discussion and Action on the results of the Code Enforcement Division Audit A2025-05.
 - Discussion and Action on the results of the Sun Metro - Accounts Payable Audit A2026-09.
 - Discussion and Action on the results of Round 10 of the Hotel Occupancy Tax Audit.

MISCELLANEOUS ITEMS

This section includes updates on departmental activities, training, professional service contributions, and other relevant developments affecting the Internal Audit Department.

TRAINING SESSIONS

The Internal Audit Department staff participates in Continuing Professional Education (CPE) trainings and webinars to maintain the competencies required by their respective professional certification and licenses. As of the 3rd Quarter, staff have earned the following number of CPE hours. Staff holding professional certifications or licenses are required to complete the number of CPE hours prescribed by each credentialing body to remain in good standing.

Name	Position	CPE Hours
Adrian Serrano	Chief Internal Auditor	4.0
Liz De La O	Deputy Chief Internal Auditor	9.0
Mike Montiel	Audit Manager	6.0
Martha Vargas	Auditor IV	32.0
Miguel Ortega	Auditor III	35.5
Sergio Carrillo	Auditor III	21.0
Christian Castro	Auditor II	16.0
Christopher Gallardo	Auditor II	15.0
Miguel Olivas	Auditor I	15.5

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.

OTHER MATTERS

1. Introduction of the New Chief Internal Auditor

The new Chief Internal Auditor, Adrian Serrano, began his tenure with the City of El Paso on April 20, 2026, and was formally introduced to the FOAC at its May 21, 2026 meeting. The Internal Audit Department looks forward to continued collaboration and strengthening of audit oversight under his leadership.

2. Internal Audit Technology Modernization Update

During the 3rd Quarter, the Internal Audit Department, together with Information Technology, commenced an evaluation of internal audit management solutions to modernize and enhance operational efficiency across the Department. These solutions offer significant benefits, including improved workflow management, centralized documentation, and enhanced reporting capabilities. In addition to streamlining the full audit lifecycle, such solutions also support key functions such as risk assessment, annual audit planning, resource budgeting and allocation, issue resolution tracking, and ongoing monitoring activities. The Department is aiming to implement a selected solution by the end of the 4th Quarter, contingent upon procurement protocols, and will update the FOAC accordingly.

City of El Paso
Internal Audit Department
Financial Oversight and Audit Committee
3rd Quarter 2025-2026 Audit Plan Update
As of May 31, 2026

AUDIT PLAN UPDATE

This section provides the Financial Oversight and Audit Committee and the City Manager with an update on the progress of the 2025-2026 Annual Audit Plan. It includes an analysis of Audits and Projects scheduled by quarter, their associated budgeted hours, and the actual audit hours worked to date. This information serves as a key management tool for demonstrating how the Internal Audit Department's resources are being utilized throughout the fiscal year.

	BUDGETED HOURS	YTD as of 05/31/26	Engagement Status
First Quarter	-	-	-
(CarryFwds) Vehicle Allowance & Take-Home Cars Project P2025-02	15.00	17.75	Completed
(CarryFwds) Cyber Audits: EPPD – Administration	50.00	133.00	Completed
(CarryFwds) El Paso Zoo – Financial Activity Audit A2025-09	100.00	93.75	Completed
(CarryFwds) Red Book Assessment	250.00	38.50	In Progress
(CarryFwds) Animal Services – Construction Audit A2025-08	400.00	256.25	Completed
(CarryFwds) Code Enforcement Division Audit A2025-05	400.00	618.50	Completed
Follow-Up: Accounts Receivable Program – 2 nd Follow-Up Audit A2025-10	150.00	191.00	Completed
Follow-Up: Planning & Inspections – Permit Review Audit A2026-01	100.00	117.25	Completed
Citywide Sales Tax Analysis - Clearview	40.00	26.75	Completed
Franchise Fee Audits (EPWU) – Administration	50.00	-	Postponed
TX Sales Tax Discovery - Administration	50.00	-	Completed
City Employee Hotline	75.00	54.25	Completed
Hotel Occupancy Tax Audits - Administration	100.00	38.50	Completed
Tax Office Refund Review Project	100.00	183.75	Completed
Cyber Audits: Health Department (Administration)	200.00	-	Completed
Financial Oversight and Audit Committee	500.00	431.50	Completed
Contingency Hours	359.00	453.00	Completed
Administrative Duties - Chief Internal Auditor	0.00	-	Not Applicable
Administrative Duties – Deputy Chief Internal Auditor	87.00	145.75	Not Applicable
Administrative Duties – Audit Manager	87.00	75.25	Not Applicable
Administrative Duties - Staff Auditors	375.00	423.25	Not Applicable
Auditor Training	100.00	332.50	Not Applicable
Vacation/Sick Leave/Holiday	572.00	804.00	Not Applicable
Total	4,160.00	4,434.50	-
Second Quarter	-	-	-
(CarryFwds) Single-Family Owner-Occupied Renovation Program Audit A2026-06	500.00	523.25	In Progress
El Paso Police Department – Overtime Audit A2026-05	500.00	545.00	In Progress
P-Card and Travel Review Audit – City Department (ESD) A2026-07	250.00	393.25	Completed
Follow-Up: 380 Agreement Monitoring Audit	250.00	-	Postponed
Follow-Up: On-Call Services Agreement Audit	250.00	313.00	Completed
Citywide Sales Tax Analysis – Clearview	40.00	9.50	Completed
Franchise Fee Audits (EPWU) – Administration	50.00	-	Postponed

City of El Paso
Internal Audit Department
Financial Oversight and Audit Committee
3rd Quarter 2025-2026 Audit Plan Update
As of May 31, 2026

	BUDGETED HOURS	YTD as of 05/31/26	Engagement Status
Second Quarter (Cont.)	-	-	-
TX Sales Tax Discovery – Administration	50.00	1.00	Completed
City Employee Hotline	75.00	62.00	Completed
Hotel Occupancy Tax Audits – Administration	100.00	134.50	Completed
Tax Office Refund Review Project	100.00	100.00	Completed
Cyber Audits: Health Department (Administration)	100.00	24.50	Completed
Financial Oversight and Audit Committee	500.00	262.75	Completed
Contingency Hours	494.00	257.25	Completed
Administrative Duties - Chief Internal Auditor	125.00	-	Not Applicable
Administrative Duties – Deputy Chief Internal Auditor	87.00	118.50	Not Applicable
Administrative Duties – Audit Manager	87.00	69.00	Not Applicable
Administrative Duties - Staff Auditors	375.00	241.75	Not Applicable
Auditor Training	112.00	188.00	Not Applicable
Vacation/Sick Leave/Holiday	635.00	737.75	Not Applicable
Total	4,680.00	3,981.00	-
Third Quarter	-	-	-
Accounts Payable Audit – Sun Metro	500.00	512.00	Completed
Streets and Maintenance – Facility Maintenance Audit	500.00	685.75	In Progress
Peer Review of the Internal Audit Department	500.00	-	In Progress
Follow-Up: Parks & Recreations – Park Usage Permit Audit	150.00	8.75	Not Started
Follow-Up: EPIA Accounts Payable Audit	200.00	188.00	Completed
City Council & City Manager’s Office P-Card and Travel Review (Administration: Co-Sourcing)	45.00	-	Not Started
Citywide Sales Tax Analysis - Clearview	40.00	3.50	Completed
Franchise Fee Audits (EPWU) – Administration	50.00	-	Postponed
TX Sales Tax Discovery - Administration	50.00	5.50	Completed
City Employee Hotline	75.00	62.75	Completed
Hotel Occupancy Tax Audits - Administration	100.00	219.50	In Progress
Tax Office Refund Review Project	100.00	199.00	Completed
Cyber Audits: Health Department (Administration)	100.00	78.75	In Progress
Financial Oversight and Audit Committee	500.00	309.75	Completed
Contingency Hours	346.00	327.75	Completed
Administrative Duties - Chief Internal Auditor	125.00	151.50	Not Applicable
Administrative Duties – Deputy Chief Internal Auditor	88.00	104.75	Not Applicable
Administrative Duties – Audit Manager	88.00	81.75	Not Applicable
Administrative Duties - Staff Auditors	375.00	286.25	Not Applicable
Auditor Training	113.00	142.50	Not Applicable
Vacation/Sick Leave/Holiday	635.00	485.50	Not Applicable
Total	4,680.00	3,853.25	-
Fourth Quarter	-	-	-
El Paso International Airport – Construction Audit	500.00	1.00	Not Started
Parks Department – Sports Fields Audit	500.00	119.25	Not Started
La Nube Children’s Museum Contract Audit	500.00	322.50	In Progress
P-Card and Travel Review – City Department	250.00	-	Not Started
Citywide Sales Tax Analysis - Clearview	40.00	-	Not Started
Franchise Fee Audits (EPWU) – Administration	50.00	-	Postponed

City of El Paso
Internal Audit Department
Financial Oversight and Audit Committee
3rd Quarter 2025-2026 Audit Plan Update
As of May 31, 2026

	BUDGETED HOURS	YTD as of 05/31/26	Engagement Status
Fourth Quarter (Cont.)	-	-	-
TX Sales Tax Discovery - Administration	50.00	-	Not Started
City Employee Hotline	75.00	-	Not Started
Hotel Occupancy Tax Audits - Administration	100.00	-	Not Started
Tax Office Refund Review Project	100.00	-	Not Started
Cyber Audits: Health Department (Administration)	100.00	-	Not Started
Financial Oversight and Audit Committee	500.00	-	Not Started
Contingency Hours	563.00	-	Not Started
Administrative Duties - Chief Internal Auditor	125.00	-	Not Applicable
Administrative Duties – Deputy Chief Internal Auditor	88.00	-	Not Applicable
Administrative Duties – Audit Manager	88.00	-	Not Applicable
Administrative Duties - Staff Auditors	375.00	-	Not Applicable
Auditor Training	113.00	-	Not Applicable
Vacation/Sick Leave/Holiday	635.00	-	Not Applicable
Total	4,752.00	442.75	-
Totals for 1st, 2nd, 3rd & 4th Quarters			
	18,720.00	12,711.50	

CONCLUSION

The 3rd Quarter reflected continued progress toward the objectives of the 2025-2026 Audit Plan, with 6 Audits advancing through planning or completion. The Internal Audit Department remains focused on delivering timely, high-quality audit work that strengthens governance, accountability, and operational effectiveness across the City.

The Department remains committed to serving the Mayor and City Council, the Financial Oversight and Audit Committee, City Leadership, and, most importantly, the citizens of El Paso, as we continue this work into the final quarter of the fiscal year. The Internal Audit Department staff continues to strive for excellence in meeting our departmental motto, “Exceeding our Client’s Expectations.”

Respectfully Submitted

Adrian Serrano, CPA
Chief Internal Auditor
City of El Paso

Distribution:
Financial Oversight and Audit Committee
Dionne Mack, City Manager
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Legislation Text

File #: BC-2134, **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 Follow-Up Audit A2026-03. [Internal Audit, Christian Castro, (915) 212-1373]



Internal Audit Department El Paso International Airport Accounts Payable Follow-Up Audit A2026-03

Objective

To determine whether Aviation Department management implemented corrective actions for the three findings identified in the March 18, 2025 El Paso International Airport – Accounts Payable Audit Report.

*The original audit report is posted on the City of El Paso's Internal Audit webpage.

Scope & Methodology

The Follow-Up audit focused on the three findings from the March 18, 2025 report. Work performed included:

- Interviews with EPIA management and staff regarding Accounts Payable processes.
- Review of the *Accounts Payable Standard Operating Procedure* effective January 6, 2026. (Formally known as *Accounts Payable Procedure – Purchases*)
- Review of 27 invoices paid in March 2026.

Finding 1

Original Finding

Report dated March 18, 2025

Our review of the *Accounts Payable Procedure - Purchases* (the *AP Procedure*) identified:

- It was last updated on November 6, 2008.
- An FOB system has since replaced the fuel card process.
- List of personnel authorized to approve invoices is not maintained.
- References to obsolete job titles.

Finding 1

Current Observations

The *Accounts Payable Standard Operating Procedure* (SOP) was updated to:

- Align procedures with current practices.
- Remove outdated fuel-related procedures.

The SOP does not include:

- A list of personnel authorized to approve invoices, however each division now submits a Signature Authorization Form identifying authorized approvers.
- Updated job titles. Instead the SOP references division names as they remain more stable and reduces the need for constant updates.

Status: Implemented

Finding 2

Original Finding (Report dated March 18, 2025)

Between November 13, 2023 to November 7, 2024, EPIA paid 52 uniform rental invoices totaling \$744.92 for a former employee who left City employment in November 2023.

Current Observations

For the month of March 2026, EPIA paid 237 invoices totaling \$942,961.61. A sample of 27 invoices were selected for review (11.39% sample). Our review identified that all 27 invoices (100%) were properly reviewed to ensure that goods/services were received prior to granting approval/payment.

Status: Implemented

Finding 3

Original Finding

Report dated March 18, 2025

- Our review of 30 invoices processed between 9/1/23 and 8/31/24 identified that eleven (11) invoices were paid late.
- Out of a population of 3,054 invoices processed between September 1, 2023 to August 31, 2024, five (5) were paid twice for the same goods/services.

Finding 3

Current Observations

For the month of March 2026, EPIA paid 237 invoices totaling \$942,961.61. An analysis was performed to identify potential duplicate payments; **no duplicate payments were identified or paid.**

A sample of 27 invoices were selected for review with the following results:

- 26 out of 27 invoices (96.30%) were paid within 30 days of receiving the invoice or goods/services.
 - One (1) invoice was paid 35 days from the receipt of the invoice.

Status: Implemented

Finding 3

Current Observations

Additional Observations

- 12 of the 27 invoices (44.44%) reviewed did not reflect the correct receipt date in PeopleSoft.
- Staff Entered the Monday.com upload date instead of the actual invoices receipt date.
- Internal Audit notified EPIA's management. EPIA acknowledged the issue and will communicate the correct process to staff.

Conclusion

EPIA substantially met the audit objectives by:

- Updating the *Accounts Payable Standard Operating Procedure*.
- Verifying goods/services are received before invoice approval.
- Ensuring invoices are paid timely within 30 days of the later of receipt of invoice or goods/services.
- Preventing duplicate payments.

Requested Action

To accept the results of the *El Paso International Airport Accounts Payable Follow-Up Audit A2026-03* and forward the Audit Report to City Council for action.



**El Paso International Airport –
Accounts Payable Follow-Up Audit**

No. A2026-03

Issued by the
Internal Audit Department
May 18, 2026

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

EXECUTIVE SUMMARY

The Internal Audit Department conducted a Follow-Up Audit of El Paso International Airport Audit Report dated March 18, 2025. The original Audit Report contained three (3) 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	The El Paso International Airport (EPIA) <i>Accounts Payable Procedure - Purchases</i> manual was last updated on November 6, 2008.	Implemented
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.	Implemented
3	For the period of September 1, 2023 to August 31, 2024: <ul style="list-style-type: none"> • 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. 	Implemented

For a detailed explanation of the findings and current observations please refer to the appropriate finding contained in the body of this Audit Report.

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

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.

El Paso International Airport (EPIA) serves as the regional transportation gateway connecting Texas, New Mexico, and Mexico. Offering over 50 daily flights and nonstop services to 16 airports, including several of the nation’s largest air hubs. EPIA’s mission is provide customers with a safe, secure and efficient airport, operating in an environmentally conscious and self-sustaining manner. The Airport Operating Fund is an enterprise fund with a total budget of \$74.5 million. This fund accounts for all airport activities and services. For the month of March 2026, EPIA paid 237 invoices, totaling \$942,961.61.

AUDIT OBJECTIVES

The audit objective was to ensure that the corrective action was taken by management to address the recommendations detailed in the *El Paso International Airport – Accounts Payable Audit Report* dated March 18, 2025.

AUDIT SCOPE AND METHODOLOGY

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

- Conducted interviews with EPIA management and staff to obtain an understanding of their Accounts Payable processes.
- Reviewed EPIA’s Accounts Payable Standard Operating Procedure effective January 6, 2026.
- Analyzed a sample of 27 invoices paid by EPIA during the month of March 2026 to identify if:
 - EPIA has a process in place to ensure all goods and services were received prior to approving invoices for payment.
 - EPIA has stopped renting uniforms for employees.
 - Invoices were paid within 30 days of receiving the invoice or goods/services.
 - Invoices have not been paid twice for the same goods/services.

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
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

ORIGINAL FINDINGS, CRITERIA, ORIGINAL RECOMMENDATIONS, MANAGEMENT'S RESPONSES TO ORIGINAL FINDINGS, 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.

Original Finding 1 (Report dated March 18, 2025)

El Paso International Airport Accounts Payable Procedures

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.

Standard/Criteria

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.

Original 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.

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

Management’s Response to Original Finding

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

Current Observation

The El Paso International Airport has updated their *Accounts Payable Standard Operating Procedure* to include:

- Procedures that align with current practices that are unique to its Accounts Payable activities.
- Eliminating procedures that are no longer in place for fuel purchases.

The *Accounts Payable Standard Operating Procedure* was not updated to include:

- Maintaining a listing of personnel designated to authorize invoices for payment.
 - EPIA implemented an alternative procedure in which each Airport division submits a Signature Authorization Form identifying individuals authorized to approve invoices. The form is updated every Fiscal Year. This approach is considered sufficient.
- Referencing job titles reflected on EPIA’s staffing tables.
 - EPIA references divisions instead of specific job titles in the procedures. Doing so minimizes the need for updates, as division names remain more stable than individual job titles. This approach is considered sufficient.

Status

Implemented

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

Original Finding 2 (Report dated March 18, 2025)

Authorization of Invoices for Payment

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.

Standard/Criteria

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...*

Original Recommendation

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

Management's Response to Original Finding

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

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

Current Observation

For the month of March 2026, EPIA paid 237 invoices totaling \$942,961.61. A sample of 27 invoices were selected for review (11.39% sample). Our review identified the following:

- 27 out of 27 invoices (100%) were properly reviewed to ensure that goods/services were received prior to approving invoices for payment.

EPIA's current process is to purchase uniforms for employees instead of renting. EPIA is working with the City Attorney's Office and Purchasing Department to terminate the contract for uniform rentals.

Status

Implemented

DRAFT

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

Original Finding 3 (Report dated March 18, 2025)

Payment of Invoices

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

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

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

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 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.*

Original 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 to Original Finding

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

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

Current Observation

For the month of March 2026, EPIA paid 237 invoices totaling \$942,961.61. An analysis was performed to identify potential duplicate payments, and no duplicates were found. Additionally, a sample of 27 invoices paid by EPIA during March 2026 were selected for detailed review, with the following results:

- 26 out of 27 invoices (96.30%) were paid within 30 days of receiving the invoice or goods/services.
 - One (1) invoice was paid 35 days from the receipt of the invoice.

Invoice #	Invoice Amount	Date Invoice Received	Payment Date	# of Calendar Days Payment Was Made After Date Invoice Received
172629	\$ 140.76	2/3/26	3/10/26	35

Additional Observation

It was also noted that 12 of the 27 invoices reviewed (44.44%) did not reflect the correct receipt date in PeopleSoft Financials. This discrepancy occurred because EPIA recorded the date the invoice was uploaded into Monday.com rather than the date the invoice was actually received. The Internal Audit Department notified EPIA’s Business and Finance Assistant Director and Administrative Services Manager regarding the proper use of the “Invoice Receipt Date” field. EPIA acknowledged the issue and will communicate the correct process to staff.

Status

Implemented

**City of El Paso
Internal Audit Department
El Paso International Airport – Accounts Payable
Follow-Up Audit A2026-03**

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 El Paso International Airport – 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 El Paso International Airport met the objectives of this Follow-Up Audit. Based on our audit work, we have determined that:

1. El Paso International Airport substantially **met** the audit objectives in the following areas:
 - Updating the *Accounts Payable Standard Operating Procedure* to include the following:
 - Ensuring procedures align with Accounts Payable activities.
 - Eliminating programs and procedures no longer in place.
 - Implementing a procedure requiring each Airport Division to submit an annual Signature Authorization Form identifying personnel authorized to approve invoices.
 - Referencing Divisions and eliminating references to specific job titles.
 - Ensuring that all goods/services have been received before approving invoices for payment.
 - Ensuring invoices are paid within 30 days of receiving the invoice or goods/services.
 - Ensuring invoices are not paid twice for the same goods or services.

We wish to thank El Paso International Airport management and staff for their assistance and courtesies extended during the completion of this Follow-Up Audit.

Adrian Serrano, CPA
Chief Internal Auditor

Christian Castro, CIA, MAcc
Auditor II

Miguel A. Montiel, CIA, CGAP
Audit Manager

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