AGENDA FOR THE FINANCIAL OVERSIGHT AND AUDIT COMMITTEE

December 11, 2025
COUNCIL CHAMBERS, CITY HALL, 300 N. CAMPBELL - FIRST FLOOR
2:00 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: 684-478-464#

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 November 14, 2025. [Internal Audit, Elizabeth De La O, (915) 212-1371]	**BC-1474**
2.	Discussion and Action on the results of the Animal Services - Westside Adoption Center Construction Audit A2025-08. [Internal Audit, Elizabeth De La O, (915) 212-1371]	**BC-1475**
3.	Discussion and Action on the results of the El Paso Zoo - Financial Activity Audit A2025-09. [Internal Audit, Miguel Ortega, (915) 212-1370]	**BC-1335**
4.	Discussion and Action on the results of the Planning & Inspections - Permit Review Follow-Up Audit A2026-01. [Internal Audit, Miguel Montiel, (915) 212-1367]	**BC-1484**
5.	Discussion and Action on the 2026 Financial Oversight and Audit Committee Meeting Calendar. [FOAC Chair, Dr. Josh Acevedo, (915) 212-0002]	**BC-1512**

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 4th day of December, 2025 at 2:19 p.m., at City Hall, 300 N. Campbell Street by Sergio Carrillo.

File #: BC-1474, **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 November 14, 2025. [Internal Audit, Elizabeth De La O, (915) 212-1371]

FINANCIAL OVERSIGHT AND AUDIT COMMITTEE MINUTES
November 14, 2025
COUNCIL CHAMBERS, CITY HALL
11:00 AM

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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 11:03 a.m. Committee Chair Dr. Josh Acevedo was present and presiding and the following Committee Members answered roll call: Dr. Josh Acevedo, Deanna Maldonado-Rocha, Ivan Niño, Elizabeth De La O – Deputy Chief Internal Auditor, and Robert Cortinas – CFO/Deputy City Manager. Committee Member Alejandra Chávez and City Manager Dionne Mack joined at 11:25 a.m. and 11.24 a.m., respectively.

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PLEDGE OF ALLEGIANCE

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AGENDA

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1. Motion made by Committee member Maldonado-Rocha, seconded by Committee member Niño, and unanimously carried to **APPROVE** the Minutes for the Financial Oversight and Audit Committee meeting of October 9, 2025.

AYES: Committee Members Acevedo, Maldonado-Rocha and Niño
NAYS: None
ABSENT: Committee Member Alejandra Chávez

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2. Discussion and Action on the City of El Paso's Internal Audit Current State, Maturity, and Needs Assessment, prepared by Weaver and Tidwell, LLP.

Mr. Brandon Tanous – Partner, Weaver and Tidwell, LLP and Ms. Holly Hart – Director, Weaver and Tidwell, LLP, delivered a PowerPoint presentation.

The following members of the FOAC commented:

- Dr. Josh Acevedo, Committee Chair.
- Ms. Alejandra Chávez, Committee Member.
- Ms. Deanna Maldonado-Rocha, Committee Member.
- Mr. Ivan Niño, Committee Member.
- Ms. Dionne Mack, City Manager.
- Ms. Elizabeth De La O, Deputy Chief Internal Auditor

The following City staff member commented:

- Mr. Miguel Montiel, Audit Manager.

Motion made by Committee member Chávez, seconded by Committee member Maldonado-Rocha and unanimously carried to **ACCEPT** the results of the Internal Audit Current State, Maturity, and Needs Assessment and send to City Council for action.

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

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ADJOURN

Motion made by Committee Member Maldonado-Rocha, seconded by Committee Member Niño and unanimously carried to **ADJOURN** the meeting at 12:30 p.m.

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

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APPROVED AS TO CONTENT:

_____
Dr. Josh Acevedo – Committee Chair,
Financial Oversight and Audit Committee

_____
Elizabeth De La O – Deputy Chief Internal Auditor,
Internal Audit Department

File #: BC-1475, **Version:** 1

CITY OF EL PASO, TEXAS
LEGISTAR AGENDA ITEM SUMMARY FORM

AGENDA LANGUAGE:

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Discussion and Action on the results of the Animal Services - Westside Adoption Center Construction Audit A2025-08. [Internal Audit, Elizabeth De La O, (915) 212-1371]

Internal Audit Department
Animal Services – Westside Adoption Center Construction Audit No. A2025-08

Objectives

The Objectives of this audit were to review construction costs and processes used by the Capital Improvement Department to renovate the Morehead Middle School to the new “Animal Services – Westside Adoption Center”. The construction audit focused on Phase I and included 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.

Scope

The scope from July 30, 2024 to August 1, 2025 included:

- Reviewing Capital Improvement Policies and Procedures.
- Conducting interviews with Capital Improvement staff.
- Reviewing Construction Expenditures.
- Reviewing issued Change Orders.
- Reviewing Daily Inspection Reports.

Finding 1 (Positive)

Based on the results of our review of the Westside Adoption Center Construction, we identified that the Capital Improvement Department:

- Has established Policies and Procedures for conducting inspections, reviewing expenditures and processing Change Orders.
- Properly reviews and approves payment applications from contractors and pays invoices within 30 days.
- Properly reviews and approves Change Orders.
- Conducts inspections and completes detailed Daily Inspection Reports.

Recommendation

The Capital Improvement Department should continue to ensure that all aspects of a construction project including planning, budgeting, scheduling, compliance and quality control are properly monitored and maintained.

Management Response

None required.

Conclusion

The Capital Improvement met the audit objectives in the following areas:

- Has established Policies and Procedures for conducting inspections, reviewing expenditures and processing Change Orders.
- Reviews, approves and pays invoices within 30 days.
- Properly reviews and approves Change Orders.
- Completes detailed Daily Inspection Reports on the job-site.

Requested Action

To accept the results of the Animal Services – Westside Adoption Center Construction Audit A2025-08 and forward the Audit Report to City Council for action.

Animal Services – Westside Adoption Center Construction
Audit No. A2025-08

Draft

Issued by the
Internal Audit Department
October 21, 2025

EXECUTIVE SUMMARY

The Internal Audit Department has concluded the Animal Services – Westside Adoption Center Construction Audit. The audit was approved in the Fiscal Year 2024-2025 Annual Audit Plan. The scope for this audit was Fiscal Years 2024 and 2025. The audit objectives were to:

1. Review construction costs and processes used by the Capital Improvement Department to renovate Phase I of the Morehead Middle School to the *"Animal Services – Westside Adoption Center".*
2. Conduct a review of:
   - The Capital Improvement Department's Compliance with the City's Policies and Procedures,
   - Construction Expenditures, Change Orders, Inspections,
   - Approvals and supporting documentation.

Based on the results of the audit, we can provide reasonable assurance that:

- The Capital Improvement Department (CID) has Policies, Procedures and processes in place to ensure that projects are properly monitored from start to finish.
- Construction expenditures and change orders are properly reviewed, approved and paid on time.
- Inspections are completed along with detailed Daily Inspection Reports.

For more detail on the areas under review, please refer to the body of the Audit Report.

BACKGROUND

On September 25, 2023, City Council approved the purchase of a vacant school, *Morehead Middle School*, from the El Paso Independent School District. The property was purchased for $3,800.00.00 and it's located on 5625 Confetti Dr., El Paso, Texas. The City used a portion of the school building to build the "*Animal Services – Westside Adoption Center*." The building has been renovated to include a 4,700 square feet space for an Adoption Area and another 14,000 square feet area to hold 100 kennels. Funds totaling over $7 million was used to renovate, equip, and convert the building to the Westside Adoption Center as part of Phase 1.

The renovation included, but not limited to:

- New plumbing and drainage,
- Replacing broken windows,
- Cleaning: dirt, asbestos, and Fire Extinguisher dust,
- Fixing and updating the HVAC System,
- Sealing floors,
- Adding Security Cameras,
- Installing Fire Protection and Network Access (WIFI),
- Adding outdoor and indoor signage around the property,
- New Fencing (wrought iron & chain-link).

According to the former Animal Services Director, the Westside Adoption Center is helping with the overcrowding of animals at the other El Paso Animal Shelters and making pet adoptions more accessible to citizens. The Westside Adoption Center officially opened to the public on September 27, 2025. A second phase expansion of the Westside Adoption Center is still pending. It will include about 20,000 square feet of additional space. The Animal Services Department is still assessing funding for the second phase.

AUDIT OBJECTIVES

The objective of this audit was to review the construction costs and processes used by the Capital Improvement Department to renovate the Morehead Middle School to the "*Animal Services – Westside Adoption Center*". The construction audit focused on Phase I and included 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.

AUDIT SCOPE AND METHODOLOGY

The scope for this audit was from July 30, 2024 to August 1, 2025. To achieve our audit objectives, we:

- Reviewed Capital Improvement Policies and Procedures.
- Obtained an understanding of how Capital Improvement handles:
  - Change Orders,
  - Construction Expenditure Applications,
  - Job-site inspections.
- Conducted interviews with Capital Improvement staff.
- Reviewed ten (10) "Contractor's Application for Payment" requests totaling $6,846,723.43 to ensure they:
  - Were appropriate and related to the project,
  - Were properly supported by documentation,
  - Were reviewed by the appropriate parties,
  - Were paid within 30 days as required by the City of El Paso Accounts Payable Policy.
- Reviewed eight (8) issued Change Orders totaling $76,331.37 to verify that:
  - The reason for the Change Order was appropriate,
  - Calculations were appropriate and under 25% of the initial budget,
  - Reviewed and approved by the appropriate parties within the required timeframes,
  - Proper supporting documentation was obtained.
- Selected a sample of 15 Daily Inspection Reports to review if:
  - Reports are properly completed,
  - Construction activities are detailed,
  - Daily Inspection Reports are filed and organized.

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.

FINDING, CRITERIA, RECOMMENDATION, AND MANAGEMENT'S RESPONSE

Finding 1 (Positive Finding)

Capital Improvement Department Processes

Based on the results of our review of Phase I of the Westside Adoption Center's Construction, we identified that the Capital Improvement Department:

1. Has established Policies and Procedures to assist in the process of conducting inspections, reviewing construction expenditures and processing Change Orders.
2. Properly reviews and approves payment applications from contractors and pays invoices within 30 days.
3. Properly reviews and approves Change Orders while keeping construction budget increases down.
4. Conducts inspections and completes detailed Daily Inspection Reports that are properly filed and maintained for easy reference.

We can provide reasonable assurance that the Capital Improvement Department has processes in place to ensure that construction projects are properly managed from the start of the project to the finish.

Standard/Criteria

City of El Paso's Strategic Plan:

- *Goal 6.3 Implement programs to reduce organizational risk.*
- *Goal 6.6 Ensure continued financial stability and accountability through sound financial management, budgeting, and reporting.*
- *Goal 8.3 Enhance animal services to ensure El Paso's pets are provided a safe and healthy environment.*

Capital Improvement Department Project Delivery Manual dated August 31, 2017.
City of El Paso Accounts Payable Policy dated September 18, 2025.

Recommendation

The Capital Improvement Department should continue to ensure that all aspects of a construction project including planning, budgeting, scheduling, compliance and quality control are properly monitored and maintained.

Management's Response

None Required.

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 Animal Services – Westside Adoption Center Construction Audit. The audit evidence used in our analysis is sufficient and appropriate for addressing the objectives and supporting the findings and conclusion. In accordance with *Generally Accepted Government Auditing Standards*, we are required to conclude on whether the Capital Improvement Department met the objectives of this audit. Based on our audit work, we have determined that:

1. The Capital Improvement Department met the audit objectives in the following areas:
    - Has established Policies and Procedures for conducting inspections, reviewing expenditures and processing Change Orders.
    - Reviews, approves and pays invoices within 30 days.
    - Properly reviews and approves Change Orders.
    - Completes detailed Daily Inspection Reports on the job-site.

We wish to thank Capital Improvement Department 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

Sergio Carrillo Jr., CIA, CGAP, MBA
Auditor III

Miguel Montiel, CIA, CGAP
Audit Manager

Distribution:
Financial Oversight and Audit Committee
Dionne Mack, City Manager
Yvette Hernandez, Deputy City Manager and City Engineer
Gilbert Guerrero, Interim Capital Improvement Director

File #: BC-1335, **Version:** 1

CITY OF EL PASO, TEXAS
LEGISTAR AGENDA ITEM SUMMARY FORM

AGENDA LANGUAGE:

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Discussion and Action on the results of the El Paso Zoo - Financial Activity Audit A2025-09. [Internal Audit, Miguel Ortega, (915) 212-1370]

El Paso Zoo –
Financial Activity Audit
No. A2025-09

DRAFT

Issued by the
Internal Audit Department
August 28, 2025

EXECUTIVE SUMMARY

The Internal Audit Department has concluded the El Paso Zoo – Financial Activity Audit. The audit was approved in the Fiscal Year 2024-2025 Annual Audit Plan. The scope for this audit was Fiscal Years 2024 and 2025. The audit objectives were to:

1. Perform an assessment of the El Paso Zoo's financial activity (Revenues & Expenses) to ensure proper accounting and reporting.
2. Review the El Paso Zoo's internal controls and compliance with the City's Policies and Procedures.

The audit identified control weakness and violations of City Policy. As a result, three findings were noted:

1. A sample of four (4) events held at the El Paso Zoo during the period of April 1, 2024 to April 30, 2025 identified the following:
   - One (1) out of four (4) events (25%) resulted in a loss of $4,473.99 due to:
     - Event expenses exceeding ticket sales.
     - Event not having a financial sponsorship in place.
   - Two (2) out of four (4) events (50%) reviewed received financial sponsorship. Both sponsorships were handled by the El Paso Zoo with no Sponsorship Agreement in place.
     - Per the City Attorney's Office, sponsorship arrangements should be formalized either through a Sponsorship Agreement prepared in consultation with the City Attorney's Office or managed directly by the Paso Del Norte Community Foundation.

2. A review of 71 invoice payments related to four (4) events held at the El Paso Zoo during April 1, 2024 to April 30, 2025 identified the following:
   - 40 out of 71 (56.34%) invoice payments were not paid within 30 calendar days of the invoice date, invoice received date, or service date as outlined on the City's *Accounts Payable Policy*.
     - 39 invoice payments totaling $7,498.07 for the "Boo at the Zoo" event were paid 26 to 117 calendar days after the due date.
     - One (1) invoice payment totaling $276.00 for the "Brew at the Zoo" event was paid 24 calendar days after the due date.

3. A review of fifteen (15) invoices issued by the El Paso Zoo for school group/field trips made during the week of April 21, 2025 to April 27, 2025 identified the following:
   - Three (3) out of 15 (20%) invoices were not paid within 30 calendar days from the invoice date.
     - Two (2) invoices totaling $769.90 with an invoice date of June 6, 2025 have not been paid as of August 19, 2025 (75 days late from the invoice due date).
     - One (1) invoice totaling $277.50 was paid 43 days from the invoice date (13 days late).
     - According to El Paso Zoo Management, these invoices were not paid on time due to the school's scheduled summer closure.

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

BACKGROUND

The El Paso Zoo sits on 35 acres of "fun and adventure for visitors to enjoy." It features several animal exhibits and offers several interactive family activities like the: Hunt Family Splash Pad, Foster Tree House Playground, and the Hunt Endangered Species Carousel. The El Paso Zoo is open to the public on Wednesdays through Sundays from 9:00 am to 5:00 pm.

Daily Tickets or Zoo Memberships can be purchased online or in-person at the gate. A Zoo Membership gets you: free admission all year-round, express entry to the Zoo, and discounts on concessions and other amenities (ex: Summer Camp, Carousel, Rope Course, and more). Membership Packages vary in price depending on the number of adults, children, and guests included in the package.

On June 1, 2024, the El Paso Zoo took over the responsibility of Zoo Memberships after the completion of the *License Agreement between the City of El Paso and the El Paso Zoological Society # 148046/12-1045-013 (License Agreement*.) As a result, the El Paso Zoo purchased a new Point-of-Sale Software called "*Doubleknot*" to manage ticket sales and Zoo Memberships.

The El Paso Zoo provided the following counts of Zoo Memberships and the actual number of Zoo Members for the period of June 1, 2024 to May 31, 2025 (12months):

Month	Total Zoo Memberships (New/Revised)	Total Zoo Members
June 2024	2,694	5,398
July 2024	2,713	5,721
August 2024	2,721	5,772
September 2024	2,813	5,981
October 2024	2,841	6,060
November 2024	2,665	5,733
December 2024	2,767	5,975
January 2025	2,537	5,525
February 2025	2,719	5,929
March 2025	2,881	6,255
April 2025	2,850	6,232
May 2025	2,878	6,327
Average:	**2,757**	**5,909**

Note: Membership count data was not available prior to June 2024, limiting the ability to analyze historical trends.

Under the terms of the previous "*License Agreement*," the income collected from the sale of memberships was split 75/25; 75% to the Society and 25% to the El Paso Zoo. Today, the El Paso Zoo collects and retains all the income (100%) collected from memberships. The following table compares the "25% Revenue Allocation" for the El Paso Zoo (prior to June 1, 2024) and the revenues collected by the El Paso Zoo after taking over the Zoo Memberships (after June 1, 2024.):

	25% Membership Revenue Allocated to the El Paso Zoo (See Note 1)			Membership Revenues Reported by the El Paso Zoo
Month	**June 1, 2021 to May 31, 2022**	**June 1, 2022 to May 31, 2023**	**June 1, 2023 to May 31, 2024**	**June 1, 2024 to May 31, 2025**
June	$7,821.25	$7,494.25	$7,061.25	$18,960.00
July	$8,332.50	$7,880.75	$4,786.25	$31,375.00
August	$3,507.50	$5,725.00	$4,256.25	$12,160.00
September	$4,327.50	$6,157.13	$6,031.25	$18,529.20
October	$8,660.00	$11,071.25	"No Data" (2)	$25,485.00
November	$3,370.00	$2,366.25	"No Data" (2)	$16,845.00
December	$5,437.50	$5,517.50	"No Data" (2)	$25,690.00
January	$4,002.50	$3,948.75	"No Data" (2)	$16,365.00
February	$9,152.50	$13,810.00	"No Data" (2)	$26,190.00
March	$25,778.75	$24,008.87	$0.00 (3)	$63,370.00
April	$15,080.00	$13,952.00	$0.00 (3)	$26,000.00
May	$10,521.25	$10,718.75	$0.00 (3)	$29,640.00
Totals:	**$105,991.25**	**$112,650.50**	**$22,135.00**	**$310,609.20**

Notes:

1. The "25% Revenue Allocation" amounts were obtained from a previous audit conducted by the Internal Audit Department – *El Paso Zoological Society Agreement Audit A2024-01.* These amounts were provided by the Society to the Internal Audit Department as part of the audit.
2. The El Paso Zoo did not have the "25% Revenue Allocation" data amounts for the months of October 2023 to February 2024.
3. According to the El Paso Zoo, no membership revenues were sold by either the El Paso Zoo or El Paso Zoological Society during the period of March 2024 to May 2024.

The following table compares the revenues from memberships sold by the Society (without the 75/25 split) and the El Paso Zoo.

	Total Membership Revenues Reported by the Zoological Society (See Note 1)			Total Membership Revenues Reported by the El Paso Zoo
Month	**June 1, 2021 to May 31, 2022**	**June 1, 2022 to May 31, 2023**	**June 1, 2023 to May 31, 2024**	**June 1, 2024 to May 31, 2025**
June	$31,285.00	$29,977.00	$28,245.00	$18,960.00
July	$33,330.00	$31,523.00	$19,145.00	$31,375.00
August	$14,030.00	$22,900.00	$17,025.00	$12,160.00
September	$17,310.00	$24,628.52	$24,125.00	$18,529.20
October	$34,640.00	$44,285.00	"No Data" (2)	$25,485.00
November	$13,480.00	$9,465.00	"No Data" (2)	$16,845.00
December	$21,750.00	$22,070.00	"No Data" (2)	$25,690.00
January	$16,010.00	$15,795.00	"No Data" (2)	$16,365.00
February	$36,610.00	$55,240.00	"No Data" (2)	$26,190.00
March	$103,115.00	$96,035.48	$0.00 (3)	$63,370.00
April	$60,320.00	$55,808.00	$0.00 (3)	$26,000.00
May	$42,085.00	$42,875.00	$0.00 (3)	$29,640.00
Totals:	**$423,965.00**	**$450,602.00**	**$88,540.00**	**$310,609.20**

Notes:

1) The monthly revenue amounts were calculated by dividing the "25% Revenue Allocation" amounts listed on the prior table by 25%. (Ex: $7,821.25/0.25 = $31,285.00 for the month of June 2021)
2) The El Paso Zoo did not have revenue information for the Society for the months of October 2023 to February 2024.
3) According to the El Paso Zoo, no membership revenues were sold by either the El Paso Zoo or El Paso Zoological Society during the period of March 2024 to May 2024.

On July 9, 2024, the City of El Paso and the Paso Del Norte Community Foundation (PDNCF) signed an "*Agreement Regarding Mutual Cooperation*" to coordinate Zoo Fund Programs and provide fundraising support to the El Paso Zoo. The PDNCF accepts private donations to support the financial needs of the Zoo. Both the Zoo and the PDNCF organize several fundraising events throughout the year to collect donations for the Zoo. The El Paso Zoo also receives financial sponsorships to sponsor activities and/or events hosted at the Zoo.

AUDIT OBJECTIVES

The audit objectives were to perform an assessment of the El Paso Zoo's financial activity (Revenues & Expenses) to ensure proper accounting and reporting. The audit reviewed the El Paso Zoo's internal controls and compliance with the City's Policies and Procedures. The audit concentrated on the following areas:

- Ticket Sales,
- Zoo Memberships,
- Zoo Sponsorships,
- Zoo Events.

AUDIT SCOPE AND METHODOLOGY

The scope for this audit was Fiscal Years 2024 & 2025. To achieve our audit objectives, we:

- Reviewed the El Paso Zoo Policies and Procedures.
- Obtained an understanding of how the El Paso Zoo handles:
  - Daily Ticket Sales,
  - Memberships Sales,
  - Group and School Fieldtrip Reservations,
  - Events and Sponsorships.
- Conducted interviews with El Paso Zoo management and staff.
- Reviewed cash closeout procedures at the ticket booths.
- Reviewed if the daily cash collected at the El Paso Zoo was accurately reported and deposited accordantly with City Policies and Procedures.
- Selected a sample of school fieldtrip reservations to review if:
  - Admission fees were properly charged and consistent with the City of El Paso *Schedule C Departmental Fee List*.
  - Admission payments were collected timely and properly deposited.
  - Admission payments were posted and reported accurately.
- Reviewed a sample of Zoo Memberships to review if:
  - Active Zoo Members paid their Membership Fees.
  - Fees were properly charged and consistent with the City of El Paso *Schedule C Departmental Fee List*.
  - Memberships were properly supported and accurately reported.
- The following four (4) events held at the El Paso Zoo were selected for review:

#	Zoo Event	Event Day(s)
1	Party for the Planet	April 13& 14, 2024
2	Brew at the Zoo	September 14, 2024
3	Boo at the Zoo	October 26&27, 2024
4	Eggstravaganzoo	April 19& 20, 2025

Our review determined if:

- Event revenues and expenses were accurately reported.
- Event expenses were properly and accurately paid.
- Event sponsorships were properly supported and used.

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.

FINDINGS, CRITERIA, RECOMMENDATIONS, AND MANAGEMENT'S RESPONSES

Finding 1

El Paso Zoo Events & Sponsorships

A review of four (4) events held at the El Paso Zoo during the period of April 1, 2024 to April 30, 2025 identified the following:

- The four (4) events resulted in a net profit totaling $166,457.57.
  - Three (3) out of four (4) events (75%) resulted in a profit for the Zoo totaling $170,931.56.
  - One (1) out of four (4) events (25%) resulted in a loss of $4,473.99 due to:
    - Event expenses exceeding ticket sales.
    - Event not having a financial sponsorship in place.
- Two (2) out of four (4) events (50%) received financial sponsorships from Raising Cane's LLC totaling $8,500.00. A review of the two (2) event sponsorships identified the following deficiencies:
  - Both sponsorships were handled by the El Paso Zoo without a Sponsorship Agreement in place.
  - Per the City Attorney's Office, sponsorship arrangements should be formalized either through a Sponsorship Agreement prepared in consultation with the City Attorney's Office or managed directly by the Paso Del Norte Community Foundation.

Below is a breakdown of the number of attendees, income, and expenses identified for the four Zoo Events reviewed:

#	Event	Event Dates	Total # of Attendees	Total Revenues	Total Sponsorships	Total Expenses	Net Profit/ Loss
1	Party for the Planet	April 13 & 14, 2024	4,346	$ 51,861.59	$ -	$ -	$ 51,861.59
2	Brew at the Zoo	September 14, 2024 (After-Hours Event)	838	$ 36,290.60	$ -	$ (40,764.59)	$ (4,473.99)
3	Boo at the Zoo	October 26 & 27, 2024	7,268	$ 62,272.43	$ 5,000.00	$ (11,047.57)	$ 56,224.86
4	Eggstravaganzoo	April 19 & 20, 2025	5,363	$ 60,445.11	$ 3,500.00	$ (1,100.00)	$ 62,845.11
		Totals:	**17,815**	**$ 210,869.73**	**$ 8,500.00**	**$ (52,912.16)**	**$ 166,457.57**

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 Fiscal Year 2025 Budget Resolution:

- Section 43 *For any programs, activities, presentations, classes or services that have a fee range listed within Schedule C, the department head shall determine and charge a fee within the stated range for each particular activity, presentation, class or service in the amount that will recover the City's costs, as reviewed and approved by the City Manager or designee.*

Standard/Criteria (cont.)

Agreement Regarding Mutual Cooperation between City of El Paso and the Paso Del Norte Community Foundation (PDNCF) (HQ24-2877) dated July 9, 2024:

- Section 2*(d) Cooperate with the City on any agreements PDNCF may seek to enter into in furtherance of providing on-going financial support to the Program, and shall include the City as a party and in all negotiations that involve use of the funds.*

Recommendation

The El Paso Zoo should:

- Monitor expenditures to ensure event costs are recovered.
- Consult with the City Attorney's Office when seeking event sponsorships to review if the Sponsorship Agreement should be executed by the City Attorney's Office or by the Paso Del Norte Community Foundation.

Management's Response

The 2024 Brew at the Zoo event was the first year the El Paso Zoo coordinated the event independently. In previous years, the event was coordinated by the Zoological Society with the Zoo team serving in a supporting role. In the first year we invested in marketing, entertainment, lighting, maps, barriers and merchandise to support a successful event and to build on this in future potential Brew events. Program expenses in the initial year were high but will drop in 2025 and subsequent years. In the present year, we leveraged our social media platforms to reduce external marketing expenses and were able to produce a successful fundraising event. Our revised financial model produced a net profit for the 2025 Brew at the Zoo event, which is now comparable to other Zoo public fundraising events.

El Paso Zoo has consulted with City Attorney's Office to establish a standard Event Sponsorship Agreement that will be approved by each sponsor, the Zoo Director, and Deputy City Manager going forward.

Responsible Party

Willie Diaz - Administrative Services Manager

Implementation Date

October 1, 2025

Finding 2

Accounts Payable: Invoice Payments

The four (4) events (mentioned in Finding #1) held at the El Paso Zoo during the period April 1, 2024 to April 30, 2025 identified 71 invoice payments for event-related expenditures. A review of the 71 invoice payments identified the following:

- 40 out of 71 (56.34%) invoice payments were not paid within 30 calendar days of the invoice date, invoice received date, or service date.
  - 39 invoice payments totaling $7,498.07 for the "Boo at the Zoo" event were paid 26 to 117 calendar days after the due date.
  - One (1) invoice payment totaling $276.00 for the "Brew at the Zoo" event was paid 24 calendar days after the due date.

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 10, 2024:

- Section 5.0 General Guidelines *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*

Recommendation

The El Paso Zoo should ensure that invoices are paid within 30 calendar days of receiving the invoice or service as outlined on the City of El Paso *Accounts Payable Policy* dated September 10, 2024.

Management's Response

The El Paso Zoo has adjusted internal processes to maintain alignment with the City of El Paso Accounts Payable Policy. The previously vacant Budget & Services Coordinator position has since been filled. This position will ensure that all purchases are pre-approved and that all associated documentation has been properly completed and maintained. Once the Purchase Order is dispatched and the purchase made, the Budget and Services Coordinator will follow up to ensure that all invoices have been submitted on time by running the Open Purchase Orders report and verifying against our internal spreadsheet. By having a dedicated individual, we will ensure that our invoices are paid within the 30-day deadline. We will also offer additional training to all staff involved with purchasing and invoice submittal to ensure the purchasing process flows smoothly and in compliance with proper procedures.

Responsible Party

Willie Diaz - Administrative Services Manager

Implementation Date

August 28, 2025

Finding 3

Accounts Receivable: Timely Collection

A review of fifteen (15) invoices issued by the El Paso Zoo for school group/field trips made during the week of April 21, 2025 to April 27, 2025 identified the following:

- Three (3) out of 15 (20%) invoices reviewed were not paid by the respective school within 30 calendar days from the invoice date.
  - Two (2) invoices totaling $769.90 with an invoice date of June 6, 2025 have not been paid as of August 19, 2025 (75 days late from the invoice due date).
  - One (1) invoice totaling $277.50 was paid 43 days from the invoice date (13 days late).
  - According to the El Paso Zoo, these invoices were not paid on time due to the school's scheduled summer closure.

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 Receivable Policy dated November 2024:

- Section *4.2 Ensure timely collection of revenues by establishing policy that maximizes the efficiency of collecting payments due to the City, minimizing delays and ensuring funds are available for City operations.*
- Section *6.5 Invoice terms are net 30 days unless otherwise stated in the contract or agreement*

Recommendation

The Zoo should establish a process for collecting payments due from school districts prior to the summer closures.

Management's Response

The El Paso Zoo has adjusted internal processes to maintain alignment with the City of El Paso Accounts Receivable Policy. We will continue to send the School District's Accounts Payable Department their invoices as soon as they are billed, but the following procedures will be added:

- Aged Receivables Report will be processed weekly during peak field trip season
- Outstanding invoices will be verified 15 days before due date
- Follow-up email and phone call will be made to any School District with outstanding invoices prior to the Accounts Payable Department Summer closure.
- Reservations for future field trips will not be confirmed until any outstanding invoices are paid in full.

Responsible Party

Willie Diaz - Administrative Services Manager

Implementation Date

February 1, 2026

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 El Paso Zoo – Financial Activity Audit. The audit evidence used in our analysis is sufficient and appropriate for addressing the objectives and supporting the findings and conclusion. In accordance with *Generally Accepted Government Auditing Standards,* we are required to conclude on whether the El Paso Zoo met the objectives of this audit. Based on our audit work, we have determined that:

1. The El Paso Zoo met the audit objectives in the following areas:
   - Has proper internal controls in place and documented Policies and Procedures for handling admission and membership sales.
   - Properly charging and collecting fees in accordance with the City of El Paso *Schedule C Departmental Fee List*.
   - Properly depositing and accurately reporting admission and membership revenues.
   - Ensuring Accounts Payable transactions are approved for payment by authorized personnel.

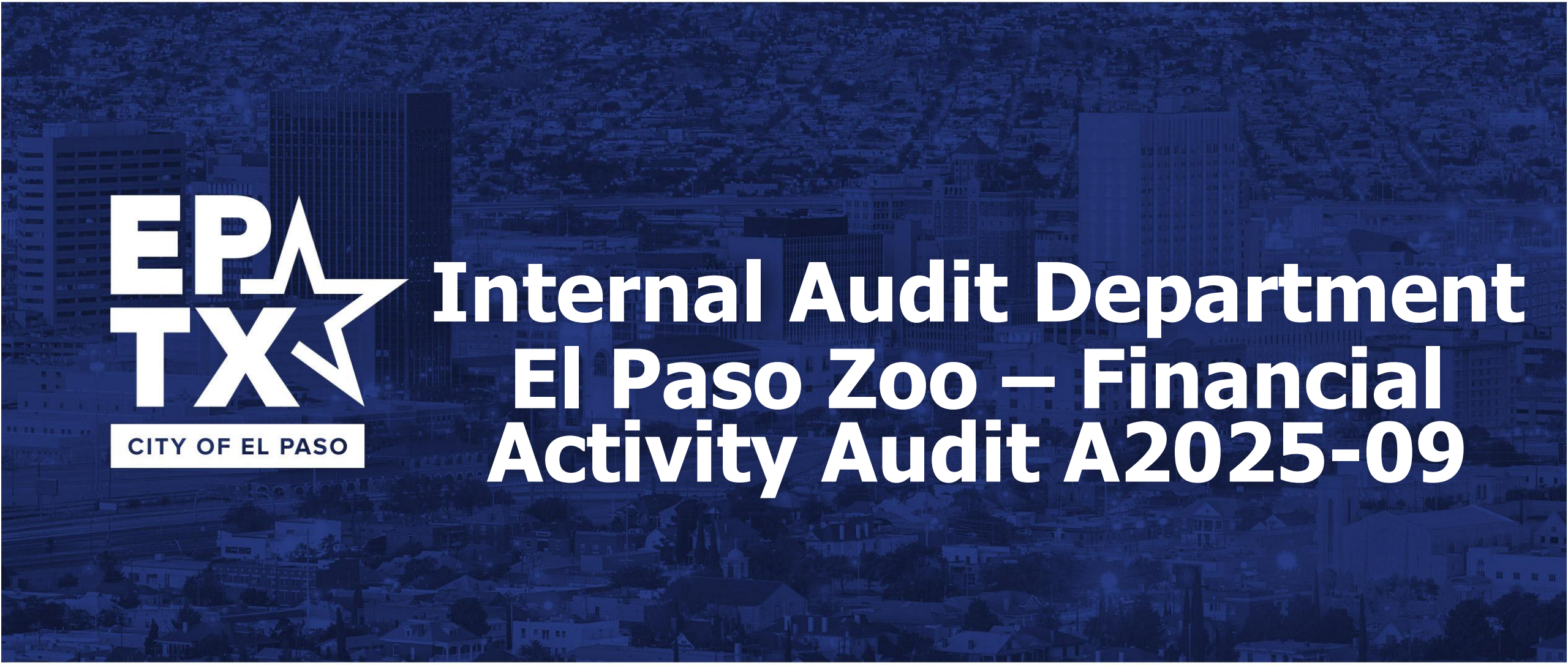
2. The El Paso Zoo did not meet the audit objectives in the following areas:
   - Monitoring event expenses to ensure event costs were offset by revenues/sponsorships.
   - Properly vetting and formalizing Sponsorship Agreements for Zoo Events.
   - Paying invoices within 30 calendar days of receiving the service, goods, or invoice as outlined on the City of El Paso *Accounts Payable Policy*.
   - Collecting outstanding payments due to the El Paso Zoo within 30 calendar days from the invoice date.

We wish to thank El Paso Zoo 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

Miguel A. Ortega, CIA, CGAP
Auditor III

Distribution:
Financial Oversight and Audit Committee
Dionne Mack, City Manager
Richard Bristol, Deputy City Manager
Gary Lunsford, El Paso Zoo Assistant Director


EP
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CITY OF EL PASO
Internal Audit Department
El Paso Zoo – Financial
Activity Audit A2025-09

Objectives

The audit objectives were to perform an assessment of the El Paso Zoo's (Zoo) financial activity (Revenues & Expenses) to ensure proper accounting and reporting. The audit reviewed the El Paso Zoo's internal controls and compliance with the City's Policies and Procedures. The audit concentrated on the following areas:

- Ticket Sales,
- Zoo Memberships,
- Zoo Sponsorships,
- Zoo Events.

Scope

The audit scope was Fiscal Years 2024 & 2025. To achieve our audit objectives, we:

- Conducted interviews with El Paso Zoo management and staff.
- Reviewed the El Paso Zoo Policies and Procedures.
- Reviewed how the El Paso Zoo handles Daily Ticket Sales, Membership Sales, Group and School Fieldtrip Reservations, Events and Sponsorships.
- Reviewed cash closeout procedures at the ticket booths.
- Reviewed if the daily cash collected at the El Paso Zoo was accurately reported and deposited accordantly with City Policies and Procedures.
- Selected a sample of school fieldtrip reservations to review.
- Reviewed a sample of El Paso Zoo Memberships to review.
- Selected events held at the El Paso Zoo to review.

Finding 1

El Paso Zoo Events & Sponsorships

A review of four (4) events held at the El Paso Zoo during the period of April 1, 2024 to April 30, 2025 identified the following:

- The four (4) events resulted in a net profit totaling $166,457.57.
    - Three (3) out of four (4) events (75%) resulted in a profit for the Zoo totaling $170,931.56.
    - One (1) out of four (4) events (25%) resulted in a loss of $4,473.99 due to:
        - Event expenses exceeding ticket sales.
        - Event not having a financial sponsorship in place.

Finding 1 (Cont.)

El Paso Zoo Events & Sponsorships

- Two (2) out of four (4) events (50%) received financial sponsorships from Raising Cane's LLC totaling $8,500.00. A review of the two (2) event sponsorships identified the following deficiencies:
    - Both sponsorships were handled by the El Paso Zoo without a Sponsorship Agreement in place.
    - Per the City Attorney's Office, sponsorship arrangements should be formalized either through a Sponsorship Agreement prepared in consultation with the City Attorney's Office or managed directly by the Paso Del Norte Community Foundation.

Finding 1 (Cont.)

#	Event	Event Dates	Total # of Attendees	Total Revenues	Total Sponsorships	Total Expenses	Net Profit/ Loss
1	Party for the Planet	April 13 & 14, 2024	4,346	$ 51,861.59	$ -	$ -	$ 51,861.59
2	Brew at the Zoo	September 14, 2024 (After-Hours Event)	838	$ 36,290.60	$ -	$ (40,764.59)	$ (4,473.99)
3	Boo at the Zoo	October 26 & 27, 2024	7,268	$ 62,272.43	$ 5,000.00	$ (11,047.57)	$ 56,224.86
4	Eggstravaganzoo	April 19 & 20, 2025	5,363	$ 60,445.11	$ 3,500.00	$ (1,100.00)	$ 62,845.11
		Totals:	**17,815**	**$ 210,869.73**	**$ 8,500.00**	**$ (52,912.16)**	**$ 166,457.57**

Recommendation

The El Paso Zoo should:

- Monitor expenditures to ensure event costs are recovered.
- Consult with the City Attorney's Office when seeking event sponsorships to review if the Sponsorship Agreement should be executed by the City Attorney's Office or by the Paso Del Norte Community Foundation.

Finding 2

Accounts Payable: Invoice Payments

The four (4) events (mentioned in Finding #1) held at the El Paso Zoo during the period April 1, 2024 to April 30, 2025 identified 71 invoice payments for event-related expenditures. A review of the 71 invoice payments identified the following:

- 40 out of 71 (56.34%) invoice payments were not paid within 30 calendar days of the invoice date, invoice received date, or service date.
    - 39 invoice payments totaling $7,498.07 for the “Boo at the Zoo” event were paid 26 to 117 calendar days after the due date.
    - One (1) invoice payment totaling $276.00 for the “Brew at the Zoo” event was paid 24 calendar days after the due date.

Recommendation

The El Paso Zoo should ensure that invoices are paid within 30 calendar days of receiving the invoice or service as outlined on the City of El Paso Accounts Payable Policy dated September 10, 2024.

Finding 3

Accounts Receivable: Field Trip Reservations

A review of fifteen (15) invoices issued by the El Paso Zoo for school group/field trips made during the week of April 21, 2025 to April 27, 2025 identified the following:

- Three (3) out of 15 (20%) invoices reviewed were not paid by the respective school within 30 calendar days from the invoice date.
    - Two (2) invoices totaling $769.90 with an invoice date of June 6, 2025 have not been paid as of August 19, 2025 (75 days late from the invoice due date).
    - One (1) invoice totaling $277.50 was paid 43 days from the invoice date (13 days late).
    - According to the El Paso Zoo, these invoices were not paid on time due to the school's scheduled summer closure.

Recommendation

The El Paso Zoo should establish a process for collecting payments due from school districts prior to the summer closures.

Conclusion

The El Paso Zoo **met** the audit objectives in the following areas:

- Has proper internal controls in place and documented Policies and Procedures for handling admission and membership sales.
- Properly charging and collecting fees in accordance with the City of El Paso *Schedule C Departmental Fee List*.
- Properly depositing and accurately reporting admission and membership revenues.
- Ensuring Accounts Payable transactions are approved for payment by authorized personnel.

Conclusion

The El Paso Zoo did **not meet** the audit objectives in the following areas:

- Monitoring event expenses to ensure event costs were offset by revenues/sponsorships.
- Properly vetting and formalizing Sponsorship Agreements for Zoo Events.
- Paying invoices within 30 calendar days of receiving the service, goods, or invoice as outlined on the City of El Paso *Accounts Payable Policy*.
- Collecting outstanding payments due to the El Paso Zoo within 30 calendar days from the invoice date.

Management Response

Finding 1

“The 2024 Brew at the Zoo event was the first year the El Paso Zoo coordinated the event independently. In previous years, the event was coordinated by the Zoological Society with the Zoo team serving in a supporting role. In the first year we invested in marketing, entertainment, lighting, maps, barriers and merchandise to support a successful event and to build on this in future potential Brew events. Program expenses in the initial year were high but will drop in 2025 and subsequent years. In the present year, we leveraged our social media platforms to reduce external marketing expenses and were able to produce a successful fundraising event. Our revised financial model produced a net profit for the 2025 Brew at the Zoo event, which is now comparable to other Zoo public fundraising events.

El Paso Zoo has consulted with City Attorney's Office to establish a standard Event Sponsorship Agreement that will be approved by each sponsor, the Zoo Director, and Deputy City Manager going forward.”

Management Response

Finding 2

“The El Paso Zoo has adjusted internal processes to maintain alignment with the City of El Paso Accounts Payable Policy. The previously vacant Budget & Services Coordinator position has since been filled. This position will ensure that all purchases are pre-approved and that all associated documentation has been properly completed and maintained. Once the Purchase Order is dispatched and the purchase made, the Budget and Services Coordinator will follow up to ensure that all invoices have been submitted on time by running the Open Purchase Orders report and verifying against our internal spreadsheet. By having a dedicated individual, we will ensure that our invoices are paid within the 30-day deadline. We will also offer additional training to all staff involved with purchasing and invoice submittal to ensure the purchasing process flows smoothly and in compliance with proper procedures.”

Management Response

Finding 3

“The El Paso Zoo has adjusted internal processes to maintain alignment with the City of El Paso Accounts Receivable Policy. We will continue to send the School District's Accounts Payable Department their invoices as soon as they are billed, but the following procedures will be added:

- Aged Receivables Report will be processed weekly during peak field trip season
- Outstanding invoices will be verified 15 days before due date
- Follow-up email and phone call will be made to any School District with outstanding invoices prior to the Accounts Payable Department Summer closure.
- Reservations for future field trips will not be confirmed until any outstanding invoices are paid in full.”

Requested Action

To accept the results of the **El Paso Zoo – Financial Activity Audit A2025-09** and forward the Audit Report to City Council for action.

File #: BC-1484, **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 Planning & Inspections - Permit Review Follow-Up Audit A2026-01. [Internal Audit, Miguel Montiel, (915) 212-1367]

Planning & Inspections – Permit Review
Follow-Up Audit
No. A2026-01

Draft

Issued by the
Internal Audit Department
November 20, 2025

EXECUTIVE SUMMARY

The Internal Audit Department conducted a Follow-Up Audit of the Planning & Inspections – Permit Review Audit A2024-03 Audit Report dated October 22, 2024. The original Audit Report contained one (1) finding. Upon completion of the audit fieldwork, we have determined the status of the recommendation for the audit finding as outlined in the table below:

Finding No.	Description of Original Finding	Status
1	The Policies and Procedures (P&Ps) established for the Planning & Inspections Department's Plan Review Division are outdated and vague. The P&Ps consist of only flowcharts documenting the workflow for issuing and closing Building and Construction Permits. Our review identified the following: • The Policies and Procedures have not been updated since Calendar Year 2010 according to the Building and Permitting Development Program Manager. • The Policies and Procedures lack comprehensive and detailed guidelines for managing the following areas: o Roles and Responsibilities for staff in charge of issuing Permits. o Required documents/information to be included in each Permit Application. o Review and approval process before issuing a Permit. o Permits requested online via the Citizen Access Portal.	Implemented

For a detailed explanation of the finding and current observation please refer to the body of this Audit Report.

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.

The City of El Paso's Planning & Inspections (P&I) Department oversees the Planning, Land Development, Building/Construction Permits, Inspections, Licensing, and the *One-Stop Shop*. The P&I Department offers various types of Permits to El Paso businesses, residents, visitors, and the development & construction community.

According to the City's FY 2026 Schedule C – Department Fee List, the P&I Department issues the following type of Permits:

- Trade Permits for plumbing, mechanical, electrical, fire protection, and/or irrigation.
- Building Permits (also known as Master Permits) for all new construction.
- Event Permits for Parades, Special Events, or Temporary Events.
- Special Privilege Permits for mobile billboards, signs, marquee, etc.

The *One-Stop Shop* is the primary intake point for land development, building permits, and most business licenses. It also serves as a primary payment location for all building and over-the-counter construction permits and most other City applications and licenses.

The P&I Department uses a software application called "Accela" for permitting, licensing, and point of sale transactions.

AUDIT OBJECTIVES

The audit objective of the follow-up process was to ensure that corrective action was taken by management to address the recommendation detailed in the original Audit Report titled *Planning & Inspections – Permit Review Audit* dated October 22, 2024.

AUDIT SCOPE AND METHODOLOGY

The scope for this follow-up audit was Fiscal Years 2025 & 2026. To achieve our audit objective, we:

- Reviewed Planning and Inspections Department's Policies and Procedures in 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.

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.

ORIGINAL FINDING, CRITERIA, ORIGINAL RECOMMENDATION, MANAGEMENT'S RESPONSE TO ORIGINAL FINDING, 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:

Implemented	The finding has been addressed by implementing the original corrective action or an alternative corrective action.
In Progress	The corrective action has been initiated but is not complete.
Not Applicable	The recommendation is no longer applicable due to changes in procedures or changes in technology.
Not Implemented	The recommendation was ignored, there were changes in staffing levels, or management has decided to assume the risk.

Original Finding 1 (Report Dated October 22, 2024)

Policies and Procedures

The Policies and Procedures (P&Ps) established for the Planning & Inspections Department's Plan Review Division are outdated and vague. The P&Ps consist of only flowcharts documenting the workflow for issuing and closing Building and Construction Permits. Our review identified the following:

- The Policies and Procedures have not been updated since Calendar Year 2010 according to the Building and Permitting Development Program Manager.
- The Policies and Procedures lack comprehensive and detailed guidelines for managing 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.

Standard/Criteria

City of El Paso Strategic Plan:

- Goal 6.4 *Implement leading-edge practices for achieving quality and performance excellence*
- 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

The Planning and Inspections Department should:

- Update their Plan Review Division's Policies and Procedures to reflect current practices.
- Add 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.

Management's Response

The Planning and Inspections Department will update the Policies and Procedures Manual by September 2025. Staff will make sure the update accounts for changes that have occurred since the last update, e.g. electronic plan review, code updates, etc.

- Guidelines will be updated to reflect directions required to issue different types of permits, e.g. permit status required for issuance. These guidelines will be included in the Department Policies and Procedures Manual and will be available to all Plan review staff, including the One-Stop Shop staff for implementation.
- Staff will update and include the document submittal requirements guidelines into the Policies and Procedures Manual. Planning and Inspections currently has 40 types of permits in the document submittal guidelines, staff will combine permit types whose requirements are similar to reduce the number of guidelines and requirements.
- Staff will make sure the review and approval process is updated and included in the Department Policies and Procedures Manual.
- Updated Citizen Access Portal (electronic submittal) guidelines will be included in the Department Policies and Procedure Manual and will be incorporated into the Departmental website.

Responsible Party

Daniel Chavira – Building and Permitting Development Program Manager

Implementation Date

September 2025

Current Observation

On October 22, 2025, the Planning and Inspections Department implemented the *City of El Paso Plan Review/Inspections Policies and Procedures* dated August 2025. The manual addresses how the Planning and Inspections Department manages:

- Roles and responsibilities for staff in charge of issuing Permits.
- Required documents/information to be included in each Permit Application.
- Reviews and approval processes before issuing a Permit.
- Permits requested online via the Citizen Access Portal.

The Policies and Procedures Manual was made available to staff. All Plan Examiners and Inspectors were trained on the new procedures on October 22, 2025. One Stop Shop staff were trained on the new procedures on November 12, 2025.

Status

Implemented

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 Planning & Inspections Permit Review 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 the Planning & Inspections Department met the objectives of this Follow-Up Audit.

Based on our audit work, we have determined that the Planning and Inspections Department met the audit objectives of the Follow-Up Audit. The Planning and Inspections Department implemented the *City of El Paso Plan Review/Inspections Policies and Procedures* dated August 2025.

We wish to thank Planning & Inspections management and staff for their assistance and courtesies extended during the completion of this Follow-Up Audit.

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

Miguel Olivas
Auditor I

Miguel Montiel, CIA, CGAP
Audit Manager

Distribution:
Financial Oversight and Audit Committee
Dionne Mack, City Manager
Nicole Cote, Deputy City Manager
Philip Etiwe, Director of Planning & Inspections Department

Internal Audit Department Planning & Inspections – Permit Review Follow-Up Audit A2026-01

Objectives

The objective was to ensure that corrective action was taken by management to address the recommendation identified in the original Audit Report dated October 22, 2024.

Scope

The scope of Fiscal Years 2025 & 2026 included:

Reviewing Planning & Inspections Department Policies and Procedures in 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 process before issuing a Permit.
- Permits requested online via the Citizen Access Portal.

Finding 1

Original Finding (Report Dated October 22, 2024)

The Policies and Procedures established for the Planning & Inspections Department's Plan Review Division are outdated and vague. The Policies and Procedures consist of flowcharts documenting the workflow for issuing and closing Building and Construction Permits.

- The Procedures have not been updated since Calendar Year 2010.
- The Procedures lack comprehensive and detailed guidelines for managing 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.

Recommendation

Original Recommendation (Report dated October 22, 2024)

The Planning and Inspections Department should:

- Update their Plan Review Division's Policies and Procedures to reflect current practices.
- Add 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.

Management Response

Original Management's Response (Report dated October 22, 2025)

The Planning and Inspections Department will update the Policies and Procedures Manual by September 2025. Staff will make sure the update accounts for changes that have occurred since the last update, e.g. electronic plan review, code updates, etc.

- Guidelines will be updated to reflect directions required to issue different types of permits, e.g. permit status required for issuance. These guidelines will be included in the Department Policies and Procedures Manual and will be available to all Plan review staff, including the One-Stop Shop staff for implementation.
- Staff will update and include the document submittal requirements guidelines into the Policies and Procedures Manual. Planning and Inspections currently has 40 types of permits in the document submittal guidelines, staff will combine permit types whose requirements are similar to reduce the number of guidelines and requirements.

Management Response Continued

- Staff will make sure the review and approval process is updated and included in the Department Policies and Procedures Manual.
- Updated Citizen Access Portal (electronic submittal) guidelines will be included in the Department Policies and Procedure Manual and will be incorporated into the Departmental website.

Original Implementation Date (October 22, 2024)

September 2025

Current Observation

The Planning and Inspections Department implemented *The City of El Paso Plan Review/Inspection Policies and Procedures* dated August 2025. The manual addresses how the Planning and Inspections Department manages:

- Roles and responsibilities for staff in charge of issuing Permits.
- Required documents/information to be included in each Permit Application.
- Reviews and approval processes before issuing a Permit.
- Permits requested online via the Citizen Access Portal.

All Plan Examiners and Inspectors were trained on the new procedures on October 22, 2025. One Stop Shop staff were trained on the new procedures on November 12, 2025.

Conclusion

Planning & Inspections **met** the audit objectives as follows:

- The Planning and Inspections implemented the *City of El Paso Plan Review/Inspections Policies and Procedures* dated August 2025.

Requested Action

To accept the results of the Planning & Inspections – Permit Review Follow-Up and forward the Audit Report to City Council for action.

File #: BC-1512, **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 2026 Financial Oversight and Audit Committee Meeting Calendar. [FOAC Chair, Dr. Josh Acevedo, (915) 212-0002]

Proposed dates for Financial Oversight and Audit Committee (FOAC) FY 2026 meetings

- January 15, 2026 at 2pm
- February 12, 2026 at 2pm
- March 12, 2026 at 2pm
- April 9, 2026 at 2pm
- May 21, 2026 at 2pm
- June 18, 2026 at 2pm
- September 10, 2026 at 2pm
- October 22, 2026 at 2pm
- November 19, 2026 at 2pm
- December 17, 2026 at 2pm