



**El Paso Police Department – Municipal
Vehicle Storage Facility Follow-Up Audit
No. A2022-10**

Issued by the
Internal Audit Office
November 9, 2022

**City of El Paso
Internal Audit Office
EPPD – Municipal Vehicle Storage Facility Follow-Up Audit A2022-10**

EXECUTIVE SUMMARY

The Internal Audit Office conducted a Follow-Up Audit of EPPD – Municipal Vehicle Storage Facility Audit Report dated May 13, 2020. The original Audit Report contained four (4) 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	<p>A review of the EPPD – Abandoned Auto Unit Operations Manual identified the following:</p> <ul style="list-style-type: none"> • The Manual was last updated on February 9, 2016. • Auction Procedures outlined in Chapter 8.2 of the Manual are outdated since City Auctions are conducted online. <ul style="list-style-type: none"> ○ Security officers are not needed due to Bidders not attending in-person auctions. ○ An independent auditor is not required to monitor in-person auctions since the bidding process is monitored via a secured Auction Website. • The Manual needs to be updated to reflect the current practice of giving vehicle owners 24 hours to pick up their vehicle after an EPPD “Hold” is released. After 24 hours, Storage Fees are charged. 	Implemented
2	<p>Per Solicitation No. 2019-287R, vehicles can be sold at the City Auction when they are deemed abandoned after 51 days of impoundment. Our review identified that:</p> <ul style="list-style-type: none"> • Five out of twenty-six (19%) vehicles in our sample were sold 44 to 50 days from the date of impoundment. 	Implemented
3	<p>The owners of vehicles up for auction must undergo a verification process to ensure they are not a U.S. Active Duty Service Members prior to the vehicle being sold. If the owner is a service member, the vehicle cannot be sold per Federal Law. There is no verification process in place as required in Solicitation No. 2019-287R and the Servicemembers Civil Relief Act.</p>	Implemented
4	<p>The EPPD – Municipal Vehicle Storage Facility consists of three storage lots: a Hold Lot, View Lot, and the Impound Lot. A review of the number of vehicles stored at the three lots identified that:</p> <ul style="list-style-type: none"> • The Hold and View Lots require a capacity increase. <ul style="list-style-type: none"> ○ The Hold Lot capacity is 400 vehicles and is used to store vehicles pending a litigation or criminal investigation. On February 28, 2020, 422 vehicles were stored at the Hold Lot of which 119 had been stored for 3 to 8 years. ○ The View Lot capacity is 209 vehicles and is used to store vehicles a week prior to auction. The lot can exceed capacity prior to auction. 	In Progress – Management will assume the risk. No further Follow-Up will be necessary.

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	<ul style="list-style-type: none">○ Vehicles that exceed capacity at the Hold and View Lots are stored in the Impound Lot.● The Impound Lot capacity is 760 vehicles and is used to store vehicles involved in accidents or as requested by EPPD. The lot appears to be appropriate in size and no over capacity issues were identified.	
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For a detailed explanation of the current observations please refer to the appropriate finding contained in the body of this Audit Report.

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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 *International Standards for the Professional Practice of Internal Auditing* (Performance Standard 2500.A1) 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.

AUDIT OBJECTIVES

The audit objective was to ensure that corrective action was taken by management to address the recommendations identified in the original Audit Report dated May 13, 2020.

AUDIT SCOPE

The audit period covered the El Paso Police Department's operations between Fiscal Year 2021 through Fiscal Year 2022.

AUDIT METHODOLOGY

To achieve our audit objectives, we:

- Reviewed El Paso Police Department's Abandoned Auto Unit Operations Manual,
- Verified that vehicles sold at auction were sold at least 51 days after the date of impoundment,
- Verified that there is a process in place to identify U.S. Active Duty Services Member vehicles,
- Inspected the Impound Lot to determine if the fencing has been reconfigured to better accommodate department needs.

We conducted this audit in accordance with *Generally Accepted Government Auditing Standards* and the *International Standards for the Professional Practice of Internal Auditing*. 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.

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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.

Finding 1

Current Observation

The Internal Audit Office reviewed the El Paso Police Department’s updated Abandoned Auto Unit Operations Manual provided on August 1, 2022. The Manual has been updated to reflect that City Auctions are now conducted online and the bidding process is performed through an auction website.

Section 6.1 of the Operations Manual details the process of El Paso Police investigators releasing vehicles from Investigative Holds. Vehicle owners have 24 hours to pick up their vehicles before storage fees begin to accrue.

The Manual was published and distributed to all EPPD staff on November 8, 2022.

Status

Implemented

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Finding 2

Current Observation

The Internal Audit Office reviewed one City of El Paso Vehicle Auction to ensure that vehicles sold have been impounded for at least 51 days and deemed to be abandoned. There were 125 vehicles sold during the online auction held on March 8, 2022. The Internal Audit Office selected a sample of 10 vehicles sold for review.

- Ten (10) out of ten (100%) vehicles reviewed were sold more than 51 days after the date of impoundment and were deemed abandoned.
 - The time the vehicles were impounded ranged from 63 days to 264 days.

Status

Implemented

Finding 3

Current Observation

The Internal Audit Office reviewed Municipal Vehicle Storage Facility operations and City of El Paso Auctions to verify that there is a process in place to identify vehicles owned by U.S Active Duty Service Members vehicles so that they are not sold at auction. The verification process is identified in the Abandoned Auto Unit Operations Manual under Section 8.2.M.3e.

- United Road Towing has implemented a verification process to identify U.S Active Duty Service Member vehicles.

Ten (10) vehicles were selected for review from the City of El Paso Auction held on March 8, 2022. The vehicles were reviewed to ensure that United Road Towing staff verified that they were not owned by U.S Active Duty Service Members.

- Ten out of ten (100%) vehicle owners were reviewed to identify if they were U.S Active Duty Service Members.
 - Eight (8) out of ten (80%) vehicle owners were not U.S Active Duty Service Members.
 - Two (2) out of ten (20%) vehicles did not have a registered owner; therefore, there was no verification of Active Duty Service Member status.

Status

Implemented

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Finding 4

Current Observation

The Internal Audit Office reviewed Municipal Vehicle Storage Facility operations and storage capacities. The review was to verify that the fencing around the three (3) different lots has been reconfigured to better accommodate the facility’s vehicle storage needs. The 3 lots have capacities as follows:

Storage Lot	Capacity
View	209
Hold	400
Impound	760
Total	1,369

United Road Towing provided an inventory list of the Impound Lot. As of August 29, 2022, the Impound Lot had 1,763 vehicles on the facility grounds. The Municipal Vehicle Storage Facility was **over capacity** by **394** vehicles (1,763 in Inventory - 1,369 Capacity). The Municipal Vehicle Storage Facility was 353 vehicles under capacity in February 2020 during the original audit, resulting in an increase of **747** vehicles as of August 29, 2022.

February 2020	August 29, 2022	Difference
353 under capacity	394 over capacity	747

The vehicles are divided amongst the three lots with the following distribution:

Summary of 295 Vehicles Stored at View Lot on August 29, 2022						
Year Brought In	2017	2020	2021	2022	Capacity	209
# of Vehicles	1	5	37	252	Total	295
Approximate Stored Time	5 Years	2 Years	1 Year	Month(s)	Over	86

Summary of 665 Vehicles Stored at Hold Lot on August 29, 2022													
Year Brought In	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Capacity	400
# of Vehicles	8	2	2	4	24	17	18	41	58	166	325	Total	665
Approximate Stored Time	10 Years	9 Years	8 Years	7 Years	6 Years	5 Years	4 Years	3 Years	2 Years	1 Year	Month(s)	Over	265

Summary of 803 Vehicles Stored at Impound Lot on August 29, 2022													
Year Brought In	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Capacity	760
# of Vehicles	9	4	4	2	4	12	5	11	55	79	618	Total	803
Approximate Stored Time	10 Years	9 Years	8 Years	7 Years	6 Years	5 Years	4 Years	3 Years	2 Years	1 Year	Month(s)	Over	43

17 (8 Hold Lot and 9 Impound Lot) vehicles have been impounded for 10 years with the oldest impoundment date of January 15, 2012.

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The Administrative Services Manager noted that the fencing has been not reconfigured due to staffing issues related to COVID-19. Lack of funding has also contributed to the lack of implementation. Equipment and supply needs of department personnel have taken priority.

Status

In Progress – El Paso Police Department Management will assume the risk of securing funding to reconfigure the fencing of the Municipal Vehicle Storage Facility (MVSF) to meet current needs. El Paso Police Department Management should work with City Management in order to expand the MVSF's capacity to meet future storage needs. No further Follow-Up will be necessary.

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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 EPPD – Municipal Vehicle Storage Facility 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 El Paso Police Department met the objectives of this Follow-Up Audit. Based on our audit work, we have determined that:

1. El Paso Police met the audit objectives in the following areas:
 - Updated their Abandoned Auto Unit Operations Manual to include language for Online Auctions and fees accumulating after vehicles are released from Investigative Holds.
 - Vehicles are being sold at auction when deemed abandoned at least 51 days after the impoundment date.
 - Vehicle owners are reviewed to identify if they are U.S Active Duty Service Members.
2. El Paso Police did not meet the audit objectives in the following areas:
 - Reconfiguring the fencing around the Municipal Vehicle Storage Facility.

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

Signature on File

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