

Fiscal Year 2027
Audit Plan

Prepared and issued by the Internal Audit Department
Approved by the Financial Oversight & Audit Committee on October 22, 2026
Effective September 1, 2026

Overview

In accordance with the Institute of Internal Auditors' *Global Internal Audit Standards*, the Internal Audit Department ("Internal Audit" or the "Department") prepares an annual risk-based audit plan that supports the City of El Paso's (the "City") organizational objectives and provides independent assurance to leadership and the community. The Fiscal Year 2027 Audit Plan (the "Audit Plan") outlines the audits and projects the Department will perform during the year and reflects the priorities identified through its structured risk assessment process, which incorporates PESTLE analysis – Political, Economic, Social, Technological, Legal, and Environmental factors – and input from management, key stakeholders, and the Financial Oversight & Audit Committee (FOAC).

As part of this year's planning process, the Department updated its audit universe to reflect program-level activities across every City department, aligning Internal Audit's coverage with the City of El Paso's transition to program-based budgeting.

The Audit Plan is composed of several engagement categories:

- *Proposed Audits* – new audits initiated during Fiscal Year 2027;
- *Carryover Audits* – audits that began in Fiscal Year 2026 and will be completed in Fiscal Year 2027;
- *Advisory Projects* – consulting-type engagements performed in accordance with the Institute of Internal Auditors' definition of advisory services, intended to provide insight, guidance, or facilitation without issuing an audit opinion; and,
- *Other Audit Responsibilities* – ongoing monitoring and follow-up activities, continuing professional education, and essential departmental administrative functions.

The risk assessment underpinning the Audit Plan considers strategic, operational, financial, compliance, and reputational factors to ensure audit resources are focused on areas with the greatest potential impact to the City. The plan aligns with professional standards, including the *Global Internal Audit Standards* and the U.S. Government Accountability Office's *Generally Accepted Government Auditing Standards*, which collectively provide the foundation for high-quality, objective, and independent audit work.

Consistent with the *Global Internal Audit Standards*, the Audit Plan is dynamic and may be adjusted throughout the year to reflect changes in the City's risk profile, emerging issues, resource availability, and management priorities. Any significant modifications will be communicated to the FOAC.

The following plan describes the engagements selected for Fiscal Year 2027 and reflects Internal Audit's commitment to effective governance, public accountability, transparency, and continuous improvement. The FOAC has reviewed and approved this plan, reinforcing our shared commitment to responsible oversight.

Respectfully submitted:

Adrian Serrano, CPA
Chief Internal Auditor

10/22/2026
Submittal Date

Approved as submitted:

Alejandra Chávez
City Representative – District 1
FOAC Chairwoman

11/12/2026
Approval Date

Deanna Maldonado-Rocha
City Representative – District 3
FOAC Member

11/12/2026
Approval Date

Iván Niño
City Representative – District 5
FOAC Member

11/12/2026
Approval Date

Chris Canales
City Representative – District 8
FOAC Member

11/12/2026
Approval Date

	Department	Audit Focus	Est. Hours	Preliminary Objective
PROPOSED AUDITS	Animal Services	Intake & Billing Compliance	650	Review the accuracy and completeness of intake records, billing practices, and compliance with interlocal agreements, and assess controls over veterinary controlled substances.
	City Council	Procurement Card & Travel Expenses	250	Oversee an independent firm's review of City Council P-Card and Travel activity for compliance and proper authorization.
	Destination El Paso	Venue Revenue & Governance	650	Evaluate governance, financial practices, and operational controls over venue operations – including revenue capture, contracting, and readiness – to support transparency and asset safeguarding.
	Fire	Emergency Deployment Reimbursement	650	Assess whether emergency deployment reimbursements are complete, accurate, timely, and properly supported for personnel, equipment, and eligible costs.
	Information Technology	Network Security Posture	200	Evaluate network security by identifying vulnerabilities, assessing key controls, and reviewing protections for critical services and sensitive data.
	International Bridges	Port Security & Revenue	650	Evaluate security controls, incident response procedures, vendor oversight, and revenue-collection processes to ensure safe operations, accurate reporting, and effective safeguarding of resources.
	Office of the Comptroller	Surplus Property Controls	500	Assess controls over surplus property transfers, including safeguarding, data sanitization, inventory reconciliation, disposal integrity, and conflict-of-interest protections.
	Office of the Comptroller	Hotel Occupancy Tax (HOT) Compliance	640	Evaluate compliance with HOT requirements by reviewing reported revenues and exemptions across lodging providers, including short-term rentals.
	Planning & Inspections	Zoning & Permitting Process	650	Assess the consistency, transparency, and efficiency of zoning, planning, and subdivision processes, including data governance, conflict-of-interest controls, and cross-department coordination.
	Police	Impound Lot Vendor Management	650	Evaluate contract, financial, and operational controls over the third-party vendor managing impound lot operations to identify risks affecting service quality, accountability, and cost efficiency.

	Department	Audit Focus	Est. Hours	Preliminary Objective
CARRYOVER AUDITS	Community & Human Development	Single-Family Owner-Occupied Renovation Program Compliance	50	Assess compliance with grant and program requirements by evaluating eligibility, project execution, procurement, financial controls, and oversight.
	Museum & Cultural Affairs	La Nube Children's Museum	100	Evaluate timeliness, authorization, documentation, and compliance of accounts payable; assess budget adherence, financial controls, and financial commitments.
	Citywide	Procurement Card & Travel Analytics	150	Use analytics to identify unusual P-Card and Travel activity; evaluate compliance, authorization, documentation, spending limits, and effectiveness of monitoring controls.
	Parks & Recreation	Sports Field Operations	100	Assess parking capacity, zoning and safety compliance, field maintenance (including MOUs), and alignment of rental fees with City policies and Schedule C.
	Parks & Recreation	Permit Audit Follow-Up	50	Determine whether recommendations from the March 18, 2025 Park Usage Permit Audit have been fully, partially, or not implemented.
	Police	Overtime Management	150	Evaluate whether overtime is properly authorized, documented, compliant with the CBA and City policies, and supported by effective monitoring controls.
ADVISORY PROJECTS	Citywide	Consultant Services Spending	400	Evaluate consultant-services spending and assess related procurement controls and oversight practices.
	Citywide	Internal Controls Centralization	575	Support centralizing the City's internal controls in a unified repository to enable risk-to-control mapping and identification of control gaps.
	Citywide	Procurement Card & Travel Analytics	200	Use analytics to identify unusual P-Card and Travel activity; evaluate compliance, authorization, documentation, spending limits, and effectiveness of monitoring controls.
	Municipal Court	Citation Process Review	200	Evaluate the City's processes for recording, managing, and reporting traffic citations, complaints, and warrants to determine whether controls, technology, and governance adequately support accuracy, timeliness, and transparency.

	General Category	Est. Hours	Nature of Activities
OTHER AUDIT RESPONSIBILITIES	Governance, Oversight & Administrative Support	1,710	Functions that strengthen organizational governance through committee support, financial oversight, policy review, quality assurance activities, and participation in cross-departmental initiatives.
	Compliance, Tax & Revenue Assurance	720	Reviews designed to validate tax calculations, revenue reporting, and fee compliance, ensuring accurate remittances, adherence to legal requirements, and proper safeguarding of public revenues.
	Technology, Cybersecurity & Data Governance	450	Efforts focused on improving digital safeguards, data quality, system controls, and cybersecurity posture, including technology implementations and governance assessments.
	Issue Resolution Management	360	Structured follow-up on prior audit findings to ensure remediation is completed and documented, reinforcing accountability across management and supporting closure of outstanding issues.
	Investigations, Hotline & Ethics	260	Activities involving review of hotline reports, ethics concerns, and investigative matters to ensure accountability, address misconduct allegations, and support transparent issue resolution.
	Contingency Reserve	778	Reserved capacity for unplanned needs such as emerging issues, rapid response requests, or workload fluctuations that require flexible allocation of audit resources.
ADMINISTRATION & CPE	Department Administration	3,290	Support internal department operations through administrative coordination, planning, and routine management activities. Also lead and coordinate remediation efforts from the Weaver maturity and quality assessment to ensure continuous process improvement, alignment with best practices, and progress toward targeted capability-maturity levels.
	Continuing Professional Education	425	Training and professional development activities that maintain required certifications, enhance audit competencies, and ensure staff stay current with emerging standards and practices.