External Quality Control Review

of the

City of El Paso
Internal Audit
Department

Conducted in accordance with guidelines of the

Association of Local Government Auditors

for the period July 1, 2023, through June 30, 2026

Association of Local Government Auditors

August 24, 2026

Adrian Serrano
Chief Internal Auditor
Internal Audit Department
218 N. Campbell St., 5th Floor
El Paso, TX 79901

Dear Mr. Serrano,

We have completed a peer review of the City of El Paso Internal Audit Department for the period July 1, 2023, to June 30, 2026. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guides* published by the Association of Local Government Auditors (ALGA).

We reviewed the internal quality control system of your audit organization and conducted tests to determine whether your internal quality control system was adequately designed and operating effectively to provide reasonable assurance of conformance with the *International Standards for the Professional Practice of Internal Auditing (the Standards)* issued by the Institute of Internal Auditors as part of their *Professional Practices Framework* and reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States, as well as applicable legal and regulatory requirements. Our procedures included:

- Reviewing the audit organization's written policies and procedures.
- Reviewing internal monitoring procedures.
- Reviewing a sample of engagements and working papers.
- Reviewing documents related to independence, training, and development of auditing staff.
- Interviewing auditing staff, management, and members of the Financial Oversight Audit Committee (FOAC).

Due to variances in individual performance and judgment, conformance does not imply adherence to standards in every case but does imply adherence in most situations.

Based on the results of our review, it is our opinion that during the period July 1, 2023, to June 30, 2026, the City of El Paso internal quality control system was adequately designed and operating effectively to provide reasonable assurance of conformance with *the Standards,* resulting in a rating of generally conforms, and compliance with *Government Auditing Standards*, resulting in a rating of pass.

We have prepared a separate letter providing findings and recommendations for strengthening your internal quality control system.

Crystal Powell
Mecklenburg County Government
Charlotte, NC
Team Lead

Zach Richter
City of Fort Wayne
Fort Wayne, IN
Team Member

Association of Local Government Auditors

August 24, 2026

Adrian Serrano
Chief Internal Auditor
Internal Audit Department
218 N. Campbell St., 5th Floor
El Paso, TX 79901

Dear Mr. Serrano,

We have completed a peer review of the City of El Paso for the period July 1, 2023, to June 30, 2026, and issued our report thereon dated August 24, 2026. We are issuing this companion letter to offer certain findings and recommendations stemming from our peer review.

We would like to mention some of the areas in which we believe your office excels:

- The new Chief Internal Auditor and Office are highly regarded and considered a valuable resource by the Financial Oversight Audit Committee (FOAC).

- Work papers are well documented, understandable, and consistent across all engagements reviewed.

- The Office staff contain highly qualified professionals holding a variety of certifications, licenses, and advanced degrees which increase the value of their work produce.

We offer the following findings and recommendations to enhance your organization's demonstrated conformance with the *2024 Global Internal Audit Standards and Governmental Auditing Standards:*

- **Observation 1:** Yellow Book Standard 9.14 requires that in reporting audit methodology, auditors describe techniques in sufficient detail so users can understand how the audit objectives were addressed. When sampling significantly supports findings, conclusions, or recommendations, include sample design, the reason it was chosen, and whether results can be projected to the population.

  Our review indicated that sampling methodology is not consistently disclosed in the Audit Scope and Methodology section of the Internal Audit Department's audit reports nor is a statement indicating whether the results of sample testing can be projected to the population.

We recommend management review Yellow Book Standard 9.14 and incorporate the disclosure of sampling methodologies and statements whether the results can be projected to the population in future audit reports, when applicable.

We extend our thanks to you, your staff, and the other officials we met for the hospitality and cooperation extended to us during our review.

Sincerely,

Crystal Powell
Mecklenburg County Government
Charlotte, NC
Team Lead

Zach Richter
City of Fort Wayne
Fort Wayne, IN
Team Member

Internal Audit Department

August 24, 2026

Crystal Powell
Association of Local Government Auditors
700 E. Fourth St., Suite 310
Charlotte, NC 28202

Dear Crystal,

Thank you very much for leading the Peer Review for the City of El Paso's Internal Audit Department. I appreciate the professionalism demonstrated by the Peer Review Team throughout the engagement. I have reviewed the Companion Letter dated August 24, 2026 for the Peer Review conducted on the City of El Paso's Internal Audit Department for the period of July 1, 2023 through June 30, 2026. We appreciate your rating of "Pass." I respectfully submit the following response to Observation 1 identified in the Companion Letter.

Observation 1: Effective immediately, we will incorporate the requirements of *Generally Accepted Government Auditing Standards* (GAGAS) 9.14 into our reporting of audit methodology. This will include clearly describing the sampling design used, the rationale for selecting that design, and whether the results can be projected to the population.

I would like to extend my sincere appreciation to you and to Zach Richter for an outstanding engagement, and offer a special thanks to Paula Ward for coordinating the Peer Review. The results of this Peer Review will benefit the City of El Paso's Internal Audit Department for years to come. The experience was truly valuable.

Respectfully Yours,

Adrian Serrano
Chief Internal Auditor
City of El Paso, Texas

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