



**2021-2022  
Annual Audit Plan  
4<sup>th</sup> Quarter Update**

Issued by the  
Internal Audit Office  
As of August 31, 2022

## INTRODUCTION

According to Performance Standards 2020 & 2060 of the *International Standards for the Professional Practice of Internal Auditing* as issued by the Institute of Internal Auditors, the Chief Internal Auditor must report periodically to the Financial Oversight and Audit Committee and the City Manager on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan. The Chief Internal Auditor is also responsible for reporting significant risk exposures, control issues, fraud risks, governance issues, and other matters needed or requested by the Financial Oversight and Audit Committee and the City Manager.

In addition, by periodically reporting to the Financial Oversight and Audit Committee and the City Manager, the Internal Audit Office helps support the City of El Paso's *Strategic Plan* Goals 6.6 and 6.8;

- Goal 6.6: *Ensure continued financial stability and accountability through sound financial management, budgeting and reporting.*
- Goal 6.8: *Support transparent and inclusive government.*

The Chief Internal Auditor is also responsible to communicate the internal audit activity's plans and resource requirements, including significant interim changes, to the City Manager and the Financial Oversight and Audit Committee for review and approval. The Chief Internal Auditor must also communicate the impact of any resource limitations.

Based on this requirement, this Annual Audit Plan Update is being provided to the Financial Oversight and Audit Committee. The Chief Internal Auditor will provide an update on the following four critical areas required in the management of an internal audit activity. The four critical areas are:

1. Completed Audits and Projects,
2. Pending Audits and Projects,
3. Miscellaneous Items affecting the Internal Audit Office's Activity,
4. Annual Audit Plan Update.

As required by the *International Standards for the Professional Practice of Internal Auditing*, Standard 1110, the City of El Paso's Internal Audit Office continues to maintain its independence by reporting functionally to the Financial Oversight and Audit Committee (FOAC). The Internal Audit Office also reports to the City Manager, administratively and operationally. The FOAC and City Manager approves the Internal Audit Charter and annual risk-based Audit Plan. The FOAC also receives quarterly updates to the Annual Audit Plan from the Chief Internal Auditor. Standard 2060 requires the Internal Audit Office ensure conformance with the Code of Ethics and the Standards. The Code of Ethics Principles includes Integrity, Objectivity, Confidentiality and Competency. Any non-conformance will be reported.

We conduct audits in accordance with both Generally Accepted Government Auditing Standards and the International Standards for the Professional Practice of Internal Auditing.

## **COMPLETED AUDITS & PROJECTS**

*This section will provide the Financial Oversight and Audit Committee and the City Manager a short synopsis of every audit and project completed during the 4<sup>th</sup> Quarter of the 2021-2022 Annual Audit Plan. Please see the Internal Audit Office's webpage for a copy of the audit reports listed below.*

### **Neighborhood Traffic Management Program (NTMP) Follow-Up Audit (Report dated June 30, 2022)**

The Internal Audit Office conducted a Follow-Up Audit of the original *Neighborhood Traffic Management Program (NTMP) Audit Report* dated June 7, 2021. The Audit Report contained (1) one Finding. The objectives of the Follow-Up Audit were to determine if the Recommendation to the Finding has been implemented.

The original Finding identified:

1. The Traffic Division of the Streets and Maintenance (SAM) Department was not updating the documented Neighborhood Traffic Management Program (NTMP) Policies and Procedures on a regular basis.

Based on the results of the Follow-Up Audit;

1. The status of the Finding is *Implemented*. The Streets and Maintenance Department updated the NTMP Policies and Procedures to address the original finding and to incorporate City Council approved changes. The changes were made with an expected completion date of July 15, 2022.

The results were communicated to the City Manager, Senior Deputy City Manager, Chief Operations Officer, Chief Transit and Field Operations Officer and the Streets and Maintenance Director. An electronic copy and a hardcopy of the Audit Report was distributed to the Mayor and City Representatives.

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**Bank Account Confirmation Project (Memo dated July 19, 2022)**

The Internal Audit Office conducted a review for possible unauthorized deposit bank accounts opened under the name “City of El Paso” and/or with the City’s Tax Identification Number (TIN)/Employer Identification Number (EIN). The Internal Audit Office mailed 21 confirmation requests to all local banks and credit unions with a physical presence in El Paso, Texas.

Based on the results of the Project;

1. 13 out of 21 (62%) recipient banks and credit unions did not identify any deposit bank accounts opened under the name “City of El Paso” and/or with the City’s TIN/EIN.
2. 7 out of 21 (33%) recipients did not respond to our request as of July 19, 2022.
3. 1 out of 21 (5%) recipients stated it is their policy to not respond to inquiries without an account or loan number.

The results were communicated to the City Manager, Deputy City Manager of Support Services & Chief Financial Officer, and the Comptroller. An electronic copy and a hardcopy of the Audit Report was distributed to the Mayor and City Representatives.

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**Streets and Maintenance (SAM) Fuel Card Follow-Up Audit (Report dated August 11, 2022)**

The Internal Audit Office conducted a Follow-Up Audit of the original *Streets and Maintenance (SAM) Fuel Card Audit Report* dated November 18, 2020. The Audit Report contained (2) two Findings. The objectives of the Follow-Up Audit were to determine if the Recommendations to the two Findings have been implemented.

The original Finding identified:

1. Streets and Maintenance Department does not have a comprehensive Policies and Procedures Manual for the Administrative or Usage Functions of the Offsite Fuel Card Program.
2. Streets and Maintenance Department (SAM) does not verify or confirm that the fuel prices being charged by ALON Brands Inc. are correct. SAM did not access or monitor the Oil Price Information Service (OPIS). This service is used to determine the weekly fuel price information for the El Paso area and confirms if ALON Brands Inc. is charging the correct prices for fuel.

Based on the results of the Follow-Up Audit;

1. The status of the Finding #1 is Implemented. Streets and Maintenance Department staff created a Policies and Procedures Manual titled “Commercial Fuel Card Policy & Use Procedure.” The Manual was approved by the Streets and Maintenance Director on July 7, 2022. The Manual addresses both the Administrative and Usage Functions of the Offsite Fuel Card Program.
2. The status of the Finding #2 is Implemented. Streets and Maintenance Department Streets and Maintenance has procured a subscription service with Oil Price Information Service (OPIS) for fuel price reports. Streets and Maintenance staff uses the daily fuel price reports provided by OPIS to verify that Fuel Card users are being charged the proper amount.

Streets and Maintenance staff identified an overcharge that was then communicated to ALON Brands, Inc. Streets and Maintenance was given a credit of \$38,904.86 on an invoice dated September 15, 2021.

During the course of the Follow-Up Audit, Streets and Maintenance entered into a new three (3) year fuel purchasing contract with ALON Brands, Inc. (Contract #2022-0618). The contract will provide a \$0.01 discount from the price quoted on the OPIS fuel price report on each gallon purchased.

The results were communicated to the City Manager, Chief Transit and Field Operations Officer and the Streets and Maintenance Director. An electronic copy and a hardcopy of the Audit Report was distributed to the Mayor and City Representatives.

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**Water Parks Financial Review Audit (Report dated August 16, 2022)**

The Internal Audit Office conducted an audit of the of the City of El Paso’s four newly constructed El Paso Water Parks. The El Paso Water Parks are managed and operated by ASM Global – Destination El Paso for the City of El Paso under Solicitation No. 2020-680R – *Civic, Convention Center & Tourism Services*. The objective of this audit was to perform an assessment of the El Paso Water Park’s operations and financial activities.

Based on the results of the audit, (2) two Findings were identified;

1. Solicitation No. 2020-680R has not been amended to reflect the change of the Point of Sale (POS) Software used at the El Paso Water Parks. The Solicitation requires the use of the “PerfectMind” POS Software. Prior to opening the Water Parks, both City Management and Destination El Paso agreed to change the POS Software from “PerfectMind” to “CenterEdge”.

Solicitation No. 2020-680R does not address how El Paso Water Park Rates for admissions, rentals, party packages, and food are to be calculated and adjusted. The Solicitation does not provide a methodology to adjust the rates.

2. Destination El Paso does not have a process in place requiring the Water Park Managers to document the reason why a sales discount was granted. Although the discounts reviewed were properly approved by a Water Park Manager on the CenterEdge Point of Sale (POS) Software, we found no documentation or notes to justify why the discounts were given.

The results were communicated to the City Manager, Senior Deputy City Manager, Deputy City Manager of Support Services & Chief Financial Officer, Managing Director of MCAD and Parks Department, and the President & CEO of Destination El Paso. An electronic copy and a hardcopy of the Audit Report was distributed to the Mayor and City Representatives.

**City of El Paso Employee Hotline (As of August 31, 2022)**

As of the 4<sup>th</sup> Quarter of the 2021-2022 Fiscal Year, the City of El Paso Employee Hotline had received 2 calls. As of August 31, 2022, the 2 calls received during the 4<sup>th</sup> Quarter remained open and zero calls were open from the previous Quarters. The investigations were conducted either by the Internal Audit Office or by the Human Resources Department.

The Human Resources Department provides City of El Paso Employee Hotline outreach materials to participants of New Employee Orientation Trainings.

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**Tax Office Refund Review Project**

During the 4<sup>th</sup> Quarter, the Internal Audit Office conducted 27 Tax Office Refund reviews. For each review, memos were issued to the Tax Assessor Collector, Deputy City Manager of Support Services & Chief Financial Officer, and City Manager documenting our review.

This project continues on a recurring basis of conducting reviews of Tax Office Refunds as required by State Statute. Procedures have been designed to properly review refunds for approvals and timely processing of refund checks issued to Taxpayers.

## **PENDING AUDITS & PROJECTS**

*This section will provide the Financial Oversight and Audit Committee and the City Manager a short synopsis of the pending audits and projects currently being completed by the staff of the Internal Audit Office as of the end of the 4<sup>th</sup> Quarter. A brief synopsis is provided on the scope and objective of the audit or project.*

### **Accounts Receivable Program Audit**

An audit is being conducted of the City of El Paso's Accounts Receivable Program. The audit objectives for the Accounts Receivable Program Audit are to determine whether the City of El Paso has effective controls, systems, and personnel to ensure accounts receivable are properly:

- **Accounted for** – by determining if accounts receivable are accurately recorded and invoiced in a timely manner in accordance with the *City of El Paso Accounts Receivable Policy* dated September 2020,
- **Collected** – by determining if delinquent accounts are being collected in accordance with procedures and internal controls over billing and collection,
- **Reported** – by determining if the Accounts Receivable balances provided to and reported by the Office of the Comptroller are accurate.

### **Parks Department – 2012 CIP Bond Follow-Up Audit**

The Internal Audit Office is conducting a Follow-Up Audit of the Parks Department – 2012 Capital Improvement Program Bond Audit Report dated January 15, 2021. The Audit Report contained (2) two Findings. The objectives of the Follow-Up Audit are to determine if Recommendations to the two Findings have been implemented.

The two original Findings identified:

1. No Construction Inspector's Daily Job Reports or Project General Logs were completed to record the daily construction activities/events at the jobsite as required by the Capital Improvement Department's – Project Delivery Manual during the period reviewed.
2. The Capital Improvement Department (CID) does not have documented Policies and Procedures to address when Change Orders require City Council's approval for Construction Manager at Risk (CMAR) Projects. A CMAR Contract is a project delivery method which entails a commitment by the Construction Manager to deliver the project within a Guaranteed Maximum Price.



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**Human Resources – Employee Insurance Benefit Review Audit**

The Internal Audit Office is conducting an audit of the Human Resources Department – Employee Insurance Benefit Program. The objectives of this audit will be to determine if the Human Resources Department has processes in place to ensure that employees enrolled for City health, dental, and vision benefits are eligible and accurately charged for elected coverage.

**Municipal Court Internal Control Review**

The Internal Audit Office is conducting an Internal Control Review of the Municipal Courts Department. The objective of this review is to determine if cash handling procedures at the Municipal Courts are consistent with the City of El Paso Cash Handling Policies and Procedures and to determine whether the Municipal Courts are operating in a control conscious environment.

**EPPD – Municipal Vehicle Storage Facility Follow-Up Audit**

The Internal Audit Office is conducting a Follow-Up Audit of the EPPD – Municipal Vehicle Storage Facility Audit Report dated May 13, 2020. The Audit Report contained (4) four Findings. The objectives of the Follow-Up Audit are to determine if Recommendations to the four Findings have been implemented.

The four original Findings identified:

1. The El Paso Police Department’s Abandoned Auto Unit Operations Manual required an update to reflect current practices in place.
2. Vehicles were sold at auction before the vehicles were deemed abandoned after 51 days from the date of impoundment.
3. There is no verification process in place to ensure owners of vehicles up for auction are not a U.S. Active Duty Service Members as required in Solicitation No. 2019-287R and the Servicemembers Civil Relief Act. If the owner is a Service Member, the vehicle cannot be sold per Federal Law.
4. The Hold and View Lots at the EPPD – Municipal Vehicle Storage Facility require a capacity increase.
  - 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.

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**El Paso Children’s Museum – Accounts Payable Follow-Up Audit**

A Follow-Up Audit is being conducted on the El Paso Children’s Museum – Accounts Payable Audit Report dated November 20, 2020. The Audit Report contained (2) two Findings. The objectives of the Follow-Up Audit are to determine if Recommendations to the two Findings have been implemented.

The two original Findings identified:

1. The El Paso Children’s Museum Budget and Donor Contribution Reports are not being provided to the Museum and Cultural Affairs Department (MCAD) per the requirements of the Children’s Museum Agreements.
2. Four (4) out of 10 (40%) invoices processed by MCAD had no evidence that mathematical accuracy of quantities and dollars spent was confirmed. Evidence of mathematical accuracy can entail any form of check mark, symbol, initial or note.

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**FINANCIAL OVERSIGHT AND AUDIT COMMITTEE (“FOAC”)**

The FOAC met on August 8, 2022 to discuss the 3<sup>rd</sup> Quarter Audit Plan Update of the Fiscal Year 2021-2022 Annual Audit Plan.

- Approval of Minutes for the Financial Oversight and Audit Committee meeting of April 18, 2022.
- Discussion and Action on Changes to FY 2021-2022 Audit Plan.
- Discussion and Action on FY 2021-2022 Audit Plan 3rd Quarter Update.
- Discussion on Client Surveys.

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**MISCELLANEOUS ITEMS**

*This section provides the Financial Oversight and Audit Committee and the City Manager with miscellaneous information regarding the Internal Audit Office's activities. These activities can vary from community service activities, training sessions attended, Professional Certification Examinations attempted with result, and Internal Audit Profession news and updates.*

**Training Sessions**

The Internal Audit Office staff participates in Continuing Professional Education (CPE) trainings and webinars to help maintain our competency and skill sets. As of the 4<sup>th</sup> Quarter, staff have earned the following number of CPE hours. Staff with professional certifications are required to earn 40 CPE hours per calendar year.

<b>Name</b>	<b>Position</b>	<b>CPE Hours</b>
Edmundo Calderon	Chief Internal Auditor	67.5
Mike Montiel	Audit Manager	55.1
Liz De La O	Auditor IV	60.6
Daryl Olson	Auditor IV	50.7
Miguel Ortega	Auditor III	41.0
Sergio Carrillo	Auditor II	46.5
John Monzon	Auditor I	50.2
Kay Gamboa	Auditor I	52.7

Listed below are a few of the CPE trainings and webinars our staff participated in during the 4<sup>th</sup> Quarter:

*Association of Government Accountants – Conference – “2022 Professional Development Training” on June 28-29, 2022 (12 CPE Hours)*

*Sullivan Solutions – Training – “Ethics for CPAs – It’s a Matter of Choice” on June 29, 2022 (4 CPE Hours)*

*Association of Airport Internal Auditors – Webinar – “AAIA Quarterly Forum” on July 13, 2022 (1.5 CPE Hours)*

*Institute of Internal Auditors – Webinar – “Managing Cybersecurity Risk Against Ransomware Attacks” on July 26, 2022 (1 CPE Hour)*

*Institute of Internal Auditors – El Paso Chapter – Webinar – “Security Incident Response and Breach Notifications” on August 25, 2022 (1 CPE Hour)*

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**Community Service**

**Institute of Internal Auditors – El Paso Chapter**

Sergio Carrillo volunteered as a Board Member.

**Association of Certified Fraud Examiners – El Paso Chapter**

Miguel Montiel and Liz De La O continue to volunteer as Board Members.

**Association of Government Accountants – El Paso Chapter**

Edmundo Calderon volunteered as a Board Member.

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**AUDIT PLAN UPDATE**

*This section will provide the Financial Oversight and Audit Committee and the City Manager with an update on the progress of the 2021-2022 Annual Audit Plan. An analysis is provided listing the Audits/Projects scheduled by quarter with their associated budgeted hours. The actual audit hours worked per Audit/Project is provided. This analysis is a great management tool to demonstrate how the Internal Audit Office's resources are being used.*

	BUDGETED HOURS	YTD as of 08/31/2022
<b>First Quarter</b>	-	-
(CarryFwds) Change in Management Audit – Museum of Art	300.00	96.50
(CarryFwds) Change in Management Audit – Museum of History	300.00	45.75
(CarryFwds) 2 <sup>nd</sup> Follow-Up Audit – Sun Metro Overtime Follow-Up Audit (A2019-01)	300.00	55.75
(CarryFwds) Human Resources Department – Hiring Practices	300.00	96.25
Follow-Up Audit - Parks and Recreation Department - Rental of Park Facilities Audit (A2019-08)	250.00	233.00
Longevity Project	100.00	8.75
Hotel Occupancy Tax Audits - Administration	50.00	82.50
Franchise Fee Audits - Administration	50.00	3.00
TX Sales Tax Discovery - Administration	50.00	-
Citywide Sales Tax Analysis - Clearview	40.00	5.50
Fire Department Medicare Compliance Review	40.00	0.50
Tax Office Refund Review Project	100.00	52.00
P-Card Reviews: City Council & City Manager's Office - P-Card & Travel Review	250.00	204.50
City Employee Hotline	75.00	167.25
Contingency Hours	404.00	-
Audit Plan	-	333.00
CARES Act Audit	-	57.00
City Leases	-	37.00
Consulting	-	4.75
UETA Lease Review	-	254.00
Administrative Duties - Chief Internal Auditor	225.00	245.00
Administrative Duties – Audit Supervisor	90.00	208.75
Administrative Duties - Staff Auditor	480.00	597.50
Administrative Duties – Financial Research Assistant	434.00	-
Auditor Training	135.00	696.50
Vacation/Sick Leave/Holiday	707.00	593.50
<b>Total</b>	<b>4,680.00</b>	<b>4,078.75</b>

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	BUDGETED HOURS	YTD as of 08/31/2022
<b>Second Quarter</b>	-	-
(CarryFwds) Pension Office – Retiree Confirmation Project	300.00	200.50
(CarryFwds) Cash Count Project - One Stop Shop	200.00	280.50
(CarryFwds) Public Art Program (2% for the Arts) Project	250.00	219.25
Water Park Financial Review	500.00	663.75
Follow-Up Audit: Fire Department - Billing Audit (A2019-05)	350.00	20.25
Longevity Project	100.00	25.00
Hotel Occupancy Tax Audits - Administration	50.00	17.00
Franchise Fee Audits - Administration	50.00	3.00
TX Sales Tax Discovery - Administration	50.00	-
Citywide Sales Tax Analysis - Clearview	40.00	8.00
Tax Office Refund Review Project	100.00	86.25
City Employee Hotline	75.00	23.25
Contingency Hours	480.00	-
Audit Plan	-	267.75
Consulting	-	3.75
COVID-19	-	40.25
Administrative Duties - Chief Internal Auditor	225.00	298.00
Administrative Duties - Auditor IV	90.00	213.00
Administrative Duties - Staff Auditors	480.00	478.00
Administrative Duties - Financial Research Assistant	426.00	-
Auditor Training	135.00	980.00
Vacation/Sick Leave/Holiday	707.00	640.25
<b>Total</b>	<b>4,608.00</b>	<b>4,467.75</b>

	BUDGETED HOURS	YTD as of 08/31/2022
<b>Third Quarter</b>	-	-
(CarryFwds) Travel Reviews: Various City Departments	250.00	-
Sun Metro Lift Program	500.00	652.75
Human Resources - Health Benefit Audit	500.00	233.50
Streets and Maintenance Department - Street Reconstruction Audit	250.00	-
Follow-Up Audit - Parks Department - 2012 CIP Bond Audit (A2020-09)	250.00	132.25
Follow-Up Audit - Neighborhood Traffic Management Program (NTMP) Audit (A2021-02)	250.00	134.25
International Bridges - Money Room Internal Control Review	200.00	321.75
Longevity Project	100.00	24.25
Hotel Occupancy Tax Audits - Administration	50.00	24.00
Franchise Fee Audits - Administration	50.00	30.75
TX Sales Tax Discovery - Administration	50.00	-
Citywide Sales Tax Analysis - Clearview	40.00	2.00
Fire Department Medicare Compliance Review	40.00	18.75
Tax Office Refund Review Project	100.00	79.25
City Employee Hotline	75.00	25.75
Contingency Hours	160.00	-
Audit Plan	-	240.75

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	BUDGETED HOURS	YTD as of 08/31/2022
<b>Third Quarter (continued)</b>	-	-
Bank Account Confirmation Project	-	167.75
Administrative Duties - Chief Internal Auditor	225.00	274.50
Administrative Duties - Auditor IV	90.00	163.00
Administrative Duties - Staff Auditors	480.00	557.75
Administrative Duties - Financial Research Assistant	466.00	-
Auditor Training	135.00	726.50
Vacation/Sick Leave/Holiday	491.00	386.50
<b>Total</b>	<b>4,752.00</b>	<b>4,196.00</b>

	BUDGETED HOURS	YTD as of 08/31/2022
<b>Fourth Quarter</b>	-	-
Accounts Receivable Program Audit	500.00	611.75
Municipal Court Financial Review	500.00	319.50
CARES Act - Rental & Utility Assistance Programs	500.00	-
Streets and Maintenance Department - Street Reconstruction Audit	250.00	-
Follow-Up Audit - Streets and Maintenance (SAM) Fuel Card Audit (A2020-08)	250.00	168.25
Longevity Project	100.00	5.50
Hotel Occupancy Tax Audits - Administration	50.00	94.25
Franchise Fee Audits - Administration	50.00	16.25
TX Sales Tax Discovery - Administration	50.00	6.00
Citywide Sales Tax Analysis - Clearview	40.00	2.50
Tax Office Refund Review Project	100.00	90.25
City Employee Hotline	75.00	25.00
Contingency Hours	336.00	-
Audit Plan	-	441.75
Consulting	-	11.25
Follow-Up Audit – El Paso Children’s Museum: Accounts Payable	-	30.75
Follow-Up Audit – EPPD – Municipal Vehicle Storage Facility	-	213.50
Green Belt Project – Six Sigma	-	24.75
Peer Review Program – Red Book Standards Self-Assessment	-	7.00
Peer Review Program – Yellow Book Standards Self-Assessment	-	18.25
Administrative Duties - Chief Internal Auditor	225.00	251.75
Administrative Duties - Auditor IV	90.00	154.00
Administrative Duties - Staff Auditors	480.00	542.75
Administrative Duties - Financial Research Assistant	458.00	-
Auditor Training	135.00	513.75
Vacation/Sick Leave/Holiday	563.00	380.50
<b>Total</b>	<b>4,752.00</b>	<b>3,929.25</b>
<b>Totals for 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> &amp; 4<sup>th</sup> Quarters</b>		
	<b>18,792.00</b>	<b>16,671.75</b>



## **FISCAL YEAR-END RECAP**

As required by the *International Standards for the Professional Practice of Internal Auditing*, Standard 1311, the City of El Paso's Internal Audit Office performs ongoing internal assessments in order to monitor the performance of the internal audit activity. Standard 5.44 of the *Generally Accepted Government Auditing Standards* requires the Internal Audit Office to analyze and summarize the results of its monitoring process at least annually. Internal assessments include supervision, review and measurement of the internal audit activity. All engagements are properly supervised, files are peer reviewed by someone not involved in the engagement, time budgets are established, and customer surveys are sent out to gauge the performance of the Internal Audit Office. The Internal Audit Office monitors measurements of the internal audit activity. Any non-conformance will be identified and reported. The following section will provide the Financial Oversight and Audit Committee and the City Manager with a synopsis of various measurements taken of Audits, Follow-Ups, and Projects conducted by the Internal Audit Office during the Fiscal Year.

### ***Noteworthy Audits and Projects***

#### **Franchise Fees Audit**

The Internal Audit Office has a contract with Avenu Insights & Analytics to perform Franchise Fees Audits. Based on the most recent audit completed by Avenu during FY2022, a Franchise Fee Audit of ONE Gas (doing business as: Texas Gas) identified \$254,347 due to the City of El Paso.

#### **City Pension Fund Confirmation Project**

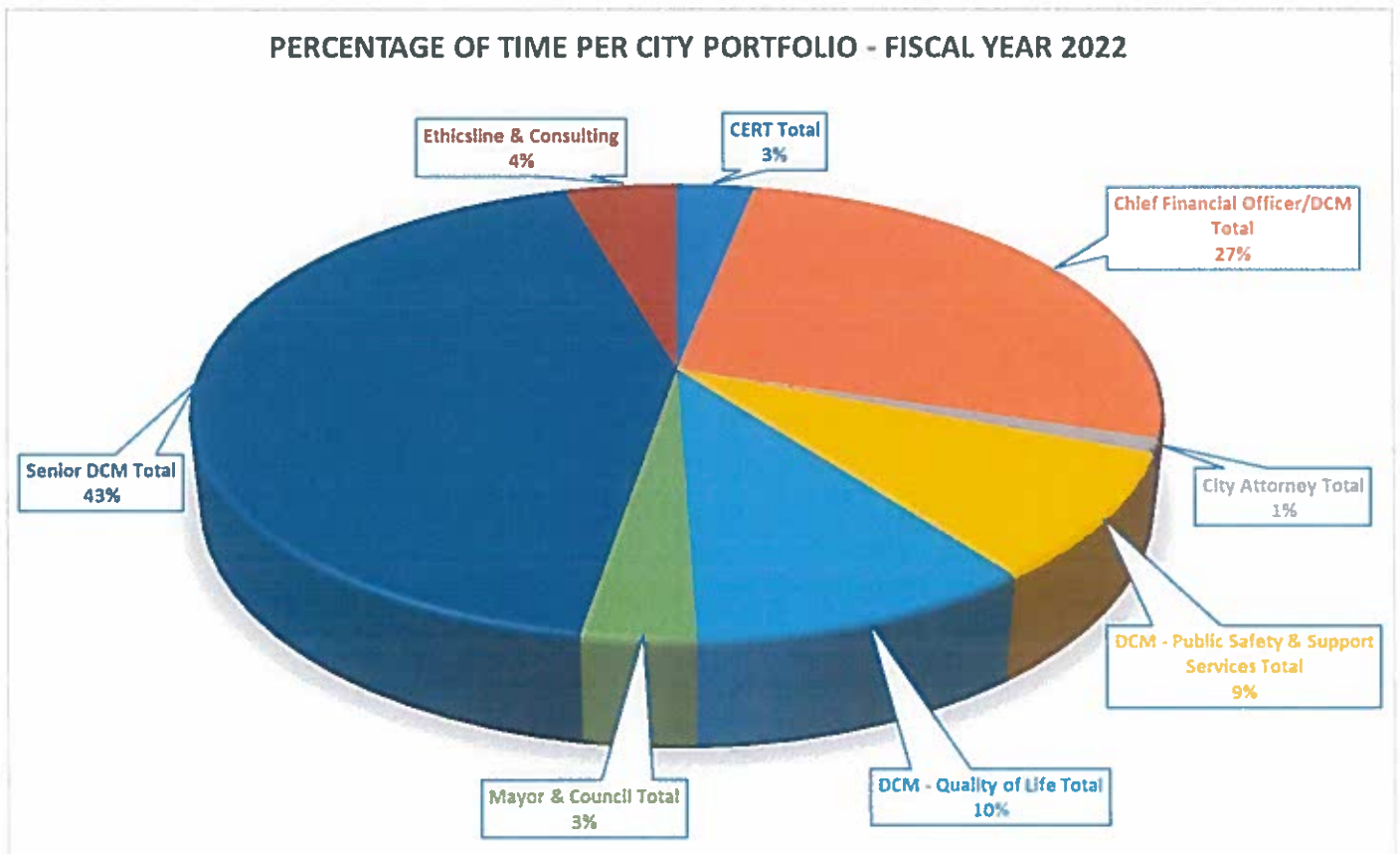
The Internal Audit Office conducted a City Pension Fund Confirmation Project. The objectives of the review were to:

- Verify the status of current City of El Paso Employees Retirement Trust payment recipients to determine if they are still alive, and
- Notify the City of El Paso Employees Retirement Trust of any unresponsive recipients.

Based on the results of the project, 43 out of 50 (86%) Pension Recipients were confirmed by the Internal Audit Office. The status of the remaining 7 Pension Recipients were not able to be confirmed. The City of El Paso Employee Retirement Trust staff was responsible to confirm the status of the remaining 7 Pension Payment Recipients.

### *Audit Time per City Portfolio*

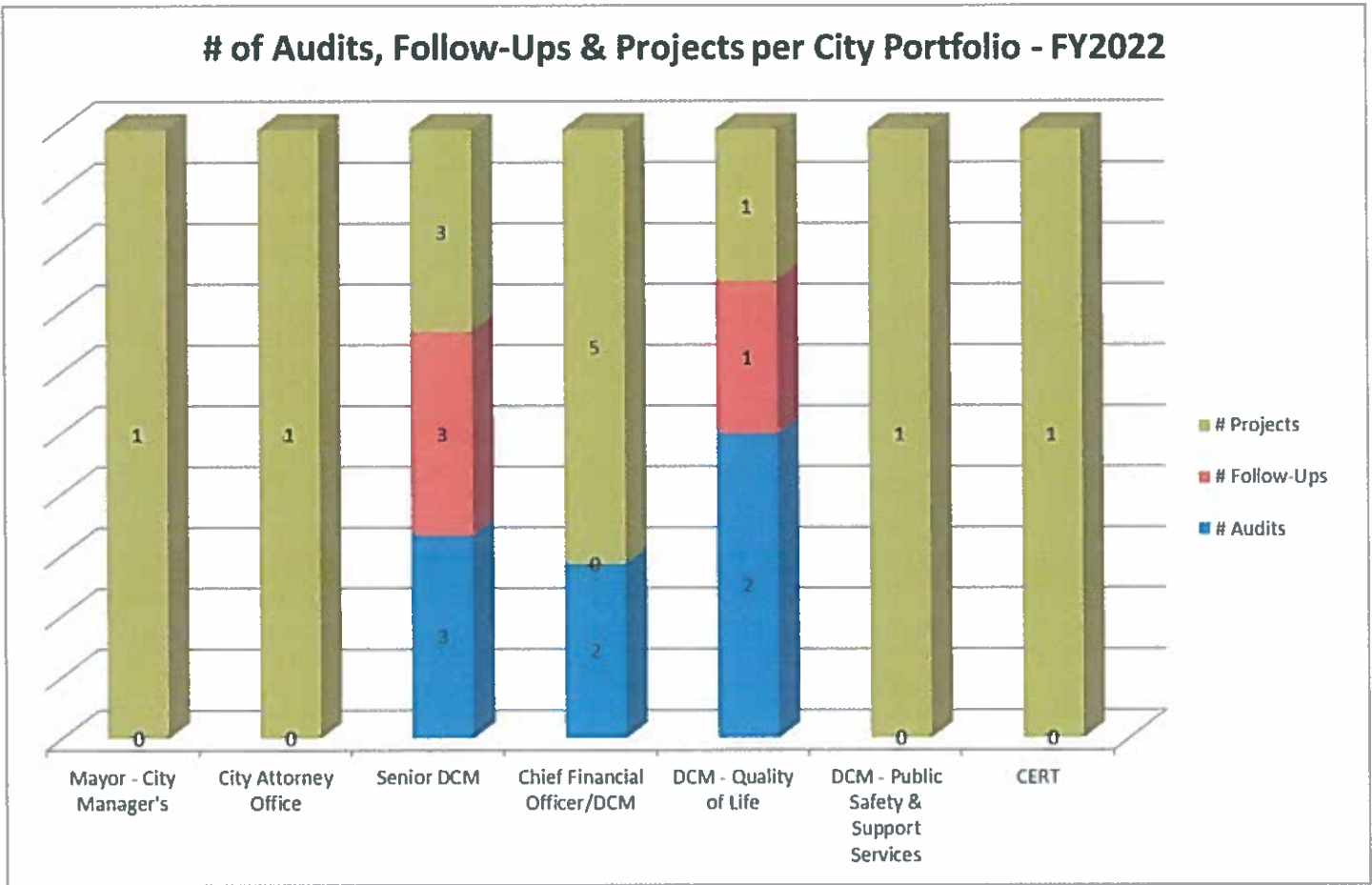
The chart below shows the percentage of audit-hours incurred in each City Portfolio during Fiscal Year 2021-2022.



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***Audits, Follow-Up's & Projects per City Portfolio***

This chart shows the number of audit assignments completed per City Portfolio during Fiscal 2021-2022.



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***Follow-Up Recommendation Status***

The Internal Audit Office performs Follow-Up Audits on all Audit Reports that contain findings and recommendations. Our objective is to inform City Management that corrective action has been implemented. The table below lists the Follow-Up Audits conducted during Fiscal Year 2021-2022 and whether the recommendations have been:

- *Implemented,*
- *In-Progress,*
- *Not Applicable or,*
- *Not Implemented.*

<b>Follow-Up Audit Status</b>				Recommendations			
No	Follow-Up Audit Name	Follow-Up Report Date	Original Report Date	Implemented	In Progress	Not Applicable	Not Implemented
1	Sun Metro Overtime 2 <sup>nd</sup> Follow-Up Audit A2021-07	August 25, 2021	October 2, 2017	1	1	-	-
2	Parks and Recreation Department – Rental of Park Facilities Follow-Up Audit No. A2022-03	March 10, 2022	September 26, 2019	1	1	-	-
3	Neighborhood Traffic Management Program (NTMP) Follow-Up Audit No. A2022-06	June 30, 2022	June 7, 2021	1	-	-	-
4	Streets and Maintenance (SAM) Fuel Card Follow-Up Audit No. A2022-07	August 11, 2022	November 18, 2020	2	-	-	-
<b>Recommendation Totals</b>				<b>5</b>	<b>2</b>	<b>-</b>	<b>-</b>

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### *Quality Survey Results*

The Internal Audit Office performs a quality survey after the completion of each Audit or Follow-Up Audit in order to gauge the quality of service delivered. The table below lists the surveys administered during Fiscal Year 2021-2022. Our survey rating scale ranges from 1 (Poor) to 4 (Excellent).

No	Quality Surveys Audit Name	# of Surveys Sent	# of Responses Received	% Responses Received	* Average Score Received
1	Sun Metro Overtime 2nd Follow-Up Audit A2021-07	3	2	67%	3.86
2	CARES Act Audit A2021-01	3	2	67%	3.36
3	Museum of Art - Change in Management Audit A2021-05	2	2	100%	3.91
4	Museum of History - Change in Management Audit A2021-06	2	2	100%	3.95
5	UETA Lease Review - P2022-01	1	1	100%	4.00
6	City Pension Fund Confirmation Project P2020-03	3	3	100%	3.97
7	Human Resources Department - Hiring Practices Review P2021-05	1	1	100%	2.91
8	Public Art Program Review P2021-04	2	1	50%	3.82
9	Parks and Recreation Department – Rental of Park Facilities Follow-Up Audit No. A2022-03	2	0	0%	N/A
10	International Bridges – Money Room Internal Control Review P2022-02	2	1	50%	4.00
11	MV Transportation, Inc. Audit A2022-02	3	2	67%	3.82
12	One Stop Shop Internal Control Review P2022-03	2	1	50%	4.00
13	Neighborhood Traffic Management Follow Up Audit A2022-06	2	1	50%	3.91
14	City Council and City Manager’s Office P-Card and Travel Review P2022-04	1	0	0%	N/A
15	Water Parks Financial Review Audit A2022-05	3	0	0%	N/A
16	Streets and Maintenance (SAM) – Fuel Card Follow-Up Audit A2022-07	3	0	0%	N/A
	<b>Totals</b>	<b>35</b>	<b>19</b>	<b>54%</b>	<b>3.79</b>

* Rating	Score
Excellent	4
Good	3
Fair	2
Poor	1

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**CONCLUSION**

The 4<sup>th</sup> Quarter of the 2021-2022 Audit Plan was another productive quarter for the Internal Audit Office. During the 4<sup>th</sup> Quarter a total of 6 Audits/Projects were completed by the staff and 6 Audits/Projects are in various stages of planning or completion.

The Internal Audit Office staff made a strong effort to complete as many Audits and Projects as possible during the 4<sup>th</sup> Quarter.

For Fiscal Year 2021-2022, the Internal Audit Office completed 8 Audits, 4 Follow-Up Audits, and 13 Projects. Continuous monitoring of the Audit Plan was made throughout the Fiscal Year and reported to the Financial Oversight and Audit Committee and the City Manager.

It continues to be a pleasure serving the Mayor and City Council, the Financial Oversight and Audit Committee, the City Manager, the Deputy City Managers, and the Managing Directors. The Internal Audit Office staff continues to strive for excellence in meeting our departmental motto, "Exceeding our Client's Expectations."

Respectfully Submitted



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Edmundo S. Calderon, CIA, CGAP, CRMA  
Chief Internal Auditor  
City of El Paso

**Distribution:**

Financial Oversight and Audit Committee  
Tommy Gonzalez, City Manager