



AGENDA MEMORANDUM

Action Item for the Audit Committee Meeting of February 14, 2023

DATE: February 14, 2023

TO: Gil Hernandez, Audit Committee Chair

THROUGH: George Holland, City Auditor
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AU21-001 Aviation – On-Airport Rental Car Concession and Lease

CAPTION: Motion to accept AU21-001 Aviation – On-Airport Rental Car Concession and Lease audit report.

PURPOSE: Discuss audit results and recommendations for AU21-001 Aviation – On-Airport Rental Car Concession and Lease audit report.

BACKGROUND: In accordance with the 2022 Annual Audit Plan, we conducted a contract compliance audit on one of five on-airport rental car concessions at the Corpus Christi International Airport (CCIA). This is our third audit project on this topic.

The objective of this audit was to determine if the On-Airport Rental Car Concession and Lease Agreement is being adhered to by the rental car agency. To meet this objective, we developed audit steps to evaluate and test contract compliance with key agreement terms plus performed data analysis and tests on rental customer transactions.

The agreements require payment of a percentage of rental car agency revenue, a concession fee, derived from operations at CCIA. This audit reviewed Aviation's oversight of their agreement with Enterprise Rent-A-Car.

The City Auditor's Office would like to thank the Department Aviation for their cooperation throughout this audit project and commends them for strengthening contract compliance.

ALTERNATIVES: The Audit Committee may reject all or part of this audit report as presented.

FINANCIAL IMPACT: N/A

FUNDING DETAIL: N/A

RECOMMENDATION: Staff recommends the Audit Committee accept the AU21-001 Aviation – On-Airport Rental Car Concession and Lease Agreement audit report

LIST OF SUPPORTING DOCUMENTS: AU21-001 Aviation – On-Airport Rental Car Concession and Lease Agreement audit report