



## **AGENDA MEMORANDUM**

Action Item for the Audit Committee Meeting of May 20, 2025

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**DATE:** May 5, 2025  
**TO:** Roland Barrera, Audit Committee Chair  
**FROM:** George Holland, City Auditor  
[Georgeh3@cctexas.com](mailto:Georgeh3@cctexas.com)  
(361) 826-3660

<p><b>Motion to accept FU24-F03 Aviation – On Airport Rental Car Concession and Lease Agreement Compliance Review Follow-Up Report</b></p>
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**CAPTION:**

Motion to accept FU24-F03 Aviation – On Airport Rental Car Concession and Lease Agreement Compliance Review Follow-Up Report.

**PURPOSE:**

Discuss audit results and recommendations for FU24-F03 Aviation – On Airport Rental Car Concession and Lease Agreement Compliance Review Follow-Up Report.

**BACKGROUND:**

As part of our annual audit plan, we conducted a follow-up of the AU21-001 Aviation In-Airport Rental Car Concession and Lease Agreement Compliance Review, audit dated January 27, 2023. The objective of the original audit was to determine if the On-Airport Rental Car Concession and Lease agreement is being adhered to by the rental car Agency.

The report concluded Enterprise Rent-A-Car lacked consistency in their gross revenue reporting, which resulted in calculation errors for the concession fee payments and adjusted minimum annual guarantee for contract year three. Gross revenue statements were not signed as required in the Agreement, and, in some instances, Enterprise Rent-A-Car failed to submit their gross revenue statements timely.

The original report made 7 recommendations for improvement over 3 areas to department management. The 3 areas included: Gross Revenue Reporting, Assessment of Concession Fees, and Revenue Statement 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 that the Audit Committee accept the FU24-F03 Aviation – On Airport Rental Car Concession and Lease Agreement Compliance Review Follow-Up Report.

**LIST OF SUPPORTING DOCUMENTS:**

- FU24-F03 Aviation – On Airport Rental Car Concession and Lease Agreement Compliance Review Follow-Up Report.