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NEARLY HALF OF PAYMENTS OWED TO SEWERAGE AND WATER BOARD PAST DUE

The New Orleans Office of Inspector General (OIG) today released a report titled [“Sewerage and Water Board of New Orleans Fee Collection and Controls.”](#)

The OIG conducted a performance audit of the Sewerage and Water Board (S&WB) fee collection internal controls for the period January 1, 2014 through March 31, 2014. Auditors found that 47 percent of S&WB’s \$21.8 million accounts receivable balance was delinquent as of December 31, 2013 (over 90 days past due). The delinquent accounts total was \$10.3 million.

Auditors concluded the S&WB’s Customer Account Management system in use since 1987 could not produce detailed aging reports to determine which customers were delinquent and for how long. Additionally, the system did not assess late fees on 23 percent of accounts tested that were paid more than four days after the due date.

Auditors also found the S&WB did not consistently follow its written policy for handling delinquent accounts because employees and managers were not aware of the policy. Those problems delayed collection of some past due accounts, including one account not sent to the collection agency until 104 days after the policy required.

Auditors recommended that the S&WB implement a new billing and collection system. The S&WB expects to do so in the third quarter of 2016. The OIG also recommended that S&WB managers take an inventory of all policies and communicate those policies to their employees.

“Sewerage and Water Board managers don’t know who is delinquent or if they are pursuing collection efforts on all delinquent customers,” stated Inspector General Ed Quatrevaux. “The OIG will return to the S&WB in 2018 to check if the new billing and collection system corrects the problems this audit uncovered.”

In addition to its report, the OIG issued a [brief](#) summarizing the report and its findings.

OIG reports can be viewed on its website [nolaoig.gov](#).

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