



OFFICE OF INSPECTOR GENERAL
City of New Orleans

STRATEGIC PLAN

2014-2017

E. R. Quatrevaux
Inspector General

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**STRATEGIC PLAN
2014-2017**

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I. INTRODUCTION

This Strategic Plan of the City of New Orleans Office of Inspector General (NOLA OIG) covers the period 2014 - 2017 and will be updated each year as the plan for the next fiscal year is created.

Strategic planning identifies missions and goals, and develops priorities and strategies to accomplish those goals within available resources. Strategic planning is a cyclical process that assesses performance and reconsiders operational methods and work plans in order to obtain our goals in a changing environment.

The purpose of this plan is to define the direction of NOLA OIG activities. It sets forth the OIG mission, the risk assessments that determine OIG priorities, and strategies for accomplishing our goals within resource constraints. The strategic plan is a means to ensure that resources remain focused on the most important issues and to guide future resource allocations.

Mission of the Office of Inspector General

The mission of the City of New Orleans OIG is: to deter and detect fraud, waste, and abuse; and to promote efficiency and effectiveness in the operations administered or funded by the City. The NOLA OIG finds facts and reports them to the public through the Ethics Review Board.

The establishing ordinance provides the Office of Inspector General unique operational independence from the City's Executive and Legislative branches and encourages it to work cooperatively with the Ethics Review Board. The Office of Inspector General reports to the public through periodic reports of its findings and recommendations. The primary customers of the NOLA OIG are the Executive and Legislative branches of City government, but its ultimate customers are the citizens and businesses that receive City services and pay City taxes.

II. RISK ASSESSMENT

The purpose of this assessment is to guide the OIG in its selection of projects and priorities for future work. It is neither a definitive analysis nor a comprehensive assessment. It is a listing of the concerns that guide OIG planning. These concerns originate from various sources including prior OIG work.

ENVIRONMENT

The Administration

The Administration continued to provide information and assistance in detecting and deterring fraud and abuse. It also was receptive to suggestions for procedural changes that would serve to reduce fraud and abuse by City employees.

Internal controls over some aspects of the City's financial systems remained weak. Corrective actions were dependent on the development of an enterprise-wide IT system, which was not funded in the budgets for 2011-2013.

The U.S. Justice Department (DOJ) and the Administration entered into a consent decree that will require many changes to the NOPD and its operations. Foremost among them, the Administration and the decree adopted a new system that would end the financial relationship between police officers and the businesses that hire off-duty details. The proposed system's effectiveness will depend most on whether it is implemented properly and maintained over time.

The New Orleans Director of Aviation and the Aviation Board worked with OIG staff to identify contracts that were continued on a month-to-month basis when they expired. Most of those contracts have been terminated or re-negotiated. Airport leadership has worked closely with the OIG, and has taken numerous other actions to eliminate fraud and abuse. For example, it was the first entity to request fraud awareness training for its entire staff. The airport leadership has created an ethical climate through its demonstrated actions and tone at the top.

Corruption

Former Mayor C. Ray Nagin was indicted on federal corruption charges stemming from an OIG-FBI investigation.

Public corruption drives away legitimate businesses, steals from the taxpayers, lowers standards, puts public safety at risk, demoralizes civic workers and denies services to those who are usually the most vulnerable citizens. *In extremis*, corruption alienates citizens from their government to the detriment of all.

ASSESSMENT CATEGORIES

The risk assessment considers the universe of City programs and operations, and uses the following criteria in order of priority: public safety or public health risk; potential revenue increases or potential cost reductions; concerns expressed by City officials; and, sources of widespread public concern.

Public Safety Risks

Violent crimes increase the public's concerns about safety. Public safety is the responsibility of the criminal justice system, which is composed of the New Orleans Police Department, prosecutors, courts, public defenders, corrections officials and the medical examiner (coroner).

Policing is difficult and dangerous, and New Orleans has many police officers who do their jobs without violating the law or the guidelines of the department. However, the New Orleans Police Department as a whole has been judged as requiring federal intervention to prevent unconstitutional policing practices, and a federal monitor will oversee NOPD's compliance with the provisions of the decree.

The violent crime problem demands that New Orleans have an excellent police force. A successful police department must have an effective chain of command, a sufficient number of trained and fit officers, adequate equipment and technology, sufficient community support, and officers in compliance with the law.

Prosecutors and the courts must operate efficiently and effectively, have sufficient resources and comply with the law. The medical examiner must have sufficient resources, operate efficiently and effectively and comply with the law.

The public will have contempt for the law until criminal justice system officials demonstrate their willingness to obey the law.

The inspection of the City's funding to the Orleans Parish Sheriff's Office illuminated the finances of that entity and provided critical information for decision-makers with respect to the consent decree. The OIG has received grant funding to examine the finances of the other justice-related entities: the courts including the Juvenile Court and the Youth Study Center, the coroner's office, the NOPD, District Attorney's Office, Public Defender's Office, and the City Attorney's Office.

Potential Revenue Risks

- The City may not collect all funds due.
- The City may lack adequate safeguards in the collection of fines and fees.
- Property Tax assessments may be understated.

Potential Cost Reduction Risks

- Some of the City's internal controls over fixed assets, accounts payable, payroll and purchasing are weak and present opportunities for fraud.

Public Concerns

- Blight continues to exist on a large scale.
- City streets and lighting remain in poor condition.
- Sewerage & Water Board user fees are projected to double over 5 years while the majority of purified water leaks out, the infrastructure deteriorates, and the Board continues to involve itself in procurement decisions.
- The Orleans Parish School Board may not have eliminated the fraud, waste and abuse that were rampant before Hurricane Katrina.

III. STRATEGIES

The OIG strategy to prevent and detect fraud and abuse in City operations and entities includes:

- (1) Conducting Fraud Awareness seminars;
- (2) Conducting proactive analyses to identify potential fraud indicators;
- (3) Screening new procurements exceeding \$100,000 in value;
- (4) Monitoring high-risk City contracts; and
- (5) Conducting investigations into allegations or indications of fraud and abuse, and refer credible evidence of fraud or abuse to prosecutors and City officials, as appropriate.

While performing those tasks, the OIG will also devote significant resources to the organizations that cost the City's citizens almost as much as City Hall: the Sewerage & Water Board and the Orleans Parish School Board. (A legal challenge to OIG jurisdiction of the OPSB is pending.) Other entities that receive substantial City funding will be reviewed in this period.

The Construction Fraud Division will provide fraud deterrence activities for the construction of a new terminal at Louis Armstrong International Airport throughout this period.

The strategy to promote efficiency and effectiveness consists of reviewing those areas of City operations or programs that may offer opportunities to improve public operations, to increase City revenues, to reduce City expenditures, to bring about fairness for all citizens, and to assess widespread public concerns.

IV. RISK MITIGATION ACTIVITIES

The projects listed below implement the strategy above and are intended to mitigate the risks identified in the assessment. The schedule of activities will be reviewed and modified as circumstances warrant during 2014. The nature and associated entity of some planned projects will remain confidential until executed so that all entity managements will have an incentive to review the condition of their financial systems and the integrity of their operations.

2013 ACTIVITIES

The following projects were completed by August 31, 2013:

1. Audit of Sanitation Fees Collected by the Sewerage & Water Board;
2. Review of the Orleans Parish Coroner's Supplemental Payments to Employees and Contractors;
3. Public Letter to Chief Administrative Officer on Uncorrected Accounts Payable Corrective Actions;
4. Public Letter to State Board of CPAs re Auditor Conflict of Interest;
5. Public Letter to State Superintendent of Education on Program/Construction Management;
6. Audit of Payroll Liabilities;
7. Inspection of NOPD Field Interview Card Data Reported From January to June 2011;
8. Evaluation of the City's Delinquent Property Tax Collection Program;
9. Inspection of City / Taxpayer Funding to the Orleans Parish Sheriff's Office in 2011;
10. Inspection of the City's Fuel Receiving Controls;
11. Follow-up Report: City's Purchasing and Accounts Payable Internal Control Performance Audit;
12. Follow-up Report: City's Miscellaneous Donations Fund and America's Fund; and,
13. Follow-up Report: French Market Corporation's Credit Card and Expense Reimbursement Policies.

The following projects were underway at August 31, 2013:

1. Evaluation of Security Taxing Districts;
2. Inspection of NOPD Funding;
3. Evaluation of NOPD Force Structure;
4. Inspection of Municipal Court Funding;
5. Inspection of Traffic Court Funding;
6. Evaluation of the NOPD Early Warning System;
7. Audit of the New Orleans Aviation Board Month To Month Contracts;
8. Audit of Selected Uniform Crime Report Accuracy;
9. Audit of NOPD Use of Grant Funds;
10. Audit of NOPD Evidence Management;
11. Audit of NOPD Payroll;
12. Audit of Internal Controls - Revenue;
13. Audit of Fireman's Pension Board Credit Card and Expense Reimbursements;
14. Evaluation of City Regulation of Utilities;
15. Evaluation of DWI Case Dispositions;
16. Review of the Orleans Parish Sheriff's Office Electronic Monitoring Program;
17. Evaluation of Fuel Controls - Consumption;
18. Handbook for Boards, Commissions and Public Benefit Corporations;
19. Review of NO Aviation Board Month-to-Month Contracts;
20. Performance Audit of French Market Corporation;
21. Follow-up on Assessment of New Orleans' System of City Courts and Performance Review of New Orleans Traffic Court;
22. Follow-up on City of New Orleans Arrest and Detention Policies for Non-Violent Misdemeanors and Traffic Offenses;
23. Follow-up on Evaluation of City Employee Life Insurance Benefits;
24. Follow-up on New Orleans Aviation Board Credit Card and Expense Reimbursements;
25. Follow-up on Internal Controls over Fixed Assets;
26. Follow-up on Internal Controls over Payroll; and
27. Continuous Monitoring – City Payroll Affidavits.

2014-2017 ACTIVITIES

The following projects are planned in the areas listed below.

PUBLIC SAFETY

NOPD

- Review of Field Interview Card Data (annual)
- Audit of Uniform Crime Report Data Accuracy (annual)
- Evaluation of COMSTAT process
- Review of Citizen Complaint System
- Evaluation of Entrance Screening
- Evaluation of NOPD Secondary Employment
- Evaluation of Physical Fitness of Patrol Officers

CORONER

- Evaluation of the Medical Examiner function
- Funding Inspection of the Coroner's Office

COURTS

- Funding Inspections of:
 - Criminal District Court
 - Juvenile Court & Youth Study Center
 - 1st & 2nd City Courts

CRIMINAL JUSTICE ATTORNEYS

- Funding Inspections of:
 - District Attorney Office
 - Public Defender Office
 - City Attorney
- Justice System Funding Compendium

CITY OF NEW ORLEANS

- Evaluation of Adjudicated and Blighted Properties
- Payroll Monitoring – continuous
- Evaluation of Safety & Permits and Code Enforcement
- Streetlight Maintenance
- Street Construction & Repair
- Audit of Revenue Controls
- Audit of IT Controls

SEWERAGE & WATER BOARD

- Audit of Use of Funds
- Audit of Payroll
- Audit of Expense Reimbursements
- Audit of Pension Structure
- Audit of Fee Collection and Controls
- Audit of Procurement
- Evaluation of Sewerage & Water Board Operations
- Take Home Car Usage

PUBLIC EDUCATION

ORLEANS PARISH SCHOOL BOARD

- Audit of Use of Funds.
- Audits of Financial Controls
- Audit of Payroll
- Credit Card and Expense Reimbursement
- Take Home Car Usage
- Audit of Procurement
- Inspection of Testing Integrity

TOURISM

- Aviation Board Construction Fraud Deterrence Program
- Continuous Review of Taxicab Regulation
- French Quarter Citizen Reporting Initiative
- Evaluation of Tourism Promotion Funding

REVENUE INCREASES

- Evaluation of Property Tax Assessments

PROCUREMENT OVERSIGHT

- Screen high value solicitations to assess risk and offer comments
- Monitor high-risk contracts, including conducting audits and/or inspections

PUBLIC CORRUPTION

- Conduct Fraud Awareness seminars for employees and contractors
- Conduct investigations and refer evidence to appropriate prosecutors

LEGISLATIVE REVIEW

- Review pending and existing ordinances, statutes and regulations, and make recommendations relating to fraud and abuse, or efficiency and effectiveness, in City programs and operations

V. VISION

The NOLA OIG vision is ***to be an organization that serves all the citizens of New Orleans – one that makes a positive difference in the integrity, efficiency, effectiveness, and fairness of City government.***

The OIG serves its clients as constructive critic, helpful advisor, and positive change agent. While maintaining our independence, we work in a cooperative fashion with others to improve governance of the City of New Orleans.

Our aim is to deter those who would defraud or abuse their position. Failing that, our aim is to cause them to be held accountable for their misconduct. Similarly, we seek to make a material contribution to government efficiency and effectiveness -- to make a positive difference in the delivery of services to the City's citizens.

VI. GOALS

The OIG is an oversight organization and accomplishes its missions principally through audits, evaluations, investigations, and other fact-finding and reporting activities. OIG mission effectiveness is guided by the following goals:

- **RELEVANCE:** Focusing OIG activities on the right issues at the right time;
- **CREDIBILITY:** Performing the work in a professional manner; and
- **COMMUNICATION:** Reporting the results of our work in a manner that achieves maximum impact and encourages expeditious action.

We believe that accomplishing these broad goals represents the best performance possible by an OIG.

VII. PERFORMANCE MEASURES

One or more sub-goals are presented for each goal, and performance measures and validation means are identified for each.

GOAL: RELEVANCE – OIG resources are directed to the issues of greatest concern in time to be useful.

SUBGOAL 1: *Importance* – The right projects are selected for review.

Performance Measures:

- Strategic plan assessed risks for the universe of City of New Orleans and its component and satellite entities responsibilities and operations. (Y/N)
- Planning process solicited the concerns of the City Administration and City Council members, and considered public concerns. (Y/N)
- Resources were assigned according to priorities based on a risk assessment. (Y/N)

SUBGOAL 2: *Timeliness* – OIG reports are delivered at the right time.

Performance Measure:

- OIG reports are issued prior to important milestones.

GOAL: CREDIBILITY – Reviews are performed by independent staff of sufficient competence to achieve review objectives, and in accordance with professional standards.

SUBGOAL 1: *Independence* – OIG staff is organizationally and personally independent.

Performance Measures: IG Certification of Independence prior to commencement of projects and in final reports. (Y/N)

SUBGOAL 2: Competence – OIG staff possesses the knowledge and skills to achieve the objectives of OIG projects.

Performance Measures:

- Percentage of staff meeting continuing professional education requirements.
- Percentage of audit and investigative staff with national certification(s).
- Percentage of audit and evaluation staff with advanced degrees.

SUBGOAL 3: Methodology – The methodology employed meets professional standards and is appropriate to review objectives.

Performance Measures:

- Percentage of reviews meeting applicable professional standards.
- Percentage of draft findings sustained in final reports.

GOAL: COMMUNICATION – Findings and recommendations reported achieve maximum impact and encourage corrective action.

SUBGOAL 1: Quality: Information presented is accurate and complete; findings identify underlying causes of reported problems; and recommendations are effectively communicated to decision makers.

Performance Measures:

- Instances of factual errors or material omissions in final reports.
- Percentage of recommendations accepted.
- Annual Quality Assurance Review reports.

SUBGOAL 2: Form and Content – OIG reports meet all form and content expectations established by City ordinance and professional standards.

Performance Measure:

- Identified instances of failure to meet or satisfy form and content requirements.