

OFFICE OF INSPECTOR GENERAL  
CITY OF NEW ORLEANS



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**AUDIT FINDS PAYROLL CONTROLS WEAK**

The City of New Orleans Inspector General today released a report on a Payroll Internal Control Performance Audit covering the period of January 1, 2009 – June 30, 2010. It revealed that City payroll internal control processes were deficient in certain areas, which made the City's payroll function vulnerable to fraud.

The audit disclosed that the Civil Service Department could not produce a listing of City employees independently from the City's MIS department. The City did not resolve previous external audit findings, nor did it reconcile payroll cash accounts and payroll clearing accounts timely. The City incurred \$50.7 million in personnel expenditures in 2009 that were not budgeted in the personnel services budget. Most NOPD timesheets sampled were not signed by employees, and 13% of the workforce exceeded the annual limit of 416 hours of overtime.

Inspector General Ed Quatrevaux said, "The findings show that the City did not adequately control its payroll, and experienced runaway costs as a result."

The report is attached to this press release. Other reports issued by the Office of Inspector General can be viewed and downloaded from the website at <http://www.nolaoig.org>.

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