

EXECUTIVE SUMMARY

In 2013 the Office of Inspector General (OIG) issued a report titled “Payroll Liabilities Performance Audit” (2013 Report). The objective of that audit was to evaluate the accuracy of the Payroll Clearing Fund as well as the completeness and accuracy of the annual and sick time accruals.

The 2013 Report documented three findings and one observation, and offered recommendations to the findings. The City of New Orleans (City) accepted the recommendations and provided corrective actions in its original response. The follow-up review found that the City fully implemented two corrective actions, and partially implemented one corrective action.

The City hired nine new accounting employees in 2011 which provided additional staffing to perform reconciliations.

During testing for the 2013 Report, the payroll clearing fund was not reconciled and had outstanding balances dating back to 2005. The Payroll Clearing Fund was also not reconciled monthly during the scope period of this follow-up, July through September of 2014.

Testing during the 2013 Report determined that a net of 758 hours of leave was recorded on paper timesheets but not entered into the electronic payroll system. Under the current ADP payroll system, all time, including leave time, is entered directly into the electronic system which eliminates the need for paper timesheets to be transferred into the electronic system.