



**Association of Inspectors General  
524 West 59<sup>th</sup> Street, 3532N  
New York, New York 10018**

July 16, 2018

Derry Harper  
Inspector General  
New Orleans Office of Inspector General  
525 St. Charles Ave  
New Orleans, LA 70130

Dear Inspector General Harper,

On behalf of the Association of Inspectors General's (AIG's) Peer Review Team (Team), I am writing to share with you some observations we made when we were at your offices from June 4, 2018 through June 8, 2018. The Peer Review Team (the Team) was invited to conduct a Peer Review of your organization's Audit Division (AD), Investigations Division (ID), and Inspections and Evaluations Division (I&E).

The Team unanimously concluded that all three Divisions of the New Orleans Office of Inspector General (OIG) complied with the standards set by the Association of Inspectors General (AIG) Principles and Standards for Offices of Inspector General and/or the United States Government Accountability Office (GAO) Government Auditing Standards. An earlier letter dated June 11, 2018, provided this unqualified opinion. The purpose of the present letter is to provide the comments shared with you and your executive staff during the exit conference that took place on June 7, 2018.

On June 7, 2018, the Team met with you and your executive leadership. We provided you with our general conclusion regarding compliance, and noted several areas of distinction and consideration regarding the Divisions. We met separately with your Assistant Inspectors General (AIG) and/or Deputy Inspectors General (DIG) for AD, ID, and I&E. In general, the same comments were shared in those, although more operational detail and operating considerations may have been provided to assist your executive team with their functional responsibilities.

The remainder of this letter will address Division-specific areas of distinction and consideration. These comments are based on the direct observations of the Team members assigned to review the Division; Team member interviews with external

stakeholders; interviews with Division staff, including interviews with the AIG and/or DIG of each Division; case file reviews; review of Divisional administrative and operating materials; and the professional judgment and experience of the Peer Reviewer. Once again nothing in this management letter diminishes the Team's unanimous conclusion that the AD, ID, and I&E Divisions met the applicable standards for the period under review.

### **Overall – Areas of Distinction**

- Experienced and Well-Trained Staff: OIG staff possess a wealth of experience and commendable education and certifications. During the Peer Review period, staff overwhelmingly exceeded the minimum training requirements.
- External Relationships: The Peer Review Team met with representatives from the City of New Orleans Police Department, City of New Orleans District Attorney's Office, and the Ethics Review Board. All were very complimentary of the working relationship with the OIG.
- Peer Review Follow-Up: Since the last Peer Review in 2015, the OIG took every area of consideration into account and implemented all but two of the Peer Review Team's recommendations. It is noted that the two recommendations not implemented were no longer necessary during this review.

### **Overall – Areas of Consideration**

- Career Advancement: As mentioned previously, the OIG is fortunate to have a team comprised of individuals with a wealth of experience and knowledge. During the Peer Review there were discussions regarding limited promotional opportunities and pay raises within the office. While these are issues that affect many small offices, the OIG should consider reviewing its structure to identify where potential growth and/or expansion is possible for career development.

### **Audit Division – Areas of Distinction**

- Shared Goals: The AD exhibited a great willingness to contribute to the overall success of the office by working with I&E to establish a joint risk assessment template. In addition, they provide assistance to ID by providing compilation and audit skills necessary to quantify and qualify evidence for litigation.
- Focus on Fraud: The AD incorporates one of the primary purposes of the Inspector General community by including an internally developed fraud questionnaires for consideration during the planning stage of audits.

- Communication: The AD includes an audit summary in the OIG in Brief for each engagement, which concisely describes the engagement and its related findings. This concise reporting tool is evidence of the division's commitment to disseminating valuable information effectively and efficiently.

### **Audit Division – Areas of Consideration**

- Detailed Training Guidelines: The AD met all training requirements on a continual basis to fortify the AD's training efforts and maintain compliance with Generally Accepted Government Auditing Standards (GAGAS 3.76). Although the Audit Manual included CPE required by GAGAS, the AD should consider updating the Audit Manual to also include specific language requiring auditors to align their CPE training with the certifications they hold (i.e. CPAs, CFEs, etc.). The AD staff is highly certified and it is important the training they receive supports the benefits the office gains from these certifications.
- Confirmation of Supervisory Review: The engagement binder contained evidence of supervisory reviews, which included multiple sign-offs on each workpaper. Although AD electronically maintains the cleared review notes on a secured network drive, AD should consider uploading the cleared notes to the Engagement System.
- Documentation of Agreed Upon Procedures: GAGAS 5.63 indicates, "Due to the objective and public accountability of GAGAS agreed-upon procedures engagements, additional consideration for agreed-upon procedure engagements in accordance with GAGAS may apply. These considerations relate to (a) establishing an understanding regarding services to be performed; and (b) reporting on agreed-upon procedure engagements." AD, ID, and I&E should consider developing formalized documents outlining the objectives, scope, and expected deliverables related to non-audit procedures that AD performs for either ID or I&E.

### **Investigations Division – Areas of Distinction**

- Case File Reviews: While this is not a new practice, investigators commented that quarterly case file reviews (three months) have proven to be beneficial. This allows management an opportunity to review case file materials with staff, discuss concerns and guide the investigation to its ultimate conclusion.
- Commitment to Technology: ID staff possess a wealth of experience and knowledge, which contributes to their successes. One such member serves in a dual role as an investigator and is also a computer forensic specialist, which provides the OIG with the unique ability to tackle complex data mining investigations. The ID understands the importance of technology's role in complex investigations and remains committed to furthering its capabilities in this arena.

### **Investigations Division – Areas of Consideration**

- WingSwept Case Management System (CMTS): CMTS is currently utilized by ID as a central point for electronic case management. While the current ID team has created useful templates and formats for its day-to-day operations, ID should consider using CMTS to its fullest potential (i.e., drop-downs, supervisory reviews, signature lines) as discussed in our management briefing.

### **Inspections & Evaluations Division – Areas of Distinction**

- Risk Assessment/Audit Partnership: I&E staff have partnered with AD to develop a Risk Assessment model that will help them stay mission-focused and identify areas at greatest risk for potential fraud, waste, or abuse. Having a fully-developed Risk Assessment model will help guide projects and balance work throughout the year.
- Relationship Building: Through its leadership, I&E has recognized the need to engage City Departments by maintaining, building, and/or creating solid working relationships. I&E is in the process of developing different approaches (i.e., preliminary findings) that will further its relationships with City Departments. This is a commendable approach that will surely have positive effects.

### **Inspections & Evaluations Division – Areas of Consideration**

- Corrective Action Follow-Up: I&E should consider developing a continual follow-up plan (i.e., 60, 120 days) in order to ensure City Departments address corrective action recommendations.
- Technical Guidance: I&E should consider removing this section from I&E as it is an overall office function and can be utilized to track all OIG activities related to technical guidance, outreach, training, etc.

Lastly, we would like to commend the New Orleans Office of Inspector General on staying mission-focused and remaining steadfast in its duties. The sheer size of the governmental operations that your office oversees and your office's jurisdiction and responsibility are unparalleled by any other local government Inspectors General office. Your office is unique, and as Peer Reviewers, we had an insightful learning experience. We hope that you find our comments helpful and we look forward to continuing to support your organization's needs in the future.

Inspector General Derry Harper  
Peer Review Management Letter  
July 16, 2018

Please feel free to contact me or any member of the Peer Review Team if you have any questions.

Yours truly,

A handwritten signature in black ink, appearing to read 'Flora Tran', written over the typed name.

Flora Tran, Team Leader, AIG Peer Review for New Orleans Office of Inspector  
General, June 2018  
Peer Review Committee, Association of Inspectors General

cc:

James Mazer, Team Member, AIG Peer Review for New Orleans Office of Inspector  
General, June 2018

Edyth Porter-Stanley, Team Member, AIG Peer Review for New Orleans Office of  
Inspector General, June 2018