

OFFICE OF INSPECTOR GENERAL
CITY OF NEW ORLEANS



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**AUDIT FINDS CITY OF NEW ORLEANS BUREAU OF REVENUE DISORGANIZATION DELAYED COLLECTION
OF UNPAID SALES TAXES**

The New Orleans Office of Inspector General (OIG) today released a report titled “A Performance Audit of the Bureau of Revenue’s Internal Controls – Compliance Division.”

OIG auditors reviewed and tested the internal controls of sales tax collection and enforcement processes of the Compliance Division of the Bureau of Revenue over a two-year period, 2011 and 2012.

The OIG randomly selected a sample 35 sales tax audits performed during that two-year period by the Compliance Division for testing. The cases tested carried sales tax liabilities of \$2.8 million and as of June 25, 2014, \$919,335 of these liabilities remained uncollected.

Among the findings of OIG auditors:

- The Bureau of Revenue lacked internal written policies and procedures for its auditors to enforce timely collection of unpaid sales tax assessments;
- The City of New Orleans Revenue System did not have the necessary capabilities for the Bureau of Revenue to collect taxes expeditiously;
- The Bureau of Revenue did not maintain complete audit files;
- The Bureau of Revenue did not complete audits in a timely manner.

“Sloppy files led to disorganized sales tax collection efforts by the City’s Compliance Division,” stated Inspector General Ed Quatrevaux. “The result was delayed revenue and cash flows for the City.”

The report recommended the Bureau of Revenue acquire a system that provides complete and accurate information to expedite the sales tax settlement and enforcement. The City said the process to acquire that new system began in 2012 and that it expects to put it into use by the end of 2014.

The findings of the audit are attached to this news 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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