

## EXECUTIVE SUMMARY

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In May of 2011, the Office of Inspector General (OIG) issued an audit report titled “City of New Orleans Purchasing and Accounts Payable Internal Control Performance Audit” (2011 Report) to evaluate the adequacy of the City of New Orleans’ (City) internal controls related to budgeting, bids, purchasing, contracts, disbursements, and wire transfer processes. A follow-up of the 2011 Report was conducted to determine if the City implemented the corrective actions it agreed to implement.

The follow-up report revealed that the City had implemented three of the seven corrective actions noted in the 2011 report. The City changed its processes and contract amendments were approved by the purchasing department and tax compliance certificates were obtained for contract amendments. However, the lack of segregation of duties described in Finding #1 remained unresolved. Further, the City did not implement an Enterprise Resource Planning (ERP) system. Finally, the City neither verified the status of non-contract vendors nor determined if vendors had delinquent taxes before making payments to them.

Three of the five corrective actions promised in response to observations noted in the 2011 report were resolved. Nine accounting positions were added, a records retention policy was drafted, and the Electronic Contract Management System (ECMS) was implemented to track contracts and their approval electronically. Observation #4 could not be tested because the ERP was not purchased. Ninety-four percent of the City’s employees completed the ethics training required by state law.