

# **STRATEGIC PLAN**

## **2017-2020**

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**NEW ORLEANS OFFICE OF  
INSPECTOR GENERAL**

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# STRATEGIC PLAN 2017-2020

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## I. INTRODUCTION

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This Strategic Plan of the City of New Orleans Office of Inspector General (OIG) covers the period 2017–2020 and will be updated annually as plans for subsequent years are developed.

Strategic planning identifies missions and goals, and identifies priorities and strategies to accomplish those goals with available resources. Strategic planning is a cyclical process through which managers assess performance and examine operational methods and work plans in order to revise goals in a changing environment.

It sets forth the OIG mission, the risk assessments that determine OIG priorities, and strategies for accomplishing goals within resource constraints. Effective strategic planning ensures that resources remain focused on the most important issues and guide future resource allocations. The purpose of this document is to communicate OIG priorities and strategies to the public, the Ethics Review Board, and City officials.

### **Mission of the Office of Inspector General**

The mission of the OIG is to deter and detect fraud, waste, and abuse, and to promote efficiency and effectiveness in operations administered or funded by the City. The OIG finds facts and reports them to the Ethics Review Board and the public.



The establishing ordinance provides the OIG unique operational independence from the City's Executive and Legislative branches and encourages the OIG to work cooperatively with the Ethics Review Board. The OIG's primary responsibility is to the citizens and businesses that receive city services and pay city taxes.

## II. RISK ASSESSMENT

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The purpose of the risk assessment is to guide the OIG in its selection of projects and priorities for future work. Neither a definitive analysis nor comprehensive, the assessment identifies the concerns that guide OIG planning.

### ASSESSMENT CATEGORIES

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The risk assessment considers the universe of city programs and operations, and uses the following criteria in order of priority: public safety or public health risk; potential revenue increases or potential cost reductions; concerns expressed by City officials; and sources of widespread public concern. It includes brief assessments of major entities of City government.

#### **Environment**

In May of 2010 the City had no financial reserves and little cash. There was such administrative disarray that a requested contract could not be found. Since then the City's administrative processes and financial management have improved greatly, and the City now has adequate financial reserves and good bond ratings. Improved policies have made City procurements of professional services more transparent. However, opportunities to improve remain; as recent OIG reports on fleet management and fuel dispensing controls suggest, there are pockets of City government that perform poorly.

#### **Louis Armstrong New Orleans International Airport**

Louis Armstrong New Orleans International Airport is free of significant fraud and costs have declined more than 50 percent from projections made in 2009. As a result, airlines have returned and added new flights and destinations, and passenger traffic just set a record. The City's cost for the new terminal is largely funded by the savings from eliminated corruption.

#### **New Orleans Police Department**

An OIG audit showed significant improvement in the accuracy of NOPD sex crimes reporting. However, NOPD will need to make similar improvements in numerous operational areas before it becomes the high functioning police department that New Orleans needs and deserves.

#### **Sewerage and Water Board**

The Sewerage & Water Board (S&WB) has an operating budget of \$237 million and a multi-billion dollar capital program, which makes it as financially significant as the rest of city government combined. An OIG report on sanitation fee collection revealed that \$8.5 million went uncollected

in 2011 and a report on the S&WB's collection of water service fees found that 47 percent of its accounts receivable balance was more than 90 days late. An OIG investigation of allegations regarding abuse of take-home vehicles revealed that S&WB employees and management ignored internal controls. In response, the S&WB eliminated the controls, demonstrating a reluctance on the part of S&WB managers to improve practices. Finally, an OIG audit of S&WB payroll found that employees and managers ignored internal controls over overtime, resulting in \$10.9 million of overtime and standby pay in 2013, fully 23 percent of payroll expenses. As it had done with controls on take-home vehicles, the S&WB eliminated the controls over overtime.

The OIG has shown the S&WB internal control system to be ineffective and revealed S&WB managers' indifference to preventing and reducing waste. As a result, S&WB activities have a high risk of fraud and theft.

### **Corruption**

Fraud is theft by deceit and various schemes have been revealed by previous OIG investigations and federal prosecutions.

### **Public Safety Risks**

Funding evaluations have been completed of the Orleans Parish Sheriff's Office, the City's Law Department, the New Orleans Police Department, and the Traffic Court. Other entities to be evaluated include the Municipal Court, Orleans Parish Juvenile Court, the Youth Study Center, the Orleans Parish District Attorney's Office, and the Orleans Public Defenders. These evaluations provide, for the first time, accurate and comparable financial information for the criminal justice system entities.

### **Potential Revenue Risks**

- The City may not be collecting taxes efficiently and effectively.

### **Public Concerns**

- Many streets remain in poor condition.

### III. STRATEGIES

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The OIG strategy to prevent and detect fraud and abuse in City operations and entities includes:

- (1) conducting Fraud Awareness seminars;
- (2) conducting seminars based on the OIG's Manual for Boards and Commissions held with publicly funded boards;
- (3) conducting cyber-based analyses to identify potential fraud indicators;
- (4) screening new procurements exceeding \$100,000 in value;
- (5) monitoring high-risk City contracts; and
- (6) conducting investigations into allegations or indications of fraud and abuse, and referring credible evidence of fraud or abuse to prosecutors and City officials, as appropriate.

The Construction Fraud Division will continue to provide fraud deterrence activities for the construction of the new terminal at Louis Armstrong New Orleans International Airport until it is opened in 2018.



*Deputy Assistant Inspector General David Eberly and Assistant Inspector General Peter Smith at work in the OIG Construction Fraud Division airport office.*

The strategy to promote efficiency and effectiveness consists of reviewing those areas of city operations or programs that may offer opportunities to improve public safety, to increase city revenues or reduce city expenditures, and to assess widespread public concerns.

## IV. RISK MITIGATION ACTIVITIES

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The projects listed below implement the strategy and are intended to mitigate the risks identified in the assessment. The schedule of activities will be reviewed and modified as circumstances warrant during 2017.

### 2017-2020 ACTIVITIES

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The projects shown in bold are scheduled to begin in 2017; the remaining projects in the following years. Projects may be delayed due to the carryover of 2016 projects or actions beyond the control of the OIG, such as delays in receiving requested documents.

#### PUBLIC SAFETY

##### **NOPD**

- **Audit of Uniform Crime Report Data Accuracy – Sex Crimes**
- **Audit of Uniform Crime Report Data Accuracy – to be determined**
- **Evaluation of NOPD Officer Retention**



##### **JUSTICE SYSTEM FUNDING EVALUATIONS**

- **Orleans Parish Criminal District Court**
- **Clerk of Criminal District Court**
- **Orleans Parish 1<sup>st</sup> and 2<sup>nd</sup> City Courts**
- **Orleans Parish Civil District Court**



##### **NOFD**

- **Evaluation of Firefighters' Pension and Relief Fund**

#### SEWERAGE & WATER BOARD

- **Inspection of Water Quality Testing**
- **Audit of Inventory Controls and Management**
- **Evaluation of Sewerage & Water Board Operations**





## **CITY OF NEW ORLEANS**

- **Evaluation of Parking Division Operations**



## **AUDUBON COMMISSION and AUDUBON NATURE INSTITUTE**

- **Audit of Fees Collection**



## **PROJECTS BEGINNING IN 2018-2020**

- Audit of NOPD Off-duty Details
- Audit of NOPD Central Evidence & Property Management
- Audit of Sales Tax Collections
- Audit of Public Works Controls & Processes
- Audit of Master Vendor Listing
- Audit of S&WB Collections
- Evaluation of Red-Light Camera Program
- Evaluation of Permitting Process
- Evaluation of Legal Claims
- Evaluation of Disadvantaged Business Enterprise Program
- Evaluation of Audubon Procurement
- Evaluation of S&WB Procurement
- Evaluation of Ordinance Enforcement
- Evaluation of Federal Grants
- Evaluation of Civil Service
- Evaluation of City Council Operations
- Funding Evaluation of the Coroner's Office

## **TOURISM**

- Aviation Board Construction Fraud Deterrence Program—ongoing
- French Quarter Citizen Reporting Initiative—ongoing

## **PROCUREMENT OVERSIGHT**

- Screen high value solicitations to assess risk and offer comments—ongoing
- Monitor high-risk contracts, including conducting audits and/or inspections—ongoing



## **PUBLIC CORRUPTION**

- Conduct Fraud Awareness seminars for employees and contractors—ongoing
- Conduct investigations and refer evidence to appropriate prosecutors—ongoing

## **LEGISLATIVE REVIEW**

- Review pending and existing ordinances, statutes and regulations, and make recommendations relating to fraud and abuse, or efficiency and effectiveness, in city programs and operations—ongoing

## V. VISION

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The NOLA OIG vision is *to be an organization that serves all the citizens of New Orleans—one that makes a positive difference in the integrity, efficiency, effectiveness, and fairness of City government.*



The OIG serves its clients as constructive critic, helpful advisor, and positive change agent. While maintaining our independence, we work in a cooperative fashion with others to improve governance of the City of New Orleans.



Our aim is to deter those who would commit fraud or abuse their position. Failing that, our aim is to cause them to be held accountable for their misconduct. We also seek to contribute materially to government efficiency and effectiveness—to make a positive difference in the delivery of services to the City’s citizens.

## VI. GOALS

The OIG is an oversight organization and accomplishes its mission principally through audits, evaluations, inspections, investigations, and other fact-finding and reporting activities. OIG mission effectiveness is guided by the following goals:

- **RELEVANCE:** Focusing OIG activities on the right issues at the right time;
- **CREDIBILITY:** Performing the work in a professional manner; and
- **COMMUNICATION:** Reporting the results of our work in a manner that achieves maximum impact and encourages expeditious action.

We believe that accomplishing these broad goals represents the best performance possible by an OIG.



## VII. PERFORMANCE MEASURES

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One or more sub-goals are presented for each goal, and performance measures and validation means are identified for each.

**GOAL: RELEVANCE** – OIG resources are directed to the issues of greatest concern; important projects are selected for review.

**Performance Measures:**

- Strategic plan assessed risks for the universe of City of New Orleans and its component and satellite entities responsibilities and operations. (Y/N)
- Resources were assigned according to priorities based on a risk assessment. (Y/N)

**GOAL: CREDIBILITY** – Reviews are performed by independent staff of sufficient competence to achieve review objectives in accordance with professional standards.

**SUBGOAL 1: *Independence*** – OIG staff is organizationally and personally independent.

**Performance Measures:** IG Certification of Independence prior to commencement of projects and in final reports. (Y/N)

**SUBGOAL 2: *Competence*** – OIG staff possesses the knowledge and skills to achieve the objectives of OIG projects.

**Performance Measures:**

- Percentage of staff meeting continuing professional education requirements.
- Percentage of audit and investigative staff with national certification(s).
- Percentage of audit and evaluation staff with advanced degrees and professional certification(s).

**SUBGOAL 3: *Methodology*** – The methodology employed meets professional standards and is appropriate to review objectives.

**Performance Measures:**

- Percentage of reviews meeting applicable professional standards.
- Percentage of draft findings sustained in final reports.

**GOAL: COMMUNICATION** – Findings and recommendations reported achieve maximum impact and encourage corrective action.

**SUBGOAL 1: *Quality*:** Information presented is accurate and complete; findings identify underlying causes of reported problems; and recommendations are effectively communicated to decision makers.

**Performance Measures:**

- Instances of factual errors or material omissions in final reports.
- Percentage of recommendations accepted.
- Annual Quality Assurance Review reports.

**SUBGOAL 2: *Form and Content*** – OIG reports meet all form and content expectations established by city ordinance and professional standards.

**Performance Measure:**

- Identified instances of failure to meet or satisfy form and content requirements.