

City of New Orleans and Sewerage & Water Board Repair Coordination Audit

September 29, 2022

Background

The City of New Orleans Office of Inspector General (OIG) conducted an audit of the coordination between the City of New Orleans (City) and the Sewerage & Water Board of New Orleans (S&WB) as it relates to FEMA-funded roadwork via the Joint Infrastructure Recovery Request Program (JIRR Program). JIRR Program projects involve coordination between the S&WB and the City, through the Department of Public Works (DPW), to restore a large portion of the City's damaged infrastructure using a combination of more than \$2 billion of federal and local funds.

Purpose of This Report

The objectives of the audit were to determine if:

- The City and the S&WB had sufficient policies and procedures as it related to the coordination of the JIRR Program, and if those policies were effectively implemented.
- The S&WB submitted accurate and timely data to the City to eliminate newly paved roads being torn up for pre-existing drainage repairs.
- The S&WB repaved utility cuts timely after completing subsurface repair work.

The scope of the audit included JIRR Program projects with invoices paid for City and S&WB expenses during the period January 1, 2020 through December 31, 2020. Auditors selected eight projects for testing, totaling \$27,352,907 of invoices paid during the scope period.

What the OIG Found

The OIG found:

- The City and the S&WB did not have coordination policies and procedures in place as required by the 1992 and 2012 CEAs to guide the execution of the JIRR Program.
- The S&WB's asset management and work order system, Cass Works, was outdated and, due to system limitations, did not consistently provide the City with credible information needed to properly plan and determine the full scope of JIRR Program projects.
- The City did not provide proactive or accurate information to the public concerning the status of planned or ongoing projects in their neighborhoods.
- The S&WB did not submit timely reimbursement requests to GOHSEP, as required by the JIRR Program CEA. The S&WB did not reimburse the City timely for any of the 98 invoices tested, totaling \$8,133,147.
- The S&WB did not comply with its duty to repave utility cuts timely after completing subsurface repairs, which increased the backlog of gravel-filled utility cuts awaiting permanent repaving.

However, the City and the S&WB complied with some aspects of the coordination procedures in place during the scope period of the audit and met consistently to discuss the status of each project. The City and the S&WB were responsive to OIG requests throughout the audit.

What the OIG Recommended

Based on these findings, the OIG made the following recommendations to the City and the S&WB:

- The City and the S&WB should document JIRR Program policies and procedures, as well as coordination procedures, as required by the 1992 and 2012 CEAs. The City and the S&WB should update those coordination policies regularly to eliminate inefficiencies and to provide continuity in periods of transition.
- The S&WB should establish adequate funding for the acquisition, maintenance, security and training required to implement a new asset management and work order system as soon as possible.
- The City should update RoadworkNOLA with more transparent and timely information, searchable by address, to provide the public with more detailed information concerning the status of planned and ongoing construction in impacted neighborhoods.
- The City and the S&WB should obtain an understanding of the 2019 JIRR Program CEA and revise any procedures that are not working effectively and efficiently to ensure compliance with the CEA. The City and the S&WB should ensure staff is properly trained to comply with the required procedures.
- The S&WB should establish policy setting a firm deadline for completing timely permanent repaving of utility cuts and include funding in its annual budget to ensure it has the means to repave service cuts and eliminate the current backlog.

The City and the S&WB submitted a joint response to the OIG recommendations in the report. The written response is attached to the Final Report in its entirety.