

EXECUTIVE SUMMARY

The Office of Inspector General conducted a review of the New Orleans Firefighters' Pension and Relief Fund (NOFFPRF) policies and procedures for credit card transactions and expense reimbursements from January 1, 2010 through December 31, 2012. The objective of the review was to verify that the New Orleans Firefighters' Pension Board (the board) had adequate internal controls over employee and board member credit card purchases and expense reimbursements and that those controls were operating effectively.

This report is issued to offer recommendations and observations concerning NOFFPRF policies and procedures for credit card purchases and expense reimbursements.

The review revealed that the NOFFPRF did not have a clear and comprehensive written policy for credit card transactions and expense reimbursements. The NOFFPRF also lacked a separate policy for credit card usage¹, despite the fact that nine of ten board members, one administrative employee and two individuals unrelated to the fund had unlimited access to a credit card. NOFFPRF employees and board members did not consistently submit the required supporting documentation for credit card transactions and expense reimbursement requests. The board did not review and approve the required supporting documentation for credit card transactions and expense reimbursement requests as required by its policy. NOFFPRF employees and board members made unallowable purchases on NOFFPRF credit cards which were not always reimbursed to the fund. Most reimbursements for expenses determined to be unallowable were not reimbursed in a timely manner.

The auditors noted that the board updated its policy for "Rules and Guidelines for Reimbursement of Reasonable Trustee Expenses" in a motion passed by the board on August 7, 2013. The new policy was not tested in this review, but will be tested during the follow-up to this review.

The recommendations in this report, if adopted, should improve the board's internal controls over credit card purchases and expense reimbursements, reducing the opportunity for fraud, waste and abuse.

All responses made by the board in the body of this report are direct statements from the board and have not been modified.

¹ The board's "Rules and Guidelines for Reimbursement of Reasonable Trustee Expenses" briefly discussed credit card usage and required that cardholders submit the same support as the policy required for expense reimbursements.