

EXECUTIVE SUMMARY

The French Market Corporation (“FMC”) is a non-profit corporation owned by the City of New Orleans (“the City”) and administered by a twelve member Board of Directors appointed by the Mayor.

This report is issued to offer timely recommendations and observations that affect the FMC’s policies and procedures relating to credit cards¹ and expense reimbursements, as requested by the mayor’s office.

The Office of Inspector General conducted a review of the FMC’s policies and procedures regarding credit card usage and expense reimbursements for the period July 1, 2007 through July 31, 2010. The objective of this review was to evaluate the effectiveness of the FMC’s internal controls over employee credit card transactions and reimbursements.

Our review revealed that the FMC’s Accounting Policy and Procedure Manual, which was last updated December 31, 2001, did not include a written policy for credit card usage and that employees issued credit cards did not consistently submit required support in accordance with the verbally stated policy. The policy manual also did not specify disallowed expenses, including use of funds that was prohibited by the State of Louisiana’s Constitution. This lack of specificity could result in waste and abuse of FMC funds by employees in possession of an FMC credit card.

The recommendations in this report, if adopted, should improve the FMC’s internal controls over credit card usage and expense reimbursements and reduce the opportunity for fraud, waste and abuse.

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

¹ The term credit card will be used throughout this report to include the FMC’s Capital One, Lowes, Home Depot, Office Depot, Sam’s Club and Chevron credit cards and/or business accounts.