

EXECUTIVE SUMMARY

In March 2012, the Office of Inspector General (OIG) issued *A Review of the New Orleans Aviation Board's Credit Card Activity* (prior report), which evaluated the effectiveness of the New Orleans Aviation Board's (NOAB) internal controls over the use of NOAB credit cards by employees. The prior report resulted in twelve findings related to internal controls over credit card transactions. A follow-up review was conducted to determine if the NOAB had implemented the corrective actions it agreed to in its response to the prior report.

Credit card activity decreased significantly for all NOAB credit card accounts during July 1, 2012 – December 31, 2012 when compared to the same six month period covered in the prior report². Total credit card transactions decreased by 667 or 89% and the total dollar amount of those credit card purchases decreased by \$116,089 or 87% (See table below).

The follow-up report concluded that the NOAB revised its policies in response to all twelve corrective actions in the prior report and consistently enforced those revised policies. NOAB employees turned in the required support along with written explanations for all credit card transactions tested. Credit card expenses were properly approved in accordance with the revised policies before the statements were paid and the NOAB enforced the disallowance of personal charges on NOAB credit cards for all transactions tested. Cardholders made reasonable effort to purchase airline tickets at the lowest available rate and travel requests were properly approved and limited to events that were directly associated with airport business. The auditors did not note any expenses that were in violation of the Louisiana Constitution's prohibition of the donation of public funds. No cash advances or alcohol purchases were made on NOAB credit cards during the period tested. Additionally, the NOAB requested and received full reimbursement from the former Board Chairman for personal expenses noted in the prior report.

Comparison of NOAB Credit Card Activity 2008 vs. 2012 (Six month period)

	PERIOD TESTED				(Decrease) in Credit Card Activity 2008 vs. 2012	
	7/1/08 - 12/31/08		7/1/12 - 12/31/12			
NOAB Credit Card Account	Number of transactions (A)	Total Dollars (B)	Number of transactions (C)	Total Dollars (D)	Decrease in Number of transactions (C)-(A)	Decrease in Dollars (D)-(B)
Director of Aviation	173	\$22,428	24	\$1,541	(149)	(\$20,887)
Board Chairman	32	\$25,872	N/A ³	N/A	(32)	(\$25,872)
Deputy Director of Finance	21	\$10,524	N/A ⁴	N/A	(21)	(\$10,524)
NOAB Staff	524	\$75,049	59	\$16,243	(465)	(\$58,806)
TOTALS	750	\$133,873	83	\$17,784	(667) 89% Reduction	(\$116,089) 87% Reduction

² The prior report covered the period January 1, 2008 – October 31, 2010.

³ The Board Chairman and the Deputy Director of Finance no longer have their own NOAB credit card.

⁴ Ibid.