

Orleans Parish Communication District Credit Cards Audit

AD-20-0002 • April 6, 2023

Purpose of This Report

The Office of Inspector General (OIG) for the City of New Orleans (City) conducted a performance audit of the Orleans Parish Communication District (OPCD). The objective of the audit was to determine if OPCD credit card expenditures were business-related and allowed by law and if OPCD credit card purchases were compliant with relevant OPCD policy, laws, and other best practices.

What the OIG Found

The audit of OPCD credit card purchases resulted in the following major findings:

- Purchases were not approved in accordance with OPCD policy for 44% of the credit card transactions tested, totaling \$220,321, during the three-year scope period.
- Receipts were not uploaded to the credit card management system in a timely manner for 33% of the charges tested, totaling \$204,847, during the three-year scope period.
- OPCD used public funds to purchase \$7,769 in goods and services that appeared to lack a public purpose and may have violated the Louisiana Constitution. When projected to the population, OPCD incurred expenses of \$30,306 which appeared to lack a public purpose during the three-year scope period.
- OPCD did not follow Louisiana Public Bid Law when making purchases related to generator repairs and maintenance, totaling \$83,065.
- OPCD did not provide support to show that purchases were solicited in accordance with OPCD policy, totaling \$530,383 during the three-year scope period.
- OPCD's employees provided written descriptions of their credit card purchases that were consistent with the type of transaction for all credit card charges tested in accordance with policy.

What the OIG Recommended

Based on these findings, the OIG made the following recommendations to OPCD:

- OPCD should provide training to employees to ensure compliance with its policies.
- OPCD should amend its credit card policy to establish a time frame for supporting documentation to be uploaded into the credit card management system. This time frame should require documents to be uploaded before the statement due date.
- OPCD should provide training to employees to ensure purchases comply with the Louisiana Constitution's prohibition of the donation of public funds.
- OPCD should provide training to employees to ensure purchases comply with the requirements of Louisiana Public Bid Law, including procedures for emergency events.
- OPCD should provide training to employees to ensure compliance with its purchasing policy and all required support is clearly documented and maintained in the procurement system. OPCD should also ensure that all policy updates comply with relevant laws and best practices.

OPCD submitted a written response which agreed with Finding 1, disagreed with Finding 2, did not agree or disagree with Finding 3, and fully disagreed with Findings 4 and 5. However, OPCD agreed to implement all of the OIG's recommendations which included conducting annual trainings on the credit card and purchasing policies, revising its credit card and travel policies, and adding references to specific contract numbers in their procurement system.