

Sewerage & Water Board of New Orleans

Internal Audit Department Performance Audit

Final Report • August 15, 2019



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August 15, 2019

Re: Sewerage & Water Board of New Orleans Internal Audit Department
Performance Audit

I certify that the Office of Inspector General personnel assigned to this project are free of personal or other external impairments to independence.

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Inspector General

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The S&WB Board of Directors (Board of Directors) should:

- Restructure the organizational placement of the Internal Audit Department to ensure the chief audit executive of the internal audit activity reports functionally to the Audit Committee and administratively to the Executive Director.
- Amend the by-laws to allow the Board of Directors to appoint a chief audit executive. The by-laws should also include information on terms for removal and remuneration.
- Appoint a chief audit executive and determine remuneration, based on established qualifications and relevant employment experience.

The Audit Committee should:

- Obtain the collective knowledge of the *International Standards for the Professional Practice of Internal Auditing* (IIA Standards) to ensure it is fulfilling its responsibilities to the Department.
- Review the S&WB Internal Audit Charter, the S&WB Audit Committee Charter, and all policies pertaining to the Department to ensure compliance with IIA Standards. If the Audit Committee notes instances of non-compliance, it should revise the necessary components as appropriate.
- Appropriately and continually govern the Department to ensure its full compliance with the IIA Standards and the S&WB Internal Audit Charter.

Specifically, the Audit Committee should: (1) review and approve the risk-based internal audit plan and the Department budget and resource plan; (2) receive communications from the chief audit executive on the internal audit activity’s performance relative to its plan and other matters; and (3) make appropriate inquiries of management and the chief audit executive to determine if there are inappropriate scope or resource limitations.

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As detailed in its performance audit of the Sewerage & Water Board of New Orleans (S&WB) Internal Audit Department (Department) released today, the Office of Inspector General (OIG) concluded that the S&WB Board of Directors (Board of Directors) and the S&WB Audit Committee (Audit Committee) failed to provide effective oversight of the Department due to a flawed reporting structure. As a result, S&WB management dictated what projects the Department conducted. In addition, the Audit Committee did not hold regular meetings to review the Department's activities, which contributed to the Department's noncompliance with applicable professional standards (IIA Standards)¹ to continue unabated.

The OIG conducted a performance audit of the S&WB internal audit activity for the period of January 1, 2016 through June 30, 2018. As summarized below, the OIG made the following findings and corresponding recommendations.

I. FINDINGS

- S&WB management interfered with Department operations. Specifically, the Department lacked independence from management because of an improper reporting structure and lack of oversight by the Audit Committee. The Department was not independent from S&WB management because the Department did not report functionally to the Audit Committee as required by professional standards. Moreover, the S&WB's former Executive Director interfered with Department operations by directing the acting Internal Audit Manager and Internal Audit staff to not conduct audits or reviews without obtaining his prior approval. In addition, S&WB management regularly refused to comply with Department requests for data or information.

The OIG determined that this finding was significant, urgent, and required prompt corrective action. Therefore, in accordance with Generally Accepted Government Auditing Standards, (GAGAS) the Inspector General communicated the preliminary finding to the Mayor of New Orleans and the Interim Executive Director on August 30, 2018.²

¹ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017.

² U.S. Government Accountability Office. *Government Auditing Standards, Chapter 6.78*. 2011.

- The Department did not develop and document an annual risk assessment as required by professional standards. A risk assessment was needed to assess organizational risks, prioritize internal audits, and focus auditing efforts on those areas that would provide the most impact on the S&WB's operations. Professional standards required the Department to base its annual audit plan on the documented risk assessment.
- The Department released internal reports or letters without documenting an engagement plan for each audit, nor did it develop and document engagement work programs or work papers to support the results and conclusions in its work product as required by professional standards. None of the 14 internal reports or letters released by the Department during the scope period were supported by an engagement plan, or engagement work programs and work papers to support the results and conclusions. The Department also did not document evidence of engagement supervision.
- The Department did not develop and implement a quality assurance and improvement that covered all aspects of the internal audit activity, including internal and external assessments as required by professional standards. A properly implemented quality assurance and improvement program may have revealed the instances of noncompliance with professional standards noted in the OIG's findings.

II. RECOMMENDATIONS

To resolve these issues, the OIG recommends the Board of Directors:

- Restructure the organizational placement of the Department to ensure the chief audit executive of the internal audit activity reports functionally to the Audit Committee and administratively to the Executive Director.
- Amend the by-laws to allow the Board of Directors to appoint a chief audit executive. The by-laws should also include information on terms for removal and remuneration.
- Appoint a chief audit executive and determine remuneration, based on established qualifications and relevant employment experience.

The OIG also recommends the Audit Committee:

- Provide the type of governance described in the professional standards. Review and formally approve the S&WB Internal Audit Charter, the S&WB Audit Committee Charter, and all policies pertaining to the Department to determine if those policies and procedures comply with professional standards. If the Audit Committee notes instances of non-compliance with professional standards, it should revise the necessary components as appropriate.
- Obtain the collective knowledge of professional standards to fulfill its responsibilities to the Department and to ensure the Department complies with those standards.

The OIG also recommends that the Department:

- Obtain periodic and professional training, including training on the professional standards, and ensure it possesses the collective knowledge to conduct audits in accordance with those standards.
- Provide training to S&WB personnel to ensure they understand the organizational placement of the Department as well as any requirements to comply with the Department's inquiries or document requests.

III. CONCLUSION

Due to a flawed reporting structure, the S&WB Audit Committee's oversight of the Department was ineffective and resulted in a compromised internal audit department. Consequently, the failure of the Department to comply with applicable professional standards and management's control of its operations continued unabated.

The Sewerage and Water Board of New Orleans (S&WB) was responsible for constructing, controlling, and maintaining the public water, sewerage, and drainage services for the City of New Orleans. The S&WB was composed of the mayor of New Orleans, two members of the Board of Liquidation directly appointed by the mayor, and eight citizens also appointed by the mayor with the advice and consent of the New Orleans City Council.³ The S&WB owned \$3.3 billion in assets, and it was a component unit of the City of New Orleans.⁴

The S&WB had the authority to establish the water and sewerage rates to charge its customers.⁵ In 2012, the S&WB approved water and sewer rate increases commencing January 1, 2013. The sewer and water rates will increase approximately 10 percent each year until the year 2020. Both the water and sewerage systems were financed by user fees. In 2017, the S&WB generated approximately \$206 million in total operating revenues. Approximately \$202 million was derived from water and sewer charges.⁶

Unlike the water and sewerage systems, the drainage system was financed by ad valorem taxes (i.e. property taxes). In 2017, the S&WB received \$55.4 million in property taxes, which were restricted for the operations, maintenance, construction, and extension of the drainage system.⁷

The S&WB established an Internal Audit Department via the S&WB Internal Audit Charter in 2013.⁸ The S&WB Internal Audit Charter required the Department to “meet or exceed the International Standards for the Professional Practice of

³ LA Rev. Stat § 33:4071 A (1)(a)-(d).

⁴ Postlethwaite & Netterville. *Sewerage and Water Board of NEW ORLEANS, LOUISIANA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016*. December 2018. p. II-21.

⁵ LA Rev. Stat § 33:4096 A(1) and LA Rev. Stat § 33:4121 A(1).

⁶ Postlethwaite & Netterville. *Sewerage and Water Board of NEW ORLEANS, LOUISIANA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016*. December 2018. p. II-23.

⁷ Postlethwaite & Netterville. *Sewerage and Water Board of NEW ORLEANS, LOUISIANA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016*. December 2018. p. II-23.

⁸ According to the IIA Standards, “[t]he internal audit charter is a formal document that defines the internal audit activity’s purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity’s position within the organization; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.” Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. Glossary.

Internal Auditing and Code of Ethics of The Institute of Internal Auditors.”⁹ As defined by the Institute of Internal Auditors (IIA),

“[i]nternal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.”

The IIA established the *International Standards for the Professional Practice of Internal Auditing (IIA Standards)* to provide internal audit professionals with the authoritative guidance pertaining to the internal audit activity. Specifically, the IIA Standards

“are a set of principles-based, mandatory requirements ... for the professional practice of internal auditing and for evaluating the effectiveness of performance that are internationally applicable at organizational and individual levels.”¹⁰

The following sections note our findings during the course of the audit.

⁹ *Sewerage & Water Board of New Orleans Internal Audit Charter*, 2013. Standards of the Audit Practice.

¹⁰ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. Introduction to the Standards.

II. INDEPENDENCE AND OBJECTIVITY

According to the S&WB of New Orleans Audit Committee Charter (S&WB Audit Committee Charter),¹¹ the Audit Committee’s role was to act on behalf of the Board of Directors¹² and “oversee all material aspects of the company’s reporting, control, and audit functions....”¹³ According to the IIA Standards, “[t]he internal audit activity must be independent, and internal auditors must be objective in performing their work.”¹⁴ The IIA Standards also stated, “[o]rganizational independence is effectively achieved when the chief audit executive reports functionally to the board.”¹⁵

Finding 1: S&WB management interfered with Department operations. Specifically, the Department lacked independence from S&WB management because of an improper reporting structure and a lack of oversight by the Audit Committee.

Through interviews with various S&WB personnel and inspection of various documentation, the OIG noted the following instances where S&WB management hindered the Department’s operations.

- In January 2017, the Acting Internal Audit Manager received a memo from the former Executive Director instructing the Department to “only take on what I have specifically authorized.”¹⁶ The former Executive Director’s order did not comply with the S&WB Internal Audit Charter, which authorized the Internal Audit Manager to “[a]llocate resources, set frequencies, select subjects, determine scopes of work, and apply the

¹¹ The S&WB Audit Committee Charter provided guidance to the Audit Committee as to best practices in audit governance and specifically defines the Audit Committee’s responsibilities to review, assess and approve different audit practices.

¹² IIA Standards defined “board” as, “[t]he highest level governing body (e.g., a board of directors, a supervisory board, or a board of governors or trustees) charged with the responsibility to direct and/or oversee the organization’s activities and hold senior management accountable.... Furthermore, ‘board’ in the *Standards* may refer to a committee or another body to which the governing body has delegated certain functions (e.g., an audit committee).” Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. Glossary.

¹³ *Sewerage & Water Board of New Orleans Audit Committee Charter*, 2016. Committee Role.

¹⁴ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1100 – Independence and Objectivity.

¹⁵ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1110 – Organizational Independence Interpretation.

¹⁶ Refer to Appendix B for the former Executive Director’s memo to the Department.

techniques required to accomplish audit objectives.”¹⁷ Per discussion with Internal Audit staff and the Acting Internal Audit Manager, the former Executive Director did not specifically authorize any projects after sending the memo and before his retirement. As a result, the Department took on projects suggested by the former Deputy Director/CFO during this time, and they asserted that they sent the results of those reports to the Deputy Director/CFO and the department head of the audited department. According to the Acting Internal Audit Manager, the Department did not receive feedback from the Executive Director, Deputy Director/CFO, or department heads related to the information contained in those reports.

- Based on interviews with the Department staff, several S&WB Deputy Directors often ignored or did not comply with the Department’s document requests, despite the S&WB Internal Audit Charter granting internal auditors “... full, complete, and unrestricted access to all functions, records, property, and personnel.”¹⁸ Management hindered the Department from reviewing all information needed to make informed conclusions and ultimately prohibited the Department from fulfilling its purpose to improve the S&WB’s operations.
- In May 2018, the former Deputy Director of Security prepared a memo requesting the Department be temporarily assigned to the Security Department. The former Interim Deputy Director approved the memo during her last week of service. Under that arrangement, the Department would be under the authority of the Deputy Director of Security. The Interim Executive Director left the S&WB after approving the memo, and the Interim Deputy Director/CFO informed the Deputy Director of Security that the Department would not be reassigned to the Security Department because it would impair independence.¹⁹

The Department did not have the proper reporting structure to allow for independence from management. OIG auditors noted that the Acting Internal Audit Manager reported to senior management, and senior management reported to the Audit Committee. This reporting structure did not allow the

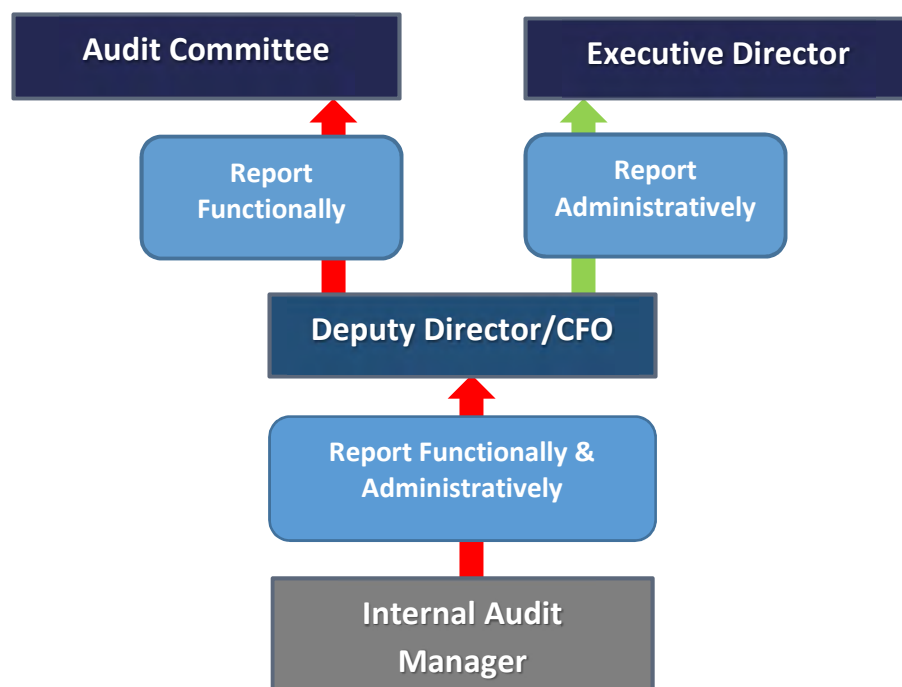
¹⁷ *Sewerage & Water Board of New Orleans Internal Audit Charter*, 2013. Authority.

¹⁸ *Sewerage & Water Board of New Orleans Internal Audit Charter*, 2013. Authority.

¹⁹ Refer to Appendix C for the Department’s response to the memo.

Department to be independent from management. Figure 1 illustrates the reporting structure in place during the scope period of the audit.

Figure 1. S&WB Internal Audit Reporting Structure.



Although the S&WB Internal Audit Charter defined the Department’s position within the organization, auditors noted the language in the S&WB Internal Audit Charter contained contradictory information.²⁰ In one instance, the S&WB Internal Audit Charter stated, “[t]he Internal Audit Manager, in the discharge of his/her duties, shall be accountable to management and the Finance²¹ Committee... .”²² In another instance, the S&WB Internal Audit Charter required the Internal Audit Manager to report to the Deputy Director/CFO, who reported administratively to the Executive Director and functionally to the Audit Committee. The S&WB Internal Audit Charter stated,

²⁰ According to the IIA Standards, “[t]he internal audit charter is a formal document that defines the internal audit activity’s purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity’s position within the organization; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.” Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. Glossary.

²¹ The S&WB revised and amended its by-laws in August 2015 and created an Audit Committee. The S&WB Internal Audit Charter required the Deputy Director/CFO to report to the Finance Committee. Once the Audit Committee was formed, it did not update the S&WB Internal Audit Charter to recognize that the Audit Committee existed.

²² *Sewerage & Water Board of New Orleans Internal Audit Charter, 2013. Accountability.*

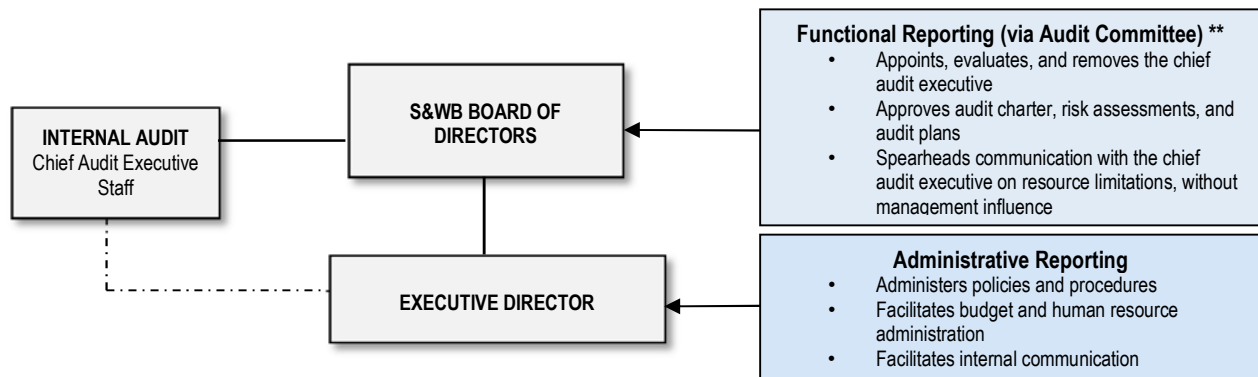
“To provide for the independence of the Internal Audit Department, its personnel report to Deputy Director [CFO]²³, who reports administratively to the Executive Director and functionally to the Finance Committee....”²⁴

To achieve organizational independence, IIA Standards suggested the internal audit activity have a “dual-reporting relationship” in which the chief audit executive reports functionally to the board of directors and administratively to senior management.²⁵ According to the IIA Standards,

*“The internal audit charter establishes the internal audit activity's position within the organization, including the nature of the chief audit executive's functional reporting relationship with the board....”*²⁶

Refer to Figure 2 for an illustration of the dual-reporting relationship suggested by the IIA Standards for establishing organizational independence of the internal audit activity.

Figure 2. Internal Audit Dual-Reporting Structure (IIA Standards).²⁷



****Although the chief audit executive interacts directly with the Audit Committee, the internal audit activity requires full board concurrence.**

²³ The S&WB Internal Audit Charter “defined [management] as the Executive Director, the General Superintendent, the Special Counsel and the Deputy Director [CFO]....” *Sewerage & Water Board of New Orleans Internal Audit Charter*, 2013. Management.

²⁴ *Sewerage & Water Board of New Orleans Internal Audit Charter*, 2013. Independence.

²⁵ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1100 – Independence and Objectivity Interpretation.

²⁶ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1000 – Purpose, Authority, and Responsibility Interpretation.

²⁷ Louisiana Legislative Auditor. *Evaluation of the Internal Audit Function in State Agencies and University Systems*. Audit Control no 40160014. January 11, 2017. P.5.

The Audit Committee did not provide oversight over the Department. The Audit Committee did not comply with its own charter because it did not meet from July 17, 2017 until May 8, 2018. According to the S&WB Audit Committee Charter, the Audit Committee “should meet at least quarterly. Additional meetings should be scheduled as considered necessary by the committee or chairperson.”²⁸

To demonstrate compliance, the IIA standards required “organizational independence.”²⁹ According to the IIA Standards,

“Organizational independence is effectively achieved when the chief audit executive reports functionally to the board. Examples of functional reporting to the board involve the board:

- *Approving the internal audit charter.*
- *Approving the risk-based internal audit plan.*
- *Approving the internal audit budget and resource plan.*
- *Receiving communications from the chief audit executive on the internal audit activity’s performance relative to its plan and other matters.*
- *Approving decisions regarding the appointment and removal of the chief audit executive.*
- *Approving the remuneration of the chief audit executive.*
- *Making appropriate inquiries of management and the chief audit executive to determine whether there are inappropriate scope or resource limitations.”*³⁰

The OIG conducted interviews with Department personnel and the Audit Committee Chairperson. OIG auditors also reviewed Audit Committee meeting minutes and other documents during the scope period and determined that the Audit Committee and/or the Board of Directors did not:

1. Approve the S&WB Internal Audit Charter.
2. Approve the risk-based internal audit plan.³¹
3. Approve the internal audit budget and resource plan.

²⁸ Sewerage & Water Board of New Orleans Audit Committee Charter, 2016. Meeting Frequency.

²⁹ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1110 – Organizational Independence.

³⁰ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1110 – Organizational Independence Interpretation.

³¹ Also refer to Finding 2 concerning the risk-based audit plan.

4. Receive communications from the chief audit executive on the internal audit activity's performance relative to its plan and other matters.
5. Approve decisions regarding the appointment, remuneration, and removal of the chief audit executive.
6. Make appropriate inquiries of management and the chief audit executive to determine whether there were inappropriate scope or resource limitations.

1. Approval of the S&WB Internal Audit Charter.

The S&WB Audit Committee Charter, required the Audit Committee to “review, assess, and approve ... [t]he internal audit charter”,³² and the IIA standards required,

“[t]he chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.³³ *Final approval of the internal audit charter resides with the board.*”³⁴

The Board of Directors last approved the S&WB Internal Audit Charter in 2014, prior to the Audit Committee's formation in 2015. The Audit Committee did not revise or approve the S&WB Internal Audit Charter since the Audit Committee's formation in 2015. The S&WB Internal Audit Charter was outdated and did not reflect the existence of the Audit Committee.

2. Approval of the risk-based internal audit plan.

IIA Standards required, “[t]he chief audit executive must communicate the internal audit activity's plans [to] ... the board for review and approval.”³⁵ The S&WB Audit Committee Charter also required the Audit Committee to, “review and assess ... Internal Audit Responsibilities [including but not limited to] - The annual audit plan and the process used to develop the plan.”³⁶

³² *Sewerage & Water Board of New Orleans Audit Committee Charter*, 2016. Primary Committee Responsibilities.

³³ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1000 – Purpose, Authority, and Responsibility.

³⁴ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1000 – Purpose, Authority, and Responsibility Interpretation.

³⁵ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 2020 – Communication and Approval.

³⁶ *Sewerage & Water Board of New Orleans Audit Committee Charter*, 2016. Primary Committee Responsibilities.

OIG auditors reviewed minutes from the Board of Directors and Audit Committee meetings and inquired of the Department staff and the Audit Committee Chairperson. OIG auditors noted the Audit Committee neither provided input, nor did it review and approve the Department's annual audit plan.

3. Approval of the internal audit budget and resource plan.

IIA Standards required, "[t]he chief audit executive must communicate the internal audit activity's ... resource requirements [to] ... the board for review and approval."³⁷

The Audit Committee Chairperson stated that the Audit Committee approved the Department's annual budget as a line item when it approved the entire S&WB annual budget. However, the Acting Internal Audit Manager did not communicate the Department's resource requirements to the Audit Committee, and the Audit Committee did not approve the Department's resource plan as part of the Internal Audit annual budget.³⁸

4. Communications from the chief audit executive on the internal audit activity's performance relative to its plan and other matters.

Based on discussions with the Acting Internal Audit Manager, S&WB Internal Audit staff, and the Audit Committee Chairperson, the Acting Internal Audit Manager did not provide updates to the Audit Committee concerning results of audit activities or the Department's performance relative to the plan or any resource limitations. Instead, the Deputy Director/CFO reported to the Audit Committee. The S&WB Audit Committee Charter required the Audit Committee to, "review and assess [the Department's] [s]tatus of activities, significant findings, recommendations, and management's response."³⁹ The former Executive Director provided the Audit Committee with general informational packets, but those packets did not contain information regarding the Department's performance relative to the audit plan.

³⁷ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 2020 – Communication and Approval.

³⁸ A resource plan includes summarizes a level of resources needed to fulfill an objective, such as personnel costs, training needs, and other materials.

³⁹ *Sewerage & Water Board of New Orleans Audit Committee Charter*, 2016. Primary Committee Responsibilities.

IIA Standards required,

“The chief audit executive must report periodically to ... the board on the internal audit activity’s purpose, authority, responsibility, and performance relative to its plan and on its conformance with ... the [IIA] *Standards*.”⁴⁰

In addition to the IIA Standards, the S&WB Internal Audit Charter required,

“[t]he Internal Audit Manager and the staff of the Internal Audit Department have responsibility to: Issue periodic reports to the Finance Committee and management summarizing results of audit activities.”⁴¹

According to the IIA Standards, “[t]he chief audit executive must communicate the results of the quality assurance and improvement program to senior management and the board.”⁴² Additionally,

“[w]hen nonconformance with ... the Standards impacts the overall scope or operation of the internal audit activity, the chief audit executive must disclose the nonconformance and the impact to senior management and the board.”⁴³

OIG Auditors determined the Department lacked a quality assurance and improvement program, which ultimately prevented the Acting Internal Audit Manager from detecting and reporting instances of nonconformance to the Audit Committee.⁴⁴

5. Approval of decisions regarding the appointment, remuneration, and removal of the chief audit executive.

The OIG reviewed the Board of Directors by-laws and noted the by-laws did not authorize the Board of Directors or the Audit Committee to appoint a chief audit

⁴⁰ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 2060 – Reporting to Senior Management and the Board.

⁴¹ *Sewerage & Water Board of New Orleans Internal Audit Charter*, 2013. Responsibility.

⁴² Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1320 – Reporting on the Quality Assurance and Improvement Program.

⁴³ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1322 – Disclosure of Nonconformance.

⁴⁴ Refer to Finding 4 for additional information pertaining to the Department’s lack of a quality assurance and improvement program.

executive and determine remuneration.⁴⁵ OIG auditors also inspected the S&WB Internal Audit Charter and the Audit Committee Charter and noted neither document authorized the appointment of a chief audit executive.

IIA Standards suggested the board approve, “*decisions regarding the appointment and removal of the chief audit executive [and] the remuneration of the chief audit executive.*”⁴⁶ The S&WB Audit Committee Charter also required the Audit Committee to “review, assess, and approve ... changes in internal audit leadership and/or key financial management.”⁴⁷

6. Appropriate inquiries of management and the chief audit executive to determine whether there were inappropriate scope or resource limitations.

The Audit Committee did not inquire of the Acting Internal Audit Manager concerning the Department’s performance relative to the audit plan or any resource limitations.

According to the IIA Standards, “[t]he chief audit executive must communicate and interact directly with the board” to effectively achieve the internal audit activity’s functional relationship with the board.⁴⁸ Because the Deputy Director/CFO reported functionally to the Audit Committee, the Department had no direct interaction with the Audit Committee or the Board of Directors. According to the Acting Internal Audit Manager and Internal Audit staff, the Department did not disclose instances of management interference directly to the Audit Committee. The IIA Standards required the chief audit executive to disclose instances of interference. The IIA standards stated,

“[t]he internal audit activity must be free from interference in determining the scope of internal auditing, performing work, and communicating results. The chief audit executive must disclose such interference to the board and discuss the implications.”⁴⁹

⁴⁵ *By-Laws of the Sewerage and Water Board of New Orleans*. Revised and Amended through August 19, 2015.

⁴⁶ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1110 – Organizational Independence Interpretation.

⁴⁷ *Sewerage & Water Board of New Orleans Audit Committee Charter*, 2016. Primary Committee Responsibilities.

⁴⁸ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1111 – Direct Interaction with the Board.

⁴⁹ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1110.A1 – Organizational Independence.

Per discussion with the Audit Committee Chairperson, the Audit Committee lacked the collective knowledge and proficiency of the IIA Standards. The Audit Committee did not have the full breadth and depth of knowledge and proficiency of its governance responsibilities to the Department. Specifically, the Audit Committee's lack of governance over the Department resulted in interference by S&WB management. The S&WB established the authority for the S&WB Audit Committee via the S&WB Audit Committee Charter in 2016. Therefore, the full authority by the Audit Committee to assess the internal audit activities was not sufficient to ensure its overall effectiveness, and to ensure compliance with the IIA Standards.

Furthermore, the improper organizational structure resulted in a lack of independence between the Department and S&WB management. This hindered the Acting Internal Audit Manager from effectively managing the internal audit activity. The Department could not provide independent assessments of S&WB's various operations because the Deputy Director/CFO in consultation with the Executive Director, directed the audit work. This lack of independence from management prevented the Department from providing significant value and strengthening the S&WB's operations.

Due to its lack of scheduled meetings and lack of communication with the Department, the Audit Committee failed to provide the type of governance required by the IIA Standards and resulted in an organizational structure where The Department was not independent from management. If the Audit Committee adopted the dual reporting structure suggested by IIA Standards and met at least quarterly as required by the S&WB Audit Committee Charter, it likely would have known S&WB management interfered with the Department's operations. Furthermore, the Audit Committee may have likely identified the Department's lack of compliance with the IIA Standards.

Recommendation 1:

The Board of Directors should:

- **Restructure the organizational placement of the Department to ensure the chief audit executive of the internal audit activity reports functionally to the Audit Committee and administratively to the Executive Director.**

- Amend the by-laws to allow the Board of Directors to appoint a chief audit executive. The by-laws should also include information on terms for removal and remuneration.
- Appoint a chief audit executive and determine remuneration, based on qualifications and relevant employment experience.
- **ADDITIONAL NOTE:** Due to the importance and organizational placement of this position, the CAE's responsibilities should include assessing and evaluating the S&WB's internal controls are implemented and operating effectively. This position must remain objective and independent of management operations, but retains the responsibility to contribute to the overall control environment, identify and remedy deficiencies in internal control, and assist in the development of organizational-wide policies.

The Audit Committee should:

- Obtain the collective knowledge of the IIA Standards to ensure it is fulfilling its responsibilities to the Department.
- Review the S&WB Internal Audit Charter, the S&WB Audit Committee Charter, and all policies pertaining to the Department to ensure compliance with IIA Standards. If the Audit Committee notes instances of non-compliance, it should revise the necessary components as appropriate.
- Appropriately and continually govern the Department to ensure its full compliance with the IIA Standards and the S&WB Internal Audit Charter. Specifically, the Audit Committee should: (1) review and approve the risk-based internal audit plan and the Department budget and resource plan; (2) receive communications from the chief audit executive on the internal audit activity's performance relative to its plan and other matters; and (3) make appropriate inquiries of management and the chief audit executive to determine if there are inappropriate scope or resource limitations.
- Communicate and provide awareness training to S&WB personnel to ensure they understand the organizational placement of the Department, the full scope of the audit activity's purpose, authority, and responsibility, including unrestricted access to

records, personnel, and physical properties relevant to the performance of engagements without management interference.

III. ANNUAL RISK ASSESSMENT AND AUDIT PLAN

Risk is the “possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.”⁵⁰ According to the Committee of Sponsoring Organizations of the Treadway Commission (COSO),

“[r]isk identification must be comprehensive. It should consider all significant interactions-of goods, services, and information-internal to an entity and between the entity and its relevant business partners and outsourced service providers.”⁵¹

According to COSO, “responsibility and accountability for risk identification and analysis processes reside with management at the overall entity and its subunits.”⁵²

The S&WB owned approximately \$3.3 billion in assets, generated \$206 million in operating revenues, and provided a critical public service to the citizens of New Orleans.⁵³ In November 2016, the S&WB implemented a new \$11 million Cogsdale billing system to replace its outdated Customer Account Management (CAM) billing system. Since implementation, the S&WB encountered various technical and procedural issues with Cogsdale that resulted in inaccurate bills for S&WB customers. S&WB leadership implemented a temporary collections moratorium, which resulted in a significant increase in delinquent accounts. In April 2019, the S&WB estimated it was owed \$73.4 million from its customers.⁵⁴

On August 5, 2017, the City of New Orleans experienced a storm that resulted in extreme flooding and loss of power to major S&WB facilities. Past S&WB administrations did not determine the funding needed to maintain the drainage

⁵⁰ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. Glossary.

⁵¹ Committee of Sponsoring Organizations (COSO) of the Treadway Commission. *Internal Control – Integrated Framework*. Principle 7. May 2013.

⁵² Committee of Sponsoring Organizations (COSO) of the Treadway Commission. *Internal Control – Integrated Framework*. Principle 7. May 2013.

⁵³ Postlethwaite & Netterville. *Sewerage and Water Board of NEW ORLEANS, LOUISIANA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016*. December 2018. p. II-21.

⁵⁴ Adelson, Jeff. "New Orleans S&WB Says It's Owed More than \$73M in Unpaid Bills, with More than \$50M Months Overdue." April 10, 2019. Accessed April 10, 2019. https://www.theadvocate.com/new_orleans/news/article_c76d3c6c-5bae-11e9-a348-2fca2ee25177.html.

structure. The flooding exposed the extent of the deferred maintenance and the need for additional investment in drainage infrastructure. In the aftermath of the August 2017 flood, there was a high turnover at the S&WB executive management level with multiple interim Executive Directors until a permanent Executive Director assumed the position in September 2018.⁵⁵

As a result of issues related to the new billing system and the August 2017 flood, the S&WB's 2017 Comprehensive Financial Annual Report was delayed five months. When finally released on November 30, 2018, the external auditors noted that the "[S&WB] does not have adequate policies, procedures, and related internal controls to prepare accurate and complete financial statements on a timely basis."⁵⁶ To further support this assertion, the OIG previously performed audits of the S&WB payroll and fee collection processes and conducted an investigation into brass theft. Like the external auditors, the OIG noted in those reports that the S&WB did not implement proper internal controls.

Events, such as the August 2017 flood and billing system errors, impacted the S&WB's ability to achieve its objectives. The IIA Standards required the Department to establish a risk-based audit plan. According to the IIA Standards,

"[t]he chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization's goals. ... The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process."⁵⁷

In addition to the IIA Standards, the S&WB Internal Audit Charter stated,

"[t]he Internal Audit Manager and the staff of the Internal Audit Department have responsibility to: Develop a flexible audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Finance Committee for review and approval as well as periodic updates."⁵⁸

⁵⁵ Refer to Appendix A for executive director tenure dates.

⁵⁶ Postlethwaite & Netterville. *Sewerage and Water Board of New Orleans Schedule of Findings and Questioned Costs for the Year ended December 31, 2017*. November 2018.

⁵⁷ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 2010 – Planning.

⁵⁸ *Sewerage & Water Board of New Orleans Internal Audit Charter*, 2013. Responsibility.

Finding 2: The Department did not develop and document a risk assessment, which would have enabled the Department to assess organizational risks, prioritize internal audits, and focus auditing efforts on those areas that would provide the most impact on the S&WB's operations.

OIG auditors requested all documented risk assessments and risk-based audit plans during the scope period, but the Department could not provide a documented risk assessment or any audit plan based on a risk assessment methodology. Through interviews with the Acting Internal Audit Manager and the Audit Committee Chairperson, OIG auditors determined the Department never performed a risk assessment to determine the audit priorities. The OIG also noted the Acting Internal Audit Manager did not consult with senior management or the Audit Committee to obtain an understanding of the S&WB's strategies, key business objectives, associated risks, and risk management processes. Internal auditors acknowledged they did not understand or were not familiar with the S&WB's internal processes because they never performed a risk assessment.

Without a risk assessment, the Department could not:

- Establish audit priorities and focus its auditing efforts on operations with potential high risks and high negative impacts;
- Assist the S&WB in maintaining effective internal controls by evaluating their effectiveness and efficiency and by promoting continuous improvement;
- Assess the organization's governance, risk management, and control processes and make appropriate recommendations to improve those processes; and
- Establish direction or clear rationale for its engagements and help mitigate risks, such as the excessive billing errors.

Through interviews with Department staff, OIG auditors determined the Department developed an audit plan, but never conducted a risk assessment to develop or support the audit plan.

As noted in Finding 1, the Board of Directors did not appoint a chief audit executive, and it lacked the collective knowledge and expertise of the IIA Standards. Without that knowledge and expertise, the Audit Committee did not know whether a risk-based audit plan was performed or of its responsibility to approve the risk-based audit plan.

The S&WB has significant areas of risk, and it is important that the Department consider risks when determining which areas to audit. Implementing an annual documented risk assessment and risk-based annual audit plan would determine priorities and ensure the Department is auditing the right things at the right times to help mitigate the S&WB's risks. A risk-based audit plan would also aid in identifying, assessing, managing, and controlling potential events that may impact the achievement of the S&WB's objectives. Should the Department develop a risk-based audit plan, it would add value, improve the S&WB's operations, and help prevent and detect fraud, waste and abuse from occurring within the organization. All of these elements are critical to the S&WB's success.

Recommendation 2: The Board of Directors should appoint an experienced chief audit executive to, among various duties, ensure that a documented risk assessment methodology is used to create the annual audit plan. An experienced chief audit executive should:

- **Consider the adequacy and effectiveness of S&WB governance, risk management, and control processes.**
- **Consider the input of senior management and the Audit Committee during the risk assessment process.**
- **Communicate the Department's plans and resource requirements, including significant interim changes to senior management and the Audit Committee for review and approval.**
- **Provide training to Internal Audit staff to ensure they possess the collective knowledge to conduct audits in accordance with IIA Standards.**

IV. ENGAGEMENT PLANNING, PERFORMANCE, AND REPORTING

The purpose of the internal audit activity is to provide,

“independent, objective assurance and consulting services designed to add value and improve an organization’s operations. The internal audit activity helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.”⁵⁹

The internal audit activity is conducted through planning, fieldwork, documentation, and reporting phases. The OIG requested all reports issued by the Department during the scope period, as well as all planning documents, engagement plans, engagement work programs, and work papers to support the final results and reports. The Department provided 14 internal reports or letters that were released during the scope period.

According to the IIA Standards and the S&WB Internal Audit Manual, internal auditors must develop and document the following for each engagement:

- Engagement Plan,
- Engagement Work Program,
- Engagement Work Papers, and
- Engagement Supervision.

The Acting Internal Audit Manager asserted that he developed the S&WB Internal Audit Manual in 2013.⁶⁰ The S&WB Internal Audit Manual defined the audit policies and standards of planning, fieldwork, reporting, etc.

Finding 3: The Department did not document an engagement plan for each audit, nor did it develop and document engagement work programs or work papers to support the results and conclusions in its work product as required by IIA Standards

⁵⁹ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. Glossary.

⁶⁰ The S&WB Internal Audit Manual was undated and unsigned. OIG auditors could not verify the date of the S&WB Internal Audit Manual, but auditors noted a signatory line for the Former Executive Director, Marcia St. Martin. She retired in 2014. The 2013 estimate appeared reasonable.

and the S&WB Internal Audit Manual. The Department also did not document evidence of engagement supervision.

Engagement Plan. An engagement plan (i.e. planning document) is “a plan for each engagement, including the engagement’s objectives, scope, timing, and resource allocations. The plan must consider the organization’s strategies, objectives, and risks relevant to the engagement.”⁶¹ IIA guidance for planning audit engagements stated,

“[e]ngagement planning involves considering the strategies and objectives of the area or process under review and prioritizing the risks relevant to the engagement. The plan must contain the engagement objectives, scope, timeline, and resource allocations. Established engagement objectives and scope enable internal auditors to focus on efforts on the significant risks in the area or process under review, develop the engagement work program, and communicate clearly with management and the board.”⁶²

In addition to the IIA Standards, the S&WB Internal Audit Manual stated, “[a]n *audit plan* must be prepared and revised as necessary in the course of an audit to cover all material areas under examination.”⁶³ The S&WB Internal Audit Manual also deemed documentation pertaining to planning procedures as “relevant and should be retained on file.”⁶⁴

The Department did not prepare an engagement plan for any of the 14 internal reports or letters.

Engagement Work Program. An engagement work program is “a document that lists the procedures to be followed during an engagement, designed to achieve the engagement plan.”⁶⁵ IIA Standards required, “[w]ork programs must include the procedures for identifying, analyzing, evaluating, and documenting information during the engagement. The work program must be approved prior

⁶¹ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 2200 – Engagement Planning.

⁶² Institute of Internal Auditors. *IIA Practice Guide / Engagement Planning: Establishing Objectives and Scope*. August 2017.

⁶³ *Sewerage & Water Board of New Orleans Internal Audit Manual*. Undated. Planning.

⁶⁴ *Sewerage & Water Board of New Orleans Internal Audit Manual*. Undated. Adequate Documentation.

⁶⁵ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. Glossary.

to its implementation, and any adjustments approved promptly.”⁶⁶ The S&WB Internal Audit Manual required, “... before detailed audit testing is undertaken an Audit Program should be prepared.”⁶⁷ Auditors develop engagement work plans during the planning phase, but they are updated as necessary throughout the audit.

Engagement planning and engagement work programs are part of the planning process and are essential to ensure auditors develop and achieve engagement objectives. According to the IIA, “[f]ailing to properly establish engagement objectives may introduce risks that compromise the internal audit activity’s ability to:

- Prioritize risks at the engagement level and align them to those of the organization.
- Meet the expectation of the organization and/or stakeholders.
- Protect and enhance organizational value by providing assurance, advice, and insight.
- Improve the organization’s governance, risk management, and control processes.

Likewise, if auditors do not properly define the engagement scope prior to commencement, the internal audit activity risks inefficiencies or inadequacies, such as:

- Failing to address the significant risks to the area or process under review.
- Failing to ensure that management or personnel in the area under review understand the scope and purpose of the engagement.
- Duplicating efforts or performing work that does not add value.
- Allocating resources inadequately to complete the engagement.”⁶⁸

The Department did not prepare an engagement work program for any of the 14 internal reports or letters.

Engagement Work Papers. Auditors use engagement work papers to document the information generated throughout the engagement process, including

⁶⁶ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 2240 – Engagement Work Program.

⁶⁷ *Sewerage & Water Board of New Orleans Internal Audit Manual*. Undated. Audit Programs.

⁶⁸ Institute of Internal Auditors. *IIA Practice Guide / Engagement Planning: Establishing Objectives and Scope*. August 2017.

planning; testing, analyzing, and evaluating data; and formulating engagement results and conclusions. Work papers are essential support for the auditor's results and conclusions. Work papers also facilitate supervision and quality control reviews.

According to IIA Standards, "[i]nternal auditors must document sufficient, reliable, relevant, and useful information to support the engagement results and conclusions."⁶⁹ The S&WB Internal Audit Manual also required internal auditors to "provide adequate documentation of the audit, including the base and extent of planning, the work performed and the results and findings of the audit."⁷⁰ The S&WB Internal Audit Manual required the Department to retain on file:

- "Information provided by the client or other parties that is significant to the findings or the recommendations [and]
- Principal procedures and findings to the extent that these are not documented in the final report."⁷¹

The Department did not prepare engagement work papers for any of the 14 internal reports or letters.

Engagement Supervision. IIA Standards required engagements to be "properly supervised to ensure objectives are achieved, quality is assured, and staff is developed."⁷² The S&WB Internal Audit Manual also required that "[e]vidence of review of work papers by the Director [of] Internal Audit ... is relevant and should be retained on file."⁷³

The Department did not document evidence of supervision for any of the 14 internal reports or letters.

The Acting Internal Audit Manager asserted that he created the S&WB Internal Audit Manual in 2013, but it was never approved by management or the Audit Committee. He asserted that he was knowledgeable of the IIA Standards. When

⁶⁹ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 2330 – Documenting Information.

⁷⁰ *Sewerage & Water Board of New Orleans Internal Audit Manual*. Undated. Adequate Documentation.

⁷¹ *Sewerage & Water Board of New Orleans Internal Audit Manual*. Undated. Adequate Documentation.

⁷² Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 2340 – Engagement Supervision.

⁷³ *Sewerage & Water Board of New Orleans Internal Audit Manual*. Undated. Adequate Documentation.

asked why he did not follow the IIA Standards, he stated he was operating under certain conditions such as the constant turnover of management, a lack of direction from the Audit Committee, and constant crisis within the S&WB. Due to those conditions, he “just didn’t follow them.” He asserted that he did the best he could to comply with management audit requests.

The Acting Internal Audit Manager stated that the conclusions and recommendations in the reports were properly researched and developed through interviews and reviewing S&WB documents, but proper protocols, such as engagement documentation were not in place during the scope period. Additionally, the Department lacked an electronic workflow/repository system or automated software that allowed auditors to create and store audit plans, audit programs and audit work papers. According to the Acting Internal Audit Manager,

“The projects that we reported on were done without the standard protocols of creating a formal audit program and working papers to support our audit conclusions. These were critical issues within the organization at that time and we reported on them without our usual audit process and planning structure. Research was done to provide technical or legal justifications for the positions we took beyond our interviews with management staff. This is an area within our operations that has been acknowledged and should have been prepared but will be in place in future reporting.”

The Acting Internal Audit Manager also acknowledged the entire Department needed additional training on the IIA Standards. Combined with these issues, the Board of Directors did not appoint a chief audit executive to provide the necessary expertise and oversight over the Department to ensure engagements complied with IIA Standards.

According to the IIA Standards,

“The chief audit executive must effectively manage the internal audit activity to ensure it adds value to the organization⁷⁴ ... *The internal audit activity is effectively managed when: It achieves the*

⁷⁴ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 2000 – Managing the Internal Audit Activity.

purpose and responsibility included in the internal audit charter ... [and] It conforms with the Standards.”⁷⁵

The lack of leadership within the Department resulted in a myriad of non-compliance with IIA Standards, including no evidence of review of work papers to demonstrate the engagements were properly supervised and to ensure engagement objectives were achieved and audit quality was maintained.

Because the Department did not prepare or maintain work papers or document evidence of supervisory review, there was no permanent record of the objectives, scope, and audit methodology. Sufficient, appropriate, and reliable audit evidence and proper documentation support the internal auditor’s results and conclusions, but the Department could not support its results and conclusions because there was no evidence that work was performed. The lack of audit evidence resulted in poor audit quality and brought in to question the reliability of the results and conclusions. Without audit evidence and proper documentation, the results and conclusions could not be supported and relied on by those charged with governance and/or third parties.

Proper planning helps internal auditors focus their efforts on the most significant risks in the area or process under review. Proper planning is also critical to facilitate efficient and effective fieldwork and to ensure internal auditors achieve the engagement objectives. Because of the lack of documentation that supported the results and conclusions of its audits, the Department may not be sufficiently helping the S&WB accomplish its organizational mission.

Recommendation 3: The Board of Directors should appoint an experienced chief audit executive to ensure audit work encompasses all aspects of engagement planning, performance, and appropriate supervision. Additionally, the chief audit executive should:

- **Develop and implement policies for the Internal Audit Department as well as provide input to the Executive Director to develop organizational wide policies to ensure internal controls are implemented and operating effectively.**
- **Review and approve the S&WB Internal Audit Manual to ensure that it complies with IIA Standards.**

⁷⁵ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 2000 – Managing the Internal Audit Activity.

- **Provide training to Internal Audit staff to ensure they possess the collective knowledge to conduct audits in accordance with IIA Standards and understand the audit procedures documented in the S&WB Internal Audit Manual.**
- **Procure automated audit software and/or use relevant electronic means to promote efficiencies in audit operations, facilitate document creation and reflect compliance with agency records retention requirements.**

V. QUALITY ASSURANCE AND IMPROVEMENT

A quality assurance and improvement program enables the internal audit activity to perform an evaluation of its activities to assess its efficiency and effectiveness, to identify opportunities for improvement, and to determine its compliance with IIA Standards.

The IIA Standards required the chief audit executive to “develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.”⁷⁶ The quality assurance and improvement program “must include both internal and external assessments.”⁷⁷ The S&WB Internal Audit Manual also required the chief audit executive to,

“establish and maintain a system of supervision and control (including a quality assurance program) to evaluate the operations of the Audit unit and provide reasonable assurance that required results will be met in an efficient and economical manner.”⁷⁸

Finding 4: The Department did not develop and implement a quality assurance and improvement program that covered all aspects of the internal audit activity, including internal and external assessments.

Through interviews with the Department and the Audit Committee Chairperson, OIG auditors determined the Department did not comply with IIA Standards and the S&WB Internal Audit Manual because it did not implement a quality assurance and improvement program.

Internal Assessments. According to the IIA, internal assessments “are ongoing, internal evaluations of the internal audit activity, coupled with periodic self-assessments and/or reviews.”⁷⁹ IIA Standards for internal assessments required,

“Ongoing monitoring of the performance of the internal audit activity ... [and] [p]eriodic self-assessments or assessments by

⁷⁶ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1300 – Quality Assurance and Improvement Program.

⁷⁷ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1310 – Requirements of the Quality Assurance and Improvement Program.

⁷⁸ *Sewerage & Water Board of New Orleans Internal Audit Manual*. Undated. Controlling.

⁷⁹ Institute of Internal Auditors. “Quality Assurance.” 2013. Accessed December 12, 2018. <https://na.theiia.org/services/quality/pages/quality-assurance.aspx>.

other persons within the organization with sufficient knowledge of internal audit practices.”⁸⁰

According to the IIA,

“[Internal assessments] establish a benchmark of the internal audit activity that can be used to establish metrics. Over time, these metrics will indicate improvement in areas of partial conformance or nonconformance with the [IIA] *Standards* and successful practices.”⁸¹

The Acting Internal Audit Manager and Audit Committee Chairperson confirmed that the Department did not receive any internal assessments of its performance during the scope period.

External Assessments. According to the IIA,

“[e]xternal assessments enhance value, as they enable the internal audit activity to evaluate conformance with the *Standards*; internal audit and audit committee charters; the organization’s risk and control assessment; the effective use of resources; and the use of successful practices.”⁸²

IIA Standards required the following for external assessments of the internal audit activity:

“External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. The chief audit executive must discuss with the board ... [t]he form and frequency of external assessment [and] [t]he qualifications and independence of the external assessor or assessment team, including any potential conflict of interest.”⁸³

⁸⁰ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1311 – Internal Assessments.

⁸¹ Institute of Internal Auditors. “Quality Assurance.” 2013. Accessed December 12, 2018. <https://na.theiia.org/services/quality/pages/quality-assurance.aspx>.

⁸² Institute of Internal Auditors. “Quality Assurance.” 2013. Accessed December 12, 2018. <https://na.theiia.org/services/quality/pages/quality-assurance.aspx>.

⁸³ Institute of Internal Auditors. *International Standards for the Professional Practice of Internal Auditing (Standards)*. January 2017. 1312 – External Assessments.

The Acting Internal Audit Manager and Audit Committee Chairperson confirmed that the Department did not obtain an external, independent quality assurance assessment.

As noted in Finding 3, the Acting Internal Audit Manager asserted that he created the S&WB Internal Audit Manual in 2013, but neither management nor the Audit Committee approved it. He further asserted that he was knowledgeable of the IIA Standards. When asked why he did not follow the IIA Standards, he stated he was operating under certain conditions such as the constant turnover of management, a lack of direction from the Audit Committee, and constant crisis within the S&WB. Due to those conditions, he “just didn’t follow them.”

Moreover, OIG auditors noted the Audit Committee lacked the collective knowledge and expertise of the IIA Standards. Without that knowledge and expertise, the Audit Committee did not know that the Department needed to establish and maintain a quality assurance program. Furthermore, the Board of Directors did not appoint a chief audit executive to report functionally to the Audit Committee to ensure a quality assurance and improvement program was in place that covered all aspects of the internal audit activity.

A properly implemented quality assurance and improvement program enhances the Department’s value because stakeholders have assurance that the Department complied with the IIA Standards. Quality assurance assessments provide credibility to the Department’s reports and promotes efficiency and effectiveness in its operations. A properly implemented quality assurance and improvement program may have also revealed the following potential instances of noncompliance with IIA Standards:

- The Department lacked independence from management. Refer to Finding 1.
- The Department did not develop an annual audit plan based on a documented risk assessment. Refer to Finding 2.
- The Department lacked documentation of engagement planning, performance, and supervision. Refer to Finding 3.

The quality assurance assessment team could have revealed potential instances of non-compliance with IIA Standards and provided areas of improvement for the Department. Also, those instances of non-compliance could have been reported to the Audit Committee for its consideration and/or resolution.

Recommendation 4: The Board of Directors should appoint an experienced chief audit executive to properly develop and implement a quality assurance and improvement program that complies with IIA Standards.

- **Perform ongoing assessment of the internal audit activities, and use processes, tools, and data to evaluate conformance with the IIA standards.**
- **Once established, obtain an external assessment of the Department at least every five years.**
- **Communicate the results of internal and external assessments, including any instance of nonconformance with the standards and the potential impact, to senior management and the Audit Committee.**

VI. CONCLUSION

The S&WB provided a critical public service because it was responsible for constructing, controlling, and maintaining the public water, sewerage, and drainage services for the City of New Orleans. To that end, the Internal Audit Department was responsible for assessing and evaluating whether the S&WB had proper internal controls, governance, and risk management processes to ensure their overall effectiveness.

The Audit Committee's lack of governance over the Department allowed S&WB management to interfere with the Department's operations. The improper organizational structure resulted in a lack of independence between the Department and S&WB management. Moreover, the Department did not provide an independent assessment of S&WB's operations because the Deputy Director/CFO in consultation with the Executive Director, directed the audit work. This lack of independence from management prevented the Department from providing significant value and strengthening the S&WB's operations. Had the Audit Committee adopted the organizational structure suggested by the IIA Standards and met quarterly, it likely would have known S&WB management hindered the Department's operations. Furthermore, the Audit Committee should have identified the Department's lack of compliance with the IIA Standards.

An effective internal audit department is a valuable resource for the Audit Committee and S&WB management because it helps the agency identify strengths and weaknesses within its operations. Executive leadership and the Board of Directors should use internal audit reports to make relevant operational decisions. Early detection of operational weakness or failures should minimize operational risk and the impact to the public from operational failures. Given the size and function of the S&WB, the Department should play a critical role in detecting and preventing fraud, waste and abuse, which is critical to the S&WB's success and to helping the S&WB improve its operations.

VII. OBJECTIVES, SCOPE, AND METHODOLOGY

The OIG conducted a performance audit of the S&WB internal audit activity for the period of January 1, 2016 through June 30, 2018. The objective of the audit was to determine if the Department complied with the Institute of Internal Auditors (IIA) Standards, the S&WB Internal Audit Charter, and the S&WB Internal Audit Manual.

The scope of the audit included the Department's policies and procedures, risk assessments, audit plans, work papers, reports, as well as communications with S&WB senior management and the Audit Committee during the scope period.

To accomplish the objectives, OIG auditors performed the following procedures:

- Reviewed the S&WB Audit Committee Charter, the S&WB Internal Audit Charter, the S&WB Internal Audit Manual, the IIA Standards, state law, and other best practices;
- Conducted interviews with Department personnel and the Audit Committee Chairperson to obtain an understanding of the S&WB internal audit activity;
- Requested and/or reviewed Department risk assessments, audit plans, work papers, and reports;
- Requested and/or reviewed Department communications to senior management and/or the Audit Committee;
- Reviewed the Department's reporting structure to determine compliance with the IIA Standards; and
- Reviewed the S&WB Internal Audit Charter and the S&WB Internal Audit Manual to determine compliance with IIA Standards.

OIG auditors did not obtain or rely on any computer-processed data for this audit; therefore, auditors did not assess the reliability of computer-processed data.

Auditors used the following criteria for this performance audit:

- Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing (Standards)*;
- S&WB Internal Audit Charter;
- S&WB Internal Audit Manual; and
- S&WB Audit Committee Charter.

AUDITING STANDARDS

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.⁸⁴

Auditors conducted this performance audit in accordance with the *Principles and Standards for Offices of Inspector General*.⁸⁵

ADDITIONAL COMMUNICATIONS

The OIG determined that Finding #1 was significant, urgent, and required prompt corrective action. Therefore, in accordance with GAGAS, the Inspector General communicated the preliminary finding to the Mayor of New Orleans and the Interim Executive Director on August 30, 2018.⁸⁶

LEGAL AUTHORITY

The authority to perform this audit is established in LA Rev. Stat § 33:9613 and in City Code Sec. §2-1120 of the City of New Orleans.

⁸⁴ U.S. Government Accountability Office. *Government Auditing Standards, Chapter 7.30*. 2011.


⁸⁵ Association of Inspectors General. *Principles and Standards for Offices of Inspector General*. 2014. Quality Standards for Audits by Offices of Inspector General.

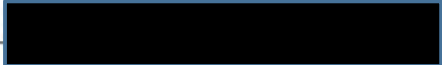
⁸⁶ U.S. Government Accountability Office. *Government Auditing Standards, Chapter 6.78*. 2011.

APPENDIX A. EXECUTIVE DIRECTOR TURNOVER AT S&WB

	Cedric Grant	Paul Rainwater	Marcie Edwards	Jade Brown Russell	David Callahan	Ghassan Korban
Title	Executive Director	Interim Director	Interim Director	Interim Director	Interim Director	Executive Director
Time in Office	July 28, 2014 - August 22, 2017	August 22, 2017 - January 8, 2018	January 8 - May 22, 2018	May 24 - August 21, 2018	August 21 - September 3, 2018	September 3, 2018 - Present
	Appointed by the Board of Directors to serve as the Executive Director of S&WB. Resigned at the Mayor Landrieu's request after August 5, 2017 flood.	Appointed by the Board of Directors to serve as the Interim Director until a transitional Interim Director was formally selected through a contract process.	Selected through a contract process and Appointed by the Board of Directors to serve as the Interim Director until LaToya Cantrell assumed office as Mayor.	Appointed by the Board of Directors to serve as the Interim Director until a permanent director was appointed. Stepped down at Mayor Cantrell's request.	Appointed by the Board of Directors to serve as the Interim Director until the permanent Executive Director started.	Appointed by the Board of Directors to serve as the Executive Director of S&WB.

APPENDIX B. FORMER EXECUTIVE DIRECTOR'S MEMO


Executive Director

TO: 

DATE: 1-11-17

PLEASE:

- | | |
|--|--|
| <input type="checkbox"/> RESPOND, COPY ME | <input type="checkbox"/> FOR YOUR FILES/INFORMATION |
| <input type="checkbox"/> GIVE ME YOUR ADVICE | <input type="checkbox"/> SEE ME/LET'S DISCUSS |
| <input type="checkbox"/> PROCESS PAYMENT | <input type="checkbox"/> COPY AND DISTRIBUTE |
| <input type="checkbox"/> TAKE NECESSARY ACTION | <input type="checkbox"/> PREPARE A RESPONSE FOR MY SIGNATURE |

REMARKS Why was this response prepared,
I know I did not direct it. It
does not address any of the issues
it purports to and is not helpful
in any way.

Please discontinue any work on
this or any similar reports and
only take on what I have specifically
authorized.

APPENDIX C. INTERNAL AUDIT RESPONSE TO SECURITY MEMO

From: [REDACTED]
Sent: Monday, May 21, 2018 9:52 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: Security Memo
Attachments: Security Memo.pdf

I am sending you a copy of this memo from our Security Department signed by our Interim Executive Director requesting temporary reassignment of the Internal Audit function to the Security Department. While I can agree to assist the Security Department with audit services for investigative projects on a temporary basis, I cannot agree for the Internal Audit unit to be placed under another department's authority, even on a temporary basis as it will undermine our independence and objectivity to perform internal audit work throughout the organization. Our dual reporting arrangement with the organization is a direct line functionally to the Board of Director via the Audit Committee and administratively to the CFO or higher that will ensure our independence.

I expressed my disagreement to [REDACTED], Deputy Director of Security and after further consideration and discussion will not submit to such an arrangement. As we realign ourselves with the Audit Committee for proper functionality of the Internal Audit Department, I thought it was necessary to bring this issue before the Board now to be addressed going forward.

Sincerely,

[REDACTED]





SEWERAGE & WATER BOARD

Inter-Office Memorandum

Date: May 10, 2018

To: [REDACTED]
Interim Executive Director, Sewerage & Water Board of New Orleans

From: [REDACTED]
Deputy Director, Security

Re: Assistance from the Internal Audit Department

As you are aware the Security Department is conducting a misconduct investigation that if proven accurate would have serious implications affecting the Board's ability to provide essential services to the public. We are requesting the temporary reassignment of the Board's Internal Audit function to the Security Department to supplement our investigative efforts. This temporary arrangement will combine the audit department's expertise with our department's investigative skills to create the multidisciplinary expertise needed to yield a thorough and comprehensive inquiry.

Currently, we have two specific inquiries that would be significantly enhanced by combining the internal audit function with our investigations. While our investigations are focused on determining if there are sustainable criminal or administrative violations; a detailed audit of the operational processes of these departments will allow us to recommend immediate corrective action, as determined necessary negating adverse impact to the public and our organization.

We believe this combined investigative effort would increase the likelihood of discovering systemic problems that contribute to, if not are the root causes that precipitated our investigation. While our investigators have significant investigative experience and skill, the addition of the auditors would be an enhancement to the work-product we could deliver to the organization. The audit skills that will assist us in the following areas:

- regulatory compliance
- financial analysis
 - income and balance sheets
 - cash flow
- process evaluation improvement
- policy review
- development of administrative industry standard

1

In the past our investigators have discovered compliance issues that we believe contributed to misconduct or administrative violations. Not having the authority to initiate a directed audit review immediately, or even concurrently with our inquiries we believe reduces the organizational flexibility necessary for the continuous improvement we desire. The coupling of the internal audit review function with our investigative responsibilities is a force multiplier enhancing the probability of success in both arenas.

I have consulted with [REDACTED] to determine if this temporary assignment would have any negative human resources impact. She has indicated that as there will be no change in the duties performed there is no impact.

Approved/Disapproved

[REDACTED]

City of New Orleans Ordinance, §2-1120(8)(b) provides that a person or entity who is the subject of a report shall have 30 days to submit a written explanation or rebuttal of the findings before the report is finalized, and that such timely submitted written explanation or rebuttal shall be attached to the finalized report.

On June 28, 2019, The OIG distributed an Internal Review Copy of this report to the entities who were the subject of the audit so they would have an opportunity to comment on the report prior to the public release of this Final Report. The OIG received the Sewerage and Water Board's comments on August 5, 2019. The OIG attached these comments to the report.



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Sewerage & Water Board OF NEW ORLEANS

625 ST. JOSEPH STREET
NEW ORLEANS, LA 70165 • 504-529-2837 OR 52-WATER
www.swbno.org

July 25, 2019

Derry Harper, Esq., CIG
New Orleans Office of Inspector General
525 St. Charles Avenue
New Orleans, LA 70130

Re: Performance Audit Draft Final Report for Sewerage and Water Board of New Orleans Internal
Audit Department Performance Audit

Dear Mr. Harper:

Thank you for sharing the draft of the final performance audit from your office, regarding the Internal Audit Department of the Sewerage and Water Board of New Orleans (S&WB). We appreciate the time and effort to provide guidance to us as the S&WB works to build a more solid and stable frontline presence within our Internal Audit Department to maintain and defend the integrity of the S&WB, its resources and its work.

Many of your recommendations coincide with issues identified by the current management of S&WB. In fact, we have already initiated several steps that address many of the findings included within this audit:

- Since the initiation of this audit process in April 2018 the S&WB has engaged permanent, professional executive staff leadership of CFO Yvette Downs and Executive Director Ghassan Korban, P.E.
- A new organizational structure was created and presented to the SWBNO Board of Directors in April 2019 and has been reviewed and accepted by the Civil Service Commission of New Orleans. This new structure includes placing the Internal Audit Department as a direct report to the Board of Directors with an administrative reporting relationship to the Executive Director. It also includes the creation of a Chief Audit Executive to lead this important team.

S&WB has been striving to hire a qualified department head to lead our internal audit process. After the one qualified candidate declined our employment offer for one more lucrative in the private sector, we created a new position description, Chief Audit Executive

(CAE), to attract the senior leader necessary for the required work. At present, position approval is still ongoing with Civil Service.

- An Audit Committee Charter was drafted in 2018 and is under review given the new structural changes recently approved.
- The Audit Committee will ensure that periodic updates are provided to the Board members to ensure that they stay abreast of current trends and updated standards of audit best practices and trends.

For the record, we want to ensure that we address all of your specific findings and recommendations in writing. Below you will find each of your recommendations formatted as presented in your report along with management's responses.

INDEPENDENCE AND OBJECTIVITY

Finding 1: S&WB management interfered with Department operations. Specifically, the Department lacked independence from S&WB management because of an improper reporting structure and a lack of oversight by the Audit Committee.

- The Department did not have the proper reporting structure to allow for independence from management.
- The Audit Committee did not provide oversight over the Department.
 1. Approval of the S&WB Internal Audit Charter.
 2. Approval of the risk-based internal audit plan.
 3. Approval of the internal audit budget and resource plan.
 4. Communications from the chief audit executive on the internal audit activity's performance relative to its plan and other matters.
 5. Approval of decisions regarding the appointment, remuneration, and removal of the chief audit executive.
 6. Appropriate inquiries of management and the chief audit executive to determine whether there were inappropriate scope or resource limitations.
- Per discussion with the Audit Committee Chairperson, the Audit Committee lacked the collective knowledge and proficiency of the IIA Standards.

Recommendation 1: With the consent of the S&WB of Directors, the Audit Committee should:

- Restructure the organizational placement of the Department to ensure the chief audit executive of the internal audit activity reports functionally to the Audit Committee and administratively to the Executive Director.

RESPONSE: Management agrees and has already completed the process of restructuring. A new organizational chart was submitted to the SWBNO Board of

Directors in April 2019 and accepted by the Civil Service Commission in June 2019. This new structure places reporting lines of the Internal Audit Department

functionally to the Audit Committee and administratively to the Executive Director.

- Hire a chief audit executive, approve his/her appointment and removal, and determine remuneration.

RESPONSE: The S&WB agrees with this recommendation. We tried unsuccessfully in the Spring 2019 to hire a leader under an existing classification, but we were unable to hire a strong, qualified candidate due to the salary limitations. Therefore, SWBNO has been working diligently with Civil Service to create and adequately classify the CAE position with efforts to create an attractive job posting for qualified candidates. To date, we have not been able to reach an agreement with Civil Service that would be reflective of the recommendations contained within this performance report. While our approved organization chart assumes an executive level position, the options offered from Civil Service do not include the experience at the senior level to engage, plan, perform and lead a team of qualified professionals, and allow the Audit Committee to remove or determine remuneration as suggested.

- Obtain the collective knowledge of the IIA Standards to ensure that the Committee is fulfilling its responsibilities to the Department.

RESPONSE: SWBNO believes that the Audit Committee has knowledge of the IIA Standards and audit practices. However, we would acknowledge that ongoing continuous training of the board members to safeguard that updates and current trends are presented would be useful to ensure the success of the Committee in fulfilling its responsibilities.

- Review the S&WB Internal Audit Charter, the S&WB Audit Committee Charter, and all policies pertaining to the Department to ensure compliance with IIA Standards. If the Audit Committee notes instances of non-compliance, it should revise the necessary components as appropriate.

RESPONSE: Management agrees with this recommendation and will work with the Internal Audit Department and the S&WB executive team to ensure compliance with IPPF Standard 1010. A revised draft of the SWBNO Audit Committee Charter was initiated with the Committee in late 2018, and will be updated based upon the new structure and compliance with IIA Standards.

- Appropriately and continually govern the Department to ensure its full compliance with the IIA Standards and the S&WB Internal Audit Charter. For example, the Audit Committee should: (1) review and approve the risk-based internal audit plan and the Department budget and resource plan; (2) receive communications from the chief audit executive on the internal audit activity's performance relative to its plan and other matters; and (3) make appropriate inquiries of management and the chief audit executive to determine if there are inappropriate scope or resource limitations.

RESPONSE: The S&WB agrees with recommendation. The Audit Committee will be engaged in the selection of the Chief Executive Auditor and work directly with the CAE to create risk-based internal audit plans, update charters, develop annual work plans, review recommendations, ensure appropriate resource allocation for internal audit needs, and generally ensure all performance activity relative to the internal audit functions.

- Communicate and provide awareness training to S&WB personnel to ensure they understand the organizational placement of the Department, the full scope of the audit activity's purpose, authority, and responsibility, including unrestricted access to records, personnel, and physical properties relevant to the performance of engagements without management interference.

RESPONSE: The S&WB agrees with recommendation and some of this awareness communication has already begun. Further, the importance of all audits that have been underway has been consistently emphasized by executive leadership.

ANNUAL RISK ASSESSMENT AND AUDIT PLAN

Finding 2: The Department did not develop and document a risk assessment, which would have enabled the Department to assess organizational risks, prioritize internal audits, and focus auditing efforts on those areas that would provide the most impact on the S&WB's operations.

Recommendation 2: The Audit Committee should appoint an experienced chief audit executive to, among various duties, ensure that a documented risk assessment methodology is used to create the annual audit plan. An experienced chief audit executive should:

- Consider the adequacy and effectiveness of S&WB governance, risk management, and control processes.
- Consider the input of senior management and the Audit Committee during the risk assessment process.
- Communicate the Department's plans and resource requirements, including significant interim changes to senior management and the Audit Committee for review and approval.
- Provide training to Internal Audit staff to ensure they possess the collective knowledge to conduct audits in accordance with IIA Standards.

RESPONSE: The S&WB agrees with recommendation and as previously noted we are actively engaged in seeking civil service approval of an appropriately skilled, experienced chief audit executive. It should be noted that the Audit Committee has been engaged in several enterprise risk assessments and studies. However, we agree that the risk assessment required specifically for prioritization of internal audits has not been developed.

ENGAGEMENT PLANNING, PERFORMANCE AND REPORTING

Finding 3: The Department did not document an engagement plan for each audit, nor did it develop and document engagement work programs or work papers to support the results and conclusions in their work product as required by IIA Standards and the S&WB Internal Audit Manual. The Department also did not document evidence of engagement supervision.

- Engagement Work Program
- Engagement Work Papers
- Engagement Supervision

Recommendation 3: The Audit Committee should appoint an experienced chief audit executive to ensure audit work encompasses all aspects of engagement planning, performance, and appropriate supervision. Additionally, the CAE should:

- Review and approve the S&WB Internal Audit Manual to ensure that it complies with IIA Standards.
- Provide training to Internal Audit staff to ensure they possess the collective knowledge to conduct audits in accordance with IIA Standards and understand the audit procedures documented in the S&WB Internal Audit Manual.
- Diligently work to procure automated audit software and/or use relevant electronic means to promote efficiencies in audit operations, facilitate document creation and reflect compliance with agency records retention requirements.

RESPONSE: The S&WB agrees with recommendation and as previously noted we are actively engaged in seeking civil service approval of an appropriately skilled, experienced chief audit executive. Regarding the software identification, SWBNO has examined its technology gaps and will develop a technology strategy in the near future to help match needs with resources.

QUALITY ASSURANCE AND IMPROVEMENT

Finding 4: The Department did not develop and implement a quality assurance and improvement program that covered all aspects of the internal audit activity, including internal and external assessments.

Recommendation 4: The Audit Committee should appoint an experienced chief audit executive to properly develop and implement a quality assurance and improvement program that complies with IIA Standards.

- Once established, obtain an external assessment of the Department at least every five years.

- Communicate the results of internal and external assessments, including any instance of nonconformance with the standards and the potential impact, to senior management and the Audit Committee.


RESPONSE: The S&WB is working with Civil Service in efforts to create an attractive CAE position posting. This has proven challenging as the positions

recommended by Civil Service have not provided competitive salary ranges when compared to the private sector Chief Audit Executive opportunities. This was demonstrated several months ago when SWBNO advertised for the existing city-wide classification of Chief Auditor for a month, and resulted in only one candidate with sufficient qualifications and experience to interview. When S&WB pursued this candidate and offered the position (including a residency requirement exemption and a mid-point salary for extraordinary qualifications), the candidate still turned down the position for a much more attractive private sector opportunity. Given the current private sector job market and market salary, S&WB believes the only solution to attract and hire a person with the necessary skills, experience and leadership qualities, is to create the unclassified position of Chief Executive Auditor.

We are engaging executive management along with Civil Service officials to secure audit leadership reflecting the mission and vision of S&WB to ensure we offer quality insight, assurance and oversight to our valued customers, the citizens of New Orleans.

S&WB appreciates your recognition of the efforts undertaken to date to strengthen its Internal Audit functions, acknowledges its remaining weaknesses, and appreciates the assistance in implementing imperative protective measures from this point forward.

Sincerely,



Ghassan Korban, P.E.

Executive Director

Sewerage and Water Board of New Orleans

cc: Derry Harper, Esq., CIG

Erica Smith

Patrice Sullivan

Larry Douglas

Dan Pattison

Hon. LaToya Cantrell

Dr. Tamika Duplessis

Yvette Downs, MBA

Yolanda Grinstead, Esq.