

October 31, 2023

Sheriff Susan Hutson
Orleans Parish Sheriff’s Office
2800 Perdido Street
New Orleans, LA 70114

Re: Potential OPSO use of BRASS ERP system

Dear Sheriff Hutson,

The Office of Inspector General (OIG) is authorized to comment on rules, regulations, policies, procedures, and transactions for the purpose of preventing fraud, waste, and abuse, or promoting efficient and effective government.¹ This letter addresses the potential benefits of the Orleans Parish Sheriff’s Office (OPSO) using the City’s existing Budget, Requisition, and Accounting Services System (BRASS) as its Enterprise Resource Planning (ERP) system to replace its current, outdated ERP system.

OPSO is charged with providing for the care, custody, control and rehabilitation of inmates, as well as providing the highest level of service and security to the court systems, the execution of court mandates, and the protection of individuals’ rights and freedoms. OPSO receives significant funding from the City. As shown in Figure 1, the City provided \$112 million, or approximately 73%, of OPSO’s total operating revenue over the past two budget cycles. The City appropriated \$56 million of OPSO’s \$76 million budgeted revenue for the year ended December 31, 2022 and \$56 million of OPSO’s \$77 million budgeted revenue for the year ended December 31, 2023.²

Figure 1. City Funding of OPSO Budget

	2022	2023	Combined Total
Total City Appropriation	\$56,049,864	\$55,749,954	\$111,799,818
Total OPSO Budgeted Revenue	\$75,960,142	\$77,398,138	\$153,358,280
% of Total OPSO Budgeted Revenues	73.79%	72.03%	72.90%

¹ Home Rule Charter of the City of New Orleans Article IX, § 9-401(2); City Code Section §2-1120(10)(f).

² Orleans Parish Sheriff Office, “Orleans Parish Sheriff’s Office - 2022 PROPOSED ANNUAL BUDGET”, Presented to New Orleans City Council November, 15, 2021 https://cityofno.granicus.com/MetaViewer.php?view_id=42&event_id=23249&meta_id=556691; Orleans Parish Sheriff Office, “Sheriff – Budget Templates – FINAL”, Presented to New Orleans City Council November, 11, 2022 https://cityofno.granicus.com/MetaViewer.php?view_id=42&clip_id=4306&meta_id=608332; and City of New Orleans, “2023 Annual Operating Budget”, <https://nola.gov/next/mayors-office/topics/budget/>.

OPSO currently uses Oracle’s JD Edwards ERP (JD Edwards) as its current ERP system, which is software used to manage day-to-day business activities, including procurement. OPSO has previously acknowledged that JD Edwards, which was first implemented in 1991, is “highly antiquated” and needs to be replaced.³

It is the position of this office that there would be substantial benefits for the City and its taxpayers if OPSO adopts BRASS as its new ERP system. In 2022, the OIG released a report titled “BRASS Purchasing & Accounts Payable Internal Controls” that determined,

BRASS contained an appropriate audit trail. BRASS adequately documented when purchases were created and approved, and by whom, throughout the entire purchasing and payables process. Furthermore, contracts, POs, invoices, disbursements, and related documents were maintained in BRASS and easily accessible.⁴

The positive findings in the BRASS report demonstrated that the City has already solved the minor issues that are commonly prevalent when implementing new systems. Therefore, if OPSO were to elect to implement BRASS as its ERP system, the agency would be able to have the system running effectively and efficiently and with fewer problems due to the City’s prior experience with the implementation of BRASS and overall familiarity with the system.

In addition to the efficiencies that can be realized by adopting a system that has already gone through the process of troubleshooting various problems, additional savings can potentially be realized through the adoption of BRASS. These include proportionate cost savings as a result of an increased level of use and avoiding the procurement of a potentially redundant ERP system. During the New Orleans City Council (City Council) 2023 Proposed Budget Hearings, OPSO requested a \$12 million increase in annual funding and \$25 million from the City’s share of American Rescue Plan (ARPA) money to address its outdated ERP system and other needs.⁵ A detailed itemization of OPSO’s request included \$2 Million in ARPA funds for a new ERP System, since its current JD Edwards is scheduled for end of life in 2025.⁶ While exact estimates could not be obtained at this time, it is expected that adding OPSO to the existing BRASS system would cost significantly less than acquiring its own unique ERP system. OPSO would also save money due to the increased efficiency of using a system that the City already manages and has staff who are trained to operate the system.

³ City of New Orleans 2023 Proposed Budget Hearings, November 11, 2022, at 2:30:33, <https://www.youtube.com/watch?v=StvYuUuJ9bE>.

⁴ New Orleans Office of Inspector General, BRASS Purchasing & Accounts Payable Internal Controls, Issued April 7, 2022.

⁵ Orleans Parish Sheriff Office, 2023 Budget Presentation, “Sheriff – Budget Presentation – The Challenge FINAL (Updated)”, presented to New Orleans City Council November 11, 2022, https://cityofno.granicus.com/MetaViewer.php?view_id=42&clip_id=4306&meta_id=608332.

⁶ Ibid.

OPSO has stated that it is “dedicated to sharing every expenditure that we have with [the City Council]”⁷, but would not commit to using BRASS. During the 2023 proposed budget hearings, when asked by multiple councilmembers about the possibility of being a part of BRASS, OPSO raised the concern about maintaining its independence from the City, stating, “we are an independent agency, we are going to maintain our independent financials.”⁸ Our office has confirmed with the City that BRASS has the ability to allow third party, read-only access to the City Council, which would improve oversight of OPSO and allow the Council to not only react quicker to expenses, but also address OPSO’s needs in a timely manner. To help assuage this concern, our office has verified through discussion with the City’s Finance Department that if OPSO implemented BRASS, it would be able to maintain its independence from the City’s existing system. OPSO would continue to provide its own approvals, and follow its own policies even when those policies differ from the City’s policies. OPSO would be able to be a part of its own “universe” in the BRASS system that would not interact with the City’s existing system. Controlling an independent universe within BRASS should alleviate OPSO’s concerns about any potential impairments of its independence. It is the opinion of this office that implementing BRASS would increase transparency at OPSO and improve trust with the City and its stakeholders.

The OIG recommends that OPSO replace its ERP system, that is approaching end of life, with BRASS. Based on the aforementioned facts, it would be beneficial for all parties involved for OPSO to adopt BRASS as its new ERP system. This would provide for a smoother transition to the new software due to the City’s existing familiarity with the system. Additionally, since OPSO would be added to an existing ERP system, it would potentially require significantly less funding from the City than if OPSO were to purchase and implement an entirely new system. The decision to use BRASS as its ERP system would have no impact on OPSO’s independence and would allow OPSO to continue to implement its own policies and approvals.

OPSO’s adoption of BRASS as its ERP system would greatly improve transparency, which would also address concerns raised by various councilmembers during previous budget hearings. BRASS has the ability to allow read-only access to important stakeholders, such as the City Council, which will reassure the City, who appropriates more than 70% of OPSO’s budget, that those City funds will be spent effectively and efficiently.

⁷ City of New Orleans 2023 Proposed Budget Hearings, November 11, 2022, at 49:35, <https://www.youtube.com/watch?v=StvYuUuJ9bE>.

⁸ Ibid., November 11, 2022, at 2:30:05, <https://www.youtube.com/watch?v=StvYuUuJ9bE>.

Sincerely,

A handwritten signature in blue ink that reads "Edward Michel". The signature is written in a cursive style with a small dot above the letter 'i' in Michel.

Edward Michel, CIG
Inspector General

cc: Gilbert Montañó, Chief Administrative Officer
President J.P. Morrell, Councilmember-At-Large
Vice President Helena Moreno, Councilmember-At-Large
Joseph Giarrusso III, Councilmember District A
Lesli Harris, Councilmember District B
Freddie King III, Councilmember District C
Eugene Green, Jr, Councilmember District D
Oliver Thomas, Councilmember District E



SUSAN HUTSON
Sheriff



OFFICE OF THE SHERIFF
Parish of Orleans • State of Louisiana

September 6, 2023

Edward Michel, CIG
New Orleans Office of
Inspector General
525 St. Charles Avenue
New Orleans, LA 70130

Re: Potential OPSO use of BRASS ERP System

Dear Mr. Michel,

I have read the opinion submitted by the New Orleans Office of Inspector General regarding the purchase and implementation of the INFOR ERP system (referenced as "BRASS" in your recommendation) to replace the JD Edwards financial software. As you know, the Orleans Parish Sheriff's Office (OPSO) is a State Agency whose governing authority is the Louisiana Legislative Auditors. As OPSO entered into the RFP process for a new Jail Management System ("JMS"), it was determined that the best course of action for our organization was to issue a RFP for the Financial/ Administration software package.

OPSO needs a robust system with capabilities focusing on corrections and consent judgement compliance. We are not solely seeking a financial ERP system. We are focused on combining total administrative operations in to one system. We plan to include the following modules:

- a. Inventory Management, to include barcoding and mobile inventory;
- b. Facility Maintenance work order management;
- c. IT work order management;
- d. Vehicle Maintenance management;
- e. Contract Management;
- f. Capital Projects Management;
- g. Grants Management;
- h. Fixed assets;
- i. Policy and Training;
- j. Employee Property Management; and
- k. Budgeting.

We believe that through the RFP process, as required by state law for our agency, we will be able to vet multiple products that will be able to meet all of our needs as well as providing an opportunity for competitive pricing.

Regarding your concerns for transparency and access to our financial system. OPSO believes that whichever new product is selected, it will provide the ability to offer "read only" access to the New Orleans City Council to improve oversight and information sharing. We will also offer transparency in the selection process by assembling a committee similar to the one we are using in the JMS selection process.

In conclusion, the OPSO's intentions are to issue an RFP for a Financial/Administrative software that will provide the flexibility to view multiple products and have competitive pricing. We do look forward to reviewing INFOR's ("BRASS'S") proposal along with the other submissions to our anticipated RFP.

Sincerely,



Susan A. Hutson
Sheriff Orleans Parish

cc: Gilbert Montañó, Chief Administrative Officer
President J.P. Morrell, Councilmember-At-Large
Vice President Helena Moreno, Councilmember-At-Large
Joseph Giarrusso III, Councilmember District A
Lesli Harris, Councilmember District B
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