



Annual Work Plan 2025

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Edward Michel, CIG

Inspector General



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OVERVIEW

The City of New Orleans Office of Inspector General’s (OIG) Annual Work Plan (2025 Work Plan) covers the period from September 1, 2024 through August 31, 2025.

The annual Work Plan is a rolling audit and evaluation plan used to communicate the OIG’s priorities and objectives to the public, the Mayor, the City Council, the Ethics Review Board (ERB), and all interested parties.

Each year, pursuant to the City Charter, the enabling Ordinance, and applicable professional standards, the OIG conducts a planning process that identifies goals, priorities, and strategies which align with our mission and vision while effectively using available resources. OIG staff conduct a cyclical planning process by assessing the risk associated with City of New Orleans (City) departments and component entities.

The OIG uses the results of this City-wide Risk Assessment to allocate the OIG’s resources efficiently and effectively, identify potential projects, and create a framework to determine the OIG’s audit and evaluation priorities in future years.

The 2025 Annual Work Plan also takes into account the timely and relevant assessment of high-profile local events and related responses. The plan is designed to communicate the OIG’s priorities and proposed work while allowing flexibility and discretion in the timing and selection of projects.

MISSION OF THE OFFICE OF INSPECTOR GENERAL

The mission of the OIG is to promote accountability, integrity, and efficiency in City government operations by preventing and detecting fraud, waste, and abuse. We do so by conducting audits, inspections, evaluations, and investigations. The OIG provides its reports, findings, and recommendations to the public, the Ethics Review Board (ERB), the City Council, and other interested parties. In addition, the OIG routinely refers allegations of fraud or misconduct that may be criminal in nature to the appropriate federal, state, or local law



enforcement agencies. In many instances, the OIG assists in the continuing investigation of these matters.

Autonomy and independence are critical to the OIG's ability to fulfill its mission. The City's Home Rule Charter and City Code of Ordinances, Section 2-1120, established the OIG as an independent, nonpartisan body. As such, the OIG's unique structural and operational framework provides the needed autonomy and independence from the City's Executive and Legislative branches. The ERB is responsible for the appointment of the Inspector General (IG) to a four-year term. While the ERB may request that the OIG conduct preliminary investigations on behalf of the ERB, the ERB has no direct authority over OIG operations. However, the ERB provides critical oversight by meeting regularly to review OIG reports and activities. This organizational structure was designed to provide the public with reasonable assurance that all OIG activities are conducted in an objective and independent manner.

VISION OF THE OFFICE OF INSPECTOR GENERAL

The vision of the OIG is to incorporate ingenuity and intelligence into every aspect of the OIG's operations as we assess and mitigate the threats facing New Orleans and our stakeholders.

We accomplish this through our office culture, workforce, and infrastructure. We continually focus on leadership and effective communications to create a culture that facilitates innovation, accountability, and transparency. We also continue to enhance our workforce by seeking and hiring the most qualified candidates and increasing employees' technical skills through trainings and collaboration among departments. Due to the current digital environment, in which we face continuous external threats to bulk data, we continue to improve our infrastructure to secure digital data, storage, and transmission capacity.

As the OIG enhances its skilled workforce by incorporating intelligence and bulk data analysis, we continue to work seamlessly as an integrated team to deliver timely and relevant products that ensure our mission's success.

Our state-of-the-art infrastructure combines with a diverse, competent, and enthusiastic workforce to create an efficient and effective team of watchdogs. As a result, the OIG will continue to boost the integrity of City government and ensure the effective mitigation of fraud, waste, abuse, and public corruption while maintaining a work environment conducive to productivity, efficiency, and mutual respect.

II. RISK CATEGORIES, METHODOLOGY AND ACCEPTANCE

Managing risk is a vital part of creating a secure and resilient operating environment within City government and related entities. Risk is defined as “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” (Institute of Internal Auditors, 2017). Risk management is accomplished by identifying potential threats and utilizing a formula to calculate current as well as emerging risks.

In 2019, the OIG developed and finalized a new risk assessment framework to take a fresh look at City operations. The new framework drives strategic and operational plans and priorities.

The risk assessment framework includes four risk categories as defined below.

RISK CATEGORIES

- **COMPLIANCE RISK**

Compliance risk is the risk that the agency is not complying with local, state, or federal laws, regulations, contracts, grant requirements, or professional standards.

- **FINANCIAL RISK**

Financial risk is the risk that the entity has (1) financial insolvency or instability involving financial transactions, procurements, and contracts, and reporting of the entity; (2) budgetary overages and/or shortfalls; (3) inadequate management, maintenance, or safeguards over physical assets; and (4) fraud, waste, abuse, theft, and/or corruption.

- **OPERATIONAL RISK**

Operational risk is the risk that the entity has (1) ineffective and inadequate processes; (2) improper or insufficient management and oversight; (3) outdated, poorly-documented policies and procedures; (4) inadequate staffing and/or skills needed to perform or achieve the entity’s objectives; and (5) technological failures.

- **REPUTATIONAL RISK**

Reputational risk is the risk that the political climate and/or legislative changes could adversely affect the entity.

METHODOLOGY

The OIG has identified 132 City entities and/or boards and commissions to be included in our Risk Assessment. Due to staffing constraints, the OIG cannot assess all 132 entities each year. Therefore, the OIG has established a three-year rolling plan for its annual Risk Assessment to maximize the number of those 132 identified entities included in the Risk Assessment over the three-year period 2024 through 2026.

The OIG established the following methodology to determine which entities and/or revenue streams would be subjected to the 2024 Risk Assessment:

- The 132 City entities and/or boards and commissions were divided into two populations:
 - **Population 1:** City departments and/or component entities that receive General Fund and/or non-General Fund revenue of \$5 million or greater (43 entities).
 - **Population 2:** City departments and/or component entities that received General Fund and/or non-General Fund revenue less than \$5 million (22 entities) and City boards and commissions that receive any City funding (67 entities).
- The OIG then randomly selected 20 entities, including 15 from Population 1 and five from Population 2. These selections will not be included in the 2025 and 2026 Risk Assessments in order to maximize our coverage of all City entities.
- To assess risk and determine priorities, the OIG gathered information on each of the 20 selected entities. This involved obtaining questionnaires, internal policies, and other documentation related to governance for the selected entities. The OIG also conducted interviews of City employees and reviewed news coverage, external audits, and any other publicly available information for the entities. The OIG analyzed the entities using the four risk categories. For the Risk Assessment, the OIG reviewed data related to the selected entities and updated risk categories as needed to provide current assignments.

The following graph depicts the OIG's overall approach to Risk Assessment.

1. Information Gathering and Scoping

- Gain an understanding of City operations and the current operating environment risks.
- Review technical guidance from professional standard-setting bodies to identify changes to audit and accounting requirements.
- Update the audit and evaluation population based on data and information received from external stakeholders.

2. Risk Identification and Analysis

- Request and review survey responses from City entities regarding their assessment of risk.
- Interview various City officials, department executives, and designated staff to obtain various points of view regarding risks.

3. Development and Vetting of Proposed Plan

- Develop the proposed Annual Work Plan based on interviews, Risk Assessment, resource availability, and budget.

4. Next Steps

- Formalize and distribute the Annual Work Plan in accordance with the New Orleans City Code of Ordinances, Article XIII, Section 2-1120 (17).

2025 ANNUAL WORK PLAN LIMITATIONS

The OIG is committed to serving as a valuable resource and trusted adviser in identifying, responding to, and aiding in the improvement of City-wide department programs, services, and critical activities.

However, as limited resources prevent the OIG from addressing every risk, it is important to clearly communicate to City officials and external stakeholders the limitations of the 2025 Annual Work Plan. The Annual Work Plan does not, nor does it intend to, provide coverage for all City-wide departments or all of the City's component entities. The primary goal is to use our limited resources to conduct audits and evaluations in the areas that would most benefit the City and the public.

The 2025 Annual Work Plan focuses on critical risk areas, yet builds in flexibility to allow the OIG to add additional projects in response to changing circumstances or new information. Our Annual Work Plan allocates the OIG's resources to critical priorities and needs of the City.

III. RISK RESULTS AND ENTITIES

Through the 2024 City-wide Risk Assessment, the OIG determined the following five entities to be high-risk. Due to constraints described previously, not all entities considered high risk are included on this list.

DEPARTMENT OF PUBLIC WORKS

The Department of Public Works (DPW) and Sewerage and Water Board are coordinating a comprehensive \$2 billion program using a combination of local and federal funds to restore the City's damaged infrastructure. The program, encompassing more than 200 projects and consisting of 400 miles of roadway, includes significant FEMA-funded roadwork that must be completed by the end of 2024. DPW has recently acknowledged that it has not been able to meet project timelines in order to complete all projects by the deadline, leaving many New Orleans neighborhoods impacted by stalled construction projects. In addition, the City is at risk for losing hundreds of millions of dollars of FEMA funding for projects not completed by the 2024 deadline if an extension is not approved.

DEPARTMENT OF SAFETY AND PERMITS

The Department of Safety and Permits (S&P) is made up of eight divisions which collectively work to ensure that safety standards are met for all construction and use of buildings and properties in the City. Prior reports issued by the OIG Audit Division and Investigations Division found evidence that City Inspectors were not physically attending inspections, including inspections that took place at the Hard Rock Hotel construction site prior to its collapse in 2019. Based on recent audits, investigations, and media reports all finding that improper inspections were conducted by City and Third-Party Inspectors, there is a high risk that inspections are not being conducted in accordance with S&P policy and best practices to ensure safety standards are met for all buildings under construction, as well as existing City buildings and properties used by the public.

MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT

The mission of the Office of Economic Development is to encourage inclusive economic growth and mobility by creating new jobs, revitalizing neighborhoods, investing in people and our priority industries, and creating the systems to thrive. The Office of Economic Development provides oversight to the New Orleans Industrial Development Board, which works with private developers to increase economic opportunities in the City through the provision of tax incentives. Between 2020 and 2024, the Industrial Development Board issued three Payment in Lieu of Taxes Agreements (PILOTs), for a total of more than \$3 million in tax incentives.

Due to the nature of the program, these types of agreements are susceptible to outside influence and other sources of fraud, waste, and abuse.

NEW ORLEANS AVIATION BOARD

The New Orleans Aviation Board (NOAB), which operates the Louis Armstrong New Orleans International Airport, receives several millions of dollars in local and federal funding and is approved for 192 full time employees. Due to its large revenue streams, long-term capital improvements, and the associated increased risk of fraud, waste, and abuse, the NOAB has been the subject of OIG review for many years. The NOAB receives additional regulatory oversight from the Federal Aviation Administration and the Department of Homeland Security.

NEW ORLEANS CRIMINAL DISTRICT COURT

The New Orleans Criminal District Court is responsible for adjudicating all crimes, misdemeanors and/or felonies in New Orleans, with some exceptions. This is done through a collaboration with various local and state agencies, including the New Orleans Police Department, the Orleans Parish Sheriff's Office, and the Orleans Parish District Attorney. The Court building is owned by the City of New Orleans and maintained by the Department of Property Management. For 2023, the Court was approved for 121 full time employees.

CORRUPTION

Fraud and corruption are perennial concerns in New Orleans. Regrettably, the City has a well-documented history of corruption. A lack of internal controls, insufficient processes and outdated technology at many departments and agencies create opportunities for fraud. The City's decentralized structure with more than 100 outside boards and commissions also creates the potential for a lack of accountability and transparency.

The OIG's projects are intended to provide the City with information that can be used to mitigate risk. As mentioned, the 2025 Work Plan provides flexibility, allowing the OIG to review and modify the schedule of activities as circumstances warrant.

PROJECTS UNDERWAY

Anticipated completion dates are noted in parentheses and are subject to change.

- Department of Public Works Traffic Signal Maintenance (2024)
- New Orleans Aviation Board Professional Service and Maintenance Contracts (2025)
- New Orleans Police Department/Office of Police Secondary Employment (2024)
- Orleans Parish Communications District Hexagon Contract (2024)
- Orleans Parish Sheriff's Office Paid Details (2024)
- Department of Safety and Permits Third-Party Inspections (2024)

PROPOSED PROJECTS STARTING IN 2025

The projects listed below will begin as current audits and evaluations are completed. New projects may be delayed due to the carryover of existing projects, identification of more urgent projects, or actions beyond the control of the OIG.

CHIEF ADMINISTRATIVE OFFICE

- Risk Management Division

DEPARTMENT OF PROPERTY MANAGEMENT

- Maintenance of City Properties

DEPARTMENT OF SAFETY AND PERMITS

- Contractor Compliance and Monitoring

DISTRICT ATTORNEY

- Article 701 Releases

EMERGENCY MEDICAL SERVICES

- Response Time

EQUIPMENT MAINTENANCE DIVISION

- Fleet Management

MAYOR’S OFFICE HOMELESS SERVICE AND STRATEGY

- New Orleans Low-Barrier Homeless Shelter

NEW ORLEANS POLICE DEPARTMENT

- Evidence Room Follow-up

SEWERAGE AND WATER BOARD

- Use of Funds for Catch Basin Maintenance

PUBLIC CORRUPTION

- Conduct Fraud Awareness seminars for employees and contractors
- Conduct investigations and refer evidence to appropriate prosecutors

V. QUALITY ASSURANCE AND QUALITY CONTROL

To ensure that the OIG's work is supported by sufficient and appropriate evidence, the OIG has adopted a system of quality assurance and quality control as outlined below.

QUALITY ASSURANCE

PEER REVIEW

The Association of Inspectors General (AIG) conducts a triennial peer review of the New Orleans Office of Inspector General Audit & Review, Investigations, and Inspections & Evaluations divisions. The OIG's next peer review has been scheduled for January 2025.

The peer review assesses the OIGs internal policies and procedures to ensure continued compliance with Generally Accepted Government Auditing Standards (Yellow Book) and the AIG Principles and Standards for Offices of Inspector General (Green Book).

CITIZEN REVIEW

Every year, the Mayor, City Council, and ERB are responsible for appointing a committee of three citizens to review the published work products of the OIG from the preceding year. The last Quality Assurance Review was conducted in May 2021.

QUALITY CONTROL

The OIG developed the following goals, objectives, and strategies to ensure that our work adheres to the highest standards of professional conduct and to ensure we achieve our mission.

GOAL 1: PREVENT AND DETECT FRAUD, WASTE, AND ABUSE

Objective 1: To educate citizens of New Orleans, department managers, and those charged with governance on how to prevent and detect fraud, waste, and abuse.

STRATEGIES:

- Conduct fraud awareness trainings for City employees and the public.
- Provide guidance and best practices to publicly funded boards through the OIGs Handbook for Boards and Commissions.

Objective 2: To provide continuous monitoring over contracts and other activities to deter fraud, waste, and abuse.

STRATEGIES:

- Collaborate with the Chief Procurement Office to assess and evaluate new procurements.
- Monitor high-risk City contracts.
- Conduct investigations into allegations of procurement fraud or abuse, and refer credible evidence to appropriate authorities.
- Evaluate City procurement and purchasing policies.

GOAL 2: FOCUS OIG ACTIVITIES ON THE RIGHT ISSUES AT THE RIGHT TIME

Objective 3: To ensure the OIG directs resources to the issues of greatest concern and that the most important projects are selected for review.

STRATEGIES:

- Develop an annual work plan based on assessed risks for all departments in the City and its component entities.
- Assign resources according to priorities identified in the risk assessment.
- Complete projects in a timely manner to provide accurate and relevant reports.

Objective 4: To respond to and mitigate external threats to the City.

STRATEGIES:

- Incorporate intelligence with bulk data analysis to identify and mitigate threats.
- Monitor current events and emerging trends.
- Monitor the OIG's hotline for complaints and tips.

- Respond to and investigate credible information alleging fraud, waste, and abuse.
- Maintain professional relationships with external partners.

GOAL 3: PROVIDE CREDIBLE AND ACCURATE REPORTS

Objective 5: To ensure that projects are performed by independent (free of personal and professional conflicts) staff, to achieve objectives in accordance with professional standards.

STRATEGIES:

- Remain organizationally independent as established by the City Charter and the City Code of Ordinances.
- Require all OIG employees to certify professional and personal independence before commencing projects.
- Require the Inspector General to recertify professional and personal independence at the conclusion of each project.
- Require OIG employees to disclose and mitigate potential conflicts of interest.

Objective 6: To ensure that the OIG staff possess sufficient knowledge and skills to achieve the objectives of OIG projects.

STRATEGIES:

- Require staff employees to obtain the continuing professional education required to maintain their professional licenses and certifications.
- Require OIG employees to meet the minimum job qualifications, including receiving advanced degrees, obtaining prior work experience, and/or earning nationally recognized certifications.

Objective 7: To ensure that the OIG develops and implements methodology in accordance with professional standards, and the methodology is appropriate to achieve objectives.

STRATEGIES:

- Develop policies and procedures to ensure a high level of quality control of each project. Quality control procedures include proper planning and supervision throughout each phase of the project.
- Communicate policies and procedures to all employees.

GOAL # 4: COMMUNICATE COMPLETE AND ACCURATE REPORTS TO THE CITIZENS OF NEW ORLEANS, DEPARTMENT MANAGERS, AND/OR THOSE CHARGED WITH GOVERNANCE

Objective 8: To involve department managers and/or those charged with governance in all projects.

STRATEGIES:

- Communicate findings or other information with managers and/or those charged with governance throughout the project to encourage corrective action.
- Inform decision makers of findings, identify underlying causes of reported problems, and work with decision makers to develop recommendations that serve as a basis for improvement.

Objective 9: To ensure that OIG reports meet all form and content requirements established by City ordinance and professional standards.

STRATEGIES:

- Review reports to ensure all information required by City ordinance and professional standards are included in the reports.
- Review reports to ensure clear, concise and objective information and encourage stakeholders to take appropriate corrective action.
- Publish and distribute reports to New Orleans citizens, department managers, those charged with governance, and the public.

CONCLUSION

The OIG will continue to effectively and efficiently allocate its resources to promote accountability, integrity, and efficiency in City government by preventing fraud, waste, and abuse.