



**2014 JPOIG
Annual Report**



OFFICE OF INSPECTOR GENERAL JEFFERSON PARISH

DAVID N. MCCLINTOCK
INSPECTOR GENERAL



March 31, 2015

Inspector General's Message

To: Members of the Jefferson Parish Ethics and Compliance Commission

Cc: Jefferson Parish Councilmembers and Parish President

It is my privilege and honor to provide you the Jefferson Parish Office of Inspector General's (JPOIG) second Annual Report. The report addresses activities occurring during the 2014 calendar year.

2014 was both a challenging and exciting year. During this period the JPOIG reached full staffing, moved into our completed offices located at 5401 Jefferson Highway, completed all major acquisitions related to office start-up (including the selection of a case management system), received 54 complaints and issued 4 reports.

This report focuses on the activities undertaken to complete the establishment of the JPOIG in 2014; the commencement of routine operations, and to outline obstacles encountered.

The purpose of the JPOIG is to provide a full-time program of investigation, audit, inspections and performance review which ensures increased accountability and oversight of government. The scope of authority and powers vested in the JPOIG are necessarily broad. These extend to conducting objective and independent audits, reviews and investigations relating to Jefferson Parish Government, its special districts, and entities receiving funds through the Parish in order to:

- assist in improving operations;
- deter and identify, fraud, waste, abuse, and illegal acts; and
- provide increased accountability of parish government.

It is important for the reader to note that the JPOIG, generally, does not have authority to review entities that do not receive funding by and through the Parish government. Entities that fall into this category include the Sheriff's Office, the School Board, the District Attorney's Office, the Coroner, and all municipalities. Nevertheless, the scope of the office's authority is broad, as are the subjects of our audits, investigations and monitoring efforts.

The majority of our work comes from information provided by business, citizens and employees of the Parish, with the balance self-generated by staff. When assessing the office, some look solely at the potential dollars lost or saved, others contend that we should focus on identifying corrupt and dishonest officials, and still others believe the best use of the office is to study and recommend improvements in operational processes and performance. The allocation of our resources is based primarily upon the quality of the information received/developed and consideration of how scalable the potential outcome may be.

The cooperation and support of elected and appointed officials, as well as, Parish management bears strongly on the administrative efficiency of the office. By and large, the Parish Council has respected the independence of the office and provided the necessary administrative support where needed. We have seen continued support from many and sincerely appreciate their efforts. However, the JPOIG spent considerable time and effort during this reporting period working with members of the Parish Council and Parish Attorney's Office to address concerns regarding access, including data access.

There were two distinct efforts to restrict access, including data access, during 2014. In both instances, the JPOIG received no notice before actions were initiated by some members of the Parish Council. The first involved email access concerns and suggested restrictions that flowed over from the previous year. Discussions regarding proposed legislative action continued from January through April.¹ The second instance included access to data and the parameters of attendance in the Parish Council's Executive Session. This issue, related discussion and subsequent resolution continued from September through December of 2014.² Therefore, the office expended considerable time and resources addressing these concerns during 8 months of the 12 month reporting period. I remain optimistic that these issues have been adequately addressed and that any further concerns can be managed more effectively for all concerned.

I have enjoyed the challenges and rewards that have come from playing a part in bringing the vision of an OIG from concept to fruition. The JPOIG is uniquely positioned to strengthen and fortify trust in parish government and to assist in meeting the public's expectations wherever possible. We are committed to working for transparency and accountability in government. We will continue to publicly post synopses of our audits, investigations, reviews and findings on our web page at www.jpoig.net and on twitter @JPOIG.

I am committed to the future of this office. I encourage all to join with us as we work together to build a more efficient, stronger and open parish government.

Very Truly Yours,



David N. McClintock

¹ [JP IG and allies press parish council for access to emails; JP IG, president agree on email access councilman mark spears unsatisfied; JP IG regains access to all parish email; JP councilman mark spears seeks to curb IG access; JP IG says effort afoot to compromise his office; JP ethics panel backs IG on access to records; JP council delays vote on restraining IG office; JP IG says no word yet on access limiting ordinance; JP councilman mark spears defends IG restriction as he abandons it.](#)

² [Feud over JP IG email access blows up again; JP council defers one inspector general measure ditches another; JP council to consider asking state lawmakers to allow IG access to privileged communications; JP council defers vote on IG matter; JP council defers vote on IG matter; JP council defers vote on IG matter; Deal limits JP IG attendance at parish council closed door sessions, do you think it will hold.](#)

Overview

The JPOIG was created pursuant to the [Parish Charter, Section 4.09](#). The purpose, organization, and powers of the JPOIG are specifically set forth in the [Jefferson Parish Code of Ordinances at Section 2-155.10](#).

In accordance with Section 2-155.10 (10), the JPOIG reports on the activities of the office each year. This is the second annual report of the Jefferson Parish Office of Inspector General. This report will address the following:

- 1) Reporting period;
- 2) Founding authority;
- 3) Office organization and staffing;
- 4) Standards;
- 5) Policy;
- 6) Budget/Funding;
- 7) Intake, review and reporting;
- 8) Goals;
- 9) Annual work plan;
- 10) Synopsis of public reports;
- 11) JPOIG complaints assessment;
- 12) How we will measure success.³

Reporting Period

The JPOIG Annual Report is due each year on March 31 and covers activities of the preceding calendar year, in this case 2014. The report will be provided to the Ethics and Compliance Commission for a period of not less than 48 hours prior to public release.

Founding Authority

The JPOIG's authority is founded in both Louisiana law, Parish Charter, and Parish ordinance.

Louisiana Revised Statutes 33:9611–33:9615

State law authorizes the creation of an office of inspector general in Jefferson Parish and in certain other jurisdictions.⁴ Further, the state law provides:

The proper operation of democratic government requires that elected officials and public employees be accountable for their actions, that governmental decisions are made in a transparent manner subject to complete ethical and operational review, that public office and employment serve the highest standards of honesty and competence, and that there be public confidence in the integrity of government.⁵

³ The inspector general shall report on the activities of the office of inspector general for the preceding calendar year to the ethics and compliance commission, on or before March 31 of each year, on matters undertaken, costs incurred, costs recovered, matters concluded, and results. The report shall describe accomplishments of the office of the inspector general. Copies of the report shall be provided to the parish council, the parish president, and any oversight agencies interested in the activities of the office of inspector general. Upon issuance, members of the media and the public shall be promptly advised of the issuance of the report. Such reports will be provided to them upon request. JPCO 2-155.10 (10) *Annual Reports*

⁴ L.A. R.S. 33:9611(A).

⁵ L.A. R.S. 33:9611(B).

In addition, the statutes sets forth investigative powers, subpoena power, and confidentiality of records.

Parish Home Rule Charter – 4.09

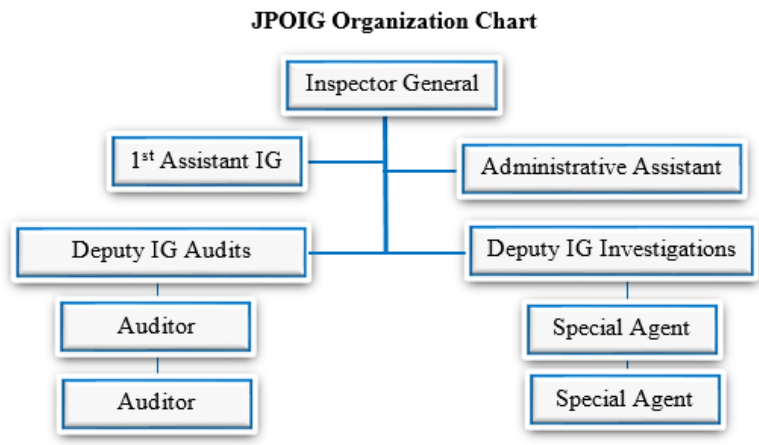
Parish Charter establishes the Office of Inspector General for prevention; examination, investigation, audit, detection, elimination and prosecution of fraud, corruption, waste, mismanagement, or misconduct. The Charter also establishes that the office’s authority extends throughout Parish government, its special districts, and those entities receiving funds from the Parish. In addition, the retention of Counsel is specifically permitted and the funding source is established as a special millage.

Jefferson Parish Code of Ordinances (JPCO) 2-155.10

The JPCO sets forth the manner of retention for the Inspector General, organizational placement, authority, powers, professional standards and quality review. Parish ordinance also ensures access to data, confidentiality of records, reporting requirements, and other procedural requirements.

Office Organization and Staffing

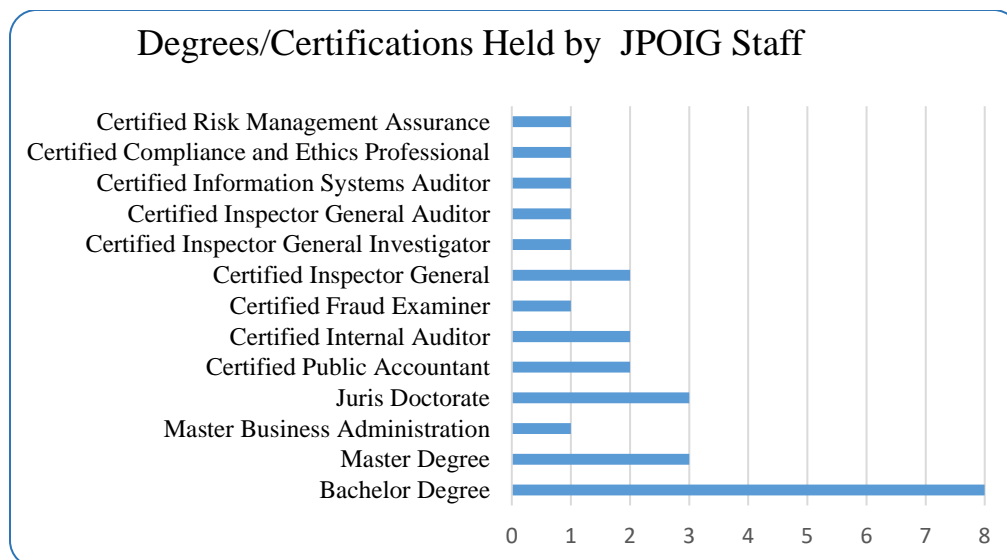
The Inspector General has organized the JPOIG into two sections: (1) Audit and (2) Investigations. The functions and operations of the office are supported through nine staff positions which include a 1st Assistant Inspector General and two Deputy Inspectors General. The 1st Assistant Inspector General serves as the General Counsel and provides legal support across a broad spectrum of issues. The Audit and Investigation sections are each supervised by a Deputy Inspector General. Each Deputy Inspector General oversees the development of their respective section and ensures operations comply with applicable policy and procedure. The organizational chart is shown below:



The efficient operation of an office of inspector general within local government necessitates balancing operational independence with the necessary administrative support of the Parish’s human resources, payroll, purchasing, legal and other general services. While operationally independent, the JPOIG is a chartered office of the Parish and must be supported in those ministerial functions as are other offices and departments.

Staff

The JPOIG staff represents professionals with diverse skills sets who collectively possess the capacity to execute assignments across areas review. The following chart depicts the education and certification level of current JPOIG staff.



Current staffing levels are consistent with current revenue and adequately support the investigative and audit function. However, the current funding levels do not support the retention of dedicated staff that could be tasked to operational units beyond those of audits and investigations, such as performance review, contract compliance, inspections, technical support, and analytical support services.

Professional Standards

The duties and responsibilities of the JPOIG are extensive and encompass several areas that are the subject of nationally accepted standards. These standards and the related best practices address operational, investigative, and audit elements that are applicable to our operations.

The JPOIG is required to comply with the Principles and Standards for Offices of Inspectors General (the “**Green Book**”) published by the Association of Inspectors General (AIG), and other related standards.⁶ Additionally, we have adopted the Government Auditing Standards published by the U.S. Government Accountability Office (the “**Yellow Book**”) and those of the Institute of Internal Auditors (the “**Red Book**”).

⁶ Standards for initiating and conducting audits, investigations, inspections, and performance reviews by the office of inspector general will conform to the Principles and Standards for Offices of Inspectors General (Green Book) promulgated by the Association of Inspectors General. The office of inspector general shall develop an operations manual available to the public that contains principles based on these standards. JPCO 2-155.10 (13) *Professional Standards*

Policy

Considerable care was taken in developing and establishing appropriate boundaries between the JPOIG and parish government. These boundaries are enumerated in policies and procedures developed and maintained by the JPOIG. We have implemented and maintain a JPOIG Procurement Policy and a JPOIG Administrative Policy and Procedure (APP's) to address those areas unique to the JPOIG or in which we have established procedures, in accordance with the authority granted to the office, that differ from those of the Parish.

Wherever feasible, the JPOIG APP's adopt or reflect those of Jefferson Parish government, particularly where the JPOIG is reliant upon parish government for administrative support. However, those JPOIG APP's that relate to operational issues are designed to reflect professional best practices and standards. At all times and in all cases, the JPOIG policies ensure operational independence and integrity for the office and its staff.

Budget/Funding

In order to ensure the independence of the JPOIG and that of the Ethics and Compliance Commission (ECC), the office receives the proceeds of a special tax that is dedicated to providing for, maintaining, administering and operating these entities.⁷ The tax was first levied in 2012.

When the JPOIG was initially created, the Charter required surplus revenue generated from the special tax "millage" to be transferred to the Parish at the end of each fiscal year. However and in 2013, the Jefferson Parish Charter Advisory Board considered recommending an amendment to this language at the behest of the Inspector General shortly after his appointment.

In 2014, the JPOIG and the ECC sought and received the approval of the Jefferson Parish Council to place Proposition #8 on the ballot for the December 6, 2014, election which would return surplus as a fund balance within the combined budget of the JPOIG and ECC. Proposition 8 passed with 63% approval. Therefore, it is now possible for the JPOIG and ECC to maintain a reserve funding; however, the reserve funds may not exceed the actual millage collected during the previous budget year.

We are very appreciative of the support provided on this issue by the Charter Advisory Board, the Parish Council, the Parish Administration, and especially to the citizens of Jefferson Parish who voted to support the JPOIG and the ECC. Their support assures that we have the ability to maintain reserve funds that may be used to address developmental and operational needs in the future.

In the following table we have outlined the millage related revenues, other funding sources (start-up funds, interest earned, and reserve funds carried forward), and expenditures. Most notably our 2013 expenditures were below millage revenues and the fund balance carried forward stood at \$1,009,770.

⁷ Jefferson Parish Charter 4.09 (D)(1).

JPOIG –ECC Combined Financial⁸			
	2012 Actuals	2013 Actuals	2014 Actuals
Beginning Fund Balance	-	22,129	89,148
Millage Related Revenues			
Ad Valorem (Millage)	-	1,212,849	1,240,333
Ad Valorem - Back Taxes	-	-	7,055
Subtotal	-	1,212,849	1,247,387
Other Funding			
Interest on Account Funds	8	3,571	5,519
Other Financing Sources	25,000	-	798,109
Total Revenues	25,008	1,216,420	2,051,015
Expenditures			
Expenses	2,880	1,149,401	1,130,393
Other Financing Uses	-	-	-
Total Expenditures	2,880	1,149,401	1,130,393
Ending Fund Balance	22,129	89,148	1,009,770

Intake, Review and Report Issuance Processes

Intake

Information indicative of fraud, waste, abuse and corruption within or otherwise affecting parish government, are considered “tips.” Incoming tips, regardless of source, will be logged into an internal database and assigned a unique tracking number. Our goal is to review each tip, or lead, within seven days. Jurisdiction, sufficiency of information and potential impact on the Parish are assessed as part of the review.

Preliminary Review

When information merits further inquiry, it is referred to staff for preliminary review. The purpose of the preliminary review is to gather sufficient information to assess the veracity of information and determine the most appropriate track, investigative or audit, for case resolution. A preliminary review may include, but is not limited to: (1) securing evidence, (2) conducting limited interviews, (3) reviewing documents, (4) requesting additional information, (5) monitoring of electronic data and (6) issuance of subpoenas, where necessary. It is the goal of the JPOIG to complete a preliminary review within 45 days, whenever feasible.

Upon completion of the preliminary review, one or more of the following actions may be taken:

⁸ Amended 04/30/2021.

- Referral or Informal Resolution – The decision to refer the case to another agency for internal processing may be used in instances where it is determined that the case (1) does not indicate criminal activity; (2) is not indicative of significant or institutional fraud, waste or abuse; (3) is not indicative of corruption; or (4) concerns a matter unrelated to public trust.
- Administrative Investigation – A matter is accepted and investigated when there appears to be an offense of parish ordinance, policy, and procedure.
- Criminal Investigation - If it is determined that violations of criminal law may have occurred, the matter may be worked jointly with the proper authority or referred to prosecutorial authorities upon completion.
- Audit – A matter will be accepted and audited when there appears to be a need to assess adequacy of controls and/or determine the cause of present outcomes.
- Unfounded or Closure – A matter is determined unfounded when there is insufficient evidence to support the complaint. If the complainant is known, a written response and status will be provided. Any affected agency, vendor or contractor will also be advised of the outcome and any relevant recommendations made.

Full Investigation, Audit or Review

Upon completion of an investigation, audit or review, the JPOIG will prepare a draft report and allow for a comment and review period. In matters involving the issuance of substantial memorandum, full reports of investigation, audit and review involving official comments, findings, and recommendations the JPOIG will:

1. Submit the initial confidential draft correspondence to the proper recipients for a review and comment period of up to thirty (30) days.
2. Upon receipt of any comments, additional information, etc., the JPOIG may choose to take additional actions to supplement the correspondence or to finalize the document.
3. Once the document is finalized, the JPOIG will:
 - a. Submit the document along with any comments received to the Ethics and Compliance Commission, and
 - b. Forward a copy of the finalized document to original recipients.
4. The JPOIG will issue a public document after the issuance of the finalized document and the passage of at least five (5) business days.

The JPOIG believes that proper use of the confidential comment and review period provides for more complete and meaningful outcomes. The process also supports public transparency by culminating in a publicly released report that provides the citizens of Jefferson Parish with the opportunity to review the work of the office, along with the positions and responses of the recipients.

Goals

The JPOIG established several goals in the previous annual report, outlined below is the status of each. Of the six goals, there were two completed, three were the subject of significant action and should reach completion in 2015, and one goal has not been pursued due to staff constraints, but will be carried forward.

1. Complete the final phases of office development to include:

Complete a. Permanent space build-out.

The JPOIG office design and build was completed in April of 2014.

Ongoing b. The acquisition of and implementation of case management and audit management software.

Column Technologies was selected through an RFP process in December of 2014. System architecture, development and integration is underway. This task is expected to be fully complete when the system goes live in May/June 2015.

2. Complete an internal framework to document compliance with professional standards in anticipation of future peer review.

Ongoing An internal framework of written policy has been established addressing compliance in anticipation for peer review by the AIG. In addition, specific tasking is being applied via the electronic case management system to require and document compliance tasking within several unique case/audit workflows designed to address compliance elements applicable to the assigned function. This task is expected to be completed in 2015.

3. Complete the review of the existing JPOIG ordinance, suggest modifications to the Ethics and Compliance Commission and seek the support of the Parish Council and Administration.

Complete 1. Funding Related Issues: During this period several matters were brought to the Jefferson Parish Council jointly by the JPOIG and the ECC. These matters largely involved budget and funding processes to include support for amendments to the Parish Charter. The Jefferson Parish Council and Administration supported these requests through ordinance changes and authorizing the placement of propositions related to the JPOIG on the electoral ballot of December 2014.

Ongoing 2. During 2014 JPOIG participated with the ECC's Ordinance Review Committee to consider several areas where the relevant ordinances require adjustments to either accomplish the intended purpose and/or more fully reflect the state enabling legislation. Several of these matters have been presented to the Parish Council and are scheduled for Council Consideration in April 2015. This goal was continued into 2015.

4. Develop an internal training block on the JPOIG that may be used for new Parish employee orientation and continuing education of existing staff.

Ongoing We have established an orientation-based presentation regarding the JPOIG that is suitable for presentation to both new and existing employees. However, at this time we have not requested inclusion in the employee orientation process due to staffing concerns. This objective was carried over into 2015.

In addition to those goals carried forward from 2014, the JPOIG has established the following goals for the current (2015) operating period.

1. Initiate tracking cases across performance metrics pertaining to processing time, staff work load, complaint source, and referrals.
2. Initiate tracking of results to include funds questioned, saved, and recovered; as well as, recommendations accepted and rejected.
3. Track and report on follow-up reviews to verify the implementation of accepted recommendation and assess the impact of those adjustments where feasible.

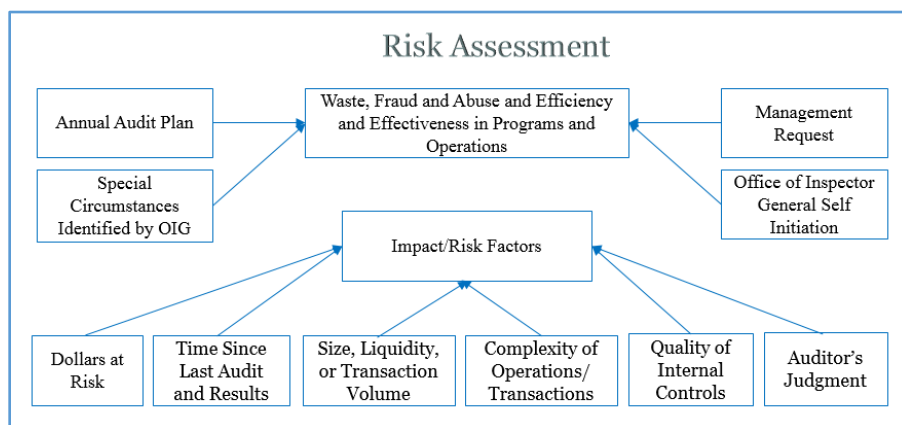
Annual Work Plan

The Jefferson Parish Office of Inspector General (“JPOIG”) has implemented an Annual Work Plan in accordance with the mandate set forth in the Jefferson Parish Code of Ordinances § 2-155(17). The Annual Work plan includes:

- (a) Risk assessment criteria used in establishing the work plan;
- (b) A schedule of projects and anticipated completion dates; and
- (c) Quality assurance procedures planned for implementation.

Risk Assessment

The risk assessment is a process used for assessing and integrating the professional judgement of the office about the probability of the existence of adverse conditions and/or events. Based on the results, the Audit Staff prioritizes audits for consideration. The schedule of audits is impacted by new information and investigative audit demands. Therefore, the schedule will be reassessed annually and should be viewed as an ongoing process.



Schedule of Projects

The audit universe is comprised of one-hundred and forty-one (141) identified auditable units. Our goal for current 2014/2015 period includes thirteen (13) proposed audits including:

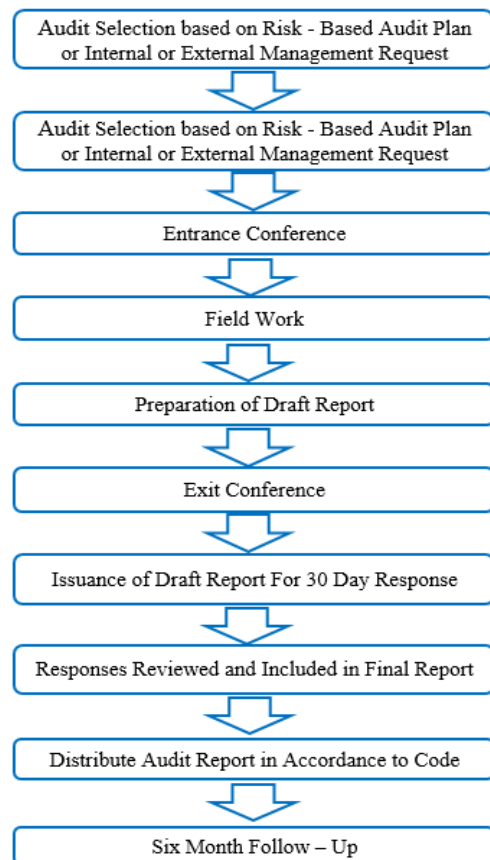
1. Contracts
2. Grants and Funding
3. Travel Expenses
4. Movable Property
5. Fire Districts
6. Accounting Payroll
7. Utility Billing
8. Cash Transactions
9. Credit and Debit Cards
10. Journal Entries
11. Pass Through Expenses
12. Procurement
13. Software Access Control

To identify high risk areas for audit coverage, we relied on discussions with Jefferson Parish Administration, our knowledge, professional judgment, annual budgets, the Comprehensive Annual Financial Reports (CAFR), other information obtained from the Finance Department, and our subjective assessment of risk.

Quality Assurance

The JPOIG work completed under this audit plan is subject to best management practices that form the foundation of a quality assurance and improvement program. These include partnering with management, monitoring staff performance through the use of computer-assisted case management, developing staff professionally, and external quality assurance peer reviews based on the standards of the Association of Inspectors General and the Institute of Internal Auditors.

As part of the internal quality assurance and improvement efforts, we review professional standards and implement internal policies and procedures; participate in various training and development activities; consistently strive to improve audit techniques, tools, and technology; and determine if it is appropriately supervised. Additionally, the Audit Section also reviews audit programs and report formats and performs internal peer reviews for the completeness of work papers.



Synopsis of Publically Released Reports, Audits, Reviews, and Monitoring Activity

In addition to completing staff appointments and facilities, the JPOIG published the following public reports during the reporting period:

1st Supplemental Hospital Monitoring Memorandum of 04/08/2014.

The JPOIG had issued an initial monitoring to the Parish Council on 09/13/2013 regarding the Parish's efforts to lease the East Jefferson General Hospital (EJGH) and the West Jefferson Medical Center (WJMC), both being publically owned facilities.

A supplemental memorandum was issued on the continuing process on 04/08/2014 and focused on the lack of an established process and concerns that actions by the individual hospital boards could result in substantial, uncoordinated and potentially duplicative expenditures. Further, the report expressed concern over potential conflicts of interest, or the appearances thereof, and a concern that the Council should take care to ensure that all future expenditures represented the most efficient use of the public's funds. To that end, we made two recommendations in an attempt to mitigate and/or remove conflicts of interest as follows:

1. The retention of a single negotiation team which answers to the Council but reports through the Parish Attorney's Office. The JPOIG recognizes and understands that the negotiation team must have access to each hospital's respective management team, attorneys, advisors and board members.

Clear direction to the hospital boards in the form of a resolution and/or ordinance concerning the authority to (1) engage past, present or potential suitors in any manner; (2) engage in negotiation efforts; and (3) and expend funds related thereto. Action undertaken and completed should be rooted in specific authority that is aligned with the Parish's goal to ensure the future viability and sustainability of the public hospitals. In this manner, the Parish can ensure the necessary and proper input, advice and support from the stakeholders while mitigating the risk of conflicts that arise from direct control over the negotiating process.

While no written response was received, some actions were taken by both the West Jefferson Medical Center and the Parish Council to establish parameters for a negotiation process.

2st Supplemental Hospital Monitoring Memorandum of 06/10/2014.

The JPOIG issued a second supplemental hospital monitoring memorandum on 06/10/2014 relating back to the initial monitoring memorandum to the Parish Council of 09/13/2013 regarding the Parish's efforts to lease the East Jefferson General Hospital (EJGH) and the West Jefferson Medical Center (WJMC), both being publically owned facilities.

On 06/10/2014, the JPOIG issued a the second supplemental memorandum during a period where the Parish Council had noticed resolutions on its 06/11/2014 agenda, which were seemingly in conflict with prior Parish Council actions. Specifically, certain resolutions ostensibly repudiated actions and engagements undertaken by the WJMC upon the express authority unanimously granted by the Parish Council on 04/09/2014. The JPOIG believed that the proposed course of action was inconsistent with previous Parish Council action and merited further discussion prior to action.

To that end, the JPOIG made the following recommendations which would have permitted the Parish Council to engage in a course of action consistent with prior legislative action.

1. Permit the WJMC Board to execute upon the authority granted by the Parish Council in Resolution 122709 and present a negotiated lease to the Parish Council in complete form, including all terms and conditions, for ratification by the Council;
2. Establish clear lines of direction for the WJMC Board to report to the Parish Council, and/or call upon the WJMC Board to direct Hogan Lovells to report to the Parish Council regarding negotiative direction;
3. In the event that the Parish Council desires to revoke authority granted to the WJMC Board under Resolution 122709, the JPOIG recommends the Parish Council engage and comply with its prescribed procurement process for soliciting and engaging representation for the Parish Council to negotiate a lease with LCMC as governing authority of the hospital service district.

No written response to this second supplemental memorandum of 06/10/2014 was received. The Parish Council ultimately took action that was inconsistent with the JPOIG recommendations. However; it was noted that subsequently there has been an effort to clarify the reporting mechanism between the negotiation team and the Parish Council that reflects elements of recommendation #2.

Louisiana Community and Family Services, Inc. (LCFS)

An audit was conducted on funds provided to the non-profit Louisiana Community and Family Services, Inc. (LCFS) for summer enrichment programs. The funds were administered by the Jefferson Parish Community Action Program (JeffCAP) pursuant to several cooperative endeavor agreements (CEAs).

The JPOIG identified \$136,739 in questionable and disallowed expenses paid to LCFS by the Parish, as well as, numerous area of control deficiencies within both the Parish and LCFS structures. There were nine (9) findings and recommendations made including, by way of example, the following:

- Reimbursements to LCFS may be considered gratuitous alienation of public funds as the Parish did not quantify or document the benefit received from expending public funds to LCFS. Thus, it could not assess whether services provided were equivalent in value to the expenditure of public funds.
- LCFS issued improper payments to immediate family members. The Parish reimbursed LCFS for \$20,445, in cash payments to AA& D Catering, a Company operated by immediate family members, and an additional \$1,892 to another immediate family member for other services provided in violation of the grants terms. Additional controls were recommended.
- The Parish's accounting department approved payments of \$42,558, without obtaining receipts or proof of payment. Additional controls were recommended.

- Payments of \$61,372 did not have adequate proof of payment as expenses were paid in cash; \$5,369 of the \$61,372 claimed cash payments were related to a fictitious invoice created by LCFS. The JPOIG recommended that the Parish require the use of electronic payments for expenses over a designated dollar threshold for all grantees unless there has been prior justification and approval.
- The Parish Council funded LCFS for services provided prior to the contract agreement. The retroactive funding did not permit monitoring and oversight of the funded activities. It was recommended that the Parish not enter into contract agreements that pretermite the Parish from monitoring the performance or controls of the services provided.

The Parish's response generally accepted 8 of the 9 findings and associated recommendations. The Parish emphasized Parish legislative action intended to resolve issues identified in the audit. The JPOIG audit report considered legislative action when making recommendations. Some remedial action predated the audit period and some overlapped it. Lastly, the Parish did not indicate whether any effort to recover money, where possible, would be considered.

Preliminary Review of Harvey Volunteer Fire Company No. 2

A preliminary review was conducted of the Harvey Volunteer Fire Company No. 2's (hereinafter "HVFC #2") oversight and control of expenditures in 2013. Preliminary reviews were conducted to determine whether the circumstances merit the allocation of resources to conduct a full audit.

The JPOIG auditor reviewed a sample including bank statements, reconciliations, and supporting documentation for expenses incurred and paid for January, February, June, and August of 2013. Our preliminary review did not reveal any significant errors or irregularities. However, we found that some areas merited attention and made the following three recommendations:

1. **Approval Process.** While reviewing the department's fuel expense statements the JPOIG auditor noted there was no signature indicating that supervisory or command personnel reviewed the statements to ensure accuracy. All invoices should be reviewed by an independent employee (supervisor) who does not have custody of the assets and/or the ability to enter payments into the accounting records.
2. **Segregation of Banking Duties.** The administrative secretary's responsibilities include: check preparation, banking, and completing bank reconciliations. We recommend that the organization's officers prepare or at least review the bank reconciliations in detail and consider a two-person review process to ensure that checks are secured, used in numerical order, accounted for, and are written for authorized purposes only.
3. **Time Cards.** While reviewing payroll, it was noted that employees' timecards do not have a supervisor's approval or date. It was recommended that a supervisory employee of the HVFC #2 sign and date employees' time cards.

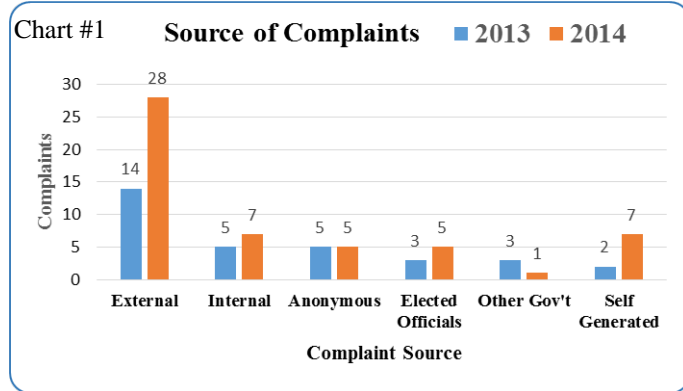
The HVFC #2 leadership was cooperative in all aspects and adopted controls or control enhancements consistent with our recommendations.

Operational Activity

The JPOIG received and evaluated tips throughout the reporting period. Where information was sufficient, complaints were logged and additional actions taken where appropriate. The JPOIG logged 54 complaints in 2014, as compared to 32 in 2013. The increase represents a 69% increase in complaints overall.

Chart #1 reflects the source of the information received. The data reflects significant increases in external and self-generated complaints.

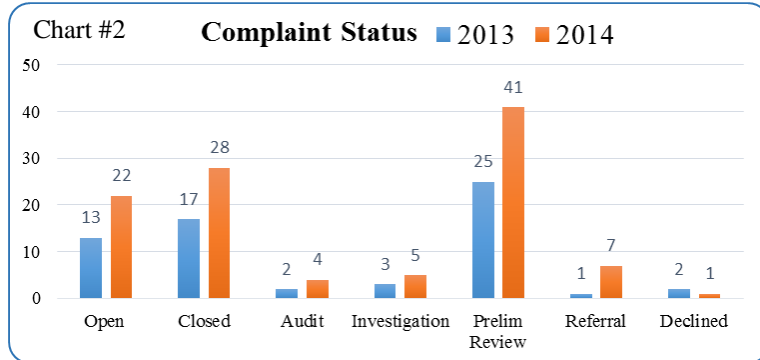
We have experienced a 100% increase in external complaints from 14 during 2013, to 28 during 2014. In addition, we see a substantial increase from 2 to 7 self-generated complaints.



While the overall numbers appear low, self-generated complaints reflect an increasing level of review concerning Parish practices, policies and actions by JPOIG staff.

Taking into consideration status of the complaints received, the data reflects increases in the volume of complaints processes overall. See Chart #2.

Audits, investigations, and preliminary reviews, each of which often represent a substantial time and resource commitment, increased in a statistically significant manner from 2013 to 2014. The ratio of open and closed complaints remained relatively stable, and it



reflects the long term nature of many inquiries. It is believed that the institution of case management during the 2015 reporting period will assist in decreasing the level of open complaints for the next reporting period.

How We Will Measure Success

The case management system is being configured to permit the reporting of additional performance metrics in the areas of efficiency, effectiveness, outcomes and outputs. These measurements will permit the JPOIG to track and report consistently over future reporting periods, as well as, provide managers with the real time case status and case load necessary to more effectively manage staff. We intend to report across the following areas:

Efficiency

1. Number of cases (audits, investigations, performance reviews) per available work year.
2. The relationship between actual cases worked and all incoming tips and the ratio of referrals.

Effectiveness

1. Percentage of recommendations accepted or considered as adding value to the subject department, agency or office;
2. Percentage of tips assessed within 7 business days; and
3. Percentage of full investigations completed within 180 days.

Outcome

1. JPOIG savings and recoveries;
2. Number of referrals to law enforcement or prosecutorial authorities; and
3. Number of tips or leads developed via all sources.

Output

1. Number of Parish residents addressed by the JPOIG.
2. Number of Employees briefed or trained by JPOIG staff.

(As of 03/31/2015)

David McClintock

Inspector General

Gina Dabdoub

Administrative Assistant

Kim Chatelain

1st Assistant Inspector General

Randy Duke

Deputy Inspector General – Audits

Tamyra Johnson

Auditor

David Owen

Auditor

Brian Smith

Deputy Inspector General – Investigations

Amy Benoit

Special Agent

Paul Casadaban

Special Agent

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