



# OFFICE OF INSPECTOR GENERAL JEFFERSON PARISH



DAVID N. McCLINTOCK  
INSPECTOR GENERAL

## MEMORANDUM

**Date:** 08/29/2019

**To:**

Howard Maestri, Chair  
Warren R. Bourgeois, III, Commissioner  
Dolores Hall, Commissioner  
Sandra Joseph, Commissioner  
Laura J. Donnaway, Commissioner

**From:** David N. McClintock, Inspector General

**Re:** Annual Work Plan for Calendar Year 2020

The Jefferson Parish Office of Inspector General (“JPOIG”) has prepared 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:

1. Audit Process Chart 1
2. Risk Assessment Process Chart 2
3. Risk Assessment Criteria
4. 2019 Annual Audit Plan

The JPOIG Audit Unit is led by Susan I. Andrews, CPA, CFE, CISA, CIGA, CIG who serves as the Deputy Inspector General Audits with a staff of two (2) auditors. The audit plan is based upon the full utilization of the current staffing level. The Audit Unit conducts independent and objective audits and is committed to providing timely, useful, and reliable information.

The Audit Unit identifies opportunities to improve government operations by conducting comprehensive independent audits and activities to assess efficiency, economy, and effectiveness, assesses compliance with applicable laws and regulations and prevents, detects, and deters fraud, waste, and abuse. In addition, the Audit Unit engages in (unplanned) reviews based upon information developed and supports efforts of the Investigative Unit as required.

Pursuant to the Annual Work Plan, resources are assigned in the areas of highest risk and vulnerability in order to assess the subject areas and where appropriate, provide recommendations to improve internal controls, operations and systems.

### Audit Universe

The audit universe is comprised of 158 identified auditable departments and functions within the Jefferson Parish government. Our goal for calendar year 2020 audit plan includes two (2) new audit areas, two (2) planned audits carried over from the 2019 audit plan, four (4) follow up audits and one compliance project.

To identify high risk areas for audit coverage, we relied on discussions with Jefferson Parish management and staff, our knowledge, professional judgment, annual budgets, Comprehensive Annual Financial Reports (CAFRs), information obtained from the Finance Department, and our subjective assessment of risk. The JPOIG notes that our current staffing levels do not permit audit coverage of all units on a reasonable schedule. Therefore, we utilize risk assessments that include input from the Parish Administration to prioritize areas and operations that will be scheduled for review.

As with any annual work plan, unplanned contingencies and newly identified cases may present as the audit plan year unfolds. As such, the audit plan risk assessment may be amended during the year to better identify audit areas that either add operational value or mitigate identified financial or operational risks. The scope of each planned audit will be assessed as part of the individual audit's planning process. The scope of each audit will be formulated using a standard number of estimated audit hours so that one audit and one follow up audit can be completed each quarter as the 2020 year progresses. A copy of this document will be available on the JPOIG website [www.jpoig.net](http://www.jpoig.net) after September 1<sup>st</sup>.

### Coordination

The JPOIG effectively coordinates its efforts with the Jefferson Parish Internal Audit Director with regular, joint communication and sharing of information and audit plans. The Internal Audit Director is required by ordinance to collaborate with the JPOIG to promote the efficient use of oversight resources, provide quarterly activity reports to the JPOIG, and to report all internal audit findings to the JPOIG through the issuance of draft and final internal audit reports. Such coordination continues to occur with the Jefferson Parish Internal Audit Director and the JPOIG 2020 Annual Work Plan is reflective of this effort. The JPOIG has developed a positive and mutually beneficial working relationship with the Internal Audit Director and also provides collaborative support to that oversight function as required throughout the year.

### 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 (IIA).

As part of the internal quality assurance and improvement efforts, the JPOIG reviews and implements professional standards and internal policies and procedures; participates in various training and development activities; consistently strives to improve audit techniques, tools, and technology; and practices appropriate supervision procedures. In addition, the Audit Unit also performs internal quality reviews for the completeness of work papers and each audit's conformance to IIA (Red Book) Audit Standards and practices, and to Association of Inspector's General (AIG) Green Book standards.

The JPOIG communicates and demonstrates our quality assurance and improvement efforts through the form, content, and frequency of communications with management. This is demonstrated through the communications and discussions that lead to this and future Annual Work Plans; formal audit and review reports; annual reports, and the results of our periodic peer review.

In the 2019 fiscal year, the Audit Division has dedicated one full-time equivalent audit position as responsible for completing all planned audits, and another full-time equivalent audit position as responsible for all emergent cases and any follow-up audits that are due. The 2020 Annual Work Plan reflects this resource allocation, and to date, this method has proven very effective in promoting staff efficiency and accountability.

Lastly, the JPOIG's resources, and by extension those of the Audit Division, provides sufficient funding to address a limited oversight function. We do not believe the funding is sufficient to perform all of the functions that would be prudent. This fiscal year 2020 Annual Work Plan is reflective of these inherent resource constraints.

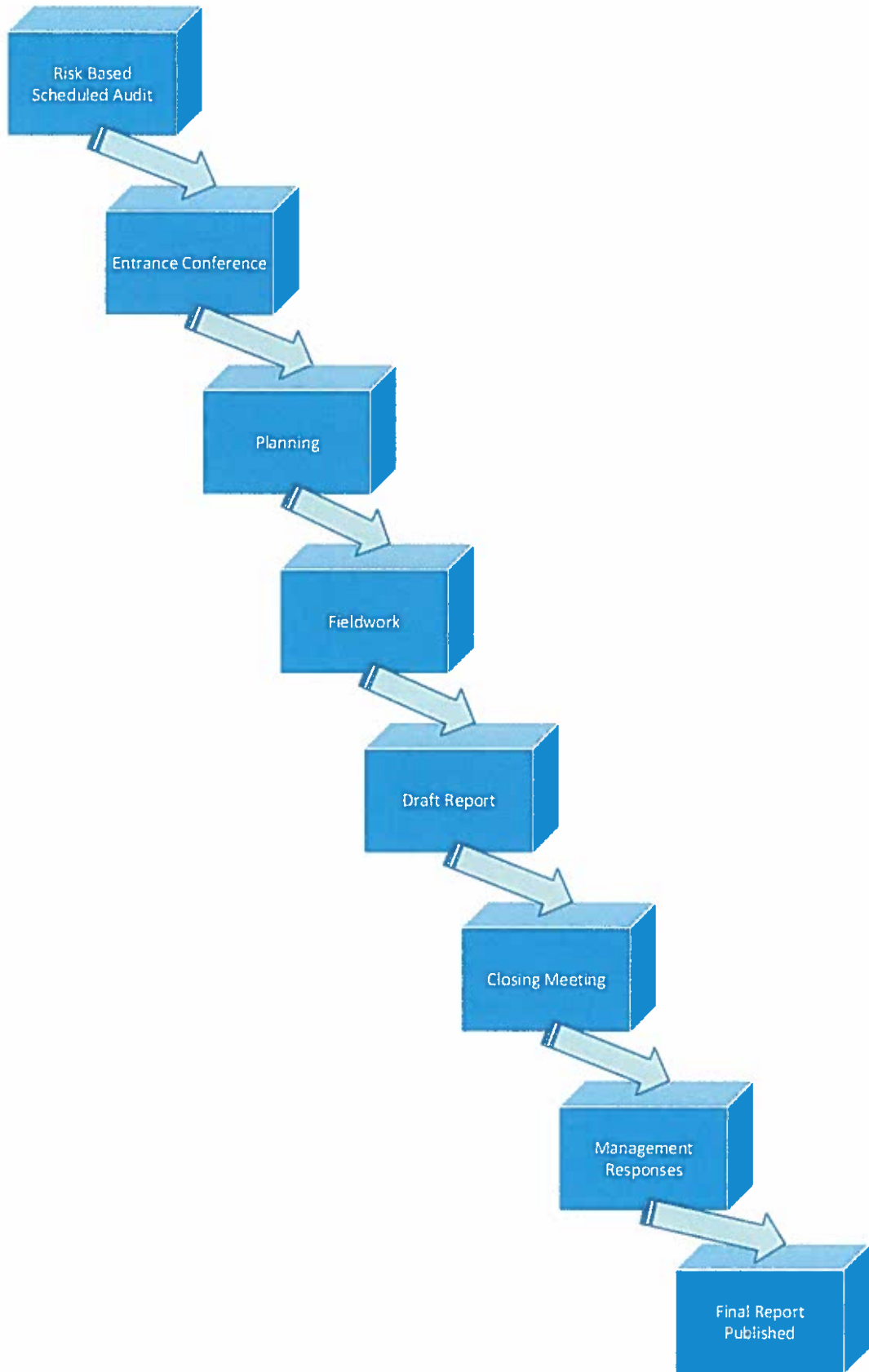
**Attachments:**

Audit Process Chart 1, Risk Assessment Process Chart 2  
Risk Assessment Criteria, 2020 Audit Plan

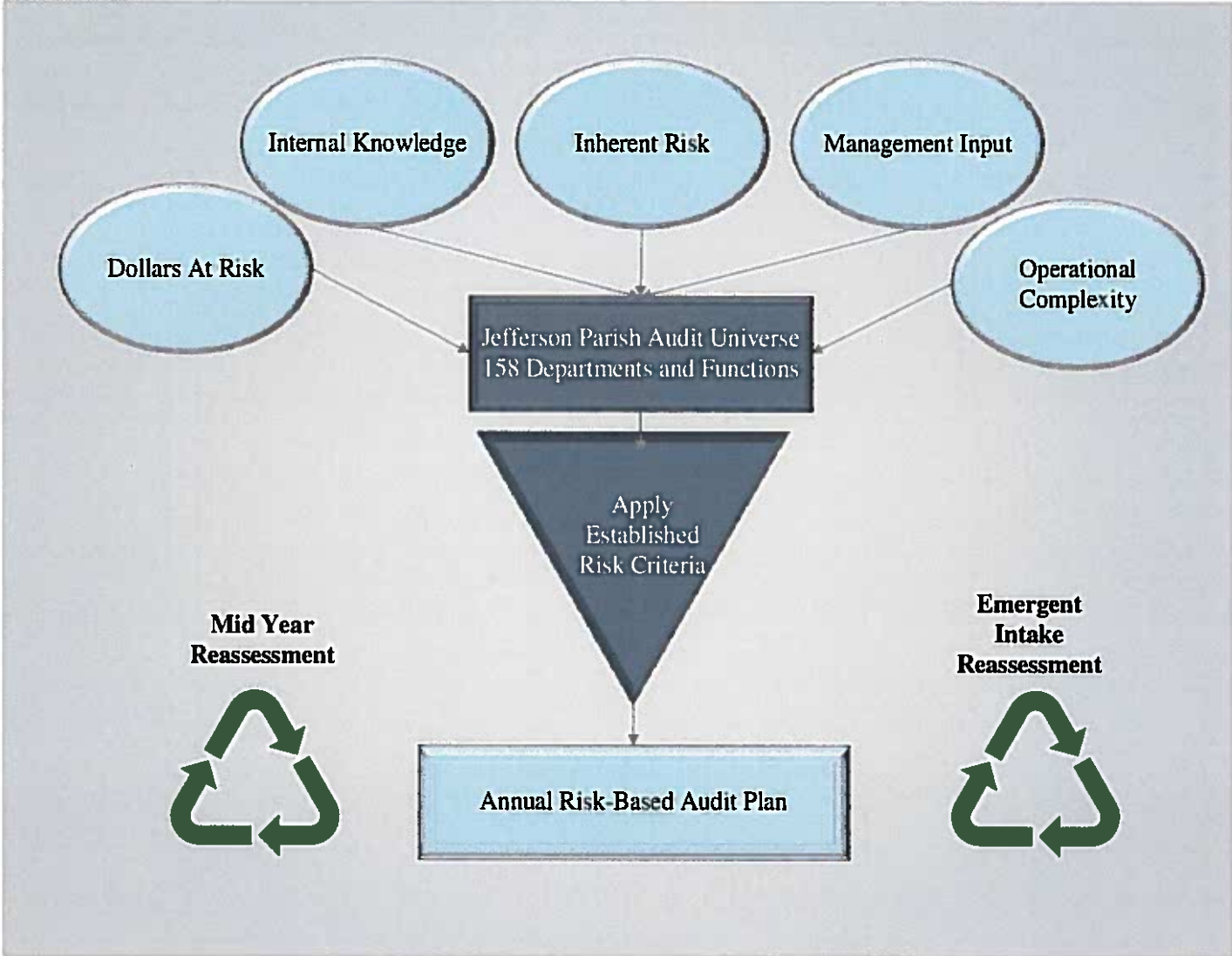
cc:

Michael S. Yenni, Parish President  
Walter Brooks, Chief Operating Officer  
Timothy Palmatier, Director, Finance Department  
Councilman Keith Conley, At-Large "A"  
Council Chairwoman Cynthia Lee-Sheng, At-Large "B"  
Councilman Ricky J. Templet  
Councilman Paul D. Johnston  
Councilman Mark D. Spears, Jr.  
Councilman Dominic Impastato  
Councilwoman Jennifer Van Vrancken

# AUDIT PROCESS CHART 1



**RISK ASSESSMENT PROCESS CHART 2**



## Risk Assessment Criteria:

### Definitions

#### Risk Category: Dollars-At-Risk

**Financial Risk:** The risk of fraud, waste or abuse involving financial transactions occurring within a department, agency or function.

**Corruption Risk:** The risk of corruption by public officials with influence or management authority over the activities over the department, agency or function.

**Theft Susceptibility:** The risk that inventory or equipment could be diverted from government coffers due to the nature of the activities occurring within the department, agency or function.

**Budget Amendments:** Budget amendments indicate that unanticipated operational changes occurred within the department, agency or function, which may be indicative of fraud, waste and/or abuse.

#### Risk Category: Complexity of Operations

**Degree of Regulation:** A high degree of federal, state or local regulations govern the activity occurring within the department, agency or function.

**Inherent Operational Risk:** There is a high degree of risk that failure of operations will result in fines, penalties or fees to occur.

**Process Instability:** The risk that processes may be immature or are not well documented due to recent changes in the operating environment of the department, agency or function.

#### Risk Category: Internal Knowledge

**Recent Audit History:** The result of past audits by any assurance provider, external, internal, or regulatory auditor has been unsatisfactory.

**IG Internal Intelligence:** Information obtained by the JPOIG indicates a heightened potential for fraud waste or abuse within the department, agency or function.

#### Risk Category: Inherent Risk

**Degree of Political Pressure:** There is a high degree of political pressure that has occurred within the past 12 months impacting the department, agency or function.

**Degree of Technological Inadequacy:** There is a high degree of technological inadequacy in the department, agency or function. For example, the use of systems that are outdated, ill-used, or under-utilized, as well as systems that do not produce the right elements of information to aid in management's decision making, or cost control.

**Degree of Management Ineffectiveness:** There are indicators or there is public perception of mismanagement of operations, personnel, or public assets occurring within the department, agency or function.



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## 2020 Audit Plan

The 2020 Annual Audit Plan is the result of the Annual Audit Risk Assessment process. The annual audit plan is designed to be independent and liftable from the Annual Risk Assessment result.

A risk assessment is a systematic process for assessing and integrating professional judgments about the probability of the existence of adverse conditions and/or events. Based on the risk assessment, the Deputy Inspector General Audits will commence an audit of the areas presented below after securing approval from the Inspector General. Department-specific risk assessments will be completed as part of the audit planning phase, performed at the inception of each audit. The Annual Audit Plan is presented by calendar quarter; however, because conditions change, audit priorities determined through the annual risk assessment process may be reviewed and updated throughout the year.

### 2020 PROPOSED AUDITS

2020 Audit Title	2020 Quarter
Cost Allocation Plan (Shared Services)	1
Water Department Billing/Rates	2
Parish Hiring Practices	3
Non Departmental Funds	4
Parish Bonds	1
Terrytown Booster Club Follow Up	1
JP Leased Property Follow Up	2
Water Department Physical Security Follow Up	3
Greater New Orleans Econ. Dev. Svs. Follow Up	4

Completed By:

Susan I Andrews, CPA, CFE, CISA, CIGA, CIG  
Deputy Inspector General Audits

Approved By:

David N. McClintock, CIG  
Inspector General