

**City of Shreveport
Internal Audit Office
Limited Scope Review (IAR) 650015-06**

Date: December 31, 2015

To: Henry Thompson, Director
Shreveport Airport Authority

Subject: **Review of Non-Compliance with City Uniform Policy**

Introduction

The Internal Audit Office has completed a limited scope review of non-compliance with City Uniform Policy. This work began as the result of an anonymous complaint received on the City's ***Fraud Hotline*** alleging that an Airport employee had purchased ineligible clothing using City funds.

The methodology used included interviewing the Assistant Director of Airports (who was the Interim Director of Airports at the time of the interview), obtaining and reviewing the invoices in question and the supporting documentation, reviewing the City's Administrative Procedure 1-14 (effective June 1, 1982), City of Shreveport Personnel Rules and Regulations (effective January 1, 2013), review of uniform policies promulgated by a former Director of Airports, using the vendor's on-line catalog to identify the specific clothing items purchased, receiving advice and opinions from the City Attorney's office, and such other procedures as we deemed appropriate in the circumstances.

Our review was performed in accordance with generally accepted government auditing standards, except that a peer review has not been performed. A review is substantially less in scope than an audit, the objective of which is an expression of opinion on the subject matter as a whole. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the allegation made is not, in all material respects, true and sustained.

Background

The City of Shreveport established in 1982 Administrative Procedure 1-14 that provides uniforms for eligible employees and provides controls for the issuance process. The procedure defines eligible employees as "*Any permanent **classified** employee who has been designated for issuance of uniforms*". The City of Shreveport Personnel Rules and Regulations (effective January 1, 2013), includes guidance on dress code in Section Twenty-Nine, but this guidance does not nullify Administrative Procedure 1-14.



Criteria

The principal criteria contained in Administrative Procedure 1-14 include, but are not limited to, eligibility of employees for issuance of uniforms, standard specifications for the uniforms provided under this procedure, responsibilities of administrative employees in implementing the procedure and a detailed description of the requisitioning, ordering, inventorying, issuing and replacing uniform items. All these processes hinge on the eligibility of the employee.

We requested an opinion from the City Attorney's office as to;

- Whether or not the Airport Authority employees were subject to Administrative Procedure 1-14.
- Whether the Airport Authority Management could issue its own Uniform Policy to supersede the City's Administrative Procedure.
- Whether administrative (appointed) personnel might be considered "eligible employees" under the City's Administrative Procedure 1-14.

The City Attorney's opinions were that the Airport Authority employees are subject to Administrative Procedure 1-14; that the Airport Authority Management cannot issue its own Uniform Policy to supersede that established by Administrative Procedure 1-14; and that the term "eligible employees" in the City's Administrative Procedure 1-14 does not include appointed personnel.

Findings

We found that:

- The items purchased on the invoices in question were suitable for ordinary street wear. They were not identified by embroidered or sew-on patches as "City of Shreveport" or "Shreveport Airport Authority" uniform items. One item, a woman's trench coat, appeared inappropriate for City uniform issue.
- Many of the items purchased on these invoices were intended for appointed rather than classified employees.
- A former Airport Manager had promulgated a Uniform Policy for Airport Employees that contravened the City's Administrative Procedure 1-14 in several aspects, but particularly by providing that non-classified (appointed) employees were eligible to receive City furnished uniforms, and by removing the requirement that uniforms be identified by an appropriate logo.



- The immediate past Airport Manager made the wearing of uniforms optional in response to the dissatisfaction of some administrative employees; and further removed the requirement that the uniforms be identified with the Shreveport Airport Authority logo or other City of Shreveport identification.

- While not specifically a part of this allegation, the then interim Airport Director told us that the City is furnishing certain uniform items, including shirts, windbreakers, blazers and caps to Airport Management (non-classified, appointed), and has been doing so for a number of years. He stated that the purpose of these items is to make airport personnel attending conferences and other official functions easily identifiable. Irrespective of the purpose, those purchases at the City's expense appear to be in violation of Administrative Procedure 1-14.

Effect

The disparity of policy among and between employees in various departments creates morale issues among employees. Poor morale impacts both quality and quantity of work, thus impacting the City's ability to carry out its mission. Furthermore, the use of City funds to purchase items not in conformance with City policy is an inappropriate use of City assets and might be considered abuse.

Cause

Administrative Procedure 1-14 is not being uniformly followed in all Departments.

Conclusion

The Airport Authority Management does not follow the City's Administrative Procedure 1-14 governing City issued (furnished) uniforms. Based on the evidence obtained, the allegation made in this matter through the City's Fraud Hotline is sustained.

Recommendations

Based on our findings described above, we make the following recommendations:

- The City's Administration counsel with the then interim Airport Director concerning the multiple failures to comply with established City policy and procedure.
- The City's Administration requires Airport Management to comply with the Uniform Policy (A. P. 1-14).
- The City's Administration make the incoming Airport Director aware of the issues raised in this report so he can take appropriate actions in the future.



- The City's Administration require the recipients of the items purchased on the invoices examined for this report to reimburse the City for the costs of those items, totaling \$1,246.56.

Management Response

Airport Management has reviewed the findings under this limited internal audit and fully concurs with the findings. Further review, however, reveals that, historically, the Shreveport Airport Authority appears to have always had a liberal uniform policy; and that this policy dates back to 1994, and was further revised in 1996, 1999 and 2004. This SAA Uniform Policy was adopted by previous Airport Directors. Upon review of the specific violation of policy, management believes this violation of City policy are the result of past practices, lack of oversight, a misunderstanding of City policy, and poor internal controls.

Management will work to immediately correct this non-compliance through a series of corrective measures as listed below in the "Corrective Actions" section. Given the role played by previous management in approving and allowing for these items to be purchased, it is my belief that reimbursement would not be the best course of action and therefore, I recommend that the corrective actions listed below be considered as a resolution of this matter given material facts that led to the violations.

Corrective Action

The following corrective action will be taken to ensure SAA compliance with City Uniform Policy.

- Management staff will undergo retraining on the requirement to fully comply with Administrative Procedure 1-14 and cautioned on disciplinary action resulting from future non-compliance.
- New SAA Purchasing Procedures will be developed that require tighter internal controls through layered approvals and clear explanations of purchases.
- A review will be conducted of all permanent classified SAA employees who have been designated for issuance of uniforms so that it is understood which classes and employees fall under the policy and at what frequency/quantity.
- SAA Management will work with the CAO on revisions to the Administrative Procedure to ensure exceptions that do not meet current established policy is incorporated into changes.



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