



Public Works Department Follow-up Special Report Audit No. 23-03 June 23, 2023

Report Highlights

Page(s)

- 22 Recommendations were followed up on 3
- 7 Recommendations were completed 3



The Council
City of Shreveport

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June 23, 2023

Councilman James Green
Chairman, Shreveport City Council

Dear Councilman Green:

Subject: Special Report Audit No. 23-03, Public Works Follow-up Report

Attached please find the report mentioned above. Management comments are included in the report.

Sincerely,

Leanis L. Steward, CPA, CIA
City Internal Auditor

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BACKGROUND AND OBJECTIVES

The purpose of performing audit follow-up procedures is to determine the status of management responses. According to Governmental Auditing section 9.08 of the standards states one of the purposes of audit reports is to “facilitate follow-up to determine whether appropriate corrective actions have been taken.”

We have completed the follow-up on audit recommendations that were cited in prior Internal Audit reports issued between December 1, 2018, to December 31, 2019, regarding the Public Works Department. The report includes 22 recommendations followed up on from three audits:

1. [*Audit of The Department of Engineering & Environmental Services, Property Management Division - Adjudicated Property Process.*](#)
2. [*Audit of The Public Works Department, Streets and Drainage Division.*](#)
3. [*Audit of The Department of Public Works, Solid Waste Division–Collection Process.*](#)

Audits after this period are not included because follow-ups are scheduled at least one year from audit issue dates.

The follow-up objective was to determine progress made toward the implementation of the recommendations contained in each report. This determination encompassed the status of the implementation and the evidence of the procedures put in place.

SCOPE AND METHODOLOGY

The procedures we performed do not constitute an audit of the information compiled and presented in this report. The scope of the follow-up included a determination as to whether the audit recommendations had been implemented during the period after the release of each report. We required department management to provide a status and response regarding implementation for each recommendation as follows:

- **COMPLETE** -- The recommendation or some other action was taken, and the deficiency appears to be corrected.
- **PARTIALLY COMPLETE/ PENDING** -- The recommendation or some other action has been taken; however, the deficiency has not been corrected or only part of the recommendation has been implemented.
- **NO PROGRESS** -- No action has been taken.
- **CLOSED** -- The recommendation no longer applies to the entity due to organizational and/or procedural changes, etc.

When management's response indicated complete, partially complete, or closed, the follow-up methodology included:

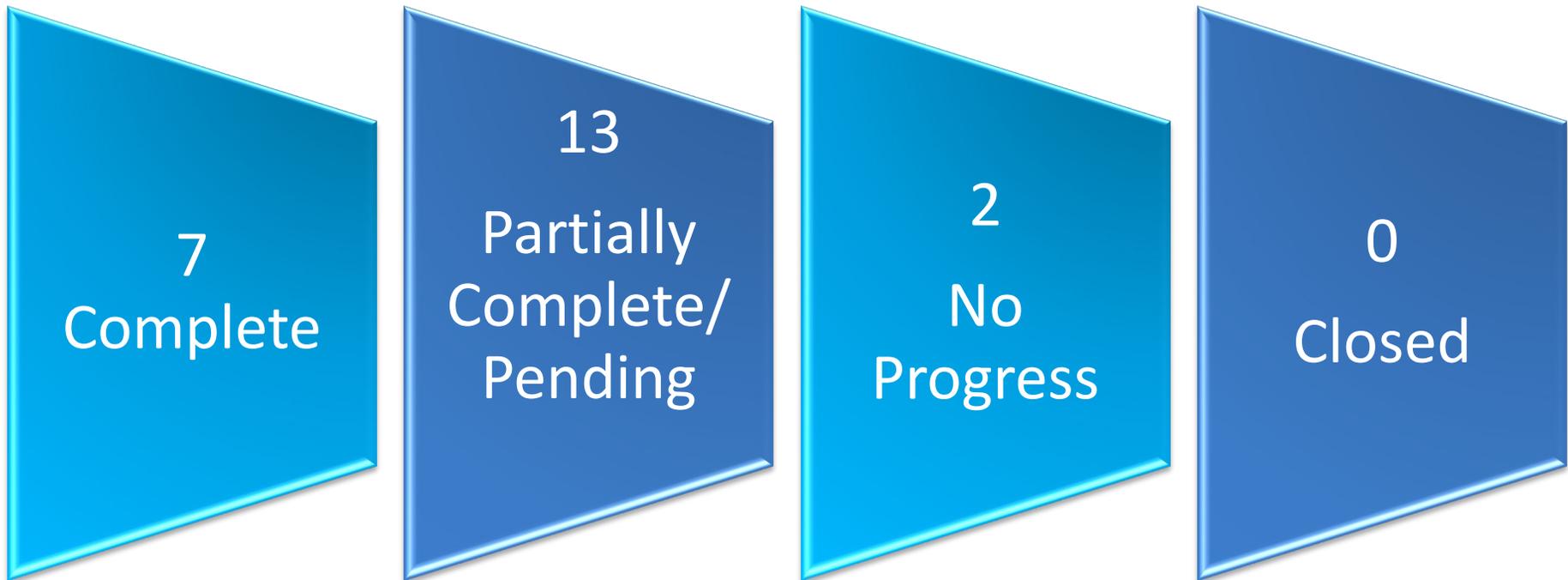
- Reviewing for reasonableness of management's written explanations and the documentation that was returned.
- Interviewing management or appropriate operating personnel for clarification when necessary.

Followed up on 22 recommendations from three prior audit reports issued between December 1, 2018, to December 31, 2019.

Recommendation Status from prior Public Works Department's Audit Reports

We reviewed 22 recommendations made by our office to determine whether management had acted as indicated in their response to recommendations.

Recommendation Status





Follow-up Recommendation Audit Matrix

Illustrates the follow-up procedures' results and includes detail on management's follow-up responses and statuses.

Finding Title	Risk Ranking	Recommendation	Prior Management Response	Updated Management Response	Status
AUDIT OF THE DEPARTMENT OF ENGINEERING & ENVIRONMENTAL SERVICES, PROPERTY MANAGEMENT DIVISION - ADJUDICATED PROPERTY PROCESS					
CivicSource Agreement	Medium	Recommendation 1 - We recommend increasing oversight to avoid having properties canceled. Property Management should verify that the property can be sold by CivicSource by thoroughly reviewing the property to confirm if the property is being processed by the City (is on a payment plan or application for the One Dollar Program) within the 30-day window before any (or further) costs are incurred. Management should respond to CivicSource in writing that a property can be listed.	We agree that increased oversight is necessary. We have instituted a system whereby all properties being sold through the City Program, or the One Dollar Program, are given to CivicSource in writing prior to initiating the City sale. We will continue to do this. Coordination between the City's Revenue Division and Property Management will be instituted to ensure that no property on a payment plan can be sold. Due Date: 6 to 12 Months	Property Management is already corresponding with CivicSource to validate the selected properties. We identify properties that we do not want listed on the CivicSource website and notify CivicSource of these properties.	Complete
		Recommendation 2 - Management should contact CivicSource and request a descriptive	We agree and will make the request to have a descriptive narrative be included for the various statuses listed on the	From CivicSource 12/2/22: "I've asked our Accounting team to pull the most recent	Partially Complete/ Pending



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		<p>narrative be included for the various statuses listed on the Adjudicated Property Distribution Report and provide a detail of the cost.</p>	<p>Adjudicated Property Distribution Report, and to also provide a detail of the cost. Due Date: 6 to 12 Months</p>	<p>reports we've sent to you. I don't believe we have been doing this one, at least not since I became your Account Manager. That's because Jacqueline didn't tell me anything about this audit prior to her departure from CivicSource, and we also recently got a new Accountant. I can certainly provide a descriptive narrative going forward."</p> <p><i>Auditor Note: Changed to Partially Complete until receipt of proof of documentation.</i></p>	
		<p>Recommendation 3 - Once a property is listed by CivicSource, if Property Management does remove the property, management should look at ways to recoup fees.</p>	<p>We agree. We have already instituted a process whereby we contact CivicSource prior to selling a property through the City's Program to see if there are any CivicSource costs associated with the proposed City sale, and we recover those costs from the successful bidder prior to giving them the bid package. We will continue to do this and provide those results in a report. Due Date: 6 to 12 Months</p>	<p>We are doing this one. Personnel checks with CivicSource prior to selling a property through the City's Program to see if there are any CivicSource costs associated with the proposed City sale. Shreveport then collects those costs from the successful bidder prior to giving them the bid package.</p>	<p>Complete</p>



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		<p>Recommendation 4 - Management review the invoice to determine what properties sold through the One Dollar Program and what properties sold through the City Program and determine why properties sold through the City Program are listed on the One Dollar Program invoice. We also recommend management contact CivicSource to determine if CivicSource fees can be waived for properties that are sold through the City One Dollar Program since the City cannot recoup those costs.</p>	<p>We agree to make the recommended reviews on the CivicSource invoice and determine why properties that were sold through the City Program are listed on the One Dollar Program Invoice. We will also contact CivicSource to see if properties that are sold through the One Dollar Program can be waived. Due Date: 6 to 12 Months</p>	<p>Property Management is still waiting for a decision from CivicSource on fees.</p>	<p>Partially Complete/ Pending</p>
		<p>Recommendation 5 - Management should provide continuous monitoring of the CivicSource program and yearly cost/benefit analysis.</p>	<p>We agree to the continuous monitoring recommendation of the CivicSource Program and will develop a cost/benefit analysis of that program on an annual basis. Due Date: 6 to 12 Months</p>	<p>This analysis is taking place monthly.</p>	<p>Complete</p>



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Intergovernmental Agreement between the City and Caddo Parish	Medium	Recommendation 6 - Update the Intergovernmental Agreement to include a payment term schedule, such as payments should be received quarterly for properties sold.	We agree that a payment schedule should be established. We suggest that a formal request be made to the Parish of Caddo, Public Works Department requiring that payments be made to the City of Shreveport at the least on a calendar quarter basis. We will also attempt to get an update to the Agreement between Caddo Parish and the City of Shreveport. Due Date: 6 to 12 Months	No progress	No Progress
Policies and Procedures	Low	Recommendation 7 - Management updates their policies and procedures to reflect their actions and disseminate the policies to their employees, including a written acknowledgment an employee can sign.	We agree that policies and procedures should be updated to reflect the actions. This will include updating all of the ways adjudicated properties are sold by the City. Once the updates are completed, the new policies and procedures will be disseminated to employees, and employees will be given a written acknowledgment to be signed. Due Date: 6 to 12 Months	Property Management is still in the early stages of updating some of its policies and procedures. The acknowledgement form is in development.	No Progress



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Record Keeping	Low	<p>Recommendation 8 - Create and maintain an inventory of all property sold including key information such as price, sold by which program, Geo ID, address, etc. in a spreadsheet/database to improve record management system. We also, recommend storing files electronically.</p>	<p>We currently keep inventories of properties sold through all of our programs, but all inventories are not combined in one report. We will create a combined inventory of all properties sold through all programs with key information included on each individual property and include all of these properties in one report. We will also work toward getting our files stored electronically. Due Date: 6 to 12 Months</p>	<p>City has a master list of all properties sold.</p>	<p>Complete</p>
		<p>Recommendation 9 - Review files for completeness to ensure those files comply with procedures and incorporate a checklist to help guide new employees and current employees.</p>	<p>We will review all active files and verify that they comply with procedures. We currently have a checklist for the regular City Program, and we use the status sheet as a checklist for the One Dollar Program. We will create a formal checklist for the One Dollar Program Due Date: 6 to 12 Months</p>	<p>Property Management is still in the development process for its updated checklist.</p>	<p>Partially Complete/ Pending</p>
Monitoring the One Dollar Program	Low	<p>Recommendation 10 - Implement a continuous monitoring program and key criteria to measure the performance and evaluate the results of the One</p>	<p>We agree that properties sold through the One Dollar Program are not currently being monitored for key performance indicators nor are measuring criteria set. We will attempt to</p>	<p>The uploaded spreadsheet, as it pertains to the Dollar Program, shows the number of properties sold in the current year versus the prior year. Also attached is a</p>	<p>Complete</p>



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		Dollar Program. Possible performance measures: *Citizen’s participation rate based on applications submitted *Savings vs. cost to maintain the adjudicated properties *Prior year vs. current year sales numbers of adjudicated properties	implement a process by which we can measure the effectiveness of the One Dollar Program. This process should include the performance measures listed above. Due Date: 6 to 12 Months	spreadsheet showing the participants’ applications and the current status thereof for the program.	
		Recommendation 11 - Include the adjudicated process programs into the budget to recap the accomplishments and goals.	We agree that the Adjudicated Property Program process should be included into the budget to reflect goals and accomplishments. We will see this gets done. Due Date: 6 to 12 Months	The department will add the number of properties sold (prior year), as well as the amount of revenue accrued, in its upcoming 2024 operating budget submission.	Partially Complete/ Pending
Advertising Adjudicated Properties	Low	Recommendation 12 - To focus on growth and program awareness, we recommend increasing promotion of the One Dollar Adjudicated Program via flyers, yard signage, City Council meetings, social media, or news media outlets, and also include CivicSource on	We agree that increased promotion of the One Dollar Adjudicated Property Program should be accomplished. We also agree that including CivicSource on the Property Management Adjudicated Property webpage should be done. We will create methods by which to increase awareness of the One Dollar Program and	Property Management has participated in multiple community meetings led by the City Council in order to inform the public about the City's adjudicated property program, including the dollar program. These meetings have taken place over the course of several years, most recently on	Partially Complete/ Pending



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		Property Management’s Adjudicated webpage (similar to the listing of the Caddo Program).	work with the City’s IT Department to update the webpage. Due Date: 6 to 12 Months	January 18th and January 31st, 2023. Property Management has made improvements to its website, but those are ongoing.	
AUDIT OF THE PUBLIC WORKS DEPARTMENT, STREETS AND DRAINAGE DIVISION					
Integrated Work Order System	Medium	Recommendation 1 - A new integrated work order system with Geographic Information System (GIS) based reporting would help Streets and Drainage (S&D) management improve efficiency of operations by: reducing duplication of effort, automatically calculating the total cost of repair, help analyze the root cause of work service requests, better determine if performance metrics are being met, provide more transparency in the work flow process, and help to prioritize the incoming service requests to	I agree that the Department of Public Works needs work order management software. Permits and Inspections Division is in the process of implementing the new My Government Online (MGO) software. This software has additional modules for work order management, and we have seen a demonstration of how it works. City’s IT Department is very interested in single vendor solutions and the addition of this module would be my preference. Funding for this upgrade will be in excess of \$50,000 and we don’t have the money available in the current budget. Also, I want to make sure the Permitting Software performs as advertised prior to purchasing additional modules.	We are working with vendors to provide an effective work order system. The implementation cost is significant, and we are meeting with vendors to select the group.	Partially Complete/ Pending



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		<p>determine which ones should be addressed first based on needs and risks to the City (e.g., those that may specify holes, slips, trips and/or falls).</p>	<p>Until that time a follow-up on incomplete or late work order requests will be reviewed weekly. The work order will be evaluated to identify why it is late and a new completion date will be assigned based on the time frame to complete the work. Due Date: Less Than 6 Months</p>		
		<p>Recommendation 2 - Until an integrated work order system is in place, for the spreadsheet that summarizes Requests of Service, S&D management should add status updates and add a category that identifies the source of the concern as citizen or department. Requests for Service should have all pertinent data and information.</p>	<p>I agree that the Department of Public Works needs work order management software. Permits and Inspections Division is in the process of implementing the new My Government Online (MGO) software. This software has additional modules for work order management, and we have seen a demonstration of how it works. City's IT Department is very interested in single vendor solutions and the addition of this module would be my preference. Funding for this upgrade will be in excess of \$50,000 and we don't have the money available in the current budget. Also, I want to make</p>	<p>We have added the additional information requested by internal audit until we get a work order implemented.</p>	<p>Partially Complete/ Pending</p>



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			<p>sure the Permitting Software performs as advertised prior to purchasing additional modules. Until that time a follow-up on incomplete or late work order requests will be reviewed weekly. The work order will be evaluated to identify why it is late and a new completion date will be assigned based on the time frame to complete the work.</p> <p>Due Date: Less Than 6 Months</p>		
S&D - Warehouse and Small Engine Shop	Low	<p>Recommendation 3 - S&D management should establish formal procedures and operation protocols for the day-to-day operation of the warehouse. Management should provide more training to improve the process of daily operation and require that all employees follow the rules and regulations of the warehouse. The inventory spreadsheet should be saved on the city computer</p>	<p>A warehouse daily procedure and process is being written for review and discussion. A key component to the implementation of an electronic work order system will have to be inventory control to track not only how much of an item we have but where the inventory goes when removed from the warehouse.</p> <p>Due Date: Less Than 6 Months</p>	<p>We are working to add warehouse information to the city hard drive.</p> <p>The inventory controls all go through the warehouse manager and to his knowledge everyone is following the procedures. The only exception to this process is during emergency call outs where the Chief Supervisor can access supplies as necessary and then this is reported to the</p>	Partially Complete/ Pending



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		network so it can be backed up nightly by IT personnel. S&D management should have better controls of inventory items at the Small Engine Shop by having ongoing tracking inventory of items in stock and installing a door and locking device at the supply location. Employees should fill out all work orders completely for tracking purposes. S&D also needs to install better fencing and new surveillance camera system.		Warehouse Manager to reconcile. Streets and Drainage will be relocating to the new Water and Sewer and Public Works complex on West 70 th Street and as this facility is built out, we will include the necessary controls to address Internal Audits concerns.	
Operating Procedures	Medium	Recommendation 4 - S&D management should have current procedures and work-related manuals. Those documents should be available for all S&D employees. The documents should reside in electronic format in a common area accessible to employees with computer access. Employees without computer access should	We are in the process of updating the operations and procedures manual for the Streets and Drainage Division of the Public Works Department. Due Date: Less Than 6 Months	All Standard Operating Procedures (SOP's) were updated in the last (6) months of 2022. Any information requested by employees about procedures will be provided at their request.	Complete



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		have a current hardcopy document available.			
Safety Program and Records	Medium	Recommendation 5 - S&D management should maintain a list of remediation/follow-up of accidents/injuries, safety violations, and noncompliance issues.	We will begin keeping records of all Safety Meetings and Safety Training. The records will include the subject matter, instructors name and attendees. Due Date: Less Than 6 Months	We are working with risk management to provide a monthly safety meeting. Records are kept on all accidents. Monthly safety meetings are conducted.	Complete
Formal Continuous Employee Training	Medium	Recommendation 6 - S&D management should create a formal training program to ensure that all employees are trained in the proper use and handling of equipment. Follow up with training and updates for employees should also be included.	Records will be maintained on all in-house training as well as contract training on the proper use of the equipment our employees operate. The records will reflect the name of the instructor, type of equipment and the name of the trainee. Due Date: Less Than 6 Months	Streets and Drainage is working with outsource vendors to provide a safer and better environment. We are working with risk and other agencies to provide better training.	Partially Complete/ Pending
AUDIT OF THE DEPARTMENT OF PUBLIC WORKS, SOLID WASTE DIVISION – COLLECTION PROCESS					
Improvements of Garbage Packers (trucks) and Collection Routes	High	Recommendation 1 - (1a) Management should track the fleet to determine if operating cost exceeds the purchase cost of a packer; and have a readily available report despite a lack of funding to purchase packers. If determined that	1.Management agrees with the findings in the recommendation. A large percentage of our packer fleet is past the recommended replacement age and in need of constant repair. The cost of repairs for the entire packer fleet runs between \$300,000 and \$330,000 annually. Some	The new procedures for fuel cards have been issued to prevent fuel theft. Some of the changes include that no one in this division will be allowed to fuel offsite. Fuel reports are monitored and signed as they come out to see who is fueling where.	Partially Complete/ Pending



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		<p>maintenance and repair costs exceed the purchase cost of equipment, management should purchase packers if budget permits. (1b) We also recommend including GPS tracking and monitoring software on the garbage packers and updating the collection routes.</p> <p>(1c) In addition, we recommend monitoring the fuel cards and documenting review.</p>	<p>of the trucks are in worse mechanical shape than others and the need to start a replacement program is critical. We will monitor the repair cost to ensure cost of repairs does not exceed the cost of replacement. 70% of our packer fleet is 8 years or older. At a cost of close to \$200,000 per truck this is a very expensive endeavor with 32 trucks needing to be replaced over the next few years. 2.Our routes have had no substantial changes since the 1980's. Information Technology is specifically working on ways we can gain data and track household positions to evaluate the effectiveness of changing the routes. Any change in schedule or routing will not be easily accepted by the citizens. We will have to weigh out the cost / benefit of these types of changes. 3. Substantial changes have already been put in place to minimize the opportunity for theft from our Fuelman system. Specific instructions have been provided to all departments to</p>	<p>GPS is being installed on our Solid Waste fleet. Once Solid Waste is moved to the new Public Works facility, we will evaluate the needs for route adjustment.</p>	



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			<p>allow fleet to monitor and document the review and acceptance of ongoing fleet report. We will continue to implement these changes and incorporate any other recommendations that come from the Fuelman audit. Due Date: 1 Year or More</p>		
Curbside Collection	Low	<p>Recommendation 2 - Altering the ordinance to specify who is responsible for issuing citations and how citations or fines will be enforced. We also recommend maintaining a record of citations issued.</p>	<p>Management agrees with the findings and recommendations on citations and enforcement. We recommend that the new environmental court being developed for Property Standards will be the appropriate avenue for enforcement. This would allow us to use the Shreveport Police Department for the issuance of citations and the Environmental Court for the enforcement. We do have a need to re-write the ordinance governing solid waste activities but re-writing this prior to the implementation of the environmental court would be premature. Due Date: 1 Year or More</p>	<p>Solid waste puts a notice to citizens per the ordinance if a can is left out too long. If there is another violation it is turned over to Who will issue a ticket and set up a court date. This is still in the trial stages as of now.</p>	Partially Complete/ Pending



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Bulk Collection	Low	<p>Recommendation 3 - Enforcing the ordinance and revising the ordinance to include a limit as to how much is collected and/or set out by citizens (e.g., five items per pickup, or a limit between one to 10 cubic yards) and issuing citations for bulk pickup. We also recommend researching and replacing the knuckle boom truck with a truck that is more effective for collecting bulk pickup to save time and resources and increase safety and efficiency.</p>	<p>Management agrees that there is more effective equipment on the market to allow us to be more efficient with pick-ups. As with our packers this equipment is very expensive so funding would have to be made available to purchase. The cost of these bulk trucks is approximately \$160,000 each. These trucks only require 1 operator/collector versus 2 in the existing trucks. With the support of the City Council ordinances can be established to limit the size and amount of the bulk that can be picked up. The other issue that will take both the commitment of City Council and the Administration when we don't pick up bulk that is in violation. Neighbors and the violator will start to apply political pressure to get us to pick up the bulk in violation and if we do that it will undermine the enforcement of the regulation. Without the enforcement component discussed in the previous response it will not work. We are aggressively going after</p>	<p>The ordinance does state what can be picked up and the size. We work with other departments to try and get the items off the street. Instead of arguing with the citizens we work with Streets, Permits and Property Standards to try to keep the city clean. If the ordinance is violated, we contact Permits who contacts the contractor doing the work to make sure it is disposed of correctly. We purchased two new knucklebooms last year. The new truck is designed to go to the landfill if need to. If we identify items not approved for bulk pickup, we don't pick it up unless a higher authority instructs us to. If it's construction debris, we notify Permits and Inspection. If a tree truck is bigger than what we pick up, we notify Streets and Drainage.</p>	Partially Complete/ Pending



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			<p>building contractors as well as tree and landscaping businesses that are leaving their waste on the curb for Solid Waste to pick up. Establishing additional restrictions on residents placing bulk on the curb will have to be carefully evaluated to establish regulations that will work. Again, enforcement is the key. Due Date: 1 Year or More</p>		
Collection Employees Safety	Medium	<p>Recommendation 4 - Collection workers should wear proper PPE equipment at all times. Update the policy to reflect current appearance standards (for example, black belts are no longer required, but optional). Include in the policy citizens should never be engaged in the disposal of waste into the packer; and clearly define safety training for employees. In addition, review safety assessments and data to determine common issues, injuries' frequency, and</p>	<p>Management agrees with the finding and will continue to train our employees to ensure a safe working environment for both the employees and the general public. Due Date: Less Than 6 Months</p>	<p>Safety is an ongoing procedure. Supervisors are taught to monitor the people in the field to ensure they are following the rules. Risk also rides around and checks on them for vests and other safety practices.</p>	Partially Complete/ Pending



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		severity, and seek ways to prevent them.			

Prepared by:
Nadia Dunams
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Staff Auditor I

Approved by:
Leanis L. Steward
Leanis L. Steward, CPA, CIA
City Internal Auditor

- nd:ts
- c: City Council
 - Clerk of Council
 - Mayor
 - Chief Administrative Officer
 - Carr Riggs and Ingram
 - City Attorney
 - Public Works