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City Internal Auditor

REPORT TO THE CITY COUNCIL BY THE CITY INTERNAL AUDITOR

2016 ANNUAL FOLLOW-UP INTERNAL AUDIT REPORT (IAR) 270016-08

December 31, 2016

Report Highlights

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- This report followed up on 129 recommendations (*40 issued in 2015 and 89 carried over from prior periods*) Page 3
- 81% of the 2,371 recommendations made since 1991 are complete Page 5



The Council
City of Shreveport

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December 31, 2016

Councilman James Flurry
Chairman, Shreveport City Council
P. O. Box 31109
Shreveport, LA 71130-1109

Dear Councilman Flurry:

Subject: IAR 270016-08 - 2016 Annual Follow-up

Attached please find the above-referenced report.

Sincerely,


Leanis L. Steward, CPA, CIA
City Internal Auditor

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INTRODUCTION

2016 ANNUAL FOLLOW-UP CITY OF SHREVEPORT INTERNAL AUDIT REPORT (IAR) 270016-08

OBJECTIVES

We have completed the annual follow-up on 40 audit recommendations that were cited in Internal Audit reports issued from January 1, 2015 to December 31, 2015. Audits subsequent to this period are not included because follow-ups are scheduled at least one year from audit issue dates. We have also followed up on 89 incomplete recommendations carried forward from the 2015 annual follow-up (IAR 270015-07 dated December 31, 2015). The follow-up objective was to determine progress made toward implementation of the recommendations contained in each report. This determination encompassed the status of the implementation and the effectiveness of the procedures put in place.

Followed up on 40 recommendations issued from January 1, 2015 to December 31, 2015 and 89 incomplete recommendations from prior periods. Total recommendations followed up on-129.

SCOPE AND METHODOLOGY

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 subsequent to the release of each report. We required City 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 effectively corrected.
- **PARTIALLY COMPLETE** -- 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.
- **NO LONGER APPLICABLE** -- 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 no longer applicable, 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.



BACKGROUND

Much of the benefit from audit work is not in the findings reported or the recommendations made, but in their effective resolution. City management is responsible for resolving audit findings and audit recommendations, and having a process to track their status can help management fulfill this responsibility. The Internal Audit Office began the tracking process with the 1992 Annual Follow-up Report (IAR 220593-06 dated May 3, 1993). Since December 31, 1991, the Internal Audit Office has made 2,371 audit recommendations. The statuses of all 2,371 recommendations are depicted in the chart below.



The following table summarizes the results of the follow-up report and covers the period from January 1, 2011 through December 31, 2015.

Follow-up Report Title:	2016 Annual Follow-Up	2015 Annual Follow-Up
Follow-up Report Issue Date:	12/31/16	12/31/15
Period Covered:	1/1/15 to 12/31/15 (12mos.)	1/1/11 to 12/31/14 (48mos.)
Report Types Issued:		
■ Audit Reports:	4	15
■ Limited Reviews:	3	0
■ Special Reports:	0	0
■ Auditing Alerts:	0	3
■ Investigative Reports:	0	0
Total Reports with Recommendations:	7	18
Number of New Recommendations:	40	126
Number of Partially Complete and No Progress Recommendations carried forward from prior follow-up period:	89	56
Total Recommendations followed-up on:	129	182
Recommendation Statuses:		
■ Complete:	43 or 33%	84 or 46%
■ Partially Complete:	46 or 36%	56 or 31%
■ No Progress:	32 or 25%	33 or 18%
■ No Longer Applicable:	8 or 6%	9 or 5%



CONCLUSIONS/FINDINGS/RECOMMENDATIONS

Overall, the City's management had made substantial and significant progress toward the implementation of the audit recommendations contained in the various reports. We believe that the completion of the audit recommendations has helped to ensure that the entities examined are operating more efficiently and effectively. For the entities where implementation remains incomplete, we feel that a greater effort should be made in achieving completion. To aid in identifying those areas where implementation remains incomplete, the following departmental summaries are provided.

Department/Agency	Complete	Partially Complete	No Progress	No Longer Applicable	Total
Airports	117 or 97%	1 or 1%	0 or 0%	2 or 2%	120
Caddo Shreveport Sales & Use Tax Commission (CSSUTC)	9 or 90%	0 or 0%	0 or 0%	1 or 10%	10
City Attorney	5 or 56%	1 or 11%	3 or 33%	0 or 0%	9
City Courts	9 or 26%	0 or 0%	4 or 12%	21 or 62%	34
City Marshal	26 or 96%	1 or 4%	0 or 0%	0 or 0%	27
Community Development (Includes Code Enforcement Bureau)	184 or 89%	0 or 0%	1 or 1%	21 or 10%	206
*E&ES, PW, W&S (formerly DOS)	344 or 92%	10 or 3%	2 or 1%	15 or 4%	371
Finance	294 or 77%	14 or 4%	18 or 5%	55 or 14%	381
Fire	127 or 86%	0 or 0%	0 or 0%	21 or 14%	148
Human Resources	13 or 59%	0 or 0%	0 or 0%	9 or 41%	22
Mayor/CAO	294 or 62%	15 or 3%	1 or 1%	162 or 34%	472
Metropolitan Planning Commission (MPC)	13 or 81%	0 or 0%	0 or 0%	3 or 19%	16
Police	94 or 93%	4 or 4%	1 or 1%	2 or 2%	101
Shreveport Area Transit (SPORTRAN)	26 or 96%	0 or 0%	0 or 0%	1 or 4%	27
Shreveport Public Assembly & Recreation (SPAR)	375 or 89%	0 or 0%	2 or 1%	43 or 10%	420
Shreveport Redevelopment Agency (SRA)	1 or 14%	0 or 0%	0 or 0%	6 or 86%	7
TOTAL	1931 or 81%	46 or 2%	32 or 2%	362 or 15%	<u>2371</u>

*Engineering and Environmental Services, Public Works, and Water and Sewerage



The report is divided into **four** sections:

Introduction

This section includes the scope and methodology used in following up on recommendations and a summary of the status of the recommendations.

Annual Report on the Operations of the City

- Provides an overview of the status of operations of the City as required by the Charter of the City of Shreveport, 1978, Section 4.25 which states "...The City internal auditor shall...(b) Issue a report to the council at least annually on all operations of the City".
- Status of open recommendations and assigned risks during the follow-up period January 1, 2015 - December 31, 2015.
- Status of open recommendations from previous follow-ups and assigned risks.
- The External Audit Opinion for the period ending December 31, 2015.

Recommendation Status

Includes detail on management's follow-up responses and status of all open recommendations.

Data

This section includes charts and graphs that depict the results of the follow-up: Total Reports Issued, Percentage of Implementation by Department, Open Recommendations Aging Schedule by Department and by Years, and Comparison of Risk Categories.

Prepared by:


Nadia Dunams, CIA
Associate Auditor

Approved by:


Leanis L. Steward, CPA, CIA
City Internal Auditor

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ANNUAL REPORT ON THE OPERATIONS OF THE CITY



ANNUAL REPORT ON THE OPERATIONS OF THE CITY FOR THE YEAR ENDED DECEMBER 31, 2015

OBJECTIVES

We have completed a review of the operations of the City for the year ended December 31, 2015. Our objectives included the following:

- Express a conclusion regarding operations under review for the period January 1, 2015 through December 31, 2015;
- Report on areas in need of management's immediate attention;
- Report on the most recent external audit opinions; and
- Report on the most recent external audit management letter.

SCOPE AND METHODOLOGY

This report describes the status of recommendations contained in reports issued January 1, 2015 through December 31, 2015, by the Office of Internal Audit (OIA) and open recommendations from reports prior to this period. Also included is the most recent external audit opinion. Procedures utilized to complete this report included the following:

- Reviewing/analyzing audits, limited reviews, and special reports completed during January 1, 2015 through December 31, 2015;
- Reviewing/analyzing open recommendations as of the latest annual follow-up;
- Reviewing the most recent external audit opinions; and
- Reviewing the most recent external audit management letter.

BACKGROUND

The Charter of the City of Shreveport, 1978, Section 4.25, states "...The City internal auditor shall...(b) Issue a report to the council at least annually on all operations of the City."

CONCLUSIONS/FINDINGS/RECOMMENDATIONS

With the exception of those issues noted in this report and the referenced audits, limited reviews and special reports, we believe the operations of the City are generally:

- Being properly conducted in accordance with standards for governmental accounting and generally accepted accounting controls;
- Operating within their budgetary controls;
- Complying with the Louisiana Constitution, City Charter, City Ordinances, and all other applicable laws and regulations;
- Being managed and utilized in an economical and efficient manner;



- Adequately insuring timeliness and reliability of information in the management information system, administrative procedures and organizational structures;
- Properly accounting for and safeguarding city property from loss; and
- Achieving objectives or benefits.

METHOD OF EVALUATION

We evaluated the importance of open recommendations based on the following criteria:

High Risk - The risk of not implementing the recommendation could result in the possibility of fraud, waste, and abuse of City assets; interrupted and/or disrupted operations; the entity's mission not being met; and adverse publicity.

Medium Risk - The risk of not implementing the recommendation could result in continuing, significant operating inefficiencies and high level non-compliance issues.

Low Risk - The risk of not implementing the recommendation could result in continuing operating inefficiencies and some low level non-compliance issues.

OPERATIONS UNDER REVIEW DURING THE FOLLOW-UP PERIOD

During the follow up period, we completed **7** audits, limited reviews, special reports, and other reports, which contained **40** recommendations. (Refer to the following '**Recommendation Status**' section for a listing of all audit reports.)

Of the 40 suggested recommendations made during 2015, we noted the following statuses:

- **23 (58%)** recommendations were determined to be **complete** because the action management had taken was sufficient to mitigate the control deficiencies.
- **10 (25%)** recommendations were determined to be **partially complete** because the action management had taken was not sufficient to mitigate the control deficiencies.
- **4 (10%)** recommendations were determined to have **no progress** because management had taken no action to mitigate the control deficiencies.
- **3 (7%)** recommendations were **no longer applicable** due to organizational and/or procedural changes.



The following is a summary of open recommendations from the above-referenced reports which we consider **high risk** and require immediate correction. Because of the extent or risk associated with these findings, correction should have the highest priority.

City Attorney's Office

- The City Attorney should broadly advertise for legal services contracts.
- Implement documented criteria for selection of contract attorneys.

City of Shreveport Convention Center Hotel

- Yearly transfer of Net Operating Profit from HRI Lodging, Inc., to the City in order to mitigate Debt Service covered by the City.
- Consistently monitor Net Operating Profit and payments due to the City from Hotel.
- City Hotel Authority should determine whether or not HRI, Inc. (parent company) should refund the excess fees (for performing services related to the procurement of supplies and equipment) to either the Hotel Operating Account or to the City of Shreveport.
- City Hotel Authority should review Hotel Fixed Asset purchases no less than twice per year.

Inadequate Controls over the City of Shreveport's Weed Abatement Program Operations

- Implement adequate controls to ensure that properties in violation are correctly identified.

The following is a summary of open recommendations from the above-referenced reports which we consider **medium risk** and require correction. Because of the extent or risk associated with these findings, correction should be accomplished expeditiously.

City Attorney's Office

- Develop and implement a "Performance Based Holdback" fee structure along with the hourly billing to provide incentives to legal counsel to more efficiently close claims and potentially reduce legal expenses.
- Update all retainer agreements with legal counsel.

City of Shreveport Convention Center Hotel

- HRI submit interim accounting at the close of each Accounting Period.
- HRI select an independent certified public accountant to audit financial statements annually.

Police-Office of Special Investigations

- Revise Ordinance to include a clear definition for "good character and reputation" or remove it.



Inadequate Controls over the City of Shreveport's Weed Abatement Program Operations

- Evaluate monetary savings that accrue from using in-house contractors.

OPEN RECOMMENDATIONS FROM PREVIOUS YEARS

The 2015 annual follow-up contained **89** open recommendations addressing actions necessary to remedy the observed deficient conditions. Our 2016 follow-up review indicated that management had either taken appropriate measures to mitigate the control weaknesses or the recommendations were no longer applicable for **25 (28%)** of the **89** remaining suggested recommendations. (Refer to the following **'Recommendation Status'** section for a listing of all audit reports.)

Management had either taken measures to mitigate the control weaknesses or the recommendations were no longer applicable for 25 (28%) of the 89 open recommendations from previous years.

Of the **89** open recommendations, we noted the following statuses:

- **20 (22%)** recommendations were determined to be **complete** because the action management had taken was sufficient to mitigate the control deficiencies.
- **36 (41%)** recommendations were determined to be **partially complete** because the action management had taken was not sufficient to mitigate the control deficiencies.
- **28 (31%)** recommendations were determined to have **no progress** because management had taken no action to mitigate the control deficiencies.
- **5 (6%)** recommendations were **no longer applicable** due to organizational and/or procedural changes.

The following is a list of open recommendations from previous years which we consider **high risk** and require immediate correction. Because of the extent or risk associated with these findings, correction should have the highest priority.

- To reduce or prevent non-sufficient funds checks being processed by the Revenue division, study the cost of implementing electronic conversion of check payments to direct debits from the citizen's/taxpayer's account
- Develop and implement policies for reviewing and acting on past due water/sewerage accounts, as well as for enforcing these policies timely and uniformly.
- Maintain proper documentation to support property tax refunds issued.
- Follow procedures to ensure property tax refunds are applied to correct tax payer or account in a timely manner.



- Review each property tax refund to ensure payments/refunds are applied correctly.
- Consider hiring 2-3 full time Police Communications Officer I's (PCO I's) to replace utilization of overtime hours.
- Ensure that leave accrual information on all employees assigned to the City Marshal's Office is consistent with data maintained by the City's Payroll Office.
- Comply with bond counsel opinion to reimburse bond proceeds to the Proposition No. 8 bond proceeds account for the Riverfront Park Extension Project that were expended outside of the Cross Bayou Area.
- Properly design City Courts' computer system access security controls.
- Determine whether the federal grant funds should be reimbursed that were expended on ineligible Paint Your Heart Out (PYHO) participants once a formal response from HUD is received.
- Comply with City's Take-Home Vehicle Policy.
- Improve the financial health of the City's Employee Retirement System.
- Develop adequate written guidelines addressing the need for viable maintenance and inventory control procedures in the Streets and Drainage Division.

The following is a list of open recommendations from previous years which we consider **medium risk** and require correction. Because of the extent or risk associated with these findings, correction should be accomplished expeditiously.

- Correct the computer system to properly count the fair share amounts awarded when a change order occurs for a fair share designated firm.
- Flag duplicate entries as errors to alert management of a correction needed in Accounting System.
- Provide a copy of the Standard Operating Procedures to all Police Communications employees and have them sign an acknowledgement of receiving a copy.



- Develop debt capacity and management policies for the Debt Service Fund.
- Obtain and utilize the ineligible businesses list from the Community Development Department to ensure board appointees owe no monies.
- Improve Risk Management's reporting of employee accidents and prepare a summary report of accidents to be given to each department.
- Ensure compliance with Administrative Procedure (A.P.) 3-6 and an accurate and reliable fixed assets listing by giving Fixed Assets Accountant enforcement capabilities along with related penalties for noncompliance.
- Develop and implement a policies and procedures manual that addresses key operations and activities of the organization and training in the Water and Sewerage Customer Service Division.

FISCAL YEAR 2015 EXTERNAL AUDIT OPINIONS

Carr, Riggs & Ingram, LLC the external auditors for the City of Shreveport, issued an Independent Auditors' Report on the Comprehensive Annual Financial Report for the City of Shreveport for the period ending December 31, 2015. The opinion was dated August 31, 2016. The opinions expressed by the external auditors were unmodified (clean).

Carr, Riggs & Ingram, LLC also issued an "Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards". The opinion with regard to internal control over financial reporting indicated there were no deficiencies that were considered to be significant deficiencies. However, certain deficiencies in internal control were identified as material weaknesses. The following material weaknesses, instance of noncompliance or other matters identified are as follows:

Material Weakness

- 2015-001 Untimely Fund Reconciliations
- 2015-002 Material Adjustments
- 2015-003 Setup of 2015 Capital Asset Additions
- 2015-004 Review of Fund Accounting

The opinions expressed by the external auditors were unmodified (clean).

There were deficiencies that were considered to be significant deficiencies and material weakness were identified.

There were instances of noncompliance or other matters that were required to be reported.



Noncompliance or other matters

- 2015-005 Late Submission

Carr, Riggs & Ingram, LLC in addition, also issued a “Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance”. The opinion, with regard to this compliance, indicated that the City of Shreveport complied, in all material respects, with the requirements referenced in each of its major federal programs. However, the following material weakness and significant deficiencies were identified:

Material Weakness

- 2015-006 Schedule of Expenditures of Federal Awards (SEFA)

Significant Deficiencies

- 2015-007 Inaccurate Data Reported on the Consolidated Annual Performance and Evaluation
- 2015-008 Documentation Insufficient for Procurement Testing

Carr, Riggs & Ingram, LLC also issued an “Independent Auditors’ Report on Compliance for the Passenger Facility Charge Program, Report on Internal Control Over Compliance and Report on the Schedule of Passenger Facility Charge Revenues and Disbursements” (at the Shreveport Regional Airport). The opinion, with regard to compliance, internal control over compliance, and the Passenger Facility Charge Schedule of Revenues and Disbursements, indicated that the City of Shreveport complied, in all material respects, with the requirements referenced in the passenger facility charge program.

FISCAL YEAR 2015 EXTERNAL AUDIT MANAGEMENT LETTER

Carr, Riggs & Ingram, LLC issued a management letter dated August 31, 2016. The following matters were present in the letter with regard to operational matters:

- ML2015-001 Best Practices Related to the IT Department

OVERALL EVALUATION

Overall, the City's management had made substantial and significant progress toward the implementation of the audit recommendations contained in the various reports. We noted that management had either completed or taken some action in the implementation for **83%** of the recommendations made during the period December 31, 1991 through December 31, 2015. We believe that the implementation rate is indicative of management’s concurrence with the recommendations in addition to the effectiveness of the Internal Audit Office in accomplishing its mission as outlined in the City Charter, Section 4.25.

Management had either completed or taken some action in the implementation for 83% of the recommendations made during the period December 31, 1991 through December 31, 2015.



We believe that the implementation of the audit recommendations has helped to ensure that the entities examined are operating more efficiently and effectively. For those entities with open recommendations, we feel that a greater effort should be made in achieving complete implementation. To aid in identifying those areas where implementation remains incomplete, refer to the following "**Recommendation Status**" section of this report.

Prepared by:

A handwritten signature in black ink, appearing to read "Nadia Dunams".

Nadia Dunams, CIA
Associate Auditor

Approved by:

A handwritten signature in black ink, appearing to read "Leanis L. Steward".

Leanis L. Steward, CPA, CIA
City Internal Auditor

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c: Mayor
CAO
City Attorney
City Council
Clerk of Council
Carr, Riggs & Ingram

RECOMMENDATION STATUS

**INTERNAL AUDIT REPORT (IAR) 270016-08
2016 ANNUAL FOLLOW-UP
CITY OF SHREVEPORT**

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C=Complete

PC=Partially Complete

NP=No Progress

NLA=No Longer Applicable

RECOMMENDATION STATUS



IAR 270016-08
December 28, 2016

Recommendation	Follow-Up Response	Status
Airports		
<u>IAR 650015-06 Limited Scope Review of Non-Compliance with City Uniform Policy 12/31/15</u>		
<p>1. Review of Non-Compliance with City Uniform Policy We recommend:</p> <ul style="list-style-type: none"> ■ a. The City's Administration counsel with the then interim Airport Director concerning the multiple failures to comply with established City policy and procedure. ■ b. The City's Administration requires Airport Management to comply with the Uniform Policy (A. P. 1-14). ■ c. 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. ■ d. 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. 	<ul style="list-style-type: none"> a. The Airport Administration no longer purchases uniforms for any administration staff. b. Same as the above. c. The new Airport Director has read and understands the City's policies and procedures for purchasing uniforms. d. In my Management Response my decision was to not recover funds because (1.) Staff was complying with an internal policy that was not in compliance with AP-1. This was clearly documented in writing by previous Directors of Airports over 5 years. (2.) The Airport Accounting staff primarily responsible for the infractions identified was terminated and no longer works for the City of Shreveport/Airports. 	<p>No Longer Applicable</p> <p>No Longer Applicable</p> <p>Complete</p> <p>Complete</p>
<u>AA 2010-06 Reconciliation Between Airport Business Manager (ABM) System and Financial Accounting Management Information System (FAMIS) 7/15/10</u>		
<p>1. Reconciliation Between ABM and FAMIS</p> <ul style="list-style-type: none"> ■ The interfacing of ABM to FAMIS should be an automated process to ensure that all required transactions in ABM are interfaced to FAMIS efficiently and accurately. 	<p>There have been changes in staff both at Airport and Accounting. We continue to work and verify that all information is recorded correctly.</p>	<p>Partially Complete</p>

RECOMMENDATION STATUS



IAR 270016-08
December 28, 2016

Recommendation	Follow-Up Response	Status
the Performance Evaluation of the contract attorneys.		
<p>3. Retainer Agreements We recommend management:</p> <p>■ Include in all retainer agreements with legal counsel (1) billing guidelines, (2) right to audit clause, (3) term for representation and a renewal period, (4) a statement emphasizing that the files and work products of the lawyers, personnel, and experts are the property of the client, not the lawyers and (5) a statement setting clear lines of authority and methodology for negotiating and settling claims.</p>	Billing guidelines have been instituted. Additionally, the recommended contract additions will be evaluated and included when appropriate.	Partially Complete
<p>4. Performance Measures We recommend management:</p> <p>■ Establish and track performance measures such as number of opinions prepared, number of cases handled by outside and/or in house attorneys, active lawsuits, suits filed by the City, suits filed against the City, lawsuits by cause and/or department, and cases closed, won, or dismissed. These performance measures can be used to do the following:</p> <ul style="list-style-type: none"> • Evaluate how attorneys are performing, • Make assignments to prevent case overload, • Determine what areas need to be addressed to reduce lawsuits against the city, • Determine how many total active lawsuits, • Determine success rate. 	The office of the City Attorney now has an accurate count of all pending litigation and the statuses related thereto.	Complete
<p>5. Litigation Management We recommend management:</p> <p>■ Make an effort to clear discrepancies and update and enter missing data to make the litigation system more accurate and reliable.</p>	The CityLaw litigation management software has been reviewed and audited by the City Attorney's Office. The numbers of active, inactive and abandoned matters have been updated to reflect an accurate number.	Complete
<p>6. Policies and Procedures Manual We recommend that management:</p> <p>■ Develop and implement a policies and procedures manual which addresses key operations and activities of the office. This manual</p>	The City Attorney circulated an internal memorandum to update inter-office policies and also circulated billing guidelines to outside counsel.	Complete

RECOMMENDATION STATUS



IAR 270016-08
December 28, 2016

Recommendation	Follow-Up Response	Status
<p>should be distributed to employees, along with their written acknowledgment, and would serve as a reference tool for employees seeking guidance on the proper handling of day-to-day transactions and situations. Examples of activities or transactions that could be addressed include but are not limited to: Office structure (delegation of authority and responsibilities), File Management (procedures for updating manual and electronic files (database), and policy on engagement of outside counsel (selection criteria for outside counsel).</p>		
<p>7. Job Descriptions We recommend that management:</p> <ul style="list-style-type: none"> ■ Develop job descriptions for all employees of the City Attorney’s Office. These job descriptions would document position responsibilities, as well as provide an objective basis on which to evaluate job performance. Additionally, the City Attorney and all employees should sign and date the respective job descriptions. 	<p>Job descriptions for all attorney positions have been completed.</p>	Complete
City Courts		
<p>SR 650007-07 Special Report of City Courts-Computer Controls 12/19/07</p>		
<p>1. Computer Security</p> <ul style="list-style-type: none"> ■ a. Limit update capabilities to job duties and perform periodic reviews of computer access to personnel’s job duties to determine appropriateness. ■ b. Enhance the audit log to include the user identification and workstation with transactions entries. 	<p>The court has met with vendors & has additional meeting scheduled. (2 Recommendations)</p>	No Progress (2 Recommendations)
<p>2. Exception Reporting</p> <ul style="list-style-type: none"> ■ a. Create exception reporting that reports unauthorized employees closing case files, reducing ticket charges, changing ticket information, and changing case information. ■ b. Create exception reporting that compares usage of user identifications to absenteeism records and the user’s workstations. 	<p>The court has met with vendors & has additional meeting scheduled. (2 Recommendations)</p>	No Progress (2 Recommendations)

RECOMMENDATION STATUS



IAR 270016-08
December 28, 2016

Recommendation	Follow-Up Response	Status
City Marshal's Office		
IAR 100009-08 City Marshal's Office 12/31/09		
1. Undocumented Employee Time and Attendance Data ■ The City Marshal and Shreveport's Chief Administrative Officer should take appropriate actions to ensure that written operating policies and procedures are developed to ensure that: <ol style="list-style-type: none"> 1. Leave accrual information on all employees assigned is consistent with data maintained by the Payroll Office. 	We do not forward employee leave info to the City Payroll Department. However, we are using different software to keep track of employees leave time. We have used the Courtrecorder Time In/Out Board for the past 2 years. A printout of this data is kept on file in our office. Also, Employees are able to request and track their time on a daily basis.	Partially Complete
Community Development		
AA 2007-04 Auditing Alert: Paint Your Heart Out 6/30/07		
1. PYHO Participant Eligibility ■ Determine whether the funds (federal funds expended on homes that were not owned by the PYHO participants) should be reimbursed.	None	No Progress No response received. 2016 status same as prior
Engineering and Environmental Services		
IAR 100013-02 Audit of the Department of Engineering and Environmental Services – Roadways and Bridges and Drainage, Floodplains and Private Development Divisions 10/16/13		
1. Poor Project Management ■ That the City complete the installation of the water fountain contemplated in the change order for the benefit of the citizens using the bicycle path.	As stated previously, this was to be installed by SPAR, not this department.	No Longer Applicable
2. Department Has No Written Policies and Procedures Manual ■ We recommend that the Department establish goals for completing and implementing its Policies and Procedures Manual. These goals should include establishing mileposts and fixing responsibility for its completion.	The department has a policy and procedures manual. This manual is updated as needed.	Partially Complete
3. Contract Exceeded its Work Time by at least 150 days ■ We recommend the Department should develop and implement controls to ensure major decisions such as extensions of time or waiver of damages are documented as they occur.	Generally most projects are completed within their assigned time frames. When projects are completed outside of the time frame the procedure for addressing the problem is defined by the specifications. When needed, the City Attorney's office is brought in for	Complete

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Recommendation	Follow-Up Response	Status
	advice.	
Finance		
IAR 050014-06 Limited Scope Review Performance Audit Inadequate Controls over Retirement Systems Data and Reporting 12/31/14		
<p>1. Inadequate Controls over Retirement Systems Data and Reporting:</p> <p>■ The Finance Director should also establish policies and procedures ensuring the timeliness of reporting and funding.</p>	All information is to be filed in timely manner.	Complete
IAR 100014-05 Audit of Citywide Revenue 12/31/14		
<p>1. Potential Property Tax Revenue</p> <p>■ We further recommend that the Revenue Division follow up with the Assessors during the assessment season to assure that the assessment process has been completed.</p>	The City receives and forwards to the Assessor's office information on aircraft each year. However the assessors are not under our control and the City has little authority over them.	Partially Complete
<p>2. Processing of NSF (Non-Sufficient Funds)</p> <p>■ a. The City study the cost of implementing electronic conversion of check payments to direct debits from the payer's account, which will provide the City with immediate access to the funds, eliminating the need to handle the check further, prepare a deposit ticket, etc. At the same time, use of this technology will alert cashiers to accounts with insufficient funds to honor checks while the citizen/taxpayer is still at the payment window. This will allow them to decline acceptance of the potential NSF checks before they ever enter the system. The cashiers may be able to collect an alternative form of payment from the citizen/taxpayer while the taxpayer/customer is still present. Determining the feasibility of implementing this technology should take into account the intangible benefits of freeing up the time presently consumed by all the tasks necessary to process and collect the dishonored payment.</p> <p>■ b. The City should examine its relationship with KUBRA and CHECKFREEPAY, including the overall effectiveness of their performance in receiving and handling debit and credit card</p>	<p>a. The City has not yet put out the RFP for banking services but will during 2017. The City is in the process of replacing the Unisys machine in the revenue area which will allow us to convert checks and send them to the bank faster.</p> <p>b. The City has switched from KUBRA to I-cloud and we are monitoring their processes with NSF checks.</p>	Partially Complete

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Recommendation	Follow-Up Response	Status
payments for the City.		
<p>3. Water and Sewer Collections Turnover We recommend that the Water and Sewer Department:</p> <p>■ Develop and implement policies for reviewing and acting on past due accounts, as well as for enforcing these policies timely and uniformly.</p>	The Department is actively studying options for action on past due accounts (shutting off water service) in a timely and uniform manner.	<p>Partially Complete No response received. 2016 status same as prior</p>
<p>4. Solid Waste Landfill Past Due Accounts</p> <p>■ That management develop and implement policies establishing credit limits and pursuing collections of accounts. When implemented, management should enforce these policies. For those accounts that are presently seriously delinquent, management should make careful assessments of each one and make a concerted effort to collect them. As necessary, management should enter into payment plan agreements with these customers and then closely monitor their payment performance under the plan agreement. They should utilize the aid of the revenue compliance staff in support of these efforts to collect presently outstanding balances and minimizing new additions to delinquent status.</p>	Public Works now accepts credit cards for landfill fees and have been monitoring balance on accounts more closely.	Complete
<p>5. Revenue Compliance Division Policies and Procedures</p> <p>■ a. Appropriate personnel at the Department of Division levels undertake the rewriting of the Administrative Procedure 3-7 at the earliest possible moment. The rewrite should result in an easily understood document that addresses and describes the receipting and posting process as it presently exists, and provides a methodology for updating it as the work environment and processes change. The Administrative Procedure should be developed and written from an overview perspective.</p> <p>■ b. The policies and procedures of the Revenue Compliance Division supporting and guiding the work of taking in payments and their receipting and posting, both to</p>	<p>a. We will complete as soon as possible.</p> <p>b. We will work on completing process.</p>	<p>No Progress</p> <p>No Progress</p>

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<p>customer/taxpayer accounts and to the general ledger, be updated and expanded to cover as many of the tasks and situations as possible, while also providing the basis for training new personnel in those tasks. These more detailed policies and procedures should be supportive of the Administrative Procedure document and guide the implementation of these policies and procedures in ways that fulfill the requirements of that document and provide the basis for training new employees in the receipting process.</p>		
<p>6. Outdated Equipment and Inefficient Procedures or Processes</p> <p>■ a. The Revenue and Cashiering Divisions not only update their Policy and Procedure Manual, but that they also include within it a comprehensive training section to preclude a future training problem such as was encountered this season.</p> <p>■ b. The City consider installation of a secure drop box within the Government Plaza lobby for the convenience of citizen/taxpayers who are paying by check and do not require a receipt. This might reduce lines significantly during peak times and seasons (such as Property Tax), while reducing taxpayer discontent with long lines and waiting time. Payments placed in the lock box could be retrieved at differing times during the day and processed during periods of low activity at cashiering windows, or even in the cashiering back office while cashiers at the counter continue to serve citizen/taxpayers in line.</p>	<p>a. Revenue Compliance reports that the Policies and Procedures Manual, including a comprehensive employee training section, is in progress but not complete.</p> <p>b. Management placed several “cashiering stations” in the lobby where customers and taxpayers paying with check could pay without standing in lines to the regular cashiering stations. These stations did reduce lines and wait time and will be utilized again this year during the peak tax seasons in December, January and February. The Finance Department is also studying the use of credit cards for property tax payments, which might encourage some taxpayers to pay online, thus further relieving the seasonal lines in the lobby.</p>	<p>Partially Complete (2 recommendations) No response received. 2016 status same as prior</p>
<p>AA 2013-07 Auditing Alert Vehicles Insurance 12/31/13</p>		
<p>1. Accuracy of Insurance Records</p> <p>■ We recommend that Risk Management work with other departments to develop a process to obtain inventory information to update insurance policies.</p>	<p>No response received.</p>	<p>No Progress Because no response/status received.</p>

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Recommendation	Follow-Up Response	Status
<p>2. Insurance Cards</p> <p>■ We recommend that the Risk Management Division establishes some type of control over the insurance documents such as Gate Keeper or Master Controller with a master stamp. We recommend that the Risk Management Division establishes control over the insurance documents.</p>	<p>No response received.</p>	<p>No Progress Because no response/status received.</p>
<p>AA2012-05 Auditing Alert Architect/Engineer Awards 12/31/12</p>		
<p>We recommend the following:</p> <p>■ a. Correct the computer system to properly count the fair share amounts awarded when a change order occurs for a fair share designated firm.</p> <p>■ b. Flag duplicate entries as errors to alert management of a correction needed.</p>	<p>No response received.</p>	<p>No Progress (2 Recommendations) Because no response/status received.</p>
<p>AA2012-02 Auditing Alert Property Tax Refunds 4/27/12</p>		
<p>We recommend the following:</p> <p>■ a. Proper documentation is maintained to support refunds issued.</p> <p>■ b. Procedures are followed to ensure that refunds are applied to correct tax payer or account.</p> <p>■ c. Refunds are issued in a timely manner.</p> <p>■ d. Revenue Supervisor review each refund to ensure payments/refunds are applied correctly.</p>	<p>No response received.</p>	<p>No Progress (4 Recommendations) Because no response/status received.</p>
<p>IAR 180209-07 Debt Service Fund and Debt Management for the City of Shreveport 12/31/09</p>		
<p>1. Debt Management Policies and Procedures</p> <p>■ a. Draft debt capacity and management policies to: Be integrated with the City's capital planning and budgeting process, including a general fund minimum reserve policy. Although management has stated a 7% general fund reserve policy, this has not been formally adopted by the City Council.</p>	<p>a. City Administration continues to look into policy.</p>	<p>No Progress</p>

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Recommendation	Follow-Up Response	Status
<p>2. Summary Reporting</p> <p>Management consider providing city-wide and departmental summary reports that would indicate statistics such as: number of preventable and non-preventable accidents; types and descriptions of accidents; liability and cost per claim; and lost time per accident.</p>	<p>Risk Management publishes an annual report to identify and analyze historical loss trends to implement appropriate loss prevention and safety activities. The information focuses on type of accident, incurred and paid amounts over a 5 year period.</p>	<p>Partially Complete (Because no supporting documentation was received)</p> <p>No response received. 2016 status same as prior</p>
<p>3. Claims Computer System</p> <p>a. Determine if the Accounting Division can be restricted to just the download needed to perform its duties.</p> <p>b. Determine whether the computer system can be changed to prevent posting expenses to incorrect departments/divisions or automatically identify errors.</p> <p>c. Determine whether the computer system can be changed:</p> <ol style="list-style-type: none"> 1. To allow reimbursements to be entered for general liability claims. 2. To identify duplicate reimbursements. <p>d. Determine whether an exception report could be created that would identify erroneous and duplicate social security numbers within the worker’s compensation claims.</p>	<p>The Accounting Division is in the old system and with the current system, the TPA provides the needed information on a weekly basis. Since there is a new system, the concerns have been addressed.</p>	<p>Partially Complete (4 Recommendations)</p> <p>No response received. 2016 status same as prior</p>
<p>IAR 220506-05 Audit of the Finance Department, Fixed Assets Accounting System (FAACS) 7/31/06</p>		
<p>1. Lack of Authority to Enforce A.P. 3-6 “Fixed Assets Accounting Policy and Procedures”</p> <p>We recommend giving the Fixed Assets Accountant enforcement capabilities along with related penalties for non-compliance. This will help to ensure compliance with A. P. 3-6 and an accurate and reliable fixed assets listing.</p>	<p>None</p>	<p>No Progress</p> <p>No response received. 2016 status same as prior</p>
<p>2. EDP System Capabilities (FAACS)</p> <p>We recommend that all Fixed Assets Representatives be able to input all asset transactions as they occur.</p>	<p>New accounting system has change process and Accounting is in process of updating procedures.</p>	<p>Partially Complete</p>

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identification; or creating an exception report that lists those contractors/subcontractors that are not nine-digits.	c. Contract tracking system no long exist. Contracts are run through account system.	
Mayor		
IAR 210015-09 Audit of the City of Shreveport Convention Center Hotel (Hilton) 12/31/15		
<p>1. Operating Profit We recommend:</p> <p>Recommendation 1: At the close of each calendar year, HRI transfer Net Operating Profit to the City in order to mitigate Debt Service covered by the City.</p> <p>Recommendation 2: The City of Shreveport/Convention Center Hotel Authority consistently monitor Net Operating Profit on an interim basis and make timely requests of monies due to City from Hotel.</p>	<p><u>Hotel Management Response:</u></p> <p>Recommendation 1: Manager has acted in accordance with city asset management regarding cash distributions to ownership. Cash was conserved on property as a reserve for in progress renovation of asset.</p> <p>Recommendation 2: Manager has remained in compliance regarding timeliness of required reporting. Cash distributions to ownership have been coordinated through ownership asset manager.</p> <p><u>City of Shreveport Management Response:</u></p> <p>Recommendation 1: At the conclusion of the current external audit of the Hotel, the City will request a transfer of fund balance of net operating profits. The hotel retained Paillet, Meunier and LeBlanc Certified Public Accountants, Metairie, LA for the 2015 independent external audit of the hotel.</p> <p>Recommendation 2: Management has continued to hold quarterly reviews with the hotel and has reviewed interim performance statements.</p>	<p>Partially Complete (2 Recommendations)</p>
<p>2. Purchasing Fees :</p> <p>Recommendation 3: Effective immediately, HRI no longer charge additional fees for services executed under the Management Agreement.</p> <p>Recommendation 4: City Hotel Authority should determine</p>	<p><u>Hotel Management Response:</u></p> <p>Recommendation 3: Management no longer charges capital project purchasing fees to the property.</p> <p>Recommendation 4: Management has appealed this decision to ownership via several written statements</p>	<p>Complete (Recommendation 3)</p> <p>Partially Complete (Recommendation 4)</p>

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<p>whether or not HRI, Inc. (parent company) should refund the additional fees to either the Hotel Operating Account or to the City of Shreveport, put determination in writing, and remit to HRI with the estimated time frame for execution if payment is to be made.</p> <p>Recommendation 5: City Hotel Authority review Hotel Fixed Asset purchases no less than twice per year.</p>	<p>and is awaiting a response.</p> <p>Recommendation 5: Asset purchases are reviewed quarterly with ownership.</p> <p>City of Shreveport Management Response:</p> <p>Recommendation 3: HRI has agreed to cease charging fees immediately at the time it was brought to the Hotel’s attention by the audit.</p> <p>Recommendation 4: Legal is reviewing the Hotel Management agreement.</p> <p>Recommendation 5: Finance performed the last inventory of the Hotel fixed asset purchases on 12/31/2015.</p>	<p style="text-align: center;">Partially Complete (Recommendation 5)</p>
<p>3. Monthly Reports and Annual Audit :</p> <p>Recommendation 6: We recommend HRI submit interim accounting at the close of each Accounting Period per the guidelines in the Management Agreement.</p> <p>Recommendation 7: Within thirty (30) days of year-end, HRI should select an independent external auditor. The Hotel Operating Budget should include the estimated cost of audit services. Within six (6) months of each year-end, HRI should submit a financial statement audit report prepared by an independent certified public accountant.</p>	<p>Hotel Management Response:</p> <p>Recommendation 6: Management has maintained compliance with reporting standards.</p> <p>Recommendation 7: Audit completed by Paillet, Meunier, and LeBlanc.</p> <p>City of Shreveport Management Response:</p> <p>Recommendation 6: Finance receives monthly interim financial statements.</p> <p>Recommendation 7: The hotel retained Paillet, Meunier and LeBlanc Certified Public Accountants, Metairie, LA for the 2015 independent external audit of the hotel.</p>	<p style="text-align: center;">Partially Complete (2 Recommendations)</p>
<p>IAR 210413-05 Audit of the Shreveport Home Mortgage Authority 12/31/13</p>		
<p>1. SHMA Board of Trustees</p> <p>Recommendation 1: We recommend that the administration immediately appoint five new board members to serve on the Shreveport Home Mortgage</p>	<p>The SHMA Board of Trustees consists of four appointed board members: Lydia Jackson, Steve Wolf, Jeremy Babers, and Calvin Austin. There is one vacant position,</p>	<p style="text-align: center;">Partially Complete</p>

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Authority – particularly since it is in a period of restructuring.	which Mayor Tyler is working aggressively to fill by the end of the year.	
<p>2. Excess Available Cash</p> <p>■ SHMA Board of Trustees and the City of Shreveport determine how to best use the excess available funds to serve the citizens. If all legal stipulations are satisfied, consideration should be given to transferring some or all of the \$2.6 million in excess funds to the City of Shreveport as has been done in the past.</p>	The board voted to make available \$1.5 million of its current “operating dollars” to leverage as match for housing projects within the Choice application. This investment would be contingent upon the city’s receipt of the Choice grant and a determination that this would be an allowable use of Authority funds. The Choice pledge would still leave more than \$1 million in the Authority’s “operating account” and more than \$6.4 million in total assets.	Partially Complete
<u>IAR 60012-01 Follow-Up On Special Report On Financial Advisor Payments 2/15/12</u>		
<p>1. Review of Contract Payments</p> <p>■ Management should reconcile the overpayments and underpayments.</p>	This matter is currently being litigated. We expect a resolution by early 2017.	Partially Complete
<p>2. Recordkeeping and Contract Monitoring/Project Manager</p> <p>■ For future bond payments made to the financial advisor, management should develop a more efficient and effective system to track payments due and paid to the financial advisor. As stipulated in the contract with the financial advisor, management should assign a project manager the responsibility for reviewing, approving, and maintaining financial advisor invoices before payment is made by the third party trustee and the City. This system should also be used to track payments to other service providers such as attorneys, trustees, underwriters, etc. in order to trace overall bond costs to individual vendors.</p>	There is no longer a Financial Advisor on contract with the City of Shreveport. The City does not pay a monthly retainer and transaction fees for all professionals are set in accordance with the regulations set forth by the State Bond Commission.	No Longer Applicable
<u>IAR 200111-04 Audit of the Shreve Memorial Library System 10/21/11</u>		
<p>1. Timely Reporting of Travel Expense Statements</p> <p>■ We recommend that management insure that its personnel and board members obtain and forward all supporting documentation, along with the related travel expense statements, to the proper library personnel and the City of Shreveport Accounting Department in a timely manner upon</p>	Travel expenses are pre-paid by the Library. Employees are complying with submissions of paperwork within 30 days for receipts and extra reimbursements. There are some Board members who have not done so in the past year. We do not have a solution for this problem despite our best efforts to gain compliance with the 30	Partially Complete

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return from business travel engagements. Travel, as well as travel expense statements, should be monitored on a periodic basis.	day deadline.	
<p>2. Automated Library Card/Credit Card</p> <p>■ We recommend that management continue its research on this issue and implement the use of an automated library/credit card for library payments/purchases, if feasible.</p>	The Library is implementing a two part solution to allow use of credit cards for payment. With an upgrade in 2017 to our Integrated Library System (database), customers will be able to pay fees, fines, and other purchases using PayPal. As for printing from computers and copying documents, the Library will be implementing an e-commerce solution allowing customers to use credit and debit cards to pay at the point of purchase. If all goes as planned, this recommendation will be completed in 2017.	Partially Complete
<p>3. Hours of Operation/Availability</p> <p>■ We recommend that Library management consider updating its phone system at all branches to include a proper greeting, hours of operation, and a possible contact name and number for specific issues/problems. This message should be automatically updated for holiday interruptions, summer hours, etc.</p>	The VOIP roll out is still in progress. Until completed, the Library has used social media to help address the issue of making our hours known to the public.	Partially Complete
<p>4. Documentation of Customer Complaints</p> <p>We recommend that the Shreve Memorial Library system:</p> <p>■ Conduct annual surveys of a sample of customers. This survey will aid in establishing workload indicators and assist in validating the need for improvements in customer relations.</p>	The Library's new director has his phone number available to the public on the Library's website. He is available to take calls from the public, and has done so. The Library has started an annual customer satisfaction survey that will be completed before the end of the calendar year.	Partially Complete
<p>5. Recycling Initiative</p> <p>■ We recommend management develop and implement a recycling initiative. The City of Shreveport's "Just Curb It" recycling campaign could be used as a model. The library should request that the City of Shreveport reexamine its position of not collecting library trash or recycling.</p>	In addition to adding the full-time branches to the City of Shreveport's recycling program, the new Support Services Center is investigating ways to recycle cardboard.	Partially Complete
<p>6. Board Conflict of Interest Statements</p> <p>■ In order to ensure that business dealings and transactions are negotiated as arm's length transactions or no inappropriate</p>	All Board members completed a conflict of interest/code of conduct statement for 2016. In addition, all Board members participate in annual ethics	Complete

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of shifts (ex: 8 and 12 or 6, 10, and 12) which allows for maintenance of a higher level of call processing ability with fewer personnel. This may reduce the total number of personnel required.	necessary to reach recommended levels to 8 hours, 56 hours a week, or 112 hours per pay period. This does not account for sick leave, comp time usage, required training, or vacation.	
<p>2. Management Continuity/Organizational Structure</p> <p>■ We recommend management consider whether its organizational structure could be adjusted to provide for continuity of operations. Management may consider offering an additional career path for Communication Officers at the upper management level such as a PCO III position. This position could help relieve the PCO II's from administrative duties. (i.e., preparing tapes for court, preparing documents for training recertification, payroll etc.) and allow them to focus on supervising operational activities.</p>	A Lieutenant has been assigned to the Bureau and has assumed the TAC duties as well as the management/supervisor function. Civil Service Law will need to be amend to create a PCO III position for Shreveport.	Partially Complete
<p>3. Standard Operating Procedures</p> <p>■ We recommend that all employees of the Police Communications Bureau are provided a copy of the Standard Operating Procedures and sign an acknowledgement of receiving a copy. Management should ensure that personnel understand and correctly apply the procedures. This Manual would serve as a reference tool and/or training manual for employees seeking guidance on the proper handling of transactions and situations. Any updates that are made to the manual should be distributed to Police Communications employees as well.</p>	Bureau Orders have been updated and are available for review by any member of the Bureau. We are currently exploring the possibility of a link to the electronic version on the call taker's positions.	Partially Complete
Public Works		
<p><u>IAR 650015-08 Limited Scope Performance Audit of Inadequate Controls over the City of Shreveport's Weed Abatement Program Operations 12/31/15</u></p>		
<p>1. Inadequate controls</p> <p>We recommend:</p> <p>■ a. Controls should be implemented to ensure that properties in violation are properly identified and treated as adjudicated or non-adjudicated as appropriate.</p>	a. Property Standards has purchased and installed the GIS Software that is updated by a spread sheet developed by our IT Department. Although not perfect because we are still relying on information from the Tax Assessor, it will provide us with much more up to date ownership information. This	Partially Complete

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<ul style="list-style-type: none"> ■ b. The controls must ensure that work is performed timely and billed to owners upon completion. (A typical cut costs between \$50 and \$150 and is billed to the owner at that cost plus a \$150 administrative fee.) ■ c. The controls should include notifications to Revenue Compliance as work is billed to owners. ■ d. The detailed system of recommended controls developed by the Internal Audit Office, and presented as Appendix 1 to this report, and the work flow process documented in Appendix 2 as part of this limited scope performance audit be utilized as a beginning point for modifying and improving the process to support and enforce the controls developed and implemented as part of this recommendation. 	<p>process will take a number of years to evolve the new map.</p> <ul style="list-style-type: none"> b. Management has taken several steps including updating addressing information to improve the accuracy of the process as well as continually monitoring the status of all the related activities. c. Management verified through IT that the report generated for Property Standards is also being sent to Revenue. d. Management found the flow chart produced by Internal Audit to be well thought out and useful in resolving issues with the flow of information in completing weed abatement activities. 	<p>Complete</p> <p>Complete</p> <p>Complete</p>
<p>2. The weed abatement process is cumbersome by nature, and difficult to control and manage.</p> <p>We recommend:</p> <ul style="list-style-type: none"> ■ The City should evaluate the potential monetary savings that accrue from bringing the work presently done by contractors in house. SPAR already utilizes in house crews of groundskeepers to maintain medians, certain City properties and parks. Property Standards already has at least one in house crew, and thus some limited experience in managing its own crew as opposed to managing third party contractors. This evaluation might also look into consolidating similar crews from other departments to more 	<p>We originally looked at replacing the outside contractors we use with full time city employees. After going through a full cutting season I have concerns that we may not be able to get the job done without the use of contractors. The bulk of our grass cutting happens from April through September with large spikes in activity within this time frame due to rain. The use of contractors allows me to provide the man power necessary to get the grass cut. We are working with public works to coordinate cutting within certain areas at the same time and the hiring of additional cutting</p>	<p>Partially Complete</p>

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effectively utilize and manage these resources.	crews to work under PW Streets and Drainage is still under consideration. The use of our current city crews has been extremely valuable to provide the resources necessary to manage the hot spots that occur daily.	
IAR 90015-04 Audit of The City of Shreveport, Public Works Department, Traffic Engineering Division 7/16/15		
<p>1. Operation Manuals or Instruction Booklets</p> <p>■ We recommend Traffic Engineering management revise its policy to include Operation Manuals or Instruction Booklets as requirements for its business operations. Standardized Operational Manuals with details in cross training and day-to-day operations such as money deposit, inventory in and out, and customer service processing requests could serve as invaluable tools in training new employees and decreasing mistakes and errors.</p>	Revisions complete at Division Level,. Awaiting review and signature at Department Level	Complete
<p>2. Customer Service Request Program Updates and Completeness</p> <p>We recommend We recommend management:</p> <p>■ a. Close service requests when all possible work is done and/or no further work is needed or feasible.</p> <p>■ b. Furthermore, Traffic Engineering management should establish a standardized review process and follow up on all service requests to ensure full completion and timely response to citizens' requests.</p>	2a & 2b. Employee misunderstood the way the software worked. Once it was pointed out what the correct process was, she immediately fixed her part of the work (all that she needed do was pick a different option in the same pull down menu). Since then, it has operated correctly. It was truly, a VERY simple fix. There was only one employee involved, and all other associated employees were advised of the correct way to accomplish.	Complete (2 Recommendations)
<p>3. Process for Documenting and Responding to Service Requests</p> <p>We recommend management:</p> <p>■ a. Close service requests when all possible work is done and/or no further work is needed or feasible.</p> <p>■ b. Furthermore, Traffic Engineering management should establish a standardized review process and follow up on all service requests to ensure full completion and timely response to citizens' requests.</p>	3a & b - No longer a division level function. Issue addressed by Public Works Administration at Department level. They are handling and tracking these requests. Traffic Engineering does not have access to Department level directives. Please feel free to contact Public Works Department for more information.	Complete (recommendation 3a) No longer Applicable (recommendation 3b)

RECOMMENDATION STATUS



IAR 270016-08
December 28, 2016

Recommendation	Follow-Up Response	Status
IAR 080409-02 Audit of the Department of Operational Services, Fleet Services Division 2/11/09		
<p>1. Accuracy of Vehicle Asset Data System</p> <p>■ Should ensure that data contained in the FASTER inventory control system is revised to identify the city's vehicle assets consistently with related data maintained by the Finance Department. The revision should consider identifying the current operational status and applicable acquisition/depreciated value of all motor vehicles owned by the City of Shreveport.</p>	<p>IT still hasn't been able to convert all Fleet's data from the faster program over to the Collective Data Program. Still not able to link all our info with Finance's.</p>	<p>No Progress</p>
IAR 080308-06 Audit of the Department of Operational Services, Streets and Drainage Division 2/27/08		
<p>1. Controls Over Equipment and Supply Assets</p> <p>■ Ensure that adequate supply management guidance procedures and controls are adopted to ensure proper accountability of operating assets and related supplies.</p>	<p>All items are being entered into the computer as to usage and destination of material. Names dates and amount of supplies used.</p>	<p>Complete</p>
<p>2. Small Engine Repair Shop Operation</p> <p>■ Develop adequate written guidelines addressing the need for viable maintenance and inventory control procedures.</p>	<p>All parts and equipment has been put into the computer and support material.</p>	<p>Partially Complete (Because no supporting documentation was provided)</p>
<p>Shreveport Area Transit System (SPORTRAN)</p>		
IAR 160013-06 Audit of the Shreveport Area Transit System (Sportran) 12/31/13		
<p>1. Operational Expenses</p> <p>■ We recommend that SporTran look for ways to decrease operational costs and increase ridership.</p>	<p>SporTran invested in scheduling software and used this software to increase efficiency for bus operator labor starting in September 2015. This has cut labor costs, despite increasing in wage rates under the collective bargaining agreement with the union. SporTran also made changes to employee health insurance program to reduce costs by more than 25%. These changes primarily impact dependent care coverage and will be fully implemented for 2017. Lastly, SporTran will introduce smaller vehicles into the fleet in September 2016 that will help reduce maintenance and operating costs. On the revenue side, SporTran introduced bus advertising in 2014 and put out an RFP for a new bus bench contract that was awarded in 2015. These</p>	<p>Complete</p>

RECOMMENDATION STATUS



IAR 270016-08
December 28, 2016

Recommendation	Follow-Up Response	Status
	initiatives bring in an additional \$150,000 per year. SporTran has also developed a plan to increase ridership through a complete route restructuring. The changes have been delayed due to issues with the intermodal terminal, but the more efficient route structure should be in place by Fall 2017 and is expected to decrease operating costs and increase ridership.	
<p>2. Bossier City Chargeback</p> <p>■ We recommend that SporTran include indirect costs to the City within the Bossier City charge back fee. Additional review is needed to determine if all of the claims costs are included in the indirect costs.</p>	SporTran pays the City of Shreveport monthly for a share of indirect expenses, which is part of the expenses Bossier is billed for. The Bossier billing also includes a line item for indirect expenses of \$10,291, of which Bossier is charged a percentage based on Bossier's share of fixed route bus hours. Starting in 2017, SporTran will coordinate with the Finance department to determine if there is an updated indirect expense total that should be included on the Bossier billing and will adjust this annually using the City of Shreveport's most recent OMB A-87 Cost Allocation Plan.	Complete
Shreveport Public Assembly and Recreation (SPAR)		
IAR 240014-01 Audit of the City of Shreveport SPAR Concession Contract 8/1/14		
<p>1. Health Permit and Unit Cost</p> <p>We recommend that SPAR management ensure the following:</p> <p>■ The concession vendor acquires a health permit from the Louisiana State Department of Health and Hospitals.</p>	Health permit is still an ongoing issue because the Health Inspection Department from the State has not sent staff to inspect the facility. The department only has 3 inspectors for the whole region. As of 08/01/2016: The concessionaire continues to contact the Health Department for inspections and they have not made a visit.	No Progress
IAR 040212-04 Audit of Golf Enterprise Fund 11/21/12		
<p>1. Time Clock</p> <p>■ We recommend management include in the budget for the purchase of a time clock to ensure integrity of time and</p>	Time clocks have been installed in the maintenance facilities at each golf course. Employees have been issued a policy regarding time clock use and have	Complete

RECOMMENDATION STATUS



IAR 270016-08
December 28, 2016

Recommendation	Follow-Up Response	Status
attendance.	signed an acknowledgement statement that is part of their personnel file.	
<p>2. Policies and Procedures Manual</p> <p>■ We recommend that management update the policies and procedures manual to address the key operations and activities of the organization noted above.</p>	We have completed our policy and procedure manual, however we continue to update our department manual as new policies are needed and existing need updating, this is an ongoing process	Complete
<p>IAR 040108-01 Audit of the Department of Shreveport Public Assembly and Recreation (SPAR), Recreation Division 2/26/08</p>		
<p>1. Automation of Participation Information Reporting</p> <p>■ Obtain a centralized automated scanner login and logout system to record participation usage.</p>	As we have previously stated, although an automated information recording is a modern form of gathering participant information in order to have it increase the “efficiency and effectiveness of our operations” it must have certain specifications. Already cited is the cost to the City for installing such a program at sixteen facilities. Another is the fact that due to our current computer system set-up we cannot interface with one another, nor can any one center’s data be accessed remotely. The manual recording system that we are currently using is accurate when accounting for participants in the facility. It may not be convenient for remote monitoring but it is certainly correct. The automated information recording systems can also fall victim to inaccurate compilation of data. Missing or lost cards can lead to participants using a manual override feature that can inaccurately account for participants— or just not logging in at all. With no LAN backup an entire history of participants can be wiped out with one power surge. Finally, we do not want any systems in place at any facility that will create a barrier or the feeling of a barrier between the users and the recreation facilities. SPAR will certainly keep this recommendation in mind when we are looking at a long term and strategic plan. As of 08/1/2016 same status.	No Progress

RECOMMENDATION STATUS



IAR 270016-08
December 28, 2016

Recommendation	Follow-Up Response	Status
<p>2. Expand the Walking/Running/Biking Trails System</p> <p>■ Work with the Maintenance Division to establish a good maintenance schedule on all the trails.</p>	<p>As previously stated, this finding did not come as a surprise to SPAR since SPAR has long been an advocate of an expanded trail system. SPAR administration and the park planning staff knew the City’s extended trail system did not meet the benchmark for a city of our size. But the bigger question was did the community want an extended trail system. In late 2006, SPAR received the results of it’s master plan process and the community overwhelmingly wants the trail system in our city expanded and connected. This type of expansion of walking, bike and running trails will take long-term planning, coordination with other agencies, and large capital financial outlay. SPAR is currently in the process of working on a trail plan, and the landscape architect from SPAR is serving on the state’s bicycle/pedestrian trail update committee. Although the City of Shreveport does not meet the benchmark for extended trails, it is fortunate to have fitness trails throughout the community. In more than eighteen parks, from A.B. Palmer to David Raines and Jacoby Ware to East Kings Highway, there are fitness trails for the citizen’s use. For years, the maintenance division has utilized an inspection schedule to check for needed repairs and maintenance. As of 08/1/2016 six of the eighteen recreational trails have been repaired and overlaid. An additional 2 recreation paths have been newly constructed.</p>	<p>Complete</p>
Water and Sewerage		
<p>IAR 650015-02 Review of Straightlining Allegation at Adjudicated Property 5/21/15</p>		
<p>1. Straightlining Water Service and Other Violations Reported or Discovered Through a City Fraud Hotline Tip:</p> <p>■ We recommend the City seek ways to improve inter-departmental communication and early proactive follow up on</p>	<p>The Water Department has significantly reduced the theft of water by straight lining and customers tampering with meters by purchasing full locking mechanisms for the meter assembly. These locks are</p>	<p>Complete</p>

RECOMMENDATION STATUS



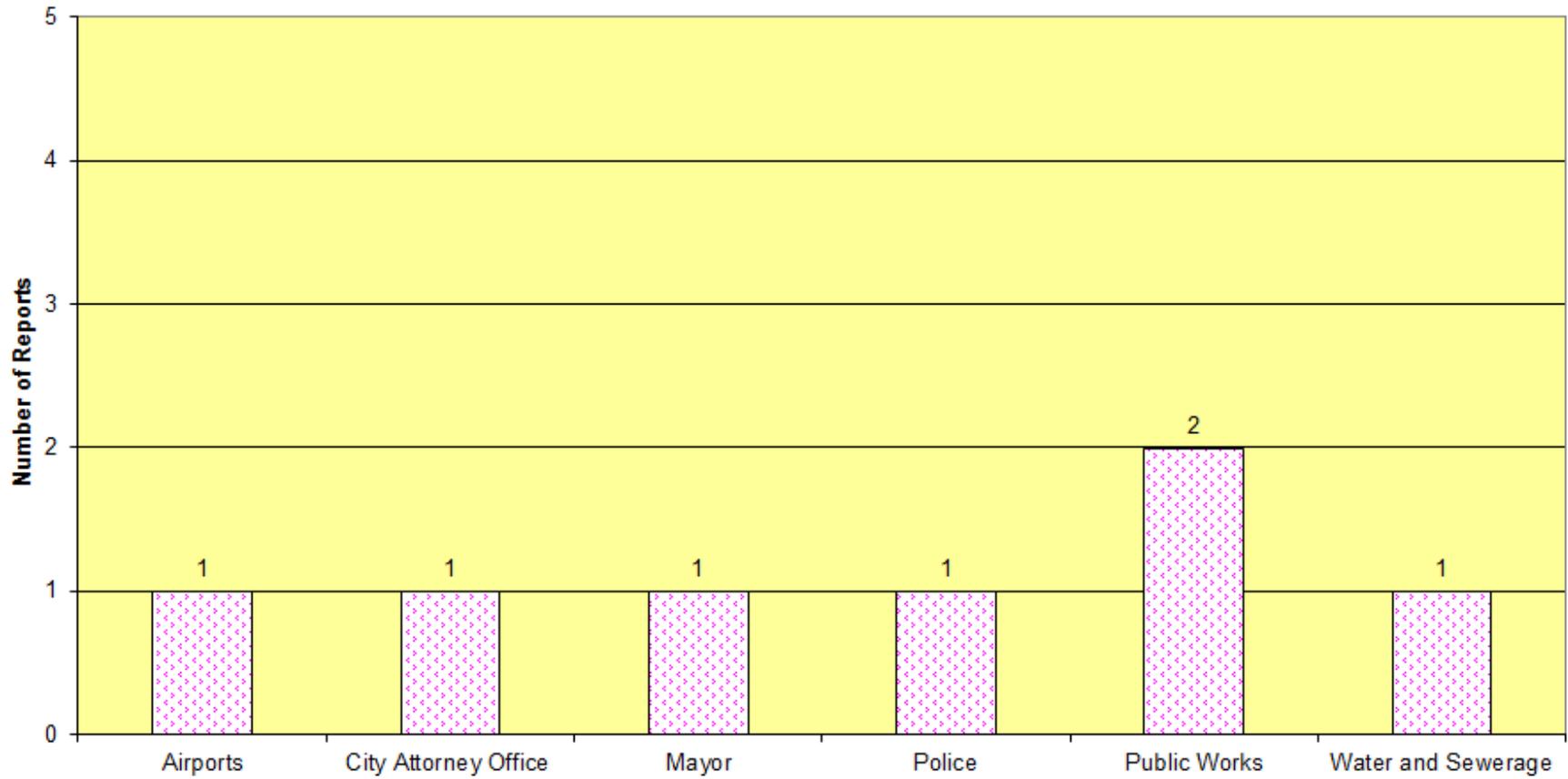
IAR 270016-08
 December 28, 2016

Recommendation	Follow-Up Response	Status
addresses key operations and activities of the organization.	work on the Standard Operating Procedures. These will be updated based on the new phone system that was installed in the early part of 2016 and after the Department completes an upgrade to the billing software in 2017.	

DATA

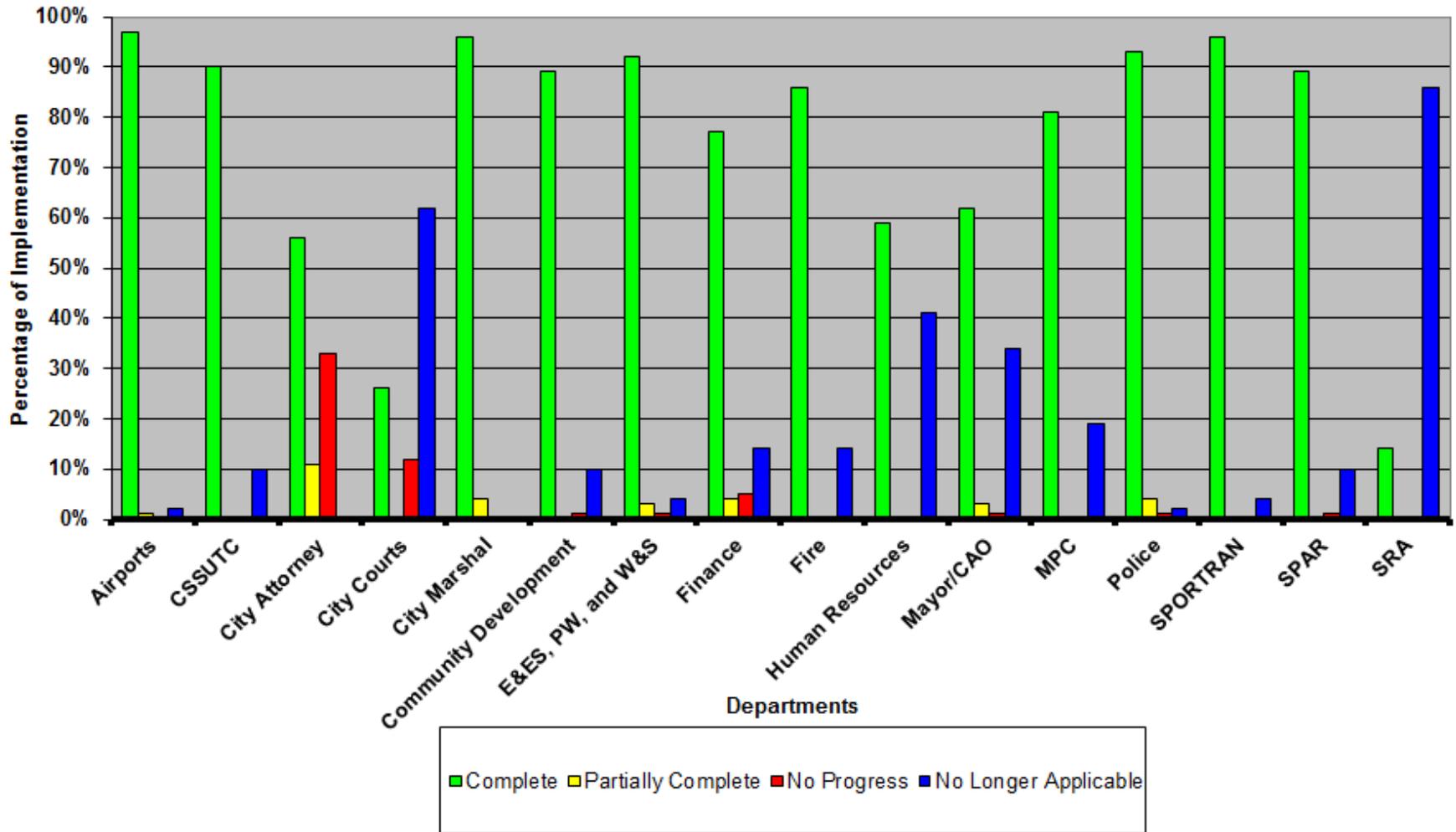
Number of Reports Issued 1/1/15 to 12/31/15 By Department

Chart A



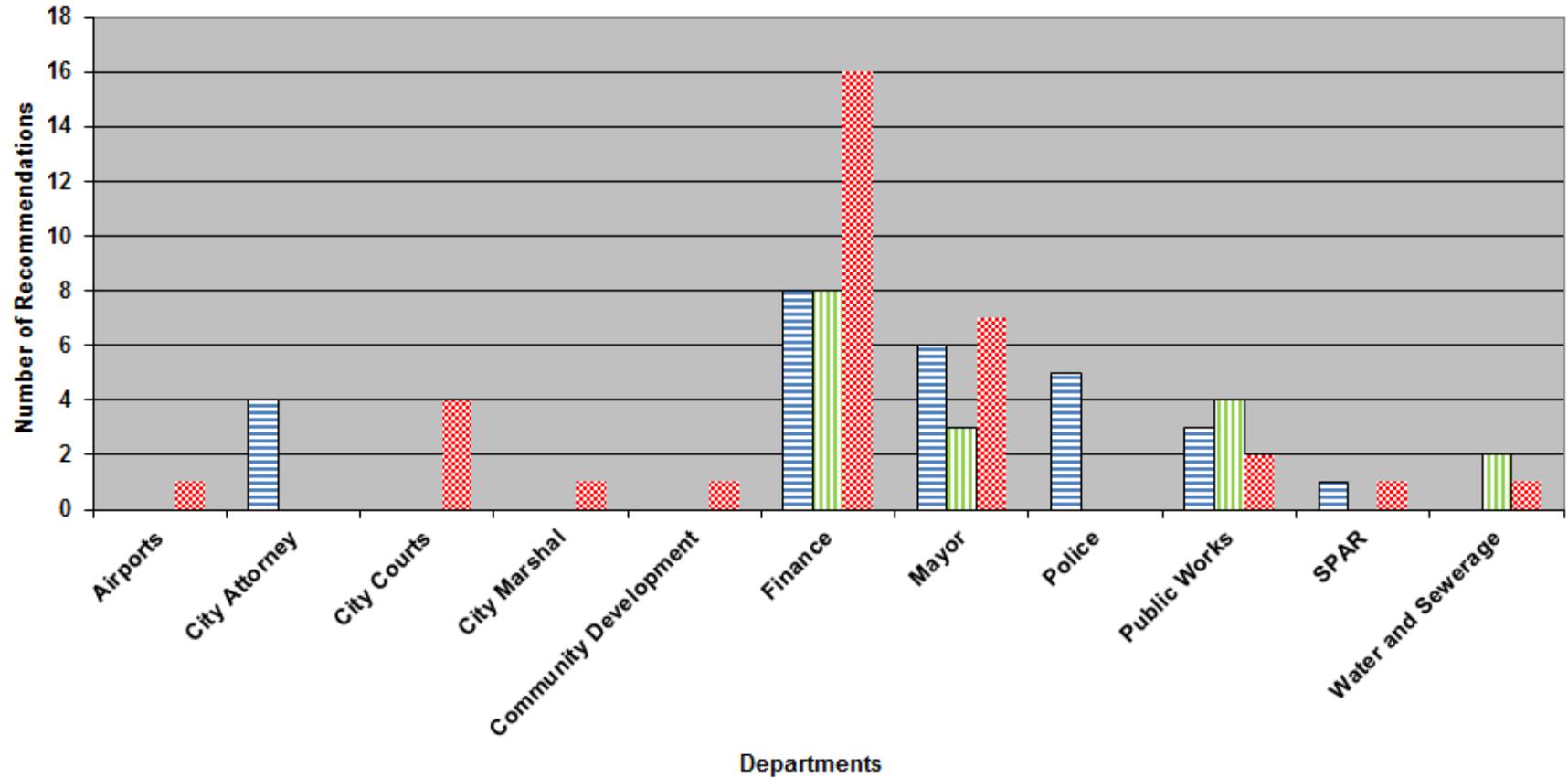
Departments
Total Reports Issued - 7

2016 Annual Audit Follow Up
 All Years (1992-2015) Percentage of Implementation By Department Chart B

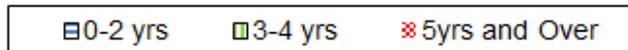


Open Recommendations Aging Schedule By Department

Chart C

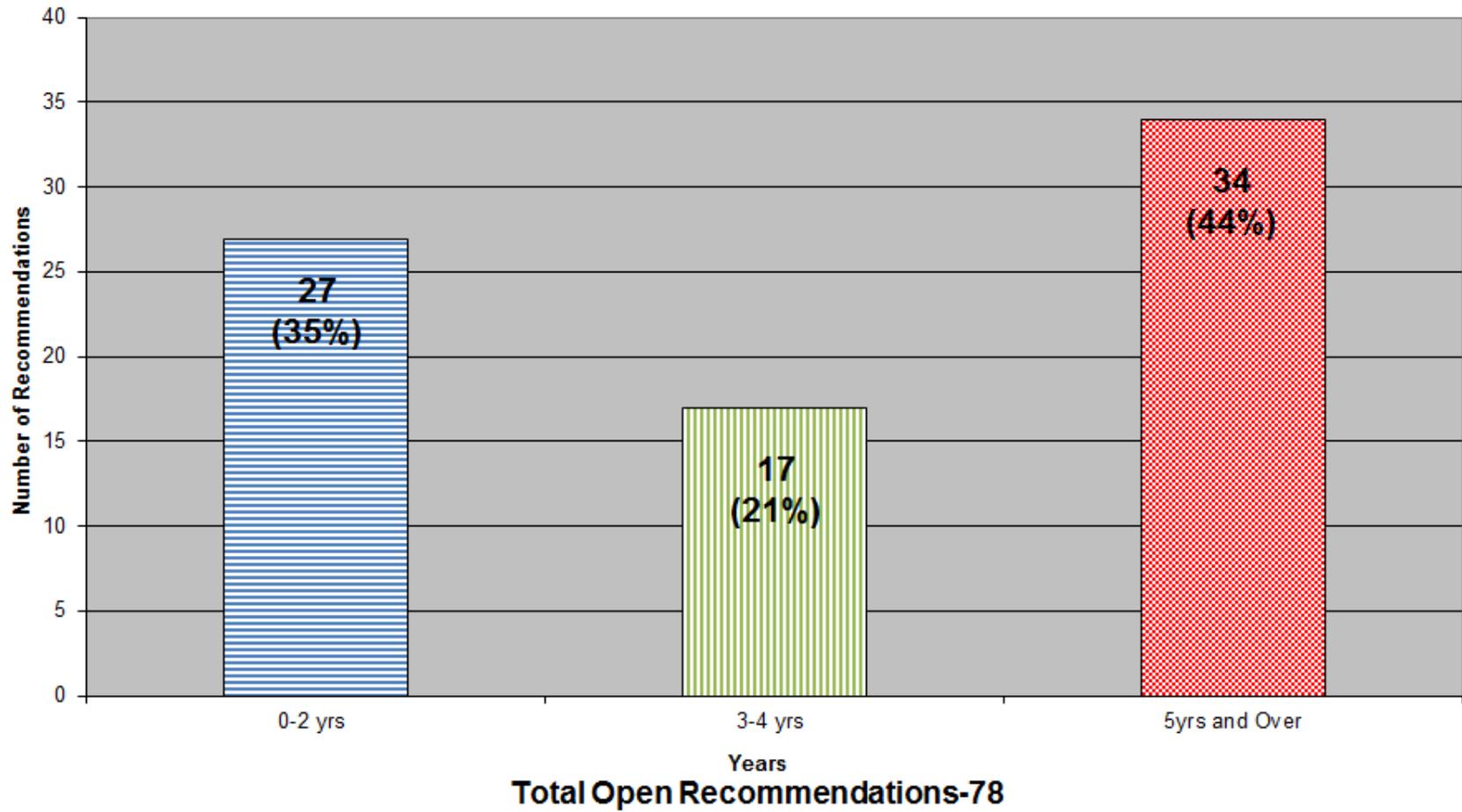


Total Open Recommendations-78



Open Recommendations Aging Schedule By Years

Chart D



**2016 Annual Audit Follow Up
Comparison of Risk Categories**

Chart E

