

CADDO PARISH COMMISSION

505 TRAVIS STREET, GOVERNMENT PLAZA

PUBLIC NOTICE

AUDIT & FINANCE COMMITTEE

Government Plaza 1st Floor Conference Room

August 3rd, 2022

12:00 PM

1. AUDIT & FINANCE COMMITTEE ROLL CALL:

John E. Atkins - Chair, President

Steven Jackson

Steffon Jones

Ed Lazarus

2. INVOCATION:

3. PLEDGE OF ALLEGIANCE:

Veterans and active military members saluting during recitation of the Pledge of Allegiance would be appropriate, should you wish to do so.

4. AGENDA ADDITIONS:

5. PUBLIC COMMENTS:

Citizens who wish to address the Committee please fill out a comment card located in the chamber foyer, and return to the Chairman or the Clerk of the Commission. Citizens may also fill out & submit a [COMMENT CARD ONLINE HERE](#) prior to the meeting. Individual comments are limited to 3 minutes

6. NEW BUSINESS:

6.I. Internal Audit Of Street Maintenance

Documents:

[CADDO PARISH_IA_STREET MAINTENANCE REPORT - DRAFT.PDF](#)

6.II. Internal Audit Status Update

Documents:

7. ADJOURN:

The Parish of Caddo

Internal Audit of Public Works Street Maintenance

August 3, 2022

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Postlethwaite & Netterville, A Professional Accounting Corporation

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Objective & Scope

An internal audit of the Caddo Parish Public Works Department was conducted to assess applicable internal control processes related to the Street Maintenance Division. The following areas were included in the scope:

- Work Order Process
- CivicPlus Online Request Process
- Capital Projects
- Personnel Policies and Procedures
- Inventory/Material Usage

Overview of Procedures

- Obtained policies and procedures (P&P) related to Street Maintenance, as applicable.
- Performed interviews and process walkthroughs in April 2022 with Caddo Parish Public Works Department personnel.
- Performed testing, on a sample basis, to determine if work orders were completed and the Mobile311 system was updated with relevant information in a timely manner.
- Performed testing, on a sample basis, to determine if requests related to street maintenance submitted in the CivicPlus system were resolved by Public Works in a timely manner.

The scope period included in the audit was
01/01/2021 -
02/28/2022

Executive Summary

Based on the procedures performed, three (3) observations were identified. Moderate and low priority risk ratings¹ were assigned. Additional details including associated risk, root cause, recommendations, responsible party and management response are included in the Results section of this report.

❖ One (1) observation was assigned a priority risk rating of moderate as explained below:

Summary of Observations

Risk Ranking: Moderate

Area: Physical Security

1) Secondary storage locations were secured by locked fencing but did not have additional security measures established.

❖ Two (2) observations were assigned a priority risk rating of low as explained below:

Summary of Observations

Risk Ranking: Low

Area: Inventory and Work Order Process

2) Inventory counts were not consistently performed for small tools and equipment.

3) Work orders were not consistently closed within the Mobile311 system in a timely manner upon completion of the work.

¹ See Appendix B for additional details regarding the priority risk rating definitions.

Results

#	Observation	Risk	Root Cause	Recommendation	Responsible Party & Management Response
Risk Ranking: Moderate					
Area: Physical Security					
1	Additional locations utilized by both North Camp and South Camp for storage of materials and equipment were secured by locked fencing but did not have additional security measures established, such as security camera monitoring.	<p>If physical access to locations used to store materials and equipment are not monitored, an increased risk may exist for the following:</p> <ul style="list-style-type: none"> • Theft of materials and/or equipment. • Damage to equipment. • Unauthorized individuals may enter areas and sustain injuries. 	<p>Camp Managers relied on locked fencing to prevent theft of or damage to parish property.</p> <p>Certain locations did not have power supply or internet access, which made traditional security measures such as security camera monitoring less feasible.</p> <p>The type of materials and equipment stored at each additional location varied. Some locations contained materials that were not high dollar value, so the risk of financial loss was deemed low by management.</p>	<p>Management should consider if additional physical security measures should be implemented at each additional storage location. As part of this analysis, management should assess the types of materials and equipment stored at each additional location and their associated dollar values to determine if the risk of financial loss outweighs the cost to install additional security measures. If implemented, management should consider performing a periodic assessment in the event the types or quantity of material and equipment changes over time.</p>	<p>Gary Stoneman, North Camp Manager</p> <p>James Hankins, South Camp Manager</p> <p>Ken Ward, Assistant Director Public Works</p> <p>Tim Weaver, Director Public Works</p> <p>Public Works has been reviewing these locations for possible exposure the past few years. Construction of a new location for storage is being developed at the North Blanchard compactor site where cameras, locked gates, and lights will provide that extra level of security on the more valuable assets. This location to be available in late 2023.</p>

Results

#	Observation	Risk	Root Cause	Recommendation	Responsible Party & Management Response
Risk Ranking: Low					
Area: Inventory					
2	The South Camp maintained an inventory listing of small tools and equipment, and performed inventory counts on an annual basis. However, North Camp did not maintain an inventory listing of small tools and equipment, and inventory counts were not performed.	If inventory listings are not maintained and inventory counts are not performed, an increased risk of theft or loss of small tools and equipment may exist, resulting in an increased risk of financial loss to the Parish.	The Public Works Department did not have a formal policy or procedure related to inventory for the Street Maintenance Division.	Public Works Administration should consider developing a formal policy related to inventory for the Street Maintenance Division. Areas to consider for inclusion within the policy include, but are not limited to: <ul style="list-style-type: none"> • Records maintenance • Types of items required to be inventoried • Responsibility for inventory counts • Frequency of inventory counts <p>Once a formal inventory policy is developed, Camp Managers should implement inventory listings, counts, and other activities as required by the policy.</p>	Gary Stoneman, North Camp Manager James Hankins, South Camp Manager Ken Ward, Assistant Director Public Works Tim Weaver, Director Public Works Public Works recognizes North Camp’s lack of annual physical inventory of hand held and light mechanical tools with an actual change to have one completed each year or when practical.

Results

#	Observation	Risk	Root Cause	Recommendation	Responsible Party & Management Response
Risk Ranking: Low					
Area: Mobile311 Work Orders					
3	<p>Work orders were not consistently closed within the Mobile311 system in a timely manner upon completion of the work. The Operational Policies and Procedures for North Camp and South Camp did not define a standard timeframe for closing work orders within the Mobile 311 system. However, based on our understanding of the process gained from interviews with Camp Managers, P&N defined timely closure of work orders to be within 45 days after work was completed for purposes of our testing.</p> <p>Of the 10 work orders selected for testing with a status of "Work in Progress" or "New Work Order" as of March 8, 2022, nine work orders were completed but the status within the Mobile311 system had not been updated to "Complete." Of those nine completed work orders, seven were not closed in a timely manner, with timeframes for work order closure between 46 and 341 days after work was performed.</p> <p>Of the 10 work orders selected for testing with a status of "Complete" as of March 8, 2022, four work orders were not closed in a timely manner, with timeframes for work order closure between 56 to 92 days after work was performed.</p> <p><i>Additional details regarding the sampled work orders were provided to management.</i></p>	<p>If completed work orders are not closed within the Mobile311 system in a timely manner after work has been completed, the listing of open work orders in the Mobile311 system will not accurately reflect the outstanding work orders to be addressed and may result in:</p> <ul style="list-style-type: none"> • Excess time needed to determine which work orders are currently outstanding, leading to inefficiencies in prioritizing and scheduling work to be performed by crews. • Public Works Administration using inaccurate or outdated information to make decisions related to budgeting, hiring, materials requirements, etc. 	<p>An individual at each camp was assigned to perform periodic reviews of open work orders within the Mobile311 system. However, based on the sampled work orders that were not closed timely, the frequency and/or extent of the periodic reviews may be insufficient to ensure that work order statuses within Mobile311 are kept up to date.</p> <p>Camp Managers, Foremen, and Office Technicians shared the responsibility for closing work orders and primary responsibility was not defined.</p> <p>A standard timeframe for closing work orders after work is completed was not defined by management and was not included in Operational Policies and Procedures.</p>	<p>Management should assess the frequency and extent of the current work order review processes, to determine if the frequency and extent of review is sufficient to maintain accurate work order statuses within the Mobile311 system.</p> <p>Management should also consider establishing which job roles have primary responsibility for closing work orders.</p> <p>Management should consider defining a standard timeframe for closing work orders after work is completed and including this standard in the Operational Policies and Procedures.</p>	<p>Gary Stoneman, North Camp Manager</p> <p>James Hankins, South Camp Manager</p> <p>Ken Ward, Assistant Director Public Works</p> <p>Tim Weaver, Director Public Works</p> <p>Public Works recognizes the need for ticket closure timeliness and is in the process of developing a written policy for ticket creation, revision, updating, and closure. This policy will address responsibilities and timeliness for certain ticket milestones.</p>

Other Observations

During the course of the internal audit, the following recommendations were identified as opportunities to enhance utilization of the Mobile311 work order system. Although the items below were not associated with a risk, management is encouraged to consider implementation of the following best practices to enhance the effectiveness of current processes.

Observation	Recommendation
Ongoing training for the Mobile311 system was not provided after initial employee onboarding.	Management should consider conducting periodic training for all Street Maintenance employees with access to the Mobile311 system to increase familiarity with the system’s tools and more effective and consistent use of the tool’s resources.
The Mobile311 system included a Priorities field when creating work orders, which allowed users to select a priority level from 1 to 9. However, management did not utilize the Priorities field.	Management should consider using the Priorities field when creating and updating work orders, to allow work orders to be addressed based on urgency, batched and tracked in the system.
The Mobile311 system included a Scheduler function which allowed users to generate work orders on a recurring basis. However, management did not utilize the Scheduler function.	Management should consider using the Scheduler function to create recurring work orders. Using a scheduler would allow users to mark work orders complete when all current work has been performed and set a future work order for anticipated additional work.
The Mobile311 system was used to track materials used for each work order. However, management did not use the Mobile311 system to track material usage on an aggregate basis.	Management should assess the tool’s ability to report material usage on an aggregate basis for specific time periods. Tracking and monitoring material usage across a period of time would assist with performing trend analysis and forecasting for budgeting purposes.

Appendix A: Sampling Methodology **DRAFT**

Obtained a listing of work orders created in the Mobile311 system during the period 01/01/2021 – 02/28/2022. A sample of 20 work orders was judgmentally selected from the population.

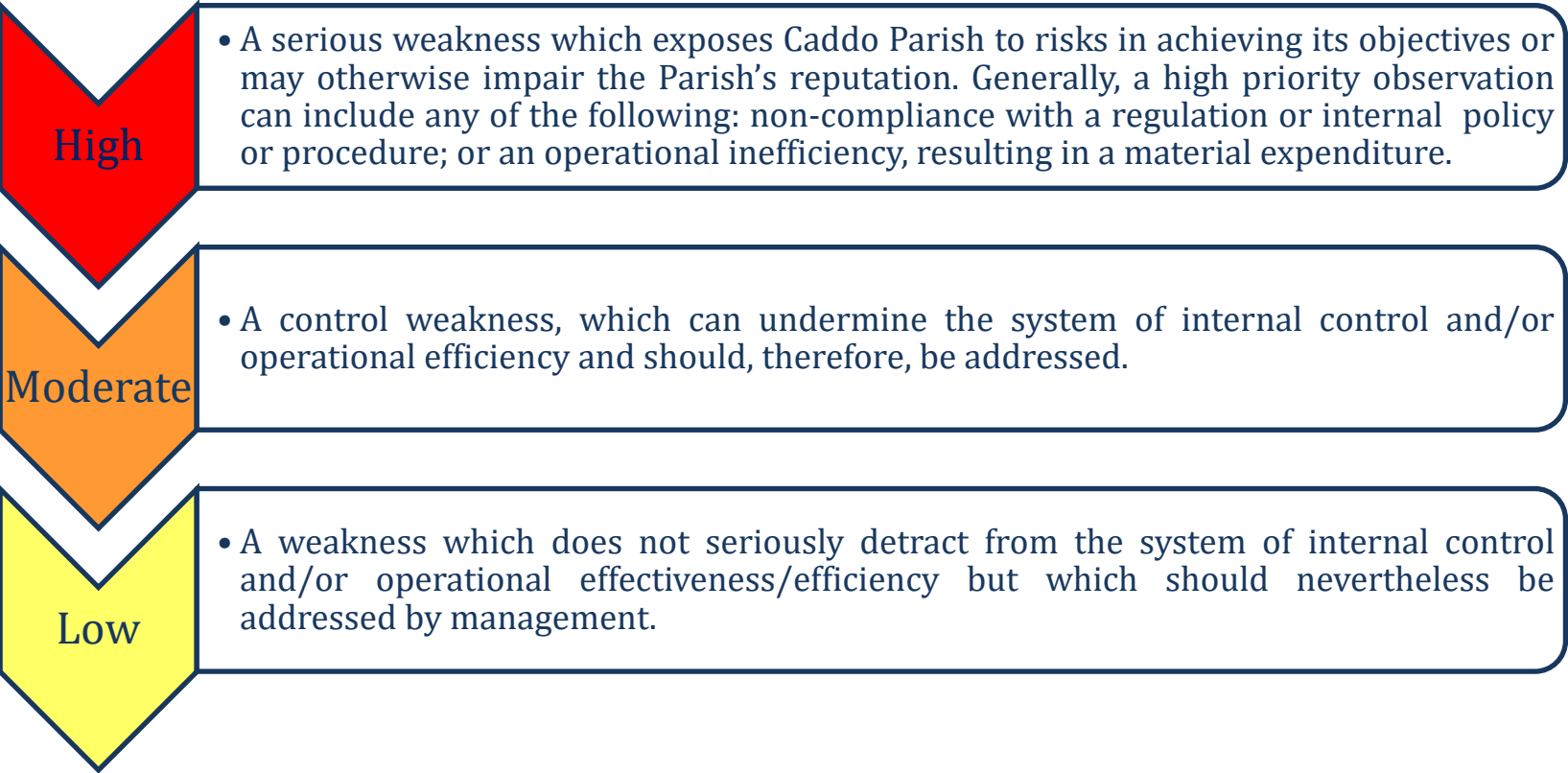
Total Number of Open Work Orders	Number of North Camp Work Orders Sampled	Number of South Camp Work Orders Sampled	Total Work Orders Sampled	Percentage Sampled
107	5	5	10	9%
Total Number of Closed Work Orders	Number of North Camp Work Orders Sampled	Number of South Camp Work Orders Sampled	Total Work Orders Sampled	Percentage Sampled
227	5	5	10	4%

A listing of requests created in the CivicPlus system during the period 01/01/2021 – 02/28/2022 was obtained. Five samples were judgmentally selected from the requests.

Total Number of Requests	Number of Requests Sampled	Percentage Sampled
22	5	23%

Appendix B: Priority Rating Definitions

Priority ratings were assigned as follows:



Appendix C: Assumptions and Limiting Conditions

Our procedures were not designed to detect fraud, to constitute a financial statement audit, review, compilation, or to provide assurance on the internal controls or information provided. Accordingly, we will not express an opinion or conclusion, nor provide any other form of assurance on the completeness and accuracy of the information. Additionally, the projection of any conclusions, based on our findings, to past or future periods is subject to the risk that changes may have occurred during the passage of time that may alter the validity of such conclusions. Furthermore, the projection of any conclusions, based on our findings, to the whole population is subject to the risk that the samples selected may not accurately reflect the population as a whole.

This engagement was conducted in accordance with the *American Institute of Certified Public Accountants' Statement on Standards for Consulting Services (SSCS)* and the *International Standards for the Professional Practice of Internal Auditing (Standards)*.

Appendix D: Transmittal Letter

August 3, 2022

Caddo Parish Commission
505 Travis St #110
Shreveport, LA 71101

Dr. Woodrow Wilson, Parish Administrator and CEO
The Parish of Caddo
P.O. Box 1127
Shreveport, LA 71163-1127

Dr. Wilson and Caddo Parish Commission,

As presented in this enclosed report, Postlethwaite & Netterville, APAC (P&N) has completed our evaluation regarding Public Works policies, procedures, and processes related to Street Maintenance. On the pages above, this report provides: 1) a risk rating of observations 2) a summary of the observations noted during our engagement, and 3) recommended actions for you to consider related to our observations.

These recommendations are only for your consideration and are not intended to be implemented without management's thorough understanding and acceptance.

P&N appreciates the cooperation and assistance provided by your personnel during this engagement. We sincerely appreciate this opportunity to be of service to you. Please do not hesitate to contact us if you have any questions related to this report or any other matters.

Sincerely,

POSTLETHWAITE & NETTERVILLE, APAC

DRAFT



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The Parish of Caddo

Internal Audit Update

August 3rd, 2022

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Agenda

- ❖ 2022 Internal Audit Plan Status Update
- ❖ Internal Audit Follow-up Activities
- ❖ Appendix A: 2018-2021 Recap

Approved Internal Audit Plan for P&N Contract Year 5 (January 1, 2022 – December 31, 2022)

<i>Auditable Area</i>	<i>Auditable Activities</i>	<i>Status</i>
Public Works	Street Maintenance	<ul style="list-style-type: none"> Results presented during the August 3, 2022, Finance Committee Meeting
Finance	Purchasing and Procurement Services	<ul style="list-style-type: none"> Estimated to be completed during July – September 2022
Other Auditable Area	Parish Administration and Legal	<ul style="list-style-type: none"> Estimated to be completed during August – October 2022

Note: 2022 Internal Audit Plan approved during the December 9, 2021, Commission Meeting.

Internal Audit Follow-up Activities



Follow-up Complete

<i>Auditable Area</i>	<i>Auditable Activities</i>
Animal Services and Mosquito Control	Caddo Parish Animal Services
Other Auditable Area	Non-Governmental Organizations
Finance and Human Resources	Vendor and Contract Management
Juvenile Services	Juvenile Services Detention
Facilities and Maintenance	Caddo Correctional Center (CCC)
Human Resources	Disciplinary Process; Compensation, Benefits Administration and Open Enrollment; Regulatory Compliance



Follow-up in progress

<i>Auditable Area</i>	<i>Auditable Activities</i>
Information Systems	Information Systems Security (Logical, Physical, Cyber); Disaster Recovery and Business Continuity Planning; Remote Access



Follow-up not performed: all observations assessed as low risk

<i>Auditable Area</i>	<i>Auditable Activities</i>
Juvenile Services	Juvenile Services Probation
Public Works	Adjudicated Property

Appendix A: Approved Internal Audit Plan for P&N Contract Years 1- 4 (August 21, 2018 – December 31, 2021)

<i>Auditable Area</i>	<i>Auditable Activities</i>	<i>Presented to Finance Committee</i>	<i>Report Issued</i>
Animal Services and Mosquito Control	Caddo Parish Animal Services	12/3/2018	12/3/2018
Other Auditable Area	Non-Governmental Organizations	6/27/2019	7/3/2019
Finance and Human Resources	Vendor and Contract Management	6/27/2019	7/3/2019
Juvenile Services	Juvenile Services Detention	10/21/2019	10/21/2019
Juvenile Services	Juvenile Services Probation	4/20/2020	4/20/2020
Public Works	Adjudicated Property	6/24/2020	6/24/2020
Facilities and Maintenance	Caddo Correctional Center (CCC)	10/27/2020	10/27/2020
Human Resources	Disciplinary Process; Compensation, Benefits Administration and Open Enrollment; Regulatory Compliance	6/14/2021	6/14/2021
Information Systems	Information Systems Security (Logical, Physical, Cyber); Disaster Recovery and Business Continuity Planning; Remote Access	11/30/2021	12/3/2021

Note: Annual Internal Audit Plans were approved during the following Commission meetings:

- 2019 Internal Audit Plan approved during February 7, 2019 Commission Meeting
- 2020 Internal Audit Plan approved during November 7, 2019 Commission Meeting
- 2021 Internal Audit Plan approved during January 7, 2021 Commission Meeting



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