

# ***Sewerage & Water Board of New Orleans***



## ***Audit Committee***

May 8, 2018

# Simplified Role of Audit Committee

- Integrity of financial statements
- Internal controls (financial and operational)
- Compliance
- Risk oversight



# First Meeting Priorities

- External auditors on financial integrity of CAFR
- Discuss need for RFP for external audit of internal controls and [audit and legal] resources
- Introduce Audit Committee Charter and prioritizing audit plan



# A Three Year Plan

	Integrity of Financial Statements	Internal Controls	Risk Oversight	Compliance
Year 1	<ul style="list-style-type: none"> <li>• CAFR</li> <li>• Roles</li> <li>• Review charter</li> <li>• Standards of conduct</li> <li>• Risk-rank audit plan</li> </ul>	<ul style="list-style-type: none"> <li>• Establish need</li> <li>• Approve RFP</li> <li>• Select external auditor</li> <li>• Kick-off</li> <li>• Review results</li> </ul>	<ul style="list-style-type: none"> <li>• Hurricane emergency management</li> <li>• Insurance</li> <li>• Intro to ERM/proposal</li> </ul>	<ul style="list-style-type: none"> <li>• Exception reporting</li> <li>• External audit (IC) recommendation on resources</li> </ul>
Year 2	<ul style="list-style-type: none"> <li>• Complete annual and bi-annual audits</li> </ul>	<ul style="list-style-type: none"> <li>• Implement controls</li> </ul>	<ul style="list-style-type: none"> <li>• Focus year on building consensus on plan</li> </ul>	<ul style="list-style-type: none"> <li>• Hire resources</li> </ul>
Year 3	<ul style="list-style-type: none"> <li>• Complete 3-year cycle and evaluate</li> </ul>	<ul style="list-style-type: none"> <li>• Test controls</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Design and implement compliance reporting</li> </ul>



# Develop a plan for the next 12 meetings

- May 2018 – intro, CAFR, propose external audit of IC
- June 2018 – IC RFP, Hurricane season, review charter
- July 2018 - risk rank audit plan
- August 2018 – Select IC external audit
- September 2018 – risk management
- October 2018 – IC external audit kick-off
- November 2018 – code of conduct
- December 2018 - insurance
- January 2019
- February 2019
- March 2019
- April 2019 – IC external audit results



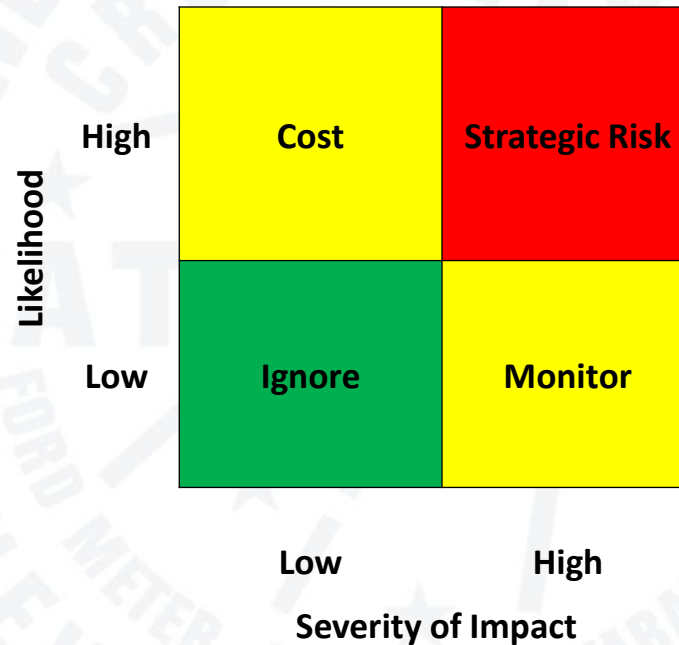


# Internal Audit's 2014 Schedule of Audits Needs Risk Priority Ranking Consensus with Audit Committee

Multi-Year Working Audit Plan				Calendar Year	
Item	Audit Ownership	Audit Type	Audit Objectives	Planned Audit Hours	Audit Freq
				Maximum Staff Hours Outsourced Hours	
Item	Audit Ownership	Audit Type	Audit Objectives	Audit Description	Once Every/Yr
					Ins
1	Accounting/Revenue	Financial	Cash Management Controls	Determine that cash receipts through Cashiers are properly handled, deposited, and recorded; Mailroom Receipts	1
	Accounting	Financial	Cash Management Controls	Petty Cash & Imprest Fund Review for Compliance and Accuracy	
2	Accounting	Financial	Timekeeping	Departmental Internal controls for timesheet accuracy	2
3	Accounting	Financial	Payroll	Determine the effectiveness, efficiency, accuracy, and controls over payroll.	2
4	Accounting	Financial	Salary Increases	Review Employee Wage & Salary Increases.	2
5	Accounting	Financial	Overtime Review	Review timekeeping and approval of OT hours	2
6	Accounting	Financial	Accounts Receivable	Effectiveness and efficiency of AR process and controls over receivables.	1
7	Accounting	Financial	Purchasing/Accounts Payable	Appropriate controls over purchases/ Contracts/ Procurements	2
8	Accounting	Financial	Electronic Funds Transfer	Pension, MSD & Workers Comp. Payments	2
9	Accounting	Financial	Accounts Payable/ Grant Management	Effectiveness and efficiency of AP process and controls. (from requisition to payment)	2
10	Accounting	Financial	Capital Budgeting	Review B&A and CPAC processes for policy compliance	2
11	Accounting	Financial	Treasury Accounting	Bank Account balancing/ reconciliations	1
12	Accounting	Financial	Sales Tax Receipts	Accuracy of reported sales tax receipts.	2
13	Accounting	Financial	External Audit Coordination	Management representation of financials	1
14	Accounting	Financial	Accounts Receivable/ Customer Accounting	Effective, efficient, internal controls and application of Policy that governs collection agency & write-offs.	2
15	Accounting	Financial	Combined Charitable Giving	Controls on cash and payroll deductions	3
16	Accounting	Financial	Employee Expense reports	Compliance with Board Policy	2
17	Accounting	Financial	Treasury Accounting	Capital program administration authorization process; Actual to Board approved projects	1
18	Accounting	Financial	Property Accounting	Operational efficiency and effectiveness	2
19	Legal	Financial	Outside Legal Services	Billing accuracy and policy compliance	3
20	Information Systems	IT	General EDP Controls	Data integrity & security.	
21	Information Systems	IT	Network and Data Security	Security & access controls	
22	Information Systems	IT	Penetration Testing and Instruction	Error Detection/Prevention	
23	Information Systems	IT	Application Systems	Data integrity & security.	
24	Information Systems	IT	Computer Security, Backup & Recovery	Effectiveness and completeness of operational activities & contingency	



# Audit Committee: Risk Management Matrix ★



Jonathan Howitt (Editor), PRMIA Professional Risk Managers' Handbook Series – 2015 Edition  
Volume III Book I Risk Management Frameworks and Operational Risk, p.40.

# Appendix

## Further Detail



# Board's Role

- Set policy
- Delegate implementation
- Ensure compliance
- Hold accountable



# Audit Committee's Role According to the Bylaws

- The Audit Committee shall
  - Monitor **compliance** with federal, state, and local laws and regulations and
  - Have charge of the affairs of the Board relating to
    - **Internal control** and
    - **Risk management**
- The following matters are illustrative of those brought before the Audit Committee for consideration:
  - Review of all contracts awarded by the Executive Director
  - Regulatory compliance
  - Internal controls assessment
  - Internal and external audit reports compliance
  - Recommendations from external consultants.



# The Audit Committee Should Review and Assess

- Risk Management – including the adequacy of the company' s overall control environment.
- Annual Reports and Other Major Regulatory Filings.
- Internal Control and Regulatory Compliance – for detecting and reporting financial errors, fraud and defalcations, legal violations and noncompliance with the corporate code of conduct.
- Regulatory Examinations – the results of examinations by regulatory authorities in terms of important findings, recommendations and management' s response.
- External Audit Responsibilities – including the overall scope and focus of the annual and interim audits.
- Financial Reporting and Controls – including key financial statements issues and risks, their impact or potential effect on reported financial information, the processes used by management to address such matters, related auditor views and the basis for audit conclusions.
- Auditor Recommendations – important internal and external auditor recommendations of financial reporting, controls, other matters and management' s response.
- Changes in important accounting principles and application thereof.
- Significant conflicts of interest and related-party transactions.
- Internal auditor performance and that of key financial management.
- External auditor performance and changes in external audit firm (subject to ratification of full board).

Report of the NACD Blue Ribbon Commission, Audit Committees: A Practical Guide, National Association of Corporate Directors and the Center for Board Leadership, 1999 cited in Brian Lechem, Chairman of the Board: A Practical Guide, Hoboken: John Wiley & Sons, Inc., 2002.



# Committee Membership

Committee	Audit	Finance	Governance	Strategy	Pension
Chair	<ul style="list-style-type: none"> <li>Tamika Duplessis</li> </ul>	<ul style="list-style-type: none"> <li>Joseph Peychaud</li> </ul>	<ul style="list-style-type: none"> <li>Ralph Johnson</li> </ul>	<ul style="list-style-type: none"> <li>Tamika Duplessis</li> </ul>	<ul style="list-style-type: none"> <li>Joseph Peychaud</li> </ul>
Members	<ul style="list-style-type: none"> <li>Robin Barnes</li> <li>Lewis Stirling III</li> <li>Poco Sloss</li> </ul>	<ul style="list-style-type: none"> <li>Tamika Duplessis</li> <li>Ralph Johnson</li> <li>Stacy Horn Koch</li> <li>Eileen Gleason</li> </ul>	<ul style="list-style-type: none"> <li>Robin Barnes</li> <li>Andrew Amacker</li> <li>Poco Sloss</li> </ul>	<ul style="list-style-type: none"> <li>Robin Barnes</li> <li>Stacy Horn Koch</li> <li>Andrew Amacker</li> </ul>	<ul style="list-style-type: none"> <li>Ralph Johnson</li> <li>Lewis Stirling III</li> <li>Eileen Gleason</li> <li>Poco Sloss</li> <li>Chris Bergeron</li> <li>Chante' Powell</li> <li>John Wilson</li> <li>Marvin Russell</li> </ul>



# ***Sewerage & Water Board of New Orleans***



*Re-Building the City's Water Systems for the 21<sup>st</sup> Century*



# **Sewerage & Water Board of New Orleans**

## **Audit Committee Charter**

### **2018**

#### ***Charter Purpose***

1. To provide guidance to the Audit Committee members as to best practices in audit governance. It is not intended to supplant board actions or policies.

#### ***Committee Role***

2. The committee's role is to oversee all material aspects of the company's reporting, control, and audit functions, except those specifically related to the responsibilities of another standing committee of the Board. The audit committee's role includes a particular focus on the qualitative aspects of financial reporting and on company processes to include but not be limited to (a) the management of business/financial risk and (b) for compliance with significant applicable legal, ethical, and regulatory requirements as they relate to such business and financial risks.
3. The role also includes coordination with other Board committees and maintenance of strong positive working relationships with management, external and internal auditors, counsel, and other committee advisors.

#### ***Committee Operating Principles***

The committee should fulfill its responsibilities within the context of the following overriding principles:

4. **Communications** – The chairperson and others on the committee should, to the extent appropriate, have contact throughout the year with senior management, other board members, etc., as applicable, to strengthen the committee's knowledge of relevant current and prospective business issues.
5. **Committee Education/Orientation** – The committee, with management, should develop and participate in a process for review of important financial and reporting topics that present potential significant risk to the company. Additionally, individual committee members are encouraged to participate in relevant and appropriate self-study education to assure understanding of the business environment in which the company operates.
6. **Annual Plan** – The committee, with input from management and other key committee advisors, should develop an annual plan responsive to the "primary committee



responsibilities” detailed herein. The annual plan should be reviewed and approved by the full Board.

7. **Meeting Agenda** – Committee meeting agendas should be the responsibility of the committee chairperson, with input from committee members, management, internal audit, and other committee advisors as appropriate.
8. **Committee Expectations and Information Needs** – The committee should communicate committee expectations and the nature, timing, and extent of committee information needs to management, internal audit, and external parties, including external auditors. Written materials, including audit reports, financial reports, and other appropriate management documentation, should be received from management, auditors, and others at least three working days in advance of meeting dates.
9. **External Resources** – The committee should request authorization from the Board of Directors to access internal and external resources, including authority to engage and funding for independent counsel and public accounting firms and other advisors as the committee requires carrying out its responsibilities.
10. **Committee Meeting Attendees** – The committee should request members of management, counsel, internal audit, and external auditors, as applicable, to participate in committee meetings, as necessary, to carry out the committee’s responsibilities. It should be understood that either internal or external auditors, or counsel, may, at any time, request a meeting with the audit committee or committee chairperson with or without management attendance. In any case, the committee should consider meeting without management attendance separately with internal and external auditors, at least annually.
11. **Reporting to the Full Board** – The committee, through the committee chairperson, should report periodically, as deemed necessary, but at least semi-annually, to the full Board. In addition, summarized minutes from the committee meetings, separately identifying monitoring activities from approvals, should be available to each board member prior to the subsequent Board Meeting.
12. **Committee Self Assessment** – The committee should review, discuss, and assess its own performance as well as the committee role and responsibilities, seeking input from senior management, the full board, and others. Changes in role and/or responsibilities, if any, should be recommended to the full board for approval.

### ***Meeting Frequency***

13. The committee should meet at least quarterly. Additional meetings should be scheduled as considered necessary by the committee or chairperson.

### ***Committee's Relationship with External and Internal Auditors***

14. The external auditors, in their capacity as independent public accountants, should report to the board of directors and the audit committee as representatives of the citizens.
15. The committee should be responsible for pre-approving all audit and non-audit services, including the scope of such work performed by the external auditors.
16. As the external auditors review financial reports, they will be reporting to the audit committee. They should report all relevant issues, including any new information, to the committee responsive to agreed-upon committee expectations. They should immediately notify the committee of any material weakness in internal controls or potential fraud identified during an audit engagement. In executing its oversight role, the board of committee should review the methods, audit techniques, and the basis for any findings of external auditors.
17. The committee should annually review the performance (effectiveness, objectivity, and independence) of the external and internal auditors. The external auditors should conduct their audit engagement under the independence rules of the AICPA. The committee should ensure receipt of a formal written statement from the external auditors consistent with standards set by the Independence Standards Board. Additionally, the committee should discuss with the auditor relationships or services that may affect auditor objectivity or independence. If the committee is not satisfied with the auditor's assurances of independence, it should take or recommend to the full board appropriate action to ensure the independence of the external auditor.
18. If the committee decides to retain an audit firm following review, the committee should, at a minimum, rotate the lead audit partner and audit review partner every five years.
19. The committee should review annually the external auditor's policies and certifications regarding workpaper retention and destruction.
20. If either the internal or the external auditors identify significant issues relative to the overall board responsibility that have been communicated to management but, in their judgment, have not been adequately addressed, they should communicate these issues to the committee chairperson.
21. Changes in the director of internal audit should be subject to committee approval.

## ***Primary Committee Responsibilities***

### **The committee should review and assess:**

22. ***Risk Management*** – The Board’s business risk management process, including the adequacy of the company’s overall control environment and controls in selected areas representing significant financial and business risk.
23. ***Annual Reports and Other Major Regulatory Filings*** – All major financial reports in advance of filing or distribution.
24. ***Internal Controls and Regulatory Compliance*** – Management’s assessment of the system of internal controls for detecting accounting and reporting financial errors, fraud and defalcations, legal violations, and noncompliance with the corporate code of conduct.
25. ***Internal Audit Responsibilities*** – The annual audit plan and the process used to develop the plan. Status of activities, significant findings, recommendations, and management’s response.
26. ***Regulatory Examinations*** – The results of examinations by regulatory authorities in terms of important findings, recommendations, and management’s response.
27. ***External Audit Responsibilities*** – Auditor independence and the overall scope and focus of the annual/interim audit, including the scope and level of involvement with unaudited interim-period information.
28. ***Financial Reporting and Controls*** – Key financial statement issues and risks, their impact or potential effect on reported financial information, the processes used by management to address such matters, related auditor views, and the basis for audit conclusions. Important conclusions on interim and/or year-end audit work in advance of the public release of financials.
29. ***Auditor Recommendations*** – Important internal and external auditor recommendations on financial reporting, controls, other matters, and management’s response. The views of management and auditors on the overall quality of annual and interim financial reporting.
30. ***Complaint Procedures*** – Procedures established for the receipt, retention, and treatment of complaints received regarding accounting, auditing matters, and internal controls.
31. ***Officer Questionnaire Responses*** – Review the Code of Ethics Questionnaire responses and Internal Control Questionnaire responses from Board executive managers.
32. Other matters which are within the above-defined role of the Committee.

**The committee should review, assess, and approve:**

- 33. The Code of ethical conduct.
- 34. The internal audit charter.
- 35. Changes in important accounting principles and the application thereof in both interim and annual financial reports.
- 36. Significant conflicts of interests and related-party transactions.
- 37. External auditor performance and changes in external audit firm subject to ratification by the full board.
- 38. Internal auditor performance and changes in internal audit leadership and/or key financial management.

**Audit Committee Charter 2016**

_____	_____
Chair, Audit Committee	Date
_____	_____
Vice Chair	Date
_____	_____
Executive Director	Date

Audit Committee Responsibilities Questionnaire

Purpose of the Audit Committee:

The audit committee is a separately chartered committee of the board of directors. The audit committee has a direct relationship with the board of directors, as it reports to the board on a quarterly or more frequent basis on such things as audit plans, audit findings and other items deemed to be significant. Generally, the audit committee's purpose is to assist the board in overseeing the:

- Reliability of the entity's financial statements and disclosures
- Effectiveness of the entity's internal control and risk management systems
- Compliance with the entity's code of business conduct and legal and regulatory requirements
- Independence, qualifications and performance of the external auditors
- Performance of the internal audit activity

NO.	AREAS OF RESPONSIBILITY	YES	NO	NA	COMMENT
A.	Risk Management and Internal Controls				
1	Does the audit committee address the following risk management and internal control topics?				
	a. The organization's risk management framework and key processes				
	b. How the risk management framework and key processes are linked to the company's strategy				
	c. Key business risks				
	d. The organization's risk appetite				
	e. How risk management is coordinated across the organization				
	f. Amount of information about business risks that the entire board of directors needs to fulfill its governance obligations				
	g. Accuracy of risk management information received by the board				
	h. How to properly set the right "tone at the top" that reinforces the company's values and promotes a "risk aware" culture				
	i. Management's attitudes about controls				
	j. External auditor's opinion on the organization's system of internal control				
	k. Management's responsibility to obtain assessment of internal controls for outsourced accounting functions				
	l. Annual assessment of the organization's internal control environment				
B.	Finance and Accounting				
1	Does the audit committee address the following finance and accounting topics?				
	a. Key financial reporting risks (typically those areas which require high levels of judgment, complex financial instruments, unusual transactions and changes to accounting policies)				
	b. Adequacy of information regarding key financial reporting risks				
	c. Consistency of financial reports and disclosures with the operations and underlying performance				
	d. Critical accounting policies, how they are applied, and whether the choice of those accounting policies ensure that transactions reflect the economic reality				
	e. Adequate disclosure of significant transactions including related party transactions				
	f. Whether significant pressure is present to meet budgeted or expected targets				
	g. Key fraudulent financial reporting risks				
	h. Scope of work conducted by the external auditor				
	i. Awareness of changes to accounting standards, new (insert stock exchange) requirements, and changes in legislation that impact the financial reporting process				
	j. Significant fluctuations in the account balances and/or key ratios				
	h. Auditors' (external and internal) views on the overall quality of the company's financial reporting process and whether it covers all key financial statement issues and risks				
	i. Company processes and policies for communicating with institutional investors, analysts and brokers				
	k. Competency and experience of financial personnel				
	l. All related party transactions				
C.	Audit Resources and Process				
1	Does the audit committee address the following internal audit topics?				
	a. Relationship between the audit committee and the internal audit function				

Audit Committee Responsibilities Questionnaire

NO.	AREAS OF RESPONSIBILITY	YES	NO	NA	COMMENT
	b. How internal audit should be resourced				
	c. How the internal audit plan is developed				
	d. Coordination between internal auditors and external auditors				
	e. Appropriateness of management's responses to the internal audit reports				
	f. Adequate internal controls over the major risks				
	g. Appropriate management support for the internal audit function				
2	Does the audit committee address the following during the audit planning process?				
	a. Meet with management, the internal auditor and the external auditor before and after year-end to discuss all significant items				
	b. Review and comment on the annual audit plan				
	c. Review the balance between internal and external audit work				
	d. Ensure a process is in place to follow up on audit recommendations				
	e. Investigate any matter brought to the committee's attention				
3	Does the audit committee address the following auditor performance topics?				
	a. Maintain a direct line of communication with internal and external auditors				
	b. Hold specific meeting with external auditors only and internal auditors only				
	c. Annually request management and committee member views on internal and external audit performance, effectiveness, objectivity and independence				
	d. Recommend the external auditor selection or reappointment to the board of directors/shareholders				
	e. Annually discuss with the external auditors any relationships or work with the organization that might impair independence				
	f. Review and recommend any personnel change for the chief audit executive position				
4	Has the audit committee taken concrete steps to exercise its mandated responsibility to oversee the independent auditor?				
5	Has the audit committee worked out the policies and procedures for approving non-audit services with sufficient clarity that management is able to proceed without having to exercise judgment as to whether a given non-audit service is "approved" or not?				
	a. Where does the audit committee stand with respect to compliance with the various legal and regulatory requirements?				
	b. Is the committee satisfied with company support and funding of the outside advisor it chooses to employ in meeting these requirements?				
D.	<b>Audit Committee Performance and Operating Practices</b>				
1	Does the audit committee charter address the following (at a minimum)?				
	a. Background and experience requirements				
	b. Committee's authority and specific responsibilities				
	c. Committee's relationships/meetings with members of the management team, internal/external auditors and others				
	d. Frequency and general timing of meetings				
2	Does the audit committee do the following when selecting and maintaining committee members?				
	a. Strive to maintain committee continuity				
	b. Recruit and maintain knowledgeable members (e.g., industry background, accounting knowledge, seniority)				
	c. Ensure new committee members are briefed on current and pending topics				
	d. Ensure committee members attend relevant ongoing training sessions (if needed)				
3	Does the audit committee do the following when communicating with executive management?				
	a. Articulate the committee's role and expectations				
	b. Assess management's attitude toward the internal audit function				
	d. Maintain ongoing interaction with management and C-level executives				
	d. Develop information process for all relevant decisions, issues and topics				
	e. Report events/findings to other board members				
4	Does the audit committee do the following with planning and conducting meetings?				
	a. Develop a meeting agenda, pre-read materials and other relevant documentation				
	b. Distribute meeting materials in time to review business and financial information and prepare audit committee meetings				
	c. Manage meeting agenda to assure all topics and opinions are discussed				
	d. Place an importance of regular meeting minutes				
5	Does the audit committee do the following when assessing its own performance?				
	a. Receive informal feedback from the board, CEO, CFO and external auditors				
	b. Complete a self-assessment process				



Audit Committee Responsibilities Questionnaire

NO.	AREAS OF RESPONSIBILITY	YES	NO	NA	COMMENT
	c. Assess the contribution and performance of individual committee members				
	d. Evaluate how audit committee best practices relate to committee practices				

**Sewerage Water Board of New Orleans  
Multi-Year Audit Plan**

					Calendar Year					2014	2015	2016	2017	2018
	<b>Multi-Year Working Audit Plan</b>				<b>Planned Audit Hours</b>									
					<b>Maximum Staff Hours</b>	<b>Audit</b>								
	<b>Audit</b>	<b>Audit</b>			<b>Outsourced Hours</b>	<b>Freq</b>								
<b>Item</b>	<b>Ownership</b>	<b>Type</b>	<b>Audit Objectives</b>	<b>Audit Description</b>	<b>Once Every/Yr.</b>	<b>Inourced</b>	<b>Outsourced</b>	<b>Planned Audit Hours</b>						
1	Accounting/Revenue	Financial	Cash Management Controls	Determine that cash receipts through Cashiers are properly handled, deposited, and recorded;. Mailroom Receipts	1									
	Accounting	Financial	Cash Management Controls	Petty Cash & Imprest Fund Review for Compliance and Accuracy										
2	Accounting	Financial	Timekeeping	Departmental Internal controls for timesheet accuracy	2									
3	Accounting	Financial	Payroll	Determine the effectiveness, efficiency, accuracy, and controls over payroll.	2									
4	Accounting	Financial	Salary Increases	Review Employee Wage & Salary Increases.	2									
5	Accounting	Financial	Overtime Review	Review timekeeping and approval of OT hours	2									
6	Accounting	Financial	Accounts Receivable	Effectiveness and efficiency of AR process and controls over receivables.	1									
7	Accounting	Financial	Purchasing/Accounts Payable	Appropriate controls over purchases/ Contracts/ Procurements	2									
8	Accounting	Financial	Electronic Funds Transfer	Pension, MSD & Workers Comp. Payments	2									
9	Accounting	Financial	Accounts Payable/ Grant Management	Effectiveness and efficiency of AP process and controls. (from requisition to payment)	2									
10	Accounting	Financial	Capital Budgeting	Review B&A and CPAC processes for policy compliance	2									
11	Accounting	Financial	Treasury Accounting	Bank Account balancing/ reconciliations	1									
12	Accounting	Financial	Sales Tax Receipts	Accuracy of reported sales tax receipts.	2									
13	Accounting	Financial	External Audit Coordination	Management representation of financials	1									
14	Accounting	Financial	Accounts Receivable/ Customer Accounting	Effective, efficient, internal controls and application of Policy that governs collection agency & write-offs.	2									
15	Accounting	Financial	Combined Charitable Giving	Controls on cash and payroll deductions	3									
16	Accounting	Financial	Employee Expense reports	Compliance with Board Policy	2									
17	Accounting	Financial	Treasury Accounting	Capital program administration authorization process; Actual to Board approved projects	1									
18	Accounting	Financial	Property Accounting	Operational efficiency and effectiveness	2									
19	Legal	Financial	Outside Legal Services	Billing accuracy and policy compliance	3									
20	Information Systems	IT	General EDP Controls	Data integrity & security.										
21	Information Systems	IT	Network and Data Security	Security & access controls										
22	Information Systems	IT	Penetration Testing and Instruction	Error Detection/Prevention										
23	Information Systems	IT	Application Systems	Data integrity & security.										
24	Information Systems	IT	Computer Security, Backup & Recovery	Effectiveness and completeness of operational activities & contingency										
25	Accounting	Operational	Warehouse/Inventory Management	Carrying cost, obsolete, out-of-stock, quality control, contractor management	2									
26	Accounting	Operational	Warehouse Inventory Annual Count	Accuracy of Financial Statement Balance	2									
27	Accounting	Operational	Warehouse Inventory Cycle Counts	Operational efficiency and effectiveness	2									
28	Administrative	Operational	Plant Safety & Security	Effectiveness of Plant Security Systems/Fraud Risk Management	1									
29	Administrative	Operational	Internal Control Evaluation/Risk Assessments	Assist with Risk Assessments/ Evaluate Board's internal control structure	1									
30	Capital Budgeting	Operational	Contract Administration - Capital Projects, consulting, risk transfer/sharing	Payments, inspections, procedures for initiating, approving and amending	2									
31	Operations	Operational	Inspection Process	Risk, Controls, and Effectiveness of process	2									
32	Administrative	Compliance	Code of Ethics & Conduct	Questionnaire to employee and ethics training	1									
33	Risk Management	Operational	Fleet Management	Operational efficiency and effectiveness; take home vehicle policy compliance; procurements & disposals; Fuel Management	2									

**Sewerage Water Board of New Orleans  
Multi-Year Audit Plan**

					Calendar Year					2014	2015	2016	2017	2018
	<b>Multi-Year Working Audit Plan</b>				<b>Planned Audit Hours</b>									
					<b>Maximum Staff Hours</b>	<b>Audit</b>								
					<b>Outsourced Hours</b>	<b>Freq</b>								
<b>Item</b>	<b>Ownership</b>	<b>Audit Type</b>	<b>Audit Objectives</b>	<b>Audit Description</b>	<b>Once Every/Yr.</b>	<b>Insourced</b>	<b>Outsourced</b>	<b>Planned Audit Hours</b>						
34	Administrative	Operational	Contingency Planning P1.0	Disaster Recovery/Continuing operations; emergency plan	2									
35	Administrative	Operational	Whistleblower - Hotline	Hotline process for ethics violations calls	2									
	Administrative	Operational	Administrative Services	Cellphone distribution & Wireless Communication Equipment										
36	Gen Superintendent	Operational	Boiled Water Advisory Process	Water sampling (when), analysis cycle time, notification time) ; Notification Process	2									
37	Administrative	Compliance	Compare Public Sector Audits	Compare APA Audit Findings to Board Practices	3									
38	Environmental	Compliance	Environmental Reporting Requirements	Compliance with reporting & recordkeeping requirements/Governmental Regulatory Agencies State/Federal	3									
39	Risk Management	Operational	Risk Management	Claims procedures and processes, buildings & facilities sufficiently insured; appraisals	1									
40	Risk Management	Compliance	Vehicle Safety Regulations	DOT, OSHA, FEMA, employee driver's licenses, vehicle insurance; emergency evac plan	1									
41	Customer Service	Financial	New Water Rates	Annually test new water rates for billing										
42	Customer Service	Financial	Billing /Adjustments / Refunds	CAM System efficiency; Correct calculation of customer bills and compliance w/ procedures	2									
	Customer Service	Financial	Meter Reading	Efficiency of Metering reading ; House Connection										
	Customer Service	Financial	Sub-Pay Station Compliance & efficiency	Efficiency of sub-pay stations for customer billing & payments										
43	Personnel	Compliance	Performance Appraisal	Compliance with Civil Service & Board policies	3									
44	Risk Management	Compliance	Emergency Management FEMA Requirements	Management staff is NIMS & FEMA trained for disaster related expenses/reimbursements; Insurance on Buildings & Facilities; Emergency Plans /DEOC Operations	2									
	Operations		Facility Maintenance	All Board Facilities Equipment are properly maintained & operated efficiency										
45			Management Audit Requests											