ORDINANCE
(AS AMENDED)
CITY OF NEW ORLEANS

CITY HALL: October 19, 2006
CALENDAR NO.: 26,276

NO. 22444 MAYOR COUNCIL SERIES

BY: COUNCILMEMBERS MIDURA, FIELKOW, HEAD, THOMAS, CARTER, HEDGE-MORRELL AND WILLARD-LEWIS

AN ORDINANCE to amend Chapter 2 of the Code of the City of New Orleans to add Article XIII relative to the Office of Inspector General (OIG); to establish the OIG pursuant to Section 9-401 of the Home Rule Charter of the City of New Orleans; to provide for the powers, duties, and functions of the OIG and the Inspector General; and otherwise to provide with respect thereto.

SECTION 1. THE COUNCIL OF THE CITY OF NEW ORLEANS HEREBY

ORDAINS That Article XIII of Chapter 2 of the City Code is hereby ordained to read as follows:

Article XIII. Office of Inspector General (OIG).


1. Creation of the City of New Orleans Office of Inspector General

Pursuant to Section 9-401 of the Home Rule Charter of the City of New Orleans, this ordinance establishes the City of New Orleans Office of Inspector General (OIG).

2. Purpose

The purpose of this Section is to establish a full time program of investigation, internal audit, and performance review to provide increased accountability and oversight of entities of city government or entities receiving funds through the city and to assist in improving agency operations and deterring and identifying fraud, abuse,
and illegal acts. Further, the OIG shall assist management in the establishment of
affected systems of control.

3. **Appointment**

   a) The appointing authority for the Inspector General (IG) shall be the Ethics
      Review Board.

   b) The Ethics Review Board shall convene within 60 days of a vacancy in the
      position of Inspector General or within 60 days of the effective date of this
      ordinance to initiate the national search for the Inspector General.

   c) The appointing authority shall conduct a nationwide search to fill the position of
      Inspector General. The appointing authority will also recommend the annual
      salary of the IG, pending Civil Service Commission approval.

   d) In case of a vacancy in the position of Inspector General, the chairperson of the
      appointing authority may appoint the deputy inspector general, assistant inspector
      general, or other Office of Inspector General (OIG) management personnel as
      interim Inspector General until such time as a successor Inspector General is
      appointed. The appointing authority may by majority vote of all members
      overrule the chairperson’s appointment and appoint an alternative candidate with
      majority approval.

   e) The Inspector General is to be selected without regard to political affiliation and
      on the basis of integrity, capability for strong leadership, and demonstrated ability
      in accounting, auditing, financial analysis, law, management analysis, public
      administration, investigation, criminal justice administration or other closely
      related fields. In addition, the Inspector General should possess demonstrated
knowledge, skills, abilities and experience in conducting audits and investigations.

f) Qualified candidates for Inspector General shall be a person who:

a. Has at least five years of experience in any one, or combination, of the following fields:

i. As a federal law enforcement officer;

ii. As a federal or state court judge;

iii. As a licensed attorney with expertise in areas of audit and investigation of fraud, mismanagement, waste, corruption, and abuse of power;

iv. As a senior level auditor or comptroller;

v. Supervisory experience in an investigative public agency similar to an Office of Inspector General.

b. Has a four-year degree from an accredited institution of higher learning

g) Highly qualified candidates in addition to the minimal qualifications contained in this section shall be a person who:

a. Has managed and completed complex investigations involving allegations of fraud, theft, public corruption, deception and conspiracy;

b. Has demonstrated the ability to work with local, state and federal law enforcement agencies and the judiciary; or

c. Has an advanced degree in law, accounting, public administration, or other relevant field.

h) A former or current elected official or employee of New Orleans city government
may not be appointed Inspector General within two years following that
individual’s period of service. Notwithstanding the foregoing restriction, staff
members of the OIG who have served in the office for two or more years may be
immediately eligible for appointment to the position of Inspector General. The
Inspector General should hold at appointment, or be required to obtain within a
time certain after appointment, certification as a Certified Inspector General.
Other professional certifications such as certified public accountant, certified
internal auditor, and certified fraud examiner are recommended. A former or
current elected official or employee of the State of Louisiana or its political
subdivisions may not be appointed Inspector General within two years following
that individual’s period of service.

i) The Inspector General and staff members are prohibited from qualifying or
running for elective municipal office within two years of leaving their positions.

4. Term of Office

The Inspector General is appointed for a term of four years, which may be renewed at the
discretion of the appointing authority.

5. Abolition of and Removal from Office

a) Following a public hearing by the appointing authority, the Inspector General may
be removed from office for cause by 2/3 supermajority vote of the entire
membership of the Ethics Review Board, which must then publicly report the
reasons for removal to the City Council. Causes for removal may include abuse
of power or authority, conviction of a state or federal felony, or entry of a guilty
or nolo contendere plea to a state or federal felony charge, politically driven
discrimination, ethical misconduct in office, unprofessional conduct, and other acts tarnishing the integrity of the OIG.

b) Following a public hearing, the OIG may be abolished by a 2/3 supermajority vote of the entire membership of the City Council.

6. Resources
a) The OIG shall be funded by an annual appropriation by the City Council in an amount sufficient to cover its operations.

b) The Inspector General shall prepare and transmit its operating budget annually to the Chief Administrative Officer, identifying in the budget all proposed expenditures.

7. Organizational Placement
The OIG is operationally independent from the New Orleans City Council, Ethics Review Board, and Office of the Mayor. “Operationally independent” shall be defined as follows: “not preventing, impairing, or prohibiting the Inspector General from initiating, carrying out, or completing any audit, investigation or review.”

8. Records Disclosure
Records of the OIG shall be exempt from public disclosure to the extent permitted by law. Unauthorized disclosure of information by the IG is subject to review and disciplinary action by the appointing authority.

9. Reporting the Results of Inspector General Findings
a) The IG shall report its recommendations and results of its findings to the Ethics Review Board.
b) Prior to concluding a report or recommendation, which contains findings as to the person or entity being reported or who is the subject of the recommendation, the IG shall provide the affected person or entity a copy of the report or recommendation.

c) Such person or entity shall have 30 working days to submit a written explanation or rebuttal of the findings before the report or recommendation is finalized, and such timely submitted written explanation or rebuttal shall be attached to the finalized report or recommendation.

d) This section shall not apply when the Inspector General, in conjunction with the District Attorney or U.S. Attorney, determines that supplying the affected person or entity with such report will jeopardize a pending criminal investigation.

10. Annual Reports

The Inspector General shall report on the OIG’s activities for the preceding calendar year to the Ethics Review Board on or before March 31st of each year by line item matters undertaken, costs incurred, costs recovered, matters concluded, and results. The report shall describe accomplishments of the Office of Inspector General. Copies of the report shall be provided to the City Council and Mayor, as well as any oversight bodies interested in the activities of the OIG. Upon issuance, members of the media and the public shall be promptly advised of the issuance of the report. Such reports will be provided to their representatives upon request.

11. Authority

The Office of Inspector General is authorized to engage in the following specific functions:
a) Audit, evaluate, investigate, and inspect the activities, records, and individuals with contracts, procurements, grants, agreements, and other programmatic and financial arrangements undertaken by city government and any other function, activity, process, or operation conducted by city government.

b) Conduct all necessary investigations.

c) Audit the economy, efficiency and effectiveness of city government operations and functions and conduct reviews of city government’s performance measurement system.

d) Review the reliability and validity of the information provided by city government performance measures and standards.

e) Initiate such reviews or audits of city government as deemed appropriate.

f) Receive and investigate complaints from any source or upon its own initiative conduct investigations concerning alleged abuses, frauds and service deficiencies including deficiencies in the operation and maintenance of facilities.

g) Engage in prevention activities, including but not limited to: review of legislation; review of rules, regulations, policies, procedures, and transactions; training and education.

h) Conduct joint investigations and projects with other oversight or law enforcement agencies.

i) Issue reports and recommend remedial actions to be taken by the City Council, the Office of the Mayor, or municipal department or agency heads to
overcome or correct operating or maintenance deficiencies and inefficiencies that were identified by the OIG.

j) Issue public reports as set forth in sections 9 and 10.

k) Monitor implementation of recommendations made by the OIG and other audit agencies.

l) Establish policies and procedures to guide functions and processes conducted by the OIG.

m) Attend any meetings held by City Council, the Office of the Mayor, or any other city department or agency with third parties regarding contract negotiations or the procurement of goods or services.

n) Maintain information regarding the cost of investigations and cooperate with appropriate administrative and prosecutorial agencies in recouping such costs from nongovernmental entities involved in willful misconduct.

o) Require reports from the office of the Mayor, City Council, or City Departments and Agencies regarding any matter within the jurisdiction of the Inspector General.

p) Upon credible information of corruption or fraud, the Inspector General shall notify the appropriate law enforcement agencies. Subsequent to notifying the appropriate law enforcement agency, the Inspector General may assist the law enforcement agency in concluding the investigation. Upon detecting a violation of one of the ordinances of the state or local ethics code, the OIG may file a complaint with the state or local Ethics Board.
q) The Inspector General shall be notified in writing prior to any meeting of a selection of negotiation committee where any matter relating to the procurement of goods or services by the city is to be discussed. The notice required shall be given to the Inspector General as soon as possible after a meeting has been scheduled, but in no event later than twenty-four hours prior to the scheduled meeting. The Inspector General may attend all duly noticed city meetings relating to the procurement of goods or services as provided herein, and may post questions and raise concerns consistent with the functions, authority and powers of the Inspector General. An audio recorder may be utilized to record all selection or negotiation committee meetings attended by the OIG.

r) Do all things necessary to carry out the functions set forth in this section.

12. Powers

The OIG shall have access to all records, information, data, reports, plans, projections, matters, contracts, memoranda, correspondence, and any other materials of the City Council, Mayor’s Office, and all City departments and agencies, or any other organization involved in any financial or official capacity with city government that is necessary to facilitate a financial audit, a performance/operational audit, or investigation.

13. Professional Standards

Standards for initiating and conducting audits, investigations, inspections, and reviews by the Office of Inspector General will conform to professional standards for Offices of Inspector General such as those promulgated by the Association of
Inspectors General. The OIG shall develop an operations manual available to the public that contains such standards.

14. **Physical Facilities**

The city shall provide the OIG with appropriately located office space which shall be located in close proximity but offsite from City Hall. The city shall also provide the OIG with sufficient and necessary equipment, office supplies, and office furnishings to enable the OIG to perform its function.

15. **Organizational Structure**

   a) The Inspector General shall have the power to establish personnel procedure and to appoint, employ, contract, and remove such assistants, employees, consultants, and personnel including but not limited to legal counsel, as deemed necessary for the efficient and effective administration of the activities of the office subject to the requirements of Civil Service Rules.

   b) The Office of Inspector General shall include a division of investigation and a division of audit.

16. **Quality Review**

Audits, investigations, inspections and reviews shall be subject to annual quality assurance reviews by a third party Advisory Committee to include one (1) representative named by the City Council, one (1) representative from the Office of the Mayor, one (1) representative named by Louisiana Supreme Court, one (1) representative named by the National Association of Inspectors General, and one (1) representative named by the Ethics Review Board; said committee to be renewed annually. For the first year of this office, the New Orleans City Council will convene
within the first three (3) months to review and approve the guidelines and procedures
governing this office. A copy of the written report resulting from this review shall be
furnished to the Ethics Review Board, City Council, and Office of the Mayor. This
report shall also be made available to the public, when requested.

17. Annual Work Plan

The IG shall present an annual work plan for the ensuing year to the Ethics Review
Board no later than September 1st of each year. The plan shall include:

(a) Risk assessment criteria used in establishing the work plan;
(b) a schedule of projects and anticipated completion dates; and
(c) quality assurance procedures planned for implementation.
18. Subpoena Power

For purposes of an investigation or audit, the Inspector General may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, require the production of any records which the Inspector General deems relevant or material to an investigation or audit.

ADOPTED BY THE COUNCIL OF THE CITY OF NEW ORLEANS NOVEMBER 2, 2006

OLIVER M. THOMAS, JR.
PRESIDENT OF COUNCIL

DELIVERED TO THE MAYOR ON NOVEMBER 3, 2006

APPROVED:

DISAPPROVED: NOVEMBER 8, 2006

C. RAY NAGIN
MAYOR

RETURNED BY THE MAYOR ON NOVEMBER 9, 2006 AT 11:25 A.M.

PEGGY LEWIS
CLERK OF COUNCIL

ROLL CALL VOTE:
YEAS: Carter, Fielkow, Head, Hedge-Morrell, Midura, Thomas, Willard-Lewis - 7
NAYS: 0
ABSENT: 0
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