

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.

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

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

3 Article XIII. Office of Inspector General (OIG).

4 Section 9-1120. Office of Inspector General.

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

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

8 **2. Purpose**

9 The purpose of this Section is to establish a full time program of investigation,
10 internal audit, and performance review to provide increased accountability and
11 oversight of entities of city government or entities receiving funds through the city
12 and to assist in improving agency operations and deterring and identifying fraud, abuse,

13 and illegal acts. Further, the OIG shall assist management in the establishment of
14 affected systems of control.

15 **3. Appointment**

- 16 a) The appointing authority for the Inspector General (IG) shall be the Ethics
17 Review Board.
- 18 b) The Ethics Review Board shall convene within 60 days of a vacancy in the
19 position of Inspector General or within 60 days of the effective date of this
20 ordinance to initiate the national search for the Inspector General.
- 21 c) The appointing authority shall conduct a nationwide search to fill the position of
22 Inspector General. The appointing authority will also recommend the annual
23 salary of the IG, pending Civil Service Commission approval.
- 24 d) In case of a vacancy in the position of Inspector General, the chairperson of the
25 appointing authority may appoint the deputy inspector general, assistant inspector
26 general, or other Office of Inspector General (OIG) management personnel as
27 interim Inspector General until such time as a successor Inspector General is
28 appointed. The appointing authority may by majority vote of all members
29 overrule the chairperson's appointment and appoint an alternative candidate with
30 majority approval.
- 31 e) The Inspector General is to be selected without regard to political affiliation and
32 on the basis of integrity, capability for strong leadership, and demonstrated ability
33 in accounting, auditing, financial analysis, law, management analysis, public
34 administration, investigation, criminal justice administration or other closely
35 related fields. In addition, the Inspector General should possess demonstrated

36 knowledge, skills, abilities and experience in conducting audits and
37 investigations.

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

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

41 i. As a federal law enforcement officer;

42 ii. As a federal or state court judge;

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

46 iv. As a senior level auditor or comptroller;

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

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

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

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

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

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

58 h) A former or current elected official or employee of New Orleans city government

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

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

72 **4. Term of Office**

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

75 **5. Abolition of and Removal from Office**

76 a) Following a public hearing by the appointing authority, the Inspector General may
77 be removed from office for cause by 2/3 supermajority vote of the entire
78 membership of the Ethics Review Board, which must then publicly report the
79 reasons for removal to the City Council. Causes for removal may include abuse
80 of power or authority, conviction of a state or federal felony, or entry of a guilty
81 or nolo contendere plea to a state or federal felony charge, politically driven

82 discrimination, ethical misconduct in office, unprofessional conduct, and other
83 acts tarnishing the integrity of the OIG.

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

86 **6. Resources**

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

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

92 **7. Organizational Placement**

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

97 **8. Records Disclosure**

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

101 **9. Reporting the Results of Inspector General Findings**

102 a) The IG shall report its recommendations and results of its findings to the Ethics
103 Review Board.

- 104 b) Prior to concluding a report or recommendation, which contains findings as to the
105 person or entity being reported or who is the subject of the recommendation, the
106 IG shall provide the affected person or entity a copy of the report or
107 recommendation.
- 108 c) Such person or entity shall have 30 working days to submit a written explanation
109 or rebuttal of the findings before the report or recommendation is finalized, and
110 such timely submitted written explanation or rebuttal shall be attached to the
111 finalized report or recommendation.
- 112 d) This section shall not apply when the Inspector General, in conjunction with the
113 District Attorney or U.S. Attorney, determines that supplying the affected person
114 or entity with such report will jeopardize a pending criminal investigation.

115 **10. Annual Reports**

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

124 **11. Authority**

125 The Office of Inspector General is authorized to engage in the following specific
126 functions:

- 127 a) Audit, evaluate, investigate, and inspect the activities, records, and individuals
128 with contracts, procurements, grants, agreements, and other programmatic and
129 financial arrangements undertaken by city government and any other function,
130 activity, process, or operation conducted by city government.
- 131 b) Conduct all necessary investigations.
- 132 c) Audit the economy, efficiency and effectiveness of city government
133 operations and functions and conduct reviews of city government's
134 performance measurement system.
- 135 d) Review the reliability and validity of the information provided by city
136 government performance measures and standards.
- 137 e) Initiate such reviews or audits of city government as deemed appropriate.
- 138 f) Receive and investigate complaints from any source or upon its own initiative
139 conduct investigations concerning alleged abuses, frauds and service
140 deficiencies including deficiencies in the operation and maintenance of
141 facilities.
- 142 g) Engage in prevention activities, including but not limited to: review of
143 legislation; review of rules, regulations, policies, procedures, and transactions;
144 training and education.
- 145 h) Conduct joint investigations and projects with other oversight or law
146 enforcement agencies.
- 147 i) Issue reports and recommend remedial actions to be taken by the City
148 Council, the Office of the Mayor, or municipal department or agency heads to

149 overcome or correct operating or maintenance deficiencies and inefficiencies
150 that were identified by the OIG.

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

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

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

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

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

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

165 p) Upon credible information of corruption or fraud, the Inspector General shall
166 notify the appropriate law enforcement agencies. Subsequent to notifying the
167 appropriate law enforcement agency, the Inspector General may assist the law
168 enforcement agency in concluding the investigation. Upon detecting a
169 violation of one of the ordinances of the state or local ethics code, the OIG
170 may file a complaint with the state or local Ethics Board.

171 q) The Inspector General shall be notified in writing prior to any meeting of a
172 selection of negotiation committee where any matter relating to the
173 procurement of goods or services by the city is to be discussed. The notice
174 required shall be given to the Inspector General as soon as possible after a
175 meeting has been scheduled, but in no event later than twenty-four hours prior
176 to the scheduled meeting. The Inspector General may attend all duly noticed
177 city meetings relating to the procurement of goods or services as provided
178 herein, and may post questions and raise concerns consistent with the
179 functions, authority and powers of the Inspector General. An audio recorder
180 may be utilized to record all selection or negotiation committee meetings
181 attended by the OIG.

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

183 **12. Powers**

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

190 **13. Professional Standards**

191 Standards for initiating and conducting audits, investigations, inspections, and
192 reviews by the Office of Inspector General will conform to professional standards for
193 Offices of Inspector General such as those promulgated by the Association of

194 Inspectors General. The OIG shall develop an operations manual available to the
195 public that contains such standards.

196 **14. Physical Facilities**

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

201 **15. Organizational Structure**

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

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

209 **16. Quality Review**

210 Audits, investigations, inspections and reviews shall be subject to annual quality
211 assurance reviews by a third party Advisory Committee to include one (1)
212 representative named by the City Council, one (1) representative from the Office of the
213 Mayor, one (1) representative named by Louisiana Supreme Court, one (1)
214 representative named by the National Association of Inspectors General, and one (1)
215 representative named by the Ethics Review Board; said committee to be renewed
216 annually. For the first year of this office, the New Orleans City Council will convene

217 within the first three (3) months to review and approve the guidelines and procedures
218 governing this office. A copy of the written report resulting from this review shall be
219 furnished to the Ethics Review Board, City Council, and Office of the Mayor. This
220 report shall also be made available to the public, when requested.

221 **17. Annual Work Plan**

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

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

227 **18. Subpoena Power**

228 For purposes of an investigation or audit, the Inspector General may administer oaths
229 and affirmations, subpoena witnesses, compel their attendance, take evidence, require
230 the production of any records which the Inspector General deems relevant or material to
231 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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