

# SEWERAGE & WATER BOARD OF NEW ORLEANS

## AUDIT COMMITTEE MEETING

WEDNESDAY, JUNE 10, 2020

10:00 AM

### [JUNE 2020 AUDIT ATTENDEE LINK](#)

PUBLIC COMMENT WILL BE ACCEPTED VIA EMAIL TO [BOARDRELATIONS@SWBNO.ORG](mailto:BOARDRELATIONS@SWBNO.ORG). ALL PUBLIC COMMENTS MUST BE RECEIVED PRIOR TO 10:30 AM ON June 10, 2020. COMMENTS WILL BE READ VERBATIM INTO THE RECORD.

Dr. Tamika Duplessis, Chair • Robin Barnes  
Joseph Peychaud • Maurice Sholas • Alejandra Guzman

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### FINAL AGENDA

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1. **ROLL CALL**
2. **DISCUSSION ITEMS**
  - a. 2019 CAFR Update
3. **ACTION ITEMS**
  - b. R-032-2020: Approval of Updated Internal Audit Memorandum NO. 35
  - c. R-033-2020: Approval of Updated Internal Audit Charter
4. **PRESENTATION ITEMS**
  - d. Internal Performance Audit: SWBNO Workers' Compensation
5. **INFORMATION ITEMS**
  - e. Workers' Compensation Follow-up Report
  - f. External Audit Status 2018-2020
6. **PUBLIC COMMENT**
7. **ADJOURNMENT**

**CERTIFICATION TO HOLD TELECONFERENCE  
BOARD MEETING**

**WHEREAS**, there currently exists throughout the state of Louisiana and the city of New Orleans, a public health emergency due to the COVID-19 coronavirus, declared by official proclamations issued by both the Mayor of New Orleans (Proclamation 2020-02449) and the Governor of the State of Louisiana (Proclamation 25 JBE 2020); and

**WHEREAS**, this public health emergency requires most individuals to maintain personal distance from one another and forbids the gathering of more than ten (10) individuals in any one location, as declared on March 11, 2020; and

**WHEREAS**, as a result of the declarations by both the Mayor and the Governor, specifically the provisions regarding social distancing among individuals and groups no larger ten (10) persons, the Board of Directors of the Sewerage and Water Board of New Orleans (Board) is unable to meet in compliance with the quorum requirements of state law and the bylaws of the Board; and

**WHEREAS**, on April 30, 2020, by Proclamation Number Governor John Bel Edwards authorized Additional Measures for COVID-19 Public Health Emergency, pursuant to Proclamation No. 75 JBE 2020, Section 2 (C); and

**WHEREAS**, Section 2 (C) of Proclamation No. 75 JBE 2020 requires, “all state agencies, boards and commissions, and local political subdivisions of the state to provide for attendance at essential governmental meetings via teleconference or video conference and such attendance shall be allowed during pendency of this emergency. All efforts shall be made to provide for observation and input by members of the public. Before any meeting conducted pursuant to this section, the state agency, board or commission or local political subdivision shall first provide a written certification that it will otherwise be unable to operate due to quorum requirements”;

**NOW, THEREFORE, BE IT RESOLVED**, pursuant to Governor John Bel Edwards Emergency Proclamation Number 75 JBE 2020, Section 2 (C), I hereby certify that the Audit Committee of the Sewerage and Water Board of New Orleans will meet by teleconference/video conference on June 10, 2020, at 10:00 a.m., to undertake the business of the SWBNO as described in the attached Agenda, that under the existing emergency conditions, the Board of Directors of the SWBNO will otherwise be unable to operate due to quorum requirements, and has taken all reasonable efforts to allow for observation and input by members of the public.

**WITNESS BY MY HAND THIS 9th DAY OF JUNE 2020.**

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GHASSAN KORBAN  
EXECUTIVE DIRECTOR  
SEWERAGE AND WATER BOARD OF NEW ORLEANS



EXECUTIVE DEPARTMENT

PROCLAMATION NUMBER 75 JBE 2020

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***RENEWAL OF STATE OF EMERGENCY FOR COVID-19  
EXTENSION OF EMERGENCY PROVISIONS***

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- WHEREAS,** pursuant to the Louisiana Homeland Security and Emergency Assistance and Disaster Act, La. R.S. 29:721, *et seq.*, the Governor declared a public health emergency on in Proclamation Number 25 JBE 2020 in response to the threat posed by COVID-19;
- WHEREAS,** on March 11, 2020, in Proclamation Number 25 JBE 2020, the Governor declared that a statewide public health emergency existed in the State of Louisiana because of COVID-19 and expressly empowered the Governor's Office of Homeland Security and Emergency Preparedness and the Secretary of the Department of Health and/or the State Health Officer to take all actions authorized under state law;
- WHEREAS,** when the Governor determines that a state of public health emergency exists, La. R.S. 766(B) empowers the Governor to declare a state of public health emergency by executive order, or proclamation, or both;
- WHEREAS,** in Proclamation Number 74 JBE 2020, the Governor extended the emergency declaration for the COVID-19 emergency and ordered that Louisiana move into Phase 2 of Resilient Louisiana;
- WHEREAS,** it is necessary to renew certain other provisions of Proclamation Number 59 JBE 2020; and
- WHEREAS,** these measures are necessary to protect the health and safety of the people of Louisiana.

**NOW THEREFORE, I, JOHN BEL EDWARDS,** Governor of the State of Louisiana, by virtue of the authority vested by the Constitution and the laws of the State of Louisiana, do hereby order and direct as follows:

**SECTION 1: STATE PROCUREMENT**

- A)** Pursuant to La. R.S. 29:724(D)(1), suspensions of the Louisiana Procurement Code (La. R.S. 39:1551, *et seq.*) and Louisiana Public Bid Law (La. R.S. 38:2211, *et seq.*) and their corresponding rules and regulations are hereby continued for the purpose of the procurement of any good or services necessary to respond to this emergency.
- B)** Pursuant to La. R.S. 29:732(A), prices charged or value received for goods and services sold may not exceed the prices ordinarily charged for comparable goods and services in the same market area at or immediately before the time of the state of emergency, unless the price by the seller is attributable to fluctuations in applicable commodity markets, fluctuations in applicable regional or national market trends, or to reasonable expenses and charges and attendant business risk incurred in procuring or selling the goods or services during the state of emergency.

- C) In addition to any authority conferred generally herein or by law, the Governor's Office of Homeland Security and Emergency Preparedness, through consultation with the Secretary of the Department of Health, shall continue to have the primary jurisdiction, responsibility and authority for:
- 1) Planning and executing public health emergency assessment, mitigation, preparedness response, and recovery for the state;
  - 2) Coordinating public health emergency response between state and local authorities;
  - 3) Collaborating with relevant federal government authorities, elected officials of other states, private organizations or companies;
  - 4) Coordinating recovery operations and mitigation initiatives subsequent to public health emergencies;
  - 5) Organizing public information activities regarding public health emergency response operations; and
  - 6) Taking any other measures deemed necessary and proper, as authorized by law.
- D) For procurement and contracting, strict compliance with the Louisiana Procurement Code (La. R.S. 39:1551, *et seq.*), Telecommunications Procurement (La. R.S. 39:1751-1755), and Information Technology Procurement (La. R.S. 39:196-200), shall not be required. However, all state agencies should continue to comply with the following conditions:
- 1) An appointed official within the agency, or the equivalent for officials in higher education, must determine that the failure to strictly comply with the statutory restriction is necessary due to the emergency.
  - 2) A centralized point of contact for each agency must monitor all transactions conducted without strict statutory compliance, maintaining copies of all documentation. Documentation should specify whether the purchase falls into the "emergency" or "permanent" category and whether the purchase relates to the COVID-19 event referenced in Proclamation Number 25 JBE 2020 and all documentation must be maintained and available for audit and FEMA reimbursement purposes.
  - 3) Written competitive quotes and/or offers must be obtained whenever possible and agencies must take the necessary steps to assess that fair and equitable pricing is being offered.
  - 4) Performance-based contracting should be used where practical.
  - 5) Statewide contracts should be used where practical.
  - 6) To the maximum extent possible, such emergency contracts should be only for the duration of the emergency or to allow the agency time to comply with normal competitive bidding requirements if the goods or services will be required for an extended period of time.
  - 7) Copies of contracts which would otherwise require approval by the Office of State Procurement and the supporting documentation discussed above must be provided to the Office of State Procurement within thirty (30) days or sooner, if practical. Additionally, LaGov agencies should enter small purchases into the LaGov system as soon as practical. The Office of State Procurement shall review the contracts and documentation to determine compliance with this Executive Order.
  - 8) Payments to contractors should be made only after verification that all goods and services meet contract requirements.
  - 9) All Public Bid Openings shall be suspended. Bid openings will continue, however public openings will not occur in order to limit the potential for exposure. Bid openings will be made available via phone conference or web conference.
  - 10) All required Procurement Support Team meetings will be held via phone conference or web conference.

- E)** The following provisions of the La. R.S. 39:121, *et seq.*, are hereby suspended:
- 1) The provisions of La. R.S. 39:124-125 regarding periodic meetings and/or inspections of capital outlay projects by facility planning and control, including inspection of a project prior to the expiration of the guarantee period, and any meetings and/or inspections shall be limited to only those inspections or meetings determined to be absolutely necessary for the advancement of the capital outlay project.
  - 2) The provisions of La. R.S. 39:126 regarding prior approval of change orders.

## **SECTION 2: PUBLIC EMPLOYEES AND STATE OFFICES**

- A)** The following travel restrictions will continue to apply to all state employees:
- 1) All state employees traveling on state business out of the United States are hereby directed to cancel or postpone these trips; all employees traveling on official state business out of the State of Louisiana are hereby required to obtain specific authorization from the Commissioner of Administration;
  - 2) All state employees intending to travel out of the State of Louisiana for non-official reasons are hereby directed to notify their supervisor and Human Resources Director of the travel as soon as possible, but in no event later than forty-eight (48) hours prior to travel, and immediately upon return to Louisiana;
  - 3) All state employees with household members who intend to travel or have traveled internationally are hereby directed to notify their supervisor and Human Resources Director of the travel as soon as possible, but in no event later than forty-eight (48) hours prior to the household member's departure, to state the household member's expected date of return, and to notify their supervisor and Human Resources Director immediately upon the household member's actual return to the United States; and
  - 4) All state employees shall notify their supervisor and Human Resources Director if the employee or a household member develops symptoms associated with COVID-19.
- B)** The Civil Service Commission and the Division of Administration are hereby directed to continue to maintain a set of guidelines for state employees who are infected with COVID-19 or under quarantine for possible exposure to COVID-19. Such guidelines shall include direction for the management of sick leave by state employees and provide for direction, if possible, for the employee to work remotely. The guidelines developed by the Civil Service Commission and the Division of Administration shall remain in effect by this order.
- C)** All state agencies, boards and commissions, and local political subdivisions of the state shall continue to provide for attendance at essential governmental meetings via teleconference or video conference and such attendance shall be allowed during the pendency of this emergency. All efforts shall be made to provide for observation and input by members of the public. Before any meeting conducted pursuant to this section, the state agency, boards and commission, or local political subdivision of the state shall first provide a written certification that it will otherwise be unable to operate due to quorum requirements. Such certification shall be posted at the same time and in the same manner as the agenda for the meeting. Nothing in this order shall be interpreted to waive any notice requirements.

## **SECTION 3: EMERGENCY SUSPENSIONS**

- A)** All orders allowing for visitation by the parent of a foster child that resides in a home that is quarantined or isolated due to COVID-19 remain suspended. The Department of Children and Family Services is hereby ordered to make all reasonable efforts to continue to allow for alternative visitation.

**B) SHAREHOLDER MEETINGS**

- 1) Subpart A of Part 7 of the Business Corporation Act, including without limitation, Subsection B of Section 1-701, subsection C of 1-702 and subsections A and E of Section 1-705 of the Business Corporation Act, hereby remain suspended to the extent it requires meetings of shareholders to be noticed and held at a physical location in connection with any shareholder meeting that either (a) has a record date that falls during the Public Health emergency declared by Proclamation Number 25 JBE 2020 (or as extended by this subsequent Proclamation); (b) requires notice to be provided in connection therewith during the Public Health emergency declared by Proclamation Number 25 JBE 2020 (or as extended by this subsequent Proclamation); or (c) is scheduled to occur during the Public Health emergency declared by Proclamation Number 25 JBE 2020 (or as extended by this subsequent Proclamation).
- 2) This Proclamation shall remain in full force and effect with respect to any meeting duly called and convened in accordance with the Business Corporation Act and in reliance upon Section 1 hereof, notwithstanding the lapse or termination of this Proclamation.

**C) NON-PROFIT ORGANIZATIONS**

- 1) La. R.S. 12:229(A) and La. R.S. 12:230(A) of the Louisiana Nonprofit Corporation Law, are hereby suspended to the extent it requires meetings of members to be noticed and held at a physical location in connection with any membership meeting that either (a) has a record date that falls during the Public Health emergency declared by Proclamation Number 25 JBE 2020 (or as extended by any subsequent Proclamation); (b) requires notice to be provided in connection therewith during the Public Health emergency declared by Proclamation Number 25 JBE 2020 (or as extended by any subsequent Proclamation); or (c) is scheduled to occur during the Public Health emergency declared by Proclamation Number 25 JBE 2020 (or as extended by any subsequent Proclamation).
- 2) This Proclamation shall remain in full force and effect with respect to any meeting duly called and convened in accordance with the Louisiana Nonprofit Corporation Law and in reliance upon Section 1 hereof, notwithstanding the lapse or termination of this Proclamation.

**D) To reduce the burden on members of the public and to limit the interactions of individuals with state employees in governmental offices, the following regulatory statutes are hereby suspended as follows:**

- 1) Department of Public Safety
  - a) The deadlines for the period to request an administrative hearing pursuant to La. R.S. 15:542.1.3(B)(4) which expired on or after March 9, 2020 but before May 15, 2020 remains suspended and extended until June 26, 2020.
  - b) Further, with regard to Concealed Handgun Permits, the rules related to expiration of permits at LAC 55:1.1307(D) and LAC 55:1.1309(F) shall continue to be suspended until June 26, 2020.
  - c) The requirement for the renewal of a motor vehicle inspection certificate required under La. R.S. 32:1304 is suspended until June 26, 2020.
  - d) The late fee assessed for firework retail permit applications filed after April 1, 2020, as set forth in La. R.S. 51:656(B), is hereby suspended under December 31, 2020.
  - e) The late fees assessed for failure to timely renew life safety and property protection licenses, as set forth in La. R.S. 40:1664.9(F) and (G), are temporarily suspended through June 26, 2020.

- f) The late fees assessed, as set forth in La. R.S. 40:1484.18(F) and (G), for failure to timely renew licenses issued pursuant to La R.S. 40:1484.1, *et seq.*, shall be waived through December 31, 2020.

2) Office of Motor Vehicles

- a) Late fees for driver's license which would be charged beginning on March 9, 2020 through June 5, 2020, remain suspended until July 31, 2020.
- b) The three-day period mandated in La. R.S. 32:863.1 to appear at an Office of Motor Vehicle field office for a notice of violation served on or after March 9, 2020 but before May 15, 2020, remains suspended until June 26, 2020.
- c) The expiration date of temporary registration plates issued pursuant to La. R.S. 47:519 and La. R.S. 47:519.2 which expired on or after March 9, 2020 but before June 5, 2020 remains suspended until June 30, 2020.
- d) The expiration date of license plates issued pursuant to La. R.S. 47:462, *et seq.*, which expired on or after March 9, 2020 but before June 5, 2020 remains suspended until July 31, 2020.
- e) The notice of default issued pursuant to La. R.S. 32:429.4 that would be issued on or after March 9, 2020 but before June 5, 2020 remains suspended, and the notices will not be issued until after June 30, 2020.
- f) The expiration date of an apportioned registration issued under the International Registration Plan which expires June 5, 2020 remains suspended and the expiration date remains extended to June 30, 2020.
- g) The period to request an administrative hearing submitted to the Department pursuant to La. R.S. 32:667, La. R.S. 32:863, La. R.S. 863.1 and LAC Title 55, Part III, Chapter 1, §159 which expired on or after March 9, 2020 but before June 5, 2020 remains suspended and extended until June 30, 2020.
- h) The sixty-day delay for the Department to submit the administrative hearing record to the Division of Administrative Law pursuant to La. R.S. 32:667(D)(1) for an arrest which occurred on or after March 9, 2020 but before June 5, 2020 remains extended until August 8, 2020.
- i) Office of Motor Vehicles may continue to offer services by remote customer services agent interaction in current Office of Motor Vehicles office locations.
- j) The expiration date of driver's licenses which expire on or after March 9, 2020, but on or before June 5, 2020, is suspended and the expiration date is extended to July 31, 2020.
- k) The expiration of a temporary driver's license issued pursuant La R.S. 32:667(A) which were issued on or after March 9, 2020 through June 5, 2020 is suspended until July 5, 2020.
- l) Any suspension for which the official notice of withdrawal was issued on or after Feb 17, 2020, but before June 5, 2020, shall remain pending until July 31, 2020.
- m) The expiration date of a hang tag issued pursuant to La. R.S. 47:463.4, *et seq.*, which expired on or after March 9, 2020, but before June 5, 2020, is suspended until July 31, 2020.
- n) For purchasers of used vehicles, purchased from a private individual on or after February 4, 2020 but before June 5, 2020, the 60-day grace period provided for in La. R.S. 32:707(H) for citations for failure to have a current registration and license plate is extended until June 30, 2020.
- o) La. R.S. 32:402.1(F)(2) is hereby suspended through June 15, 2020, to allow for alternative methods of instruction for persons under the age of 18 in the form of remote or distance learning to

be determined by and at the direction of the Office of Motor Vehicles until July 31, 2020.

- p) La. R.S. 32:431.1(B), which provides that no minor may be issued a driver's license or learner's permit for the operation of a motor vehicle unless, at the time of application, documentation is presented to the department that the minor has received a high school diploma or equivalent diploma, is enrolled and attending school, or enrolled and attending a high school equivalency program, is suspended.
  - q) Penalties and interest due on state and local sales and use taxes collected by the Office of Motor Vehicles which began on or after March 9, 2020 are suspended and are waived until July 1, 2020.
  - r) The expiration of identification cards issued pursuant to La. R.S. 40:1321 which expired on or after March 9, 2020 but before June 5, 2020 is suspended and the expiration date is extended to July 31, 2020.
- E)** There shall remain in effect an exemption from the federal rules and regulations that limit the hours operators of commercial vehicles may drive, specifically, Part 395 (drivers' hours of service) of Title 49 of the Code of Federal Regulations, and any additional appropriate response regarding additional expenditures due to this declaration as determined by the Secretary of the Department of Transportation and Development, or by the Louisiana State Police or local law enforcement agencies for public safety issues in order to ensure the uninterrupted supply of essential goods and commodities.
- F)** Nothing herein shall be construed as an exemption from the Commercial Driver's License requirements in 49 CFR 383, the financial requirements in 49 CFR 387, or applicable federal size and weight limitations.
- G)** The following specific provisions of the Louisiana Revised Statutes of 1950 related to the imposition of fees or charges related to transactions with the Department of Health, or their authorized agent, as qualified by this Order, are hereby suspended for transactions by individuals when, as determined by any guidelines or directions issued by the Secretary, the request is a result of the emergency conditions:
- 1) La. R.S. 40:40(2), to the extent that it requires payment of a fee for production of a duplicate birth record.
  - 2) La. R.S. 40:40(3), to the extent that it requires payment of a fee for production of a duplicate death certificate.
- H)** LEGAL AND ADMINISTRATIVE DEADLINES
- 1) Deadlines set forth by law within the following (excluding liberative prescription and peremptive periods applicable to legal proceedings in all courts, administrative agencies, and boards) are hereby suspended until Monday, June 15, 2020:
    - a) Louisiana Civil Code;
    - b) Louisiana Code of Civil Procedure;
    - c) Louisiana Code of Criminal Procedure;
    - d) Louisiana Children's Code;
    - e) Title 9 of Louisiana Revised Statutes, Civil Code Ancillaries;
    - f) Title 13 of Louisiana Revised Statutes, Courts and Judicial Procedure;
    - g) Title 14 of Louisiana Revised Statutes, Criminal Law;
    - h) Title 15 of Louisiana Revised Statutes, Criminal Procedure;
    - i) Title 23 of Louisiana Revised Statutes, Labor and Worker's Compensation;
    - j) Title 32 of Louisiana Revised Statutes, Motor Vehicles and Traffic Regulations;

- k) Title 40 of Louisiana Revised Statutes, Public Health and Safety;
  - l) Title 46 of Louisiana Revised Statutes, Public Welfare and Assistance;
  - m) Title 47 of Louisiana Revised Statutes, Revenue and Taxation;
  - n) Title 49 of Louisiana Revised Statutes, State Administration; and
  - o) Title 56 of Louisiana Revised Statutes, Wildlife and Fisheries.
- 2) In addition, all other deadlines in legal proceedings in all courts, administrative agencies, and boards shall remain suspended until Monday, June 15th.
  - 3) The suspension of deadlines in Title 18 from order Proclamation Number 59 JBE 2020 is terminated.
  - 4) Liberative prescriptive and preemptive periods applicable to legal proceedings in all courts, administrative agencies, and boards are suspended through July 5, 2020.
  - 5) Courts, administrative agencies and boards statewide shall continue to use due diligence in communicating with attorneys, parties to proceedings with pending deadlines, and the public how the court, agency or board will implement and interpret the provisions of this Order.
  - 6) Paragraph 2 of this Subsection shall not be interpreted so as to prohibit an owner of immovable property from reclaiming leased property if abandoned as provided by law, or entering leased property to make necessary repairs as provided by law.
- I) Any state department or agency or political subdivision is hereby granted authority to further extend any non-essential deadline for a period of no longer than 30 days if deemed necessary to respond to the threat of COVID-19.

#### **SECTION 4: DEPARTMENT OF EDUCATION**

- A) All public schools in the State of Louisiana shall close facilities to students for the duration of the 2019-2020 academic calendar year. All school districts shall ensure the provision of meals or other essential items to eligible students, provided that appropriate social distancing measures are in place for each school district in the state. All school districts shall provide or ensure the provision of remote or distance learning as defined by the Board of Elementary and Secondary Education and the Department of Education. The 63,720 instructional minute requirement per year shall remain suspended to the extent that full compliance cannot be achieved in light of the COVID-19 pandemic. All school districts shall ensure compliance with all applicable federal and state laws, regulations and standards for the provision of education to all students, including the provision of a free and appropriate public education for all children with disabilities and the provision of services for English Learners (ELs). To ensure compliance with federal statutes and regulations, school districts are encouraged to view guidance from the U.S. Department of Education regarding compliance in response to COVID-19. The Board of Elementary and Secondary Education shall report to the Governor and the Legislature any further actions necessary to ensure that eligible students achieve successful student grading, promotion, and graduation. The Department of Education shall ensure compliance with all applicable federal and state laws, regulations, and standards in its function as the state education agency of Louisiana, including the monitoring of school districts in their provision of a free and appropriate public education to students with disabilities, and the collection and public reporting of student data.
- B) The provisions of La. R.S. 17:24.4 and BESE Bulletin 741 that mandate annual administration of testing under the Louisiana Education Assessment Program and End of Course examinations hereby remain suspended for the entirety of the 2019-2020 school year contingent upon receipt of a waiver of the accountability mandates in the Every Student Succeeds Act from the United States Department of Education.

- C) The provisions of La. R.S. 17:4023 and La. R.S. 47:6301(B)(2)(ii) that require nonpublic schools to administer testing under the Louisiana Education Assessment Program and End of Course examinations to students participating in the Louisiana Student Scholarships for Educational Excellence program and to students receiving scholarships from donations to school tuition organizations hereby remain suspended for the entirety of the 2019-2020 school year upon receipt of a waiver of the accountability mandates in the Every Student Succeeds Act from the United States Department of Education.
- D) The provisions of La. R.S. 17:10.1 that provide for the School and District Accountability System and any rules or regulations adopted by the Board of Elementary and Secondary Education pertaining to the School and District Accountability System hereby remain suspended for the 2019-2020 school year upon receipt of a waiver of the accountability mandates in the Every Student Succeeds Act from the United States Department of Education.
- E) The provisions of La. R.S. 17:391.2, *et seq.*, that provide for public school accountability and assessment hereby remain suspended for the entirety of the 2019-2020 school year upon receipt of a waiver of the accountability mandates in the Every Student Succeeds Act from the United States Department of Education.
- F) The provisions of La. R.S. 17:154.3 that require teachers to work a minimum number of days per school year hereby remain suspended for the entirety of the 2019-2020 school year.
- G) The provisions of La. R.S. 17:221 that mandate every person having control or charge of a child to send that child to a public or nonpublic school hereby remain suspended for the entirety of the 2019-2020 school year.
- H) The provisions of La. R.S. 17:232 that require attendance to be checked daily at all schools hereby remain waived for the entirety of the 2019-2020 school year.
- I) The provisions of La. R.S. 17:3881, *et seq.*, La. R.S. 17:3901, *et seq.*, and La. R.S. 17:3997(D) that provide for the use of value-added data in teacher evaluation and as criteria for receipt of teaching credentials hereby remain suspended for the entirety of the 2019-2020 school year upon receipt of a waiver of the accountability mandates in the Every Student Succeeds Act from the United States Department of Education.
- J) The provisions of La. R.S. 17:3991(C)(1)(b) that require charter schools to adhere to certain student application and enrollment procedures hereby remain suspended for the entirety of the 2019-2020 school year.
- K) The provisions of 17:183.2(B) and (C) that require students graduating in Spring 2020 to complete the Individualized Education Program (IEP) goals and requirements for the purposes of graduation remain suspended for the entirety of the 2019-2020 school year.
- L) The provisions of 17:183.3(D) and (E) that require students graduating in Spring 2020 to complete the IEP goals and requirements for the purposes of graduation remain suspended for the entirety of the 2019-2020 school year.
- M) The provisions of 17:183.3(B)(2)(f) remain suspended to allow eligible twelfth grade students to graduate in Spring 2020 with less than 9 credit units if the students were enrolled in a course within the Jump Start sequence in Spring 2020.
- N) The Board of Elementary and Secondary Education shall maintain emergency rules as necessary to effect the suspension of the statutes described in the sections above.

## **SECTION 5: HIGHER EDUCATION**

- A) All Public Post-secondary institutions and proprietary schools within the State of Louisiana that are licensed by the Louisiana Board of Regents shall continue to be allowed to substitute in-person clinical and classroom instruction with online and lab simulations for enrolled students for the duration of the declared emergency.

Further, all proprietary schools within the State of Louisiana that are licensed by the Louisiana Board of Regents shall continue to be allowed to substitute in-person clinical and classroom instruction with online and lab simulations for currently enrolled students as of March 1, 2020.

- B) Relative to the initial eligibility requirements for a Taylor Opportunity Program for Students Award, for students who were enrolled in a Louisiana public high school; students who were enrolled in a nonpublic high school in Louisiana having the approval of the State Board of Elementary and Secondary Education; students who resided in the State of Louisiana and were enrolled in a home study program approved by the State Board of Elementary and Secondary Education; and students who resided out of state during the 2020 academic year but who meet the residency requirements to qualify for a TOPS award provided for in La. R.S. 17:5023, the following requirements shall be suspended:

- 1) The ACT deadlines imposed by La. R.S. 17:5062, including the requirement that a student be assessed a one semester penalty as set forth in La. R.S. 17:5062 for failure to achieve a qualifying score no later than the national ACT test date of the year of high school graduation.
- 2) The home study requirements set forth in La. R.S. 17:5029(B)(1)(b)(i).
- 3) The TOPS Tech core curriculum requirement that a student earn at least nine credits in Jump Start course sequences, workplace experiences, and credentials as set forth in La. R.S. 17:5026 when such requirement has been suspended for the purpose of meeting high school graduation requirements.

- C) Relative to continuing eligibility requirements for a Taylor Opportunity Program for Students Award, for students who were enrolled full time as of the census date in a postsecondary institution in Louisiana and remained enrolled as of March 13, 2020; students who were enrolled full time at an out of state college or university as of the census date and remained enrolled through March 13, 2020; students who were enrolled full time as of the census date and who were studying abroad and were required to return to Louisiana due to the outbreak of COVID-19 in the country in which the students were studying; and students who were scheduled to be enrolled full time at a school operating on a basis other than semesters during the spring of 2020; the following requirements shall be suspended:

- 1) The steady academic progress requirements imposed by La. R.S. 17:5041 or La. R.S. 17:5042.
- 2) The minimum grade point average requirements imposed by La. R.S. 17:5041 or La. R.S. 17:5042.
- 3) The deadlines imposed by La. R.S. 17:5041 or La. R.S. 17:5042 requiring that a student whose award is suspended for failure to meet the grade point average requirements must bring his grade point average up to that required in the applicable statute within a specified time period.

## **SECTION 6: HEALTH CARE REGULATIONS**

- A) Louisiana state licensure laws, rules, and regulations for medical professionals and personnel hereby remain suspended for those medical professionals and personnel from other states or other countries offering medical services in Louisiana to those needing medical services as a result of this disaster provided that said out-of-state or out-of-country medical professionals and personnel possess a current medical license in good standing in their respective state or

country of licensure and that they practice in good faith and within the reasonable scope of his or her skills, training, or ability.

- B)** All out-of-state or out-of-country medical professionals and personnel offering services in the State of Louisiana by authority of this Order shall continue to submit to the State Health Officer, or his designee at the Office of Public Health within the Louisiana Department of Health, a copy of their respective professional license and photo identification, together with any other forms or documents the State Health Officer may require, by contacting the Office of Public Health.
- C)** Because of the threat posed to health care workers from COVID-19 and the need to allocate resources to respond to this disaster, there is a need to continue to allow for additional telehealth opportunities. To facilitate the provision of telehealth services where available and appropriate, the following guidelines remain in place:
- 1) The requirement of La. R.S. 40:1223.4 that each state agency or professional or occupational licensing board or commission that regulates the practice of a healthcare provider promulgate any rules necessary to provide for, promote, and regulate the use of telehealth in the delivery of healthcare services within the scope of practice regulated by the licensing entity hereby remains suspended during the term of this emergency declaration.
  - 2) All licensing boards are encouraged to maintain emergency rules, if necessary, so that it will not be considered unethical nor a violation of any licensing standards of the healthcare provider, solely as a result of the provision of such care via telehealth.
  - 3) The practice of the healthcare provider administered via telehealth must be within the scope of the provider's license, skill, training and experience. The services provided to the patient must meet the standard of care that would be provided if the patient were treated on an in-person basis.
  - 4) Prescribing of any controlled substances via telehealth must be medically appropriate, well-documented and continue to conform to rules applicable to the prescription of such medications.
- D)** The ambulance staffing requirements set forth in La. R.S. 40:1135.1(A)(2)(a) hereby remain temporarily suspended as to ambulance drivers, provided that such driver possesses a driver's license valid in the State of Louisiana and meets the criminal background check requirements of La. R.S. 40:1203.1, *et seq.*

Except as expressly suspended herein, all other requirements of La. R.S. 40:1135.1 shall remain in place, including the requirement that an ambulance be staffed with a minimum of two persons, one of whom shall be a licensed emergency medical technician.

- E)** The licensing and certification requirements for Louisiana Clinical Laboratory Personnel set forth in La. R.S. 37:1318, including any requirements for criminal background checks, be temporarily suspended for those laboratory personnel conducting COVID-19 testing who demonstrate molecular biology polymerase chain reaction (PCR) experience and/or for those who demonstrate serological experience in testing clinical samples, when such testing and related activities are performed under the oversight and responsibility of a licensed physician or doctor of philosophy (Ph.D.) with demonstrated experience in the related laboratory activities who ensures the quality of results.
- F)** The requirement for supervision of physician assistants pursuant to La. R.S. 37:1360.28 is temporarily suspended, however a physician assistant shall practice within his/her scope of practice, subject to his/her education, knowledge, skills, and ability.

- G)** The Louisiana Board of Dentistry is granted the authority to issue licenses based upon a 2020 graduation from any CODA accredited program for those who apply and complete their applications in 2020.
- H)** The licensing and certification requirements for the Louisiana State Board of Chiropractic Examiners set forth in La. R.S. 37:2805(C), which states that the Board shall notify each applicant of acceptance or rejection of application not less than 30 days prior to the National Board of Chiropractic Examiners examination, are temporarily suspended.
- I)** The collaborative practice agreement requirements of the Louisiana State Board of Medical Examiners and the Louisiana State Board of Nursing for advanced practice registered nurses, including certified nurse midwives, certified registered anesthetists, clinical nurse specialists, and nurse practitioners, are suspended for this public health emergency.
- J)** The requirements that a certified registered nurse anesthetist provide anesthesia care under the direction and supervision of a physician or dentist licensed to practice in Louisiana as set forth in La. R.S. 37:930(A)(3) and (F) are temporarily suspended, provided that the certified registered nurse anesthetist is within his/her scope of practice and has the education, knowledge, skills, and ability to provide such anesthesia care and ancillary services without supervision or direction.
- K)** The penalties set forth for practicing nursing without a duly issued registered nurse license in the state of Louisiana set forth in La. R.S. 37:925(A)(3) and (4) are temporarily suspended, so long as the individual has an active, unrestricted, unencumbered license to practice registered nursing in any U.S. state, territory, or district, and the individual has no charges pending against his/her license and the individual is not enrolled in an alternative to discipline program.
- L)** Relative to the authority of a registered nurse to administer anesthetic agents in certain settings in La. R.S. 37:935, the Louisiana State Board of Nursing shall provide by emergency rule that, for the purpose of providing care during the COVID-19 pandemic, "critical care settings" shall include all healthcare settings in which anesthetic agents have to be administered to intubated patients.
- M)** The penalties set forth for practicing practical nursing without a duly issued license in the state of Louisiana set forth in La. R.S. 37:978(A)(3) and (4) are temporarily suspended, so long as the individual is licensed to practice practical nursing in any U.S. state, territory or district.
- N)** The requirements for the State Board of Social Work Examiners to issue a social worker certificate set forth in La. R.S. 37:2724(B), specifically the requirement that Certified Social Workers pass an examination within a specific time frame, are temporarily suspended.
- O)** The requirement that all licensed home health agencies admit patients for skilled care only on the order of a physician set forth in La. R.S. 40:2116.34(A)(1) is temporarily suspended to permit physician assistants, advanced practice registered nurses, certified nurse practitioners, clinical nurse specialists, and certified nurse midwives to order home health services.
- P)** The requirement that the clinical dental licensing examination include procedures performed on human subjects as set forth in La. R.S. 37:761(C) is hereby temporarily suspended, for those 2020 graduates of any CODA accredited dental school who have applied and otherwise completed their licensing applications with the Louisiana State Board of Dentistry in 2020.
- Q)** The requirement that all clinical dental hygiene licensing examinations include procedures performed on human subjects as set forth in La. R.S. 37:764(D), is hereby temporarily suspended, for those 2020 graduates of the LSU dental hygiene program, as well as for any other 2020 graduates of any other dental

hygiene program in Louisiana that is accredited by the Commission on Dental Accreditation (“CODA”), who have applied and otherwise completed their licensing applications with the Louisiana State Board of Dentistry in 2020.

- R)** The requirement that an out-of-state registered nurse or an out-of-state advanced practice registered nurse (including an out-of-state certified nurse midwife, a certified registered nurse anesthetist, a clinical nurse specialist, and a nurse practitioner) obtain a license to practice registered nursing or advanced practice registered nursing in Louisiana as set forth in La. R.S. 37:920, is temporarily suspended provided that such person has an active, unencumbered, unrestricted license to practice registered nursing or advanced practice registered nursing from any U.S. state, territory, or district, which has been confirmed through the NURSYS System.
- S)** An individual physician who holds a full, unlimited and unrestricted license to practice medicine in another U.S. state, territory, or district and who has unrestricted hospital credentials and privileges in any U.S. state, territory, or district, may practice medicine at a hospital that is licensed by the Louisiana Department of Health upon the following terms and conditions being met:
- 1) The licensed Louisiana hospital shall verify all physicians’ credentials and privileges;
  - 2) The licensed Louisiana hospital shall keep a list of all physicians coming to practice at the hospital and shall provide this list to the Louisiana State Board of Medical Examiners within ten (10) days of each physician starting practice at the licensed Louisiana hospital; and
  - 3) The licensed Louisiana hospital shall also provide written notice to the Louisiana State Board of Medical Examiners as of the date that the physician stopped practicing medicine in Louisiana at that hospital; such written notification shall be made within ten (10) days of the physician’s cessation of practice of medicine at that Louisiana hospital.
- T)** An individual physician’s assistant who holds a full, unlimited and unrestricted license to practice in another U.S. state, territory, or district and who has unrestricted hospital credentials and privileges in any U.S. state, territory, or district, may practice at a hospital that is licensed by the Louisiana Department of Health upon the following terms and conditions being met:
- 1) The licensed Louisiana hospital shall verify all physician’s assistants’ credentials and privileges;
  - 2) The licensed Louisiana hospital shall keep a list of all physician’s assistants coming to practice at the hospital and shall provide this list to the Louisiana State Board of Medical Examiners within ten (10) days of each physician assistant starting practice at the licensed Louisiana hospital; and
  - 3) The licensed Louisiana hospital shall also provide written notice to the Louisiana State Board of Medical Examiners as of the date that the physician assistant stopped practicing in Louisiana at that hospital; such written notification shall be made within ten (10) days of the physician’s assistant’s cessation of practice at that Louisiana hospital.
- U)** An individual respiratory therapist who holds a full, unlimited and unrestricted license to practice in another U.S. state, territory, or district and who has unrestricted hospital credentials in any U.S. state, territory, or district, may practice at a hospital that is licensed by the Louisiana Department of Health upon the following terms and conditions being met:
- 1) The licensed Louisiana hospital shall verify all respiratory therapists’ credentials and shall issue a scope of hospital practice for each respiratory therapist;
  - 2) The licensed Louisiana hospital shall keep a list of all respiratory therapists coming to practice at the hospital and shall provide this list to

the Louisiana State Board of Medical Examiners within ten (10) days of each respiratory therapist starting practice at the licensed Louisiana hospital; and

- 3) The licensed Louisiana hospital shall also provide written notice to the Louisiana State Board of Medical Examiners as of the date that the respiratory therapist stopped practicing in Louisiana at that hospital; such written notification shall be made within ten (10) days of the respiratory therapist's cessation of practice of medicine at that Louisiana hospital.

V) An individual advanced practice registered nurse (including a certified nurse midwife, a certified registered nurse anesthetist, a clinical nurse specialist, and a nurse practitioner) who holds an active, unencumbered, and unrestricted license to practice advanced practice registered nursing in another U.S. state, territory, or district as confirmed through the NURSYS System, and who has unrestricted hospital credentials and privileges in any U.S. state, territory, or district, may practice nursing at a hospital that is licensed by the Louisiana Department of Health upon the following terms and conditions being met:

- 1) The licensed Louisiana hospital shall verify all the advanced practice registered nurses' credentials and privileges;
- 2) The licensed Louisiana hospital shall keep a list of all advanced practice registered nurses coming to practice at the hospital and shall provide this list to the Louisiana State Board of Nursing within ten (10) days of each advanced practice registered nurse starting practice at the licensed Louisiana hospital; and
- 3) The licensed Louisiana hospital shall also provide written notice to the Louisiana State Board of Nursing as of the date that the advanced practice registered nurse stopped practicing nursing in Louisiana at that hospital; such written notification shall be made within ten (10) days of the advanced practice registered nurse's cessation of practice of nursing at that Louisiana hospital.

W) The requirement that there be a quorum of a healthcare professional licensing board or authority for decision-making as set forth in La. R.S. 42:13 and the respective board statutes, is temporarily suspended to allow the Executive Director of that healthcare professional licensing board to temporarily suspend, waive, or amend a board rule or regulation that would prohibit, limit, or interfere with the licensing of healthcare professionals that are necessary to address the declared public health emergency.

X) No healthcare professional licensing board shall issue an adverse action or penalty against an individual applicant or licensee under the jurisdiction of that board for the failure of that applicant or licensee for failure to comply with a procedural licensing requirement during the declared public health emergency, provided that the individual applicant or licensee made a good faith attempt to comply with the procedural requirements of the licensing board.

## **SECTION 7: PROVISIONS FOR FIRST RESPONDERS**

### **A) FIRST-RESPONDER RULEMAKING**

- 1) In an effort to preserve the health and safety of the first responders, specifically the firefighters and police officers subject to the Municipal Fire and Police Civil Service System, all local Municipal Fire and Police Civil Service Boards are to maintain emergency rules providing for special COVID-19 leave rules.
- 2) In order to quickly achieve these rule adoptions, the 30-day notice requirements for rule adoptions found in R.S. 33:2478 and R.S. 33:2538 hereby remain suspended during the pendency of the declaration of public health emergency.

- 3) Municipal Fire and Police Civil Service Boards shall post notice of the proposed emergency rule with the 24-hour public meeting notice provided in R.S. 42:19.
- 4) Due to the Stay at Home Order in place statewide, all Municipal Fire and Police Civil Service Boards shall conduct meetings by teleconference or video conference.

**B) LAW ENFORCEMENT REHIRING**

- 1) The limitation on receipt of full retirement benefits by rehired retirees assigned to road patrol or corrections function only, under La. R.S. 11:2175(E) shall remain suspended for the duration of this emergency. Any sheriff may rehire on a full-time basis any otherwise qualified retirees to road patrol or corrections functions only, without loss or suspension of retirement benefits to those rehired deputies, for the duration of the emergency.
- 2) The Boards of Trustees of the Louisiana Sheriffs Pension and Relief Fund shall not be required to suspend benefits to retirees rehired as full-time employees covered by this proclamation.

**SECTION 8: FUNERAL SERVICES**

- A) Indoor funeral services shall be limited to the same number of attendees as required by Proclamation Number 74 JBE 2020. Outdoor services may be held pursuant to the May 1 guidance from the State Fire Marshal for outdoor religious services. Funeral directors are directed to limit the number of personnel present at any such service to only one single funeral director and to ensure the enforcement of the CDC's social distancing guidelines during the conduct of the funeral.
- B) In order to facilitate the timely handling and interment or cremation of deceased in this State, funeral directors shall be considered "essential workers" for the purposes of obtaining access to personal protective equipment ("PPEs") and for the purposes of conducting the necessary business of death care in the State.
- C) The Department of Health is hereby directed to publish guidance that funerals for COVID-19 positive decedents be conducted, as recommended by the CDC, within five days, if practical.
- D) In order to facilitate the timely cremation of remains pursuant to the express wishes of the deceased or of those authorized to direct disposition under La. R.S. 8:655 (whichever is applicable under the law), the signatures and notarization required for cremation authorizations under La. R.S. 37:876-877 are hereby waived inasmuch as they can be replaced by faxed, scanned, or photographed signatures on the requisite paperwork and video conferencing without the need for a notary. In no event shall this waiver be interpreted as an authorization to proceed with cremation in the absence of the signatures of those required by La. R.S. 37:876-877 or against the express wishes of those individuals identified by La. R.S. 8:655.
- E) To the extent necessary and as permitted by the orders of the Louisiana Supreme Court issued on March 16, 2020, and March 20, 2020, the district courts of this State shall consider petitions brought pursuant to La. R.S. 8:655(E) by funeral directors, hospitals, or coroners during the term of this proclamation as essential proceedings necessary to respond to the COVID-19 event.
- F) In no event shall this proclamation be interpreted to waive any other provisions of Title 8 or Chapter 10 of Title 37 of the Louisiana Revised Statutes that are not expressly identified herein.

## **SECTION 9: UNEMPLOYMENT COMPENSATION**

- A)** For the purpose of this proclamation, "emergency-related claims" shall mean claims for unemployment compensation filed by persons whose unemployment is directly due to the impact of COVID-19 or due to their inability to get to their job or worksite because they are sick, isolated or quarantined, caring for a sick family member, or when an employees' child's school is closed as determined by the administrator of the state's unemployment compensation program, i.e., the Secretary of the Louisiana Workforce Commission. Emergency-related claims will not necessarily include all claims in all parishes included in COVID-19 proclamations, declarations or orders.
- B)** The following statutes relating to unemployment insurance are hereby further suspended to the extent and in the manner described below:
- 1) La. R.S. 23:1533, which provides for claimants' benefits to be charged against base period employers for purposes of employers' tax experience rating and the protesting of such charges by employers, shall be suspended for emergency-related claims made during the effective period of this Proclamation.
  - 2) La. R.S. 23:1552, which provides for the charging of claimants' benefits to certain employers, shall be suspended for emergency-related claims made during the effective period of this Proclamation.
  - 3) La. R.S. 23:1600(2) and (3) shall be suspended while this Proclamation is in effect for emergency-related claims to the extent that they require claimants to register and search for work, but the requirements in La. R.S. 23:1600(2) that claimants continue to report at an employment office in the manner prescribed by the administrator, and in La. R.S. 23:1600(3) that claimants be able to work and be available for work, are not waived. The requirement to continue to report at an employment office, which is accomplished through either an automated telephone system or the Internet, is not impractical and avoids overpayments, which claimants would be liable to repay. Such activities are not practical by an individual who is impacted by COVID-19.
  - 4) La. R.S. 23:1600(4) shall be suspended while this Proclamation is in effect for emergency-related claims to the extent that claimants are required to wait a period of one week before receiving benefits.
  - 5) La. R.S. 23:1601(1) and (2), which provide certain disqualifications for otherwise eligible claimants. Such disqualifications include reasons for separation from employment, including a substantial change in employment by the employer or intentional misconduct connected with employment by the claimant. Separations that are the direct result of the impact caused by COVID-19 are not the fault of either the employer or the claimant. Administration of these separation issues with regard to such claims places an unnecessary burden on the state's unemployment system. Otherwise eligible claimants shall not be disqualified based on R.S. 23:1601(1) or (2).
  - 6) La. R.S. 23:1123, which authorizes the Assistant Secretary in a Workers' Compensation case to schedule a medical examination when there is a dispute as to the capacity to work shall be suspended during the effective period of this Proclamation. Any examination scheduled pursuant to this provision prior to the effective date of the Proclamation shall be null and void and shall be rescheduled with notice reissued to the party in accordance with existing statutory requirements.

- 7) La. R.S. 23:1124, which suspends an employee's right to Workers' Compensation benefits for failure to timely submit to a medical examination shall be suspended during the effective period of this Proclamation.
  - 8) La. R.S. 23:1201.1 relative to the right to request a hearing for the suspension or termination of benefits for failure to attend a medical appointment shall be suspended during the effective period of this Proclamation.
  - 9)
- C) Pursuant to 29 CFR Part 826.30, the following employees of the State of Louisiana are excluded from receiving paid sick leave under "The Emergency Paid Sick Leave Act" or expanded family and medical leave under "The Emergency Family and Medical Leave Expansion Act". For purposes herein, the state employees excluded from these provisions include:
- 1) Healthcare providers, defined as any employee of the State of Louisiana employed at a hospital, veterans' home, health care center, clinic, local health department or agency, or any facility that performs laboratory or medical testing, as well as those employees who work in such facilities whose work is necessary to maintain the operation of the facility; and
  - 2) Emergency responders, defined as any employee of the State of Louisiana necessary for the provision of transport, care, healthcare, comfort and nutrition of such patients, or others needed for the response to COVID-19. This includes, but is not limited to military or national guard personnel, law enforcement officers, correctional institution personnel, fire fighters, emergency medical services personnel, physicians, nurses, public health personnel, emergency medical technicians, paramedics and emergency management personnel, as well as those employees who work in such facilities whose work is necessary to maintain the operation of the facility.

**SECTION 10:** The Governor's Office of Homeland Security and Emergency Preparedness and the State Fire Marshal are directed to ensure compliance with this order, and is empowered to exercise all authorities pursuant to La. R.S. 29:721, *et seq.*, and La. R.S. 29:760, *et seq.*

**SECTION 11:** All departments, commissions, boards, agencies and officers of the state, or any political subdivision thereof, are authorized and directed to cooperate in actions the state may take in response to the effects of this event.

**SECTION 12:** Unless otherwise provided in this order, these provisions are effective from Friday, June 5, 2020 to June 26, 2020, or as extended by any subsequent Proclamation, unless terminated sooner.



IN WITNESS WHEREOF, I have set my hand officially and caused to be affixed the Great Seal of Louisiana in the City of Baton Rouge, on this 4<sup>th</sup> day of June, 2020.

GOVERNOR OF LOUISIANA

**APPROVAL OF UPDATED INTERNAL AUDIT POLICY MEMORANDUM NO. 35**

**WHEREAS**, the Sewerage & Water Board of New Orleans Internal Audit Policy Memorandum No. 35 establishes the supervision, responsibilities, and procedures for the Internal Audit department.

**WHEREAS**, the Chief Audit Executive is responsible to the Audit Committee directly via Executive Management.

**WHEREAS**, the Internal Audit department is responsible to ensure to the Sewerage & Water Board's Audit Committee that departments within the Board are reviewed at appropriate intervals to determine whether they are operating effectively and efficiently.

**WHEREAS**, the Internal Audit department will follow required audit procedures during the performance of an audit or examination.

**NOW, THEREFORE, BE IT RESOLVED** that the Audit Committee for the Sewerage & Water Board of New Orleans approves of the revised Internal Audit Policy Memorandum No. 35.

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I, Ghassan Korban, Executive Director, Sewerage  
and Water Board of New Orleans  
do hereby certify that the above and foregoing is a true and  
correct copy of a Resolution said Board, duly called and  
held, according to the Law,  
JUNE 10, 2020

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**GHASSAN KORBAN  
EXECUTIVE DIRECTOR  
SEWERAGE & WATER BOARD OF NEW  
ORLEANS**



SEWERAGE & WATER BOARD OF NEW ORLEANS

Inter- Office Memorandum

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POLICY MEMORANDUM  
NO. 35  
REVISED January 31,  
2020

DATE: February , 2020

FROM:

TO: ALL DIVISIONS, DEPARTMENTS AND BOARD

RE: INTERNAL AUDIT POLICY

I. PURPOSE

This memorandum is to establish the supervision, responsibilities, and procedures of the Internal Audit Department in support of the Internal Audit Charter.

II. SUPERVISION

The Chief Audit Executive is responsible to the Audit Committee directly via Executive Management. Administrative control is invested in the Executive Director and Chief Financial Officer for daily supervision. Operational control is invested in the Audit Committee for approval of work planning and work evaluation.

### III. RESPONSIBILITIES

- A. The Internal Audit Department is responsible to ensure to the Sewerage & Water Board's Audit Committee that:
1. Departments within the Board are reviewed at appropriate intervals to determine whether they are effectively, efficiently and consistently carrying out their function of planning, accounting, directing and controlling, in accordance with management policies and instruction, and legislative authority by:
    - a. Auditing or examining at appropriate intervals the department and divisions of the Sewerage & Water Board.
    - b. Evaluating the information gathered and documented to form appropriate findings, opinions, and recommendations.
    - c. Reporting to management the findings, opinions, and recommendations of an audit or examination so that appropriate action can be taken.
    - d. Providing consultation in the implementation of recommendations proposed as a result of an audit or examination.
  2. Recommendations, plans and actions from audit findings are discussed and evaluated for satisfaction both prior to and after disposition is taken; and where applicable to see that further discussions are held to achieve satisfactory disposition.
  3. The Chief Audit Executive shall make an annual report to the Audit Committee setting forth the accomplishments of the prior calendar year, and the plans and goals for the coming year. Special reports to the Audit Committee may also be required from time to time.

B. In order for the Internal Audit Department to perform its functions, Management of the Sewerage & Water Board is responsible for the following:

1. Providing full, free and unrestricted access to Sewerage & Water Board's records, property and personnel, subject to the limitations mandated by policy 57.
2. Insuring full cooperation of personnel during the course of an audit or examination.

#### IV. PROCEDURES

The following represents a summary of the procedures the Internal Audit Department will follow during the performance of an audit or examination. The exceptions to these procedures are in the cases of a surprise and/or special audit in which fraud, theft or misappropriations are suspected. When such situations occur, the flow of information will be at the discretion of the Chief Audit Executive.

##### A. Pre- Audit Procedures

1. The Internal Audit Department will notify in writing the Division Head, Department Head and Supervisor to be audited or examined as to the time, date, and location of the Pre-Audit Conference. The Internal Audit Department will also request certain specific items including but not limited to:
  - a. Procedural Manuals
  - b. A list of documents produced, used, or maintained by the auditee.

- c. A list of reports produced by or used by the auditee.
  - d. A list of personnel by classification and assignment employed.
  - e. Copies of the Financial Statements where applicable.
  - f. A list of the Journals and Ledgers being maintained.
  - g. Copies of office procedures not located in the procedural manuals.
2. At the Pre-Audit Conference, those in attendance will discuss general information. The Internal Audit Department will give a tentative date for the beginning of field work.
  3. Immediately after the Pre-Audit Conference, the auditors will conduct an internal control questionnaire with the audited supervisor. The auditors will use the internal control questionnaire along with other information gathered to determine the amount of testing of documentation.

#### B. Audit Procedures

1. The internal Audit Department will conduct audits or examinations to determine effectiveness, efficiency, uniformity and accuracy and internal controls. The Internal Audit Department will also determine if the audited entity is adhering to policies and procedures established by management, generally accepted accounting principles, and/or legislative authority.
2. In order to accomplish the above cited tasks, the Internal Audit Department must examine, verify and analyze the source and secondary documents and interview and observe employees.
3. An interim report will be issued to communicate information that requires immediate attention, changes in the audit scope and to keep management informed of audit progress during a lengthy audit. The interim report will not diminish or eliminate the need for a final report.
  - a. Disclosure and corrective actions must be discussed with the auditee during an interim conference. The auditee's written response including corrective action must be submitted to Internal Audit within seven working days.
  - b. If the internal auditor and the auditee are in disagreement, the written response from the auditee must delineate why they disagree within seven working days.

- c. During the internal review process, the Chief Audit Executive will review those critical findings and the auditee's response in detail for objectivity and cause. Only those findings that are not substantiated will be deleted from the report. Otherwise all findings will be cited and the auditee's response attached.

#### C. Post Audit Procedures

1. Upon completion of the audit, the auditors will conduct an exit conference. Notice of the exit conference and a draft audit report will be distributed to the individuals outlined in Section IV. A. 1.
2. At the exit conference, the findings and recommendations will be discussed.
3. Written response from the auditee must be made to the Audit Department within seven (7) working days from the exit conference. All responses will be attached to the final report.

Within ten working days of the response period, the final report will be issued by the Chief Audit Executive. If a second draft copy is necessary, all persons that responded to the original draft copy will be notified.

4. All final reports must be approved by the Chief Audit Executive. All final reports are addressed to the Executive Director, Chief Financial Officer, and the Audit Committee. The Internal Audit Department will distribute copies of the final report to the audited supervisor and to management in the Chain of Command above the supervisor.

#### D. Corrective Action

1. Within thirty working days of the issuance of the final report, the Deputy Director or General Superintendent will take corrective action and submit a follow-up report to the Executive Director. The Internal Audit Department should receive a copy of the follow-up report. This report will include but not be limited to:
  - a. A clear and concise explanation of what corrective actions are planned and implemented.
  - b. If no corrective actions have been taken and nor are scheduled to be taken, a clear and concise explanation of this decision must be given.
  - c. Internal Audit, at the discretion of the Chief Audit Executive, may conduct a review of the effectiveness of corrective actions taken. A report of this review will be delivered to the Executive Director, Chief Financial Officer, and the Audit Committee.

2. The Internal Audit Department will evaluate the follow-up report.  
This evaluation marks the end of the Auditing Process.

V. INQUIRIES

Any questions concerning the intent of this memorandum may be addressed to the Chief Audit Executive.

—  
EXECUTIVE DIRECTOR

**APPROVAL OF UPDATED INTERNAL AUDIT CHARTER**

**WHEREAS**, the Sewerage & Water Board of New Orleans Internal Audit department operates pursuant to a charter, as is required by the International Standards for the Professional Practices of Internal Auditing; and

**WHEREAS**, the Internal Audit Charter is established to define the roles and responsibilities of the Chief Audit Executive and the Internal Audit department staff; and

**WHEREAS**, upon adoption, the Internal Audit Charter authorizes the Internal Audit department and its staff to fulfill its mission with full support of the Audit Committee; and

**WHEREAS**, the key elements of the charter will allow the Internal Audit department to fulfill its mission to:

- Provide an independent, objective assurance and consulting services designed to add value and improve the organization's operations.
- Evaluate and improve the effectiveness of risk management, internal control, and governance processes

**NOW, THEREFORE, BE IT RESOLVED** that the Audit Committee for the Sewerage & Water Board of New Orleans approves of the Internal Audit Charter.

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I, Ghassan Korban, Executive Director, Sewerage  
and Water Board of New Orleans  
do hereby certify that the above and foregoing is a true and  
correct copy of a Resolution said Board, duly called and  
held, according to the Law,  
JUNE 10, 2020

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**GHASSAN KORBAN**  
**EXECUTIVE**  
**DIRECTOR**  
**SEWERAGE & WATER BOARD OF NEW**  
**ORLEANS**



*Sewerage & Water Board of New Orleans*

## **Internal Audit Charter**

2020

## *Policy*

It is the policy of the Sewerage & Water Board of New Orleans to support Internal Audit as an independent, objective assurance and consulting process, which examines and evaluates S&WB activities as a service to S&WB Management and the Board of Directors.

## *Mission and Scope*

The mission of the Internal Audit Department is to provide independent, objective assurance and consulting services designed to add value and improve the organization's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The scope of work of the Internal Audit Department is to determine whether the organization's network of risk management, control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to reasonably ensure:

- Risks are appropriately identified and managed
- Interaction with the various governance groups occurs as needed
- Significant financial, managerial, and operating information is accurate, reliable, and timely
- Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations
- Resources are economically acquired, efficiently used, and adequately protected.
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in the organization's control processes.
- Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.

Opportunities for improving management control, profitability, and the organization's image may be identified during audits. They will be communicated to the appropriate level of management.

## *Objectives*

The objectives for the Internal Audit Department are to:

- Monitor and evaluate internal controls; investigate actual potential lapses of control; and, make recommendations for improvement.
- Provide external audit support; coordinate annual audit, audit testing and audit findings; assist in preparing audit reports and letters of recommendations; and, communicate issues in a timely manner.
- Provide management advisory services during the planning, design, development, implementation, and post-implementation phases of significant computer-based systems to ensure adequate controls are designed and implemented in the system, system documentation is complete and accurate, the system is thoroughly tested before implementation, and the projected benefits are realized as a result of the system development activities.
- Perform business system risk assessments; anticipate, identify and assess risks to Board assets and activities; assess response to risk; determine efficiency and effectiveness of policies, procedures and internal controls in achieving objectives.
- Perform reviews of contractual agreements signed by the Board to ensure propriety of payments and compliance with significant contract provisions. Review the books and records of contractors, where appropriate, to validate charges and identify potential overpayments.
- Provide management advisory services and perform audits and reviews as requested by members of Board of Directors.

## *Accountability*

The Internal Chief Audit Executive, in the discharge of his/her duties, shall be accountable to the Audit Committee and Executive Management to:

- Periodically provide an assessment on the adequacy and effectiveness of the organization's processes for controlling its activities and managing its risks in the areas set forth under the mission and scope of work.
- Report significant issues related to the processes for controlling the activities of the organization and its affiliates, including potential improvements to those processes, and provide information concerning the progress of actions to resolve the issues.
- Periodically provide information on the status and results of the annual audit plan and the sufficiency of department resources.
- Coordinate with and provide oversight of other control and monitoring functions (risk management, compliance, security, legal, ethics, environmental, external audit).

## *Independence*

To provide for the independence of the Internal Audit Department, the Chief Audit Executive will report administratively to the Executive Management and operationally to the Audit Committee. When applicable, Internal Audit will include as a part of its reports to the Audit Committee a regular report on Internal Audit personnel.

## *Responsibility*

### Internal Audit

The Chief Audit Executive and the staff of the Internal Audit Department have responsibility to:

- Develop a flexible audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit that plan to the Audit Committee for review and approval as well as periodic updates.
- Implement the annual audit plan, as approved, including as appropriate any special tasks or projects requested by management and the Audit Committee.
- Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Charter.
- Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Issue periodic reports to the Audit Committee and management summarizing results of audit activities.
- Submit a periodic internal control system evaluation, to include recommendations resulting from business system audits, for the Audit Committee's review.
- Keep the Audit Committee informed of emerging trends and successful practices in Internal Auditing.
- Provide a list of significant Internal Audit measurement goals and results to the Audit Committee. The list will include audit plan accomplishments and needed revisions.
- Assist in the investigation of significant suspected fraudulent activities within the organization and notify management and the Audit Committee of the results.
- Consider the scope of work of the external auditor and regulators, as appropriate, for the purpose providing optimal audit coverage to the organization at a reasonable overall cost.
- Inform the Audit Committee and management in the event of significant business risk exposure in an appropriate and timely manner.
- Maintain confidentiality in all matters as appropriate.

## Management

Management, defined as the Executive Director, the Chief Financial Officer, the General Superintendent, the Special Counsel and the Deputy Director, are responsible for:

- Ensuring full cooperation with Internal Audit under the guidelines of this Charter.
- Developing and implementing action plans that address risks identified from audits or reviews. These action plans may include compliance with or implementation of appropriate controls that mitigate risk, risk acceptance, or risk transfer.
- Communicating action plans, in writing, which includes a timeline for completion.

## Audit Committee

The Audit Committee of the Sewerage & Water Board shall:

- Support this Charter
- Ensure the right of direct access by the Chief Audit Executive to the Audit Committee
- Conduct an annual meeting with the Chief Audit Executive to review the annual audit plan and internal control evaluation and to discuss other matters deemed appropriate.

## *Authority*

The Chief Audit Executive and the staff of the Internal Audit Department are authorized to:

- Have full, complete, and unrestricted access to all functions, records, property, and personnel
- Have full and free access to the Audit Committee
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in units of the organization where they perform audits, as well as other specialized services from within or outside the organization.
- Internal Audit may assist, recommend investigation, and follow-up to determine that appropriate controls are implemented as necessary when fraud or irregularities are known or suspected. Internal Audit will inform the Audit Committee and management as appropriate.
- Chief Audit Executive will serve as Emergency Management Liaison to the City of New Orleans OEPHS during declared emergency

The Chief Audit Executive and the staff of the Internal Audit Department are not authorized to:

- Perform any operational duties for the organization or its affiliates.
- Initiate or approve accounting transactions external to the Internal Audit Department
- Direct the activities of any organization employee not employed by the Internal Audit department, except to the extent such employees have been appropriately assigned to audit teams or to otherwise assist the Internal Auditors.

*Standards of the Audit Practice*

The Internal Audit Department will meet or exceed the International Standards for the Professional Practice of Internal Auditing and Code of Ethics of The Institute of Internal Auditors.

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Andrew G. Nash  
Interim Chief Audit Executive

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Ghassan Korban  
Executive Director, Sewerage & Water Board of New Orleans



# Performance Audit: SWBNO Workers' Compensation

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*Department: Risk Management-Worker's Compensation*

The following report entails a detailed review of the Sewerage and Water Board of New Orleans (SWBNO) Workers' Compensation Claims Process conducted by the Internal Audit Department.

**Sewerage & Water Board of New Orleans**  
Internal Audit Department

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**Performance Audit Service:  
SWBNO Workers' Compensation Department**

*A Performance Evaluation of the Workers' Compensation Department*

**Department: Risk Management**

The following report entails a detailed review of the Sewerage and Water Board of New Orleans (SWBNO) Workers' Compensation Claims Department.

**Auditor: Chante' Bivens**



# SEWERAGE AND WATER BOARD

## Inter-Office Memorandum

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**Date:** January 23, 2020  
**To:** SWBNO Executive Leadership  
**Copies to:** Dr. Tamika Duplessis, Audit Committee Chairwoman  
**From:** Chante' Bivens, Senior Internal Auditor  
**Subject:** Worker's Compensation Audit

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The Internal Audit department has conducted an audit of the SWBNO's Worker's Compensation department. The objective of this performance audit was to concentrate on the strategies, operations, and performance of the Workers' Compensation function. Chante' Bivens has completed this review.

The response to the auditor's conclusions, issues, and recommendations is attached to this report. The auditor wishes to thank the employees of the Workers' Compensation department for their assistance and cooperation during the review.

Sincerely,

Chante' Bivens, Senior Internal Auditor  
Internal Audit Department

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# Workers' Compensation Claims Review Process Analysis Report

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## Executive Summary

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The SWBNO Internal Audit department conducted an annual performance audit of Risk Management's Workers' Compensation Claims function. The audit was in accordance with the 2018 audit plan presented to the Audit Committee.

A performance audit is an objective analysis of sufficient, appropriate evidence to independently assess the performance of an organization, program, activity, or function. Performance audits provide assurance or conclusions to help management reduce costs, facilitate decision-making, and improve services in order to achieve the highest level of excellence in the performance of the Board's operations. Performance audits encompass a wide variety of objectives, including those related to assessing program effectiveness and results; economy and efficiency; internal controls; compliance with legal or other requirements; and prospective analyses.<sup>1</sup>

The purpose of the audit was based upon the internal audit plan approved by the SWNBO audit committee. The Internal Audit department wants to ensure that the department workers' compensation function is managed fairly, efficiently, and effectively in order to minimize the risk of loss. We evaluated the effectiveness of the workers' compensation indemnity claims process, internal controls, and exposure to inherent risk.

It was noted that recent departmental management changes were orchestrated providing significant improvements to the Workers' Compensation Claims function.

The Internal Audit department would like to thank management and staff of the Risk Management division, Workers' Compensation department, and Information Technology department for their time, information, insight, and cooperation during the audit. The recommendations in this audit, if adopted, should further assist with the improvement of processes, internal controls, and reduction of risk exposure.

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<sup>1</sup> Comptroller General of the United States, *Government Auditing Standards*, Washington, DC: U.S. Government Accountability Office, 2018, p 10-11.

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## Introduction

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SWBNO is a political subdivision created in 1899 by Louisiana State Statute Act No. 6. The Board is independent of City government to construct, operate, and maintain the water, sewerage and drainage systems in the City of New Orleans. The SWBNO Board of Directors include eleven members, including the Mayor to serve as the President of the Board of Directors, two (2) members of the Board of Liquidation, City Debt and eight (8) citizens, as designated by the state statutes.

The SWBNO established a mission to improve the quality of life for the citizens of the City of New Orleans by providing safe drinking water; removing wastewater for safe return to the environment; and draining storm water to protect the community at a reasonable cost.

During the beginning and ending of the audit, SWBNO experienced high turnover in executive leadership (See Exhibit 1 below). Interim Executive Director #1 was appointed in January 8, 2018 and held that position during the audit until May 22, 2018. Interim Executive Director #2 was appointed May 24, 2018 and submitted her resignation effective August 21, 2018. Interim Director # 3 was appointed August 21, 2018 and reappointed to Deputy Director September 2, 2018. A permanent Executive Director assumed office on September 3, 2018. Additionally, three (3) Deputy Directors were appointed in December of 2016 and later on submitted their resignations in August 2018.

**Exhibit 1 SWBNO Executive Leadership Position During the Beginning and Ending the Audit**

| SWBNO Employee         | Period of Service at SWBNO                               | Summary of Service   |
|------------------------|--|--|
| Executive Director # 1 | Jan 2018 - May 2018                                      | <ul style="list-style-type: none"><li>Served as Interim Executive Director during this time.</li></ul>   |
| Executive Director # 2 | May 2018 - August 2018                                   | <ul style="list-style-type: none"><li>Served as Interim Executive Director during this time.</li></ul>   |
| Executive Director # 3 | August 2018 - September 2018<br>September 2018 – Present | <ul style="list-style-type: none"><li>Served as Interim Executive Director during this time.</li><li>Reappointed to Deputy Director.</li></ul> |
| Executive Director # 4 | September 2018 – Present                                 | <ul style="list-style-type: none"><li>Serves as Permanent Director.</li></ul>  |
| Deputy Director # 1    | December 2016 - August 2018                              | <ul style="list-style-type: none"><li>Served as Deputy Director during this time.</li></ul>  |
| Deputy Director # 2    | December 2016 - August 2018                              | <ul style="list-style-type: none"><li>Served as Deputy Director during this time.</li></ul>  |
| Deputy Director # 3    | December 2016 - August 2018                              | <ul style="list-style-type: none"><li>Served as Deputy Director during this time.</li></ul>  |

Source: SWBNO Human Resources data base

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## Background

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The Louisiana Workers' Compensation Law (Louisiana Revised Statutes, Title 23) governs workers' compensation, which is a form of insurance that pays medical benefits and lost wages for employees injured on the job for the employees' agreement not to sue the employer. The SWBNO Workers' Compensation unit, part of the Risk Management department, administers the workers' compensation program in-house.

The Louisiana State Office of Workers' Compensation Administration (OWCA) was created in 1983 within the Louisiana Department of Labor (now the Louisiana Workforce Commission) to administer the provisions of the Louisiana Workers' Compensation Act. The OWCA investigates allegations of fraud; monitors compliance with the requirement that employers insure their workers' compensation obligation; compiles information regarding workers' compensation claims; resolves disputes over the necessity, advisability, and cost of hospital care or services, as well as conflicts concerning medical, surgical and non-medical treatment; provides Occupational Safety & Health Administration (OSHA) consultation services; and assists Louisiana employers in the development and implementation of a safety management plan in their workplace. The OWCA, however, does not pay any benefits to employees as a result of a covered on the job injury.<sup>2</sup>

### **State Law Mandates Workers' Compensation Benefits**

State law requires most public and private employers to cover medical expenses and lost wages regardless of the number of employees who sustain work-related injuries.<sup>3</sup> Every employer subject to the Louisiana Workers' Compensation Act must obtain and maintain full insurance to compensate injured employees who qualify for benefits.<sup>4</sup> An employer may be self-insured if it can demonstrate to the State Board of Worker's Compensation that it is financially able to pay its workers' compensation liability and associated expenses. An annual audit of an employer's worker's compensation may be conducted by the audit unit of the Louisiana Workers' Compensation Finance and Audit unit to ensure financial compliance.

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<sup>2</sup> Louisiana Workforce Commission, *Rights & Responsibilities for Employees & Employers*, Louisiana State Office of Workers' Compensation Administration, 2018, p 1-7.

<sup>3</sup> La. R.S. 23:1020.1

<sup>4</sup> La. R.S. 23:1168

State law requires employers to pay for medical, surgical, and hospital care; prescriptions and other treatment; and items and services that are prescribed by a licensed physician. There is no cap on the amount of medical benefits paid or limit on the length of time that an injured employee can receive medical benefits for existing claims as long the treatment is found to be reasonable and related to the work accident or illness. <sup>5</sup>

State law also provides for partial wage replacement regardless of the type of injury, summarized in Exhibit 2. If an injury leaves an employee unable to earn wages equal to 90 percent of his/her wages at the time of injury, he/she is entitled to supplemental earning benefits equal to 66 2/3 percent of the difference between his/she average monthly wages at the time of the injury and current average monthly wages. Workers' compensation wage replacement benefits range from \$177 to \$665 per week for no longer than 520 weeks and are capped at a maximum of two-thirds of the employee's average salary for non-catastrophic injuries. For catastrophic injuries, an employee may be entitled to a one time catastrophic injury payment of \$50,000. If an employee dies, the beneficiary may recover the maximum of \$8,500.<sup>6</sup>

**Exhibit 2 Louisiana Workers' Compensation Wage Benefits**

| Injury Status                | Definition   | Benefit Calculation  | Amount/Duration from Date of Injury  |
|------------------------------|--|--|--|
| Temporary Total Disability   | Employee is unable to work for a temporary time period.  | 66 and two-thirds percent of wages                           | Minimum of \$177 and maximum of \$ \$665 per week for up to 520 weeks.   |
| Permanent Partial Disability | Employee is partially able to work but in a difference job capacity for a permanent period of time | 66 and two-thirds percent of wages                           | Minimum of \$177 and maximum of \$ \$665 per week for up to 100 weeks.   |
| Permanent Total Disability   | Employee is permanently unable to work in any capacity.  | 66 and two-thirds percent of wages                           | Minimum of \$177 and maximum of \$ \$665; no time limit  |
| Death Benefits               | Death resulting from injury  | 66 and two-thirds percent of wages and \$8,500 funeral costs | Total benefit amount available to all dependents is 65% of wages at time of accident. 32.5% of wages for one dependent; 46.25% of wages for 2 dependents; 65% of wages for 3 or more dependents. |

Source: LA Rev Stat § 23:1221; 1231

State law requires an employee who is injured on the job to report the incident to his or her supervisor immediately, or as soon as possible, but

<sup>5</sup> Denis Paul Juge and Clark R. Cosse III , *2017 Workers' Compensation Desk Book*, (Louisiana, Baton Rouge, 2017), p I-92.

<sup>6</sup> La. R.S. 23:1221

no later than 30 days, or risk losing benefits. SWBNO Internal Policy Memorandum No. 11 pertaining to workers' compensation procedure states that once a claim is filed, the employee must adhere to drug/alcohol testing as required by state law.<sup>7</sup> The employee must be accompanied by a supervisor or another supervisor if need be. Additionally, if any SWBNO employee fails to report any work-related accident or injury, his/her supervisor will promptly examine the circumstances and determine whether the delay was valid. If the supervisor determines the employee did not have a valid reason for failing to immediately report the accident he/she will receive a minimum, thirty (30) day suspension, with more severe disciplinary action possible.<sup>8</sup>

### **SWBNO Handling of Worker's Compensation Claims**

The SWBNO Risk Manager along with workers' compensation departmental staff handles all claims in-house. Their duties include:

- determining compensability whether an employee has a workers' compensation claim that is covered under state law
- processing claims, managing investigations, and controlling losses
- maintaining all workers' compensation claims and supporting documentation in a database
- ensuring that quality healthcare is provided to injured employees

### **SWBNO's Process to Determine Work-Related Injury Benefits**

Any SWBNO employee injured on the job reports the incident to his or her supervisor and the supervisor documents the injury report on the Louisiana state Worker's Compensation form "Employer's Report of Occupational Injury or Disease".<sup>9</sup> Additional documents initially completed are:

- First Report of Injury or Illness (Incident Questionnaire)
- Vehicular Accident Investigation form (if needed)
- Non-Vehicular Accident Investigation Form
- Witness Statement

The employee also completes a treatment authorization form if medical treatment is needed and is treated by a SWBNO referred physician or a physician selected by the employee. According to the Workers' Compensation Unit Standard Operating Procedure handbook, Worker's Compensation departmental staff reviews the claim and determines whether he/she is eligible for workers' compensation within 7 days. To be Workers' Compensation compensable, the

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<sup>7</sup> La. R.S. 23:1081.6

<sup>8</sup> SWBNO Policy Memorandum 11

<sup>9</sup> See Appendix A

injury must have occurred on-the-job, as part of the employee's duties, and not as the result of willful misconduct. If the claim is compensable, SWBNO covers all indemnity benefits including medical travel, expenses and compensable wages. When the employee sees the medical provider, the physician determines the employee's diagnosis and treatment and documents any work limitations or restrictions. The physician provides the documentation to the SWBNO Risk Manager and staff. The physician report notes whether the employee is able to return to full duty; is able to work in a modified duty position; or is unable to return to work.

### **Louisiana Workers' Compensation Subrogation Law Overview**

In Louisiana, when an employee is injured in a work-related accident under such circumstances where a third-party (not a co-employee or the employer of the employee) caused the employee's injuries or aggravated the employee's existing work-related injury, the employee is entitled to Louisiana Workers' Compensation benefits from SWBNO and can also file a tort suit against the third party for the same injuries. SWBNO, who is obligated to pay workers' compensation benefits to its employee due to a third party's fault is also entitled to bring a tort suit against the third party to recover amounts it has paid, or becomes obligated to pay, to the employee. These tort suits are heard in the judicial district courts in Louisiana, not in the workers' compensation courts. The workers' compensation courts are limited in jurisdiction and, for subrogation purposes, can only hear disputes regarding the amount of credit SWBNO are entitled against the employee's future workers' compensation benefits.<sup>10</sup>

### **Louisiana Workers' Compensation Second Injury Fund**

The Louisiana Second Injury Fund is a state agency which reimburses employers and Louisiana Workers Compensation companies for part of the income and medical benefits they pay in cases where an employee who had a pre-existing disability experiences a new on-the-job injury that is covered by Louisiana Workers Compensation. Every Louisiana Workers Compensation insurance company, and every self-insured employer, who has paid Louisiana Workers Compensation benefits in the preceding year must make contributions to the Louisiana Second Injury Fund.

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<sup>10</sup> La. R.S. 23:1101

For a self-insured employer or Louisiana Workers Compensation insurance company to receive reimbursement from the Louisiana Second Injury Fund, a claim must meet at least the following requirements:

- The employee must have a pre-existing permanent partial disability as listed and defined by R.S.23:1378(F) that is an obstacle or hindrance in obtaining employment.
- The employer must establish that they had actual knowledge of the employee's pre-existing permanent partial disability prior to the subsequent injury.
- The employee must sustain a subsequent (occupational) injury that results in liability for workers' compensation.
- The subsequent injury would not have occurred but for the pre-existing permanent partial disability.
- The disability is greater than would have resulted had the pre-existing permanent disability not been present, and the employer had been required to pay compensation for the greater disability.
- The employer, or if insured, insurer, must file a Notice of Claim form within 52 weeks after the first payment of any benefit (indemnity or medical) by mailing, faxing or emailing the form to the state's Second Injury Board.

**Exhibit 3 Second Injury Fund Recoverable Benefits**

| <b>Timeframe</b>   | <b>Indemnity Benefit Cost</b>   | <b>Medical Benefit Recoverable Cost</b>   |
|--|---|---|
| For dates of accident before July 1, 2004 & on/after July 1, 2009, but before July 1, 2010 | TTD/SEB/PTD After the first 104 weeks of payment of benefits<br>Death benefits after the first 175 weeks of payment of benefits | -50% of all reasonable and necessary medical expenses actually paid which exceed \$5,000.00, but no less than \$10,000.00<br><br>-100% of all reasonable and necessary medical expenses actually paid which exceed \$10,000.00  |
| On/after July 1, 2004 & before July 1, 2009  | After the first 130 weeks of payment of benefits  | 100% of all reasonable and necessary medical expenses actually paid which exceed \$25,000.00  |
| On/after July 1, 2010 & before July 1, 2015  | After the first 104 weeks of indemnity  | 100% of all reasonable and necessary medical expenses actually paid which exceed \$25,000.00, including reasonable and necessary Vocational Rehabilitation expenses, if such expenses are directly related to services provided in the actual retention or reemployment |

Source: Louisiana Workforce Commission

## **SWBNO Workers' Compensation Financial Compliance State Requirements**

The State of Louisiana Department of Labor Worker's Compensation Administration has authorized the SWBNO for self-insured workers' compensation expenses. The SWBNO has been a self-insured employer since March 13, 1991. This requires the SWBNO to have a surety bond or letter of credit issued by a federal or state bank preapproved by the state Office of Workers' Compensation, as assurance that workers' compensation liabilities are paid to employees if the SWBNO becomes insolvent or files for bankruptcy.<sup>11</sup> As a self-insurer, SWBNO must file annual statements of financial condition with the Office of Workers' Compensation on or before May 1 of each year. <sup>12</sup>The state's Workers' Compensation finance and audit unit conducts a financial audit annually or every other year depending on deficiencies found to verify that workers' compensation costs reported are classified accurately and in compliance with state guidelines.

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<sup>11</sup> La. R.S. 23:1291

<sup>12</sup> La. R.S. 23:1168

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## Audit Objectives

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The objectives of this performance audit were to concentrate on the strategies, operations, and performance of the Workers' Compensation function with the following reviews:

- Determine cost and injury trends for the SWBNO workers' compensation program.
- Review compliance with applicable legal, regulatory, and established policies.
- Review workers' compensation program expenditures made by Risk Management.
- Review the efficiency and the effectiveness of departmental practices and operations.
- Evaluate Risk Management oversight and procedures for workers' compensation claims administration (e.g., processing and payment transactions).
- Determine adequacy of internal controls within the department.
- Determine how the Risk Manager mitigates risk through its Safety Program.
- Review department staffing, training opportunities, and certification requirements.

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## Scope and Methodology

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In order to meet its objectives, a review of relevant documentation, testing, and examinations were conducted. We focused on the office of Risk Management's oversight of the workers' compensation program from fiscal year 2015 through fiscal year 2017.

The following methodology was used in completing the audit:

- Interviewed the SWBNO Risk Manager, Accounts Payable personnel, Legal department personnel, and the State of Louisiana Workers' Compensation Finance and Audit unit personnel.
- Reviewed the department's mission statement, organization charts, and standard operation procedures (SOPs).
- Reviewed prior external audits conducted.
- Researched applicable laws state law and provisions governing workers' compensation.
- Identified employees receiving benefits.
- Identified the number, types, and costs of workers' compensation claims filed and analyzed data trends.
- Determined adequate resources needed to operate effectively and efficiently according to best practices.

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## SWBNO Risk Management-Workers' Compensation Departmental Overview

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The Utility Senior Services Manager for the SWBNO Risk Management Department (Felicia Lovince) is responsible for the administrative function of the Risk Management department which consists of General Liability and Workers' Compensation claims. The Risk Management-Worker's Compensation Unit is located at the SWBNO Administration Building 625 Saint Joseph Street, Room 112 in New Orleans. According to the Worker's Compensation unit mission statement, its mission is to administer medical treatment, wage benefits and rehabilitation to injured employees in accordance with the Louisiana Office of Worker's Compensation Workforce Commission Administration Guidelines; coordinate returning injured employees back into gainful employment through educational training and communication.

The Risk Management –Workers' Compensation unit is vital to the SWBNO operations. According to Felicia Lovince (Utility Senior Services Manager/ Risk Manager), the scope of the departmental duties are to manage the workers' compensation function and to provide workers' compensation benefits to eligible SWBNO employees in accordance with Louisiana Worker's Compensation state statute, policies, and procedures approved by SWBNO.

At the time of the audit, the Risk Management departmental personnel consist of the following:

**Exhibit 4: SWBNO Workers' Compensation Departmental Staff**

| Employee              | Job Title                                     |
|-----------------------|---|
| Felicia Lovince       | Utility Senior Services Manager –Risk Manager |
| Brian Ferrara         | Legal Counsel                                 |
| Tiandria Lewis        | Office Assistant I                            |
| Korye Dickerson       | Management Development Specialist II          |
| Shirlond August-Smith | Administrative Support Supervisor II          |

Source: Risk Management Departmental Organizational Chart

According to the departmental organizational chart, there is currently one vacancy in the department which includes a claims investigator.

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## Risk Manager Departmental Concerns

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Risk Manager, Felicia Lovince, revealed during an entrance conference that after 60 days into her tenure of evaluating the current Workers' Compensation departmental's in-house ability to meet industry standards, she found that the department needed improvements and was not in compliance with state and federal regulations. She documented that the department lacked a number of the following standards to aid in cost effective measures that would minimize costs on claims:

- **1002 forms** to aid in "Safe Harbor" which allows the employer to escape from penalties and attorney fees on wage disputes are not being used.
- **1003 forms** to report to the state when employees are taken off wage benefits, returned to gainful employment and/or settled are not being used.
- **Subrogation** efforts do not recover both medical and indemnity cost; currently only medical cost are recovered.
- **Second Injury Fund** investigations are not place to file for recovery of the \$25k threshold for medical recovery potential in medical and to recovery on indemnity after 104 weeks (2 years) of indemnity payment. Once the claim is accepted all money in excess of \$25k is refunded dollar for dollar. The same with indemnity payment after the first 104 weeks. This runs the life of the claim inclusive of any settlement dollar paid on the claim.
- **Supplemental Earning Benefit (SEB)** is not being applied to claims to lower the wage exposure on the claim.
- **The 520 week rule** is no longer being applied to remove employee off the roles.
- **1007 First Report of Injury form** is required to be submitted electronically to the state. The department is currently working with the Workers' Compensation Software programming company to implement.

Additionally, Mrs. Lovince also discovered that the three software programs in place do not fully support the department needs to be efficient and effective and that the department is not fully staffed to address the needs of workers' compensation.

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## Findings and Analysis

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### Review of Total Worker's Compensation Claims

The SWBNO currently has 55 total workers' compensation indemnity claims. The SWBNO paid close attention to \$7 million in workers' compensation claims in the years 2015, 2016, and 2017 including wage replacement, medical, rehabilitation, lump sum settlement, and legal costs. There were significant increases in claims for the year 2017. The auditor was unable to compare the SWBNO's workers' compensation costs to other water utilities based on the unavailability of public information. Exhibit 5 displays all workers' compensation costs for fiscal years 2015, 2016, and 2017.

Exhibit 5: Workers' Compensation Costs for Years 2015, 2016, 2017

| Fiscal Year | Indemnity Benefits | Total Comprehensive Lump Sum Settlements | Medical Expenses | Rehabilitation Expenses | Legal Costs | Total Costs  |
|-------------|--------------------|--|------------------|-------------------------|-------------|--------------|
| 2015        | 562,455.16         | 84,850.59                                | 742,498.50       | 70,710.90               | -           | 1,460,515.15 |
| 2016        | 700,414.69         | 64,670.27                                | 1,063,592.42     | 86,954.55               | -           | 1,915,631.93 |
| 2017        | 965,082.54         | 355,811.51                               | 1,880,065.93     | 215,018.99              | 23,965.39   | 3,439,944.36 |

Source: Louisiana State Office of Workers' Compensation Administration

Patterns in claims data suggest that targeted efforts could reduce work-related injury claims and workers' compensation costs: the majority of claims were filed by employees in three SWBNO departments: Meter Reading, Networks & Maintenance, and In-house Operations (see Exhibit 6).

Exhibit 6 displays the number of workers' compensation claims out of the 55 total claims reported as of October 2018. The Networks department that consists of Zones 1 through 7 had the highest work-related injuries reporting with 28 claims. Meter Reading department had the second highest work-related injuries reporting with 12 claims. The In-house operations department had the third highest work-related injuries with 6 claims.

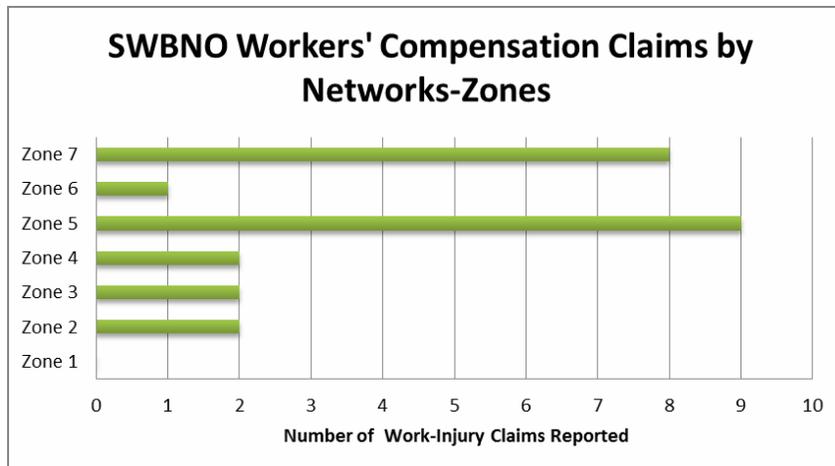
**Exhibit 6: Number & Percentage of Claims by Department**

| Department                        | Number of Claims | Percent     |
|-----------------------------------|------------------|-------------|
| Meter Reading Department          | 28               | 51%         |
| Networks & Maintenance Department | 12               | 22%         |
| In-House Plant Operations         | 6                | 11%         |
| Revenue Administration            | 4                | 7%          |
| Warehouse & Grounds Department    | 4                | 7%          |
| Mechanic Garage                   | 1                | 2%          |
| <b>Total</b>                      | <b>55</b>        | <b>100%</b> |

Source: Workers' Compensation Indemnity Report

A closer examination of the Zones within the Networks department revealed that Zones 5 & 7 had the highest amount of work-related injuries out of all injuries reported for the Networks department. Zone 5 had a total of 9 work-related injuries; Zone 7 had a total of 8 work-related injuries; Zones 2, 3 & 4 had a total number of 2 work-related injuries; Zone 6 had only 1 work-related injury reported. See Exhibit.

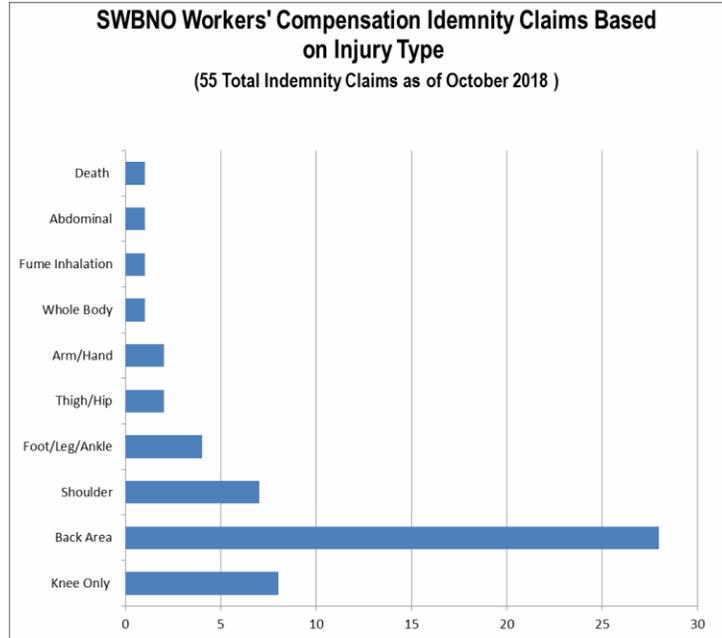
**Exhibit 7: Number of Claims by Zones**



Source: Workers' Compensation Indemnity Report

Overall, the highest amounts of injuries reported were back, knee, or shoulder injuries. One employee death was reported due to work injuries sustained. Exhibit 8 below outlines the types of work-related injuries reported.

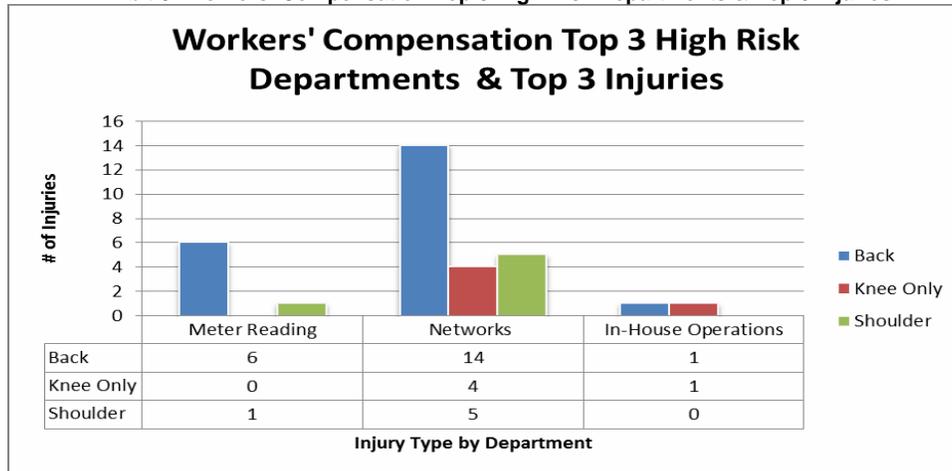
**Exhibit 8: Number of types of work-related injuries reported**



**Source: Workers' Compensation Idemnity Report**

After analyzing the data provided in the Workers' Compensation Idemnity Report, Exhibit 9 was devised to show a graphical depiction of the top 3 high risk departments and top 3 injures reported. It was revealed that the top three high risk departments for injuries are: Networks, Meter Reading, and In-House Operations.

**Exhibit 9: Workers' Compensation Top 3 High Risk Departments & Top 3 Injuries**



**Source: Workers' Compensation Idemnity Report**

Employees within the Networks department include office personnel, laborers and maintenance technicians. Most of these employees conduct strenuous labor duties which include underground pipe repairs, grass cutting, hydrant repairs, etc. Meter Reading department employees include office personnel, water service inspectors, and laborers. Their jobs also entail strenuous labor including but not limited to reading meters while carrying essential equipment which include walking long distances in residential or business areas. Employees within In-House operations include laborers, water purification operators, boiler plant operators, pumping and power operators, steam plant engineers, etc.

### Review of Tested Workers' Compensation Claims

The internal audit department randomly selected fifteen (15) out of the fifty-five (55) employee workers' compensation indemnity claim files as of October 2018 for testing. Exhibit 10 provides an overview pertaining to the Workers' Compensation files reviewed.

**Exhibit 10: Number & Percentage of Tested Claims by Department**

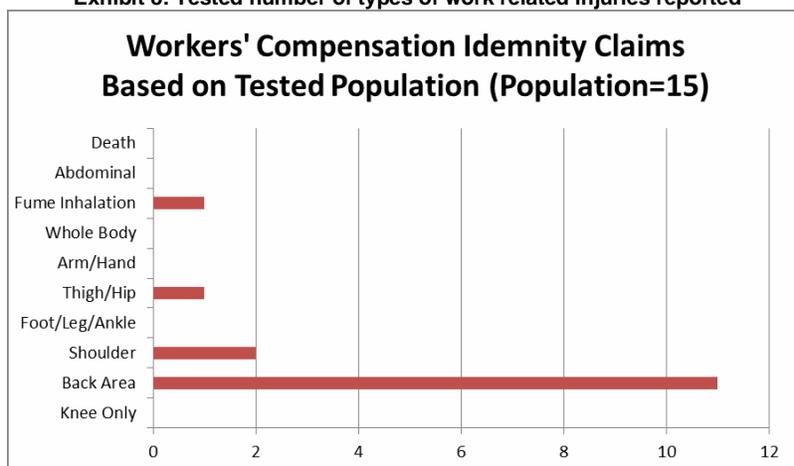
| Department                        | Number of Claims | Percent     |
|-----------------------------------|------------------|-------------|
| Meter Reading Department          | 4                | 26%         |
| Networks & Maintenance Department | 6                | 40%         |
| In-House Plant Operations         | 2                | 13%         |
| Revenue Administration            | 1                | 7%          |
| Warehouse & Grounds Department    | 1                | 7%          |
| Mechanic Garage                   | 1                | 7%          |
| <b>Total</b>                      | <b>15</b>        | <b>100%</b> |

Source: Workers' Compensation Indemnity Report

The tested population revealed that 40% of the employee work-related injury claims were from the Networks & Maintenance Department. Additionally, 26% of the claims were from the Meter Reading department, 2% from In-House plant operations, and 1% each from Revenue Administration, Warehouse & Grounds, and the Mechanic Garage.

Additionally, the tested population revealed that 11 back work-related injuries were the highest workers' compensation claims submitted. Also, 2 shoulder injuries, 1 thigh hip injury, and 1 fume inhalation injury were part of the 15 randomly selected claims selected for review. Exhibit 11 illustrates the information provided.

Exhibit 8: Tested number of types of work related injuries reported



Source: Workers' Compensation Indemnity Report

Testing also revealed that 1 of the 15 employees from the Networks department filed 7 workers' compensation claims since his/her date of hire, 1 of the 15 employees from the Revenue Administration department filed 6 workers' compensation claims since his/her date of hire, 4 of the 15 employees from the In-house and Networks departments filed 5 workers' compensation claims since his/her date of hire, 2 of the 15 employees from the In-house and Mechanic Garage departments filed 3 workers' compensation claims since his/her date of hire, and the other 7 of the 15 employees from various departments filed only 1 workers' compensation claim since his/her date of hire. These patterns in claims data suggest the SWBNO have opportunities to reduce the number of repeated claims and workers' compensation costs through targeted supervision. The auditor determined there was a need for more comprehensive pre-employment screening to ensure that employees are physically able to perform job duties without injury.

Although most workers' compensation claims were reported within one day of the injury, about 13% were reported after the injury occurred. Delays in either the employee or supervisor reporting could hinder efforts to ensure that the claim is compensable, ensuring that employees undergo a drug-test within 24 hours following a work-related accident as required by SWBNO Internal Policy Memorandum No. 11.

The auditor was unable to determine whether employees returned to work within one day of the injury due to the unavailability of records relating to the tracking of return to work documentation in files. It was determined that tracking of this information can be used as an analysis tool for the Risk Manager.

The Workers' Compensation department has successfully offered modified duty positions to accommodate injured employees who could no longer to return to work in the same job capacity previously held. Often times, these employees are cleared to return to work by their physician with work restrictions.

## Review of Tested Workers' Compensation Files

State law requires that all workers' compensation files or databases have all required forms and supporting documentation. While reviewing the 15 randomly selected files, it was noted that a high percentage of the files were missing the following forms and documentation:

- **1002 Notice of Payment**
  - 2 out of 15 files contained the 1002 Notice of Payment form
- **1003 Stop Payment form**
  - 0 out of 15 files contained the 1003 Stop Payment form
- **1007 First Report of Injury form (Employer's Report of Occupational Injury or Disease)**
  - 13 out of 15 files contained the 1007 First Report of Injury form
- **1020 Employee's Monthly Report of Earnings**
  - 9 out of 15 files contained the 1020 Employee's Monthly Report of Earnings form; many of those files were missing several months of the following forms due to failed attempts by phone or mail to contact the employee to submit the form; several months were done at year end and not on a monthly basis as required.
- **1025 Employees' Quarterly Report of Earnings**
  - 3 out of 15 files contained the 1025 Employees' Quarterly Report of Earnings form; many of those files were missing several months and were undated.
- **Incident Questionnaire**
  - 9 out of 15 files contained the Incident Questionnaire form
- **Police Report**
  - All files requiring a police report contained the reports
- **Drug/Alcohol Testing form results**
  - 12 out of 15 files contained the Drug/Alcohol Testing form
- **Vehicular/Non-Vehicular Accident Reports**
  - 7 out of 15 files contained the Vehicular/Non-Vehicular Accident Reports

The auditor discovered that several files were missing updated medical documentation and check registers for claimant indemnity benefits, medical, travel reimbursements, and medical bills. Additionally, 2 out of the 15 files contained nearly any information. During the course of the audit it was noted that the Workers' Compensation would be utilizing Cogsdale software for all claim payments and that would eliminate the need to continue to use the Addition/Deletion form internal control purposes. Several witness statements were missing as well from the files.

Lastly, the auditor recognized the significant improvements to the Workers' Compensation function by the Risk Manager such as efforts to hire qualified staff, improve processes, provide staff training opportunities, the onboarding of legal expertise, and maintaining departmental standard operating procedures.

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## Recommendations

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After conducting the performance audit, the auditor recommends the following:

- The Risk Manager of Worker's Compensation and the Emergency Manager responsible for the SWBNO Safety Program should collectively develop a strategic plan to reduce work-related injury claims.
- The Safety Program should target the following highest three departments with the highest reporting work related injuries to provide employee safety training and adequate safety equipment: Meter Reading, Networks & Maintenance, and In-house Operations.
- The SWBNO currently have only 2 Safety Engineers covering a total of 1,200 employees. It is recommended the SWBNO hire additional Safety Engineers to help mitigate risk.
- The Workers' Compensation departmental staff should develop a tracking mechanism to track and analyze worker's compensation expenses and repeated claims to find measures that will help reduce workers' compensation costs.
- The Workers' Compensation staff should work collectively with SWBNO training unit to coordinate and conduct several training opportunities to educate managers and staff on the Workers' Compensation function, its mission, and how collectively staff can work together to reduce work-related injuries providing the organization cost savings.
- The Risk Manager should work collectively with the Human Resources Director to implement the Second-Injury Fund which would help the SWBNO recover Workers' Compensation expenses.
- All Workers' Compensation files should maintain all necessary forms and documentation electronically.
- The Risk Manager must enforce that all employees receiving indemnity benefits must complete form 1020 and 1025 to continue receiving benefits or risk losing benefits.
- The Risk Manager should work collectively with the Legal department and Executive Management to increase subrogation efforts to recover medical and indemnity expenses from employees who intentionally cause another employee to sustain physical injuries on the job.
- The Risk Manager should work collectively with the Human Resources, Budget, and Finance department to ensure that the Workers'

Compensation unit is staffed properly and enhance training opportunities so that the department can benefit allowing efficient operations.

- The Information Systems staff should work diligently with the Workers' compensation staff to ensure that adequate software is available and functioning properly to enable efficient and effective processes.



# SEWERAGE AND WATER BOARD

## Inter-Office Memorandum

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**Date:** January 23, 2020

**To:** SWBNO Executive Leadership

**Copies to:** Dr. Tamika Duplessis, Audit Committee Chairwoman

**From:** Chante' Bivens, Senior Internal Auditor

**Subject:** Worker's Compensation Audit Follow-Up

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The Internal Audit Department be conducted a follow-up of the recommendations made following the Workers Compensation Claims audit conducted in January 2019. This audit made eleven audit recommendations. The follow-up audit was conducted on November 11, 2019. The objective and scope of the follow-up audit is to review the implementation status of audit recommendations.

Follow-up is a process by which internal auditors evaluate the adequacy, effectiveness, and timeliness of actions taken by management on reported observations and recommendations, including those made by external auditors and others. The Institute of Internal Auditors (IIA), which sets industry standards the Internal Audit function, Practice Advisory Standard 2500.A1-1 states that the chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

The follow-up audit was not intended to be a detailed. No instances of fraud, waste, or abuse was discovered during the process.

The following are the recommendations that were made with responses:

**Recommendation 1:** The Risk Manager of Worker's Compensation and the Emergency Manager responsible for the SWBNO Safety Program should collectively develop a strategic plan to reduce work-related injury claims.

**Response:** The Risk Manager will continue to improve departmental processes to reduce work related injuries.

**Follow-Up:** The auditor was provided with an incident questionnaire used by staff during the claim intake process. This document is utilized the same day

a claim is filed and sent to the Safety department supervisor for documenting purposes.

**Recommendation 2:** The Safety Program should target the following highest three departments with the highest reporting work related injuries to provide employee safety training and adequate safety equipment: Meter Reading, Networks & Maintenance, and In-house Operations.

**Response:** The department currently review reports of areas with the highest reporting work related injuries. Once the new Safety Manager is hired, the reports will be submitted to the Safety department and collaboration efforts will take place to provide ongoing safety training and essential safety equipment.

**Follow-up:** This recommendation has been implemented. The Risk Manager provided the auditor a monthly tracking report of work-related injuries by department that is provided to the Safety department.

**Recommendation 3:** The SWBNO currently has only 2 Safety Engineers covering a total of 1,200 employees. The SWBNO should hire additional Safety Engineers to help mitigate risk.

**Response:** Once the new Safety Manager is hired, the recommendation will be made to the proper individual.

**Follow-up:** According to staff, the Safety department was experiencing staffing issues at the time of the follow-up. However, a Safety Liaison Program was implemented, consisting of volunteer employees, to identify and report any safety concerns to mitigate risks.

**Recommendation 4:** The Workers' Compensation departmental staff should develop a tracking mechanism to track and analyze worker's compensation expenses and repeated claims to find measures that will help reduce workers' compensation costs.

**Response:** The Risk Manager has sought new software for the department and is working with the IT department.

**Follow-up:** According to the Risk Manager, new software utilized by the department has helped staff efficiently tracked and reduce claims on a monthly basis. The previous departmental budget for claims has decreased from approximately \$450,000 to \$350,000 saving the SWBNO \$100,000.

**Recommendation 5:** The Workers' Compensation staff should work collectively with SWBNO training unit to coordinate and conduct several training opportunities to educate managers and staff on the Workers' Compensation function, its mission, and how collectively staff can work together to reduce work-related injuries providing the organization cost savings.

**Response:** The Risk Manager will make efforts to work with the Employee Relations department to determine adequate training opportunities for employees and to educate managers and staff on the Workers' Compensation departmental mission.

**Follow-up:** According to the Risk Manager, the recommendation has been implemented. Departmental and Board-wide staff receive safety training during new-employee on-boarding orientation and current employees are required to take training courses on an annual basis.

**Recommendation 6:** The Risk Manager should work collectively with the Human Resources Director to implement the Second-Injury Fund which would help the SWBNO recover Workers' Compensation expenses

**Response:** The Risk Manager has and will continue making effort to implement the Second-Injury Fund.

**Follow-up:** The following recommendation has not been implemented. The Risk Manager will collaborate with HR management to discuss the matter.

**Recommendation 7:** All Workers' Compensation files should maintain all necessary forms and documentation electronically.

**Response:** The Risk Manager acknowledges and is working to have all forms and documentation available electronically.

**Follow-up:** According to the Risk Manager, the recommendation has been implemented. All claims are being entered and filed in the IMS Software.

**Recommendation 8:** The Risk Manager must enforce that all employees receiving indemnity benefits must complete form 1020 and 1025 to continue receiving benefits or risk losing benefits.

**Response:** The Risk Manager has made efforts to ensure that all employees receiving indemnity benefits complete form 1020 and 1025 to continue receiving benefits or risk losing benefits.

**Follow-up:** According to the Risk Manager, the recommendation has been implemented. The Office Assistant within the department is responsible for maintaining a spreadsheet of all employees receiving indemnity benefits to ensure that forms 1020 and 1025 are submitted by employees. The Supervisor sends notices to employees whom have not returned the required forms. If no response, benefits are terminated.

**Recommendation 9:** The Risk Manager should work collectively with the Legal department and Executive Management to increase subrogation efforts to recover medical and indemnity expenses from employees who intentionally cause another employee to sustain physical injuries on the job.

**Response:** The Risk Manager acknowledges and will meet with the Legal department and Executive Management to increase subrogation efforts.

**Follow-up:** According to the Risk Manager, the recommendation is still an ongoing effort and has not been fully implemented.

**Recommendation 10:** The Risk Manager should work collectively with the Human Resources, Budget, and Finance department to ensure that the Workers' Compensation unit is staffed properly and enhance training opportunities so that the department can benefit allowing efficient operations.

**Response:** The Risk Manager has filled several vacancies within the department and will continue to provide training opportunities to staff.

**Follow-up:** This recommendation has been implemented.

**Recommendation 11:** The Information Systems staff should work diligently with the Workers' compensation staff to ensure that adequate software is available and functioning properly to enable efficient and effective processes.

**Response:** The Risk Manager will continue to work with the IT department to enhance current software being utilized.

**Follow-up:** This recommendation has been implemented.

We want to thank management and staff for their assistance on this follow-up audit. Their assistance was essential for the successful completion of our work.

|                         | External Audit                        | Start Date | Status Update  |
|-------------------------|---------------------------------------|------------|--|
| Fed OIG                 | FEMA                                  | 1/5/2018   | OIG reviewing documentation provided. Final report was issued on March 23, 2020.   |
| City of New Orleans OIG | Billing & Collection                  | 4/11/2018  | OIG had a meeting with SWB on 8/23/2018 and requested additional information regarding the billing resolution process. Billing data sent to OIG on 9/26/2018. No new information requested as of 5/6/2020. |
|                         | Contractor Oversight                  | 4/11/2018  | An entrance letter was sent to SWB with the date of 4/11/2018; no further updates as of 5/6/2020.  |
|                         | Inventory                             | 4/11/2018  | Procurement sent info 5/22/18, 6/6/18, 6/13/18; no further updates as of 5/6/2020.   |
|                         | Internal Audit                        | 4/11/2018  | Final Report issued August 15, 2019  |
|                         | Procurement                           | 4/11/2018  | Procurement sent info 5/22/18, 6/6/18, 6/13/18; no further updates as of 5/6/2020  |
|                         | Safety                                | 4/11/2018  | An entrance letter was sent to SWB with the date of 4/11/2018; no further updates  |
|                         | General                               | 4/11/2018  | A number of documents have been requested and are being gathered; no further updates as of 5/6/2020  |
|                         | Administrative Hearings               | N/A        | Responses for Findings & Recommendations were provided by Legal and an Exit Interview conference call was held in May 15, 2020; awaiting final report  |
|                         | SWBNO & DPW                           | 2/1/2020   | Ongoing; James Annacone provided the OIG with SWB documentation in March 2020; Awaiting info from DPW but was put on hold due to the Cyberattack and Covid-19  |
| LLA                     | Billing-Cogsdale Implementation Audit | 7/16/2019  | Final Report issued March 2020   |
| P&N                     | CAFR                                  | 12/15/2019 | Ongoing; due June 30, 2020   |