*Welcome to LLA Reports, a podcast produced by the Louisiana Legislative Auditor’s office. This podcast is intended to be an oral representation of the written report it highlights and is primarily for the use of the Louisiana Legislature.*

This is Emily Dixon. I’m a manager for LLA’s Performance Audit Services. This episode of LLA Reports focuses on our new report titled “Timeliness of Vendor Payments.”

This report provides the results of our evaluation of the City of New Orleans’ vendor payment process.

We found the City cannot accurately determine how long it takes to pay vendors. While it generally pays invoices within 30 days after they are submitted into the Budget, Requisition, and Accounting Services System – or BRASS – the system does not capture the entire invoicing process.

For example, some invoices must be approved by the originating department before they can be submitted into BRASS. However, the City does not capture or monitor the timeliness of these approvals.

We also found the City’s Accounts Payable department can delete unprocessed invoices in BRASS, which limits the City’s ability to determine overall timeliness.

In addition, BRASS cannot produce an audit log that tracks deleted invoices. Allowing invoices to be deleted and then resubmitted may make it appear as if the City has met the 30-day requirement to pay some invoices when it has not.

We found, too, that contracting and purchase order delays prevent vendors from submitting invoices into BRASS, which leads to payment delays.

The City also does not track the timeliness of its contract and purchase order processes.

According to BRASS data, nearly 39,000 out of more than 164,000 invoices had purchase order dates after the invoice date, which may indicate that there was a delay in executing the contract or creating a purchase order. We identified at least six vendors whose contracts were executed more than 200 days after the effective date of the contract.

Additionally, we found the City should improve its communication with vendors to ensure they understand the invoicing process, the required forms and documentation, and how to contact the City with related issues.

The City also should better communicate with department staff to ensure they know the proper processes for contracting, invoicing, and using BRASS.

As a result of our report, we developed seven recommendations.

We recommended that the City include all department invoice approvals in BRASS so it can better track and monitor timeliness.

We also recommended that once the City begins collecting, tracking, and monitoring the full invoice process, it should identify the causes of delays, whether internal or external, and work to remedy them.

We recommended as well that the City not allow invoices in BRASS to be deleted. Instead, the invoices should be given a “cancelled” or “rejected” status.

In addition, we recommended that the City work with the BRASS database vendor to create reports to track and monitor the timeliness of its contract approvals and purchase orders.

We recommended, too, that the City develop a centralized channel for vendors to use to communicate with staff about invoice issues and that it continue to develop a policies and procedures manual for purchasing, accounts payable, and BRASS.

Finally, we recommended that the City ensure all departments’ internal policies and procedures are consistent and in line with the new manual.

As part of its response, which is included in the report as Appendix A, the City of New Orleans agreed with all seven of the recommendations.

*We hope you found this podcast informative, and that you’ll follow future episodes of LLA Reports.*

*This podcast was created as part of the audit report just discussed and is intended primarily for the use of the Louisiana Legislature. Both the full report and the podcast can be found on the LLA’s website at* [*www.lla.la.gov*](http://www.lla.la.gov)*.*

*Thank you for listening.*