



Report Highlights

Timeliness of Vendor Payments

City of New Orleans

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Audit Control # 40230027
Performance Audit Services • August 2024

Why We Conducted This Audit

We evaluated the City of New Orleans’ (the City) processes regarding accounts payable and vendor payments. Not paying vendors timely can result in fewer vendors that choose to conduct business with the City and bid on City projects, potentially affecting the quality, timeliness, and price of goods and services. We conducted this audit in response to New Orleans City Council Resolution No. R-23-404, which requested the Legislative Auditor conduct an audit and review of the City’s accounts payable and vendor payments.

What We Found

- **The City cannot accurately determine how long it takes to pay vendors. While the City generally pays invoices within 30 days after vendors submit invoices into BRASS, the system does not capture the entire invoicing process.** For example, some invoices must be approved by the originating department before vendors can submit the invoices into BRASS. However, the City does not capture or monitor the timeliness of these approvals.
- **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 that the City met the 30-day requirement to pay some invoices when it did not. The exhibit below shows the percentage of deleted invoices for a selection of vendors during fiscal years 2020 through 2024.

The City implemented **BRASS** as its critical financial infrastructure in June 2019.

Deleted Invoices for Example Vendors
Fiscal Years 2020 through 2024*

Vendor	Number of Invoices	Number Deleted	Percent Deleted
Vendor #1	135	22	16.3%
Vendor #2	64	9	14.1%
Vendor #3	509	32	6.3%
Vendor #4	499	19	3.8%

*As of April 25, 2024

Source: Prepared by legislative auditor’s staff using information from BRASS.

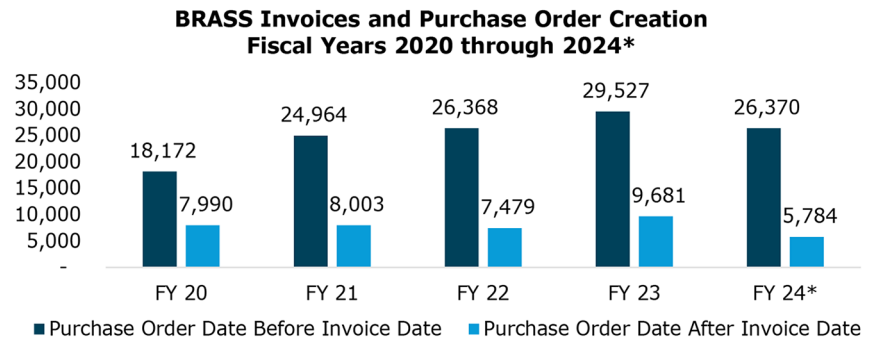
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What We Found (Cont.)

- Contracting and purchase order delays prevent vendors from submitting invoices into BRASS, which leads to delays in payment. The City does not currently track the timeliness of its contract and purchase order processes.** According to BRASS data, 38,937 (23.7%) of 164,338 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. The exhibit (right) shows the number of invoices that had a purchase order date after the invoice date during fiscal years 2020 through 2024.



*Fiscal year 2024 is through April 18, 2024.
Source: Prepared by legislative auditor's staff using data from BRASS.

The exhibit below shows examples of vendors with untimely contract approvals during fiscal years 2019 through 2024.

Examples of Untimely Contract Approvals Fiscal Years 2019 through 2024*				
Vendor Example	Effective Date	End Date	Contract Signed	Days from Effective Date to Signed Date
Vendor #1	7/1/2021	12/31/2022	2/14/2023	593
Vendor #2	4/16/2021	4/15/2023	10/31/2022	563
Vendor #3	1/1/2021	12/31/2021	3/22/2022	445
Vendor #4	9/27/2021	3/26/2023	10/20/2022	388
Vendor #4	9/27/2018	9/26/2020	9/6/2019	344
Vendor #4	9/27/2020	9/26/2021	8/5/2021	312
Vendor #5	6/1/2022	12/31/2023	3/27/2023	299
Vendor #6	7/8/2020	7/7/2021	2/2/2021	209

*As of April 26, 2024
Source: Prepared by legislative auditor's staff using information from BRASS.

- The City should improve communication with vendors to ensure clarity about its invoicing process, forms and documentation required by City departments, and how to contact the City with related issues.** In addition, the City should better communicate internally with its departments about the proper processes for contracting, invoicing, and using BRASS. Multiple vendors stated that invoicing the City is often a cumbersome process and that required forms sometimes changed without notice. Others have stated that BRASS is confusing to learn to use.