



625 St. Joseph Street
New Orleans, LA 70165
504.529.2837 or 52.WATER

September 10, 2025

The Audit Committee met on Wednesday, September 10, 2025, in the Executive Boardroom. The meeting convened at approximately 10:09 a.m.

Present

Director Tamika Duplessis PhD, Vice Chair
Director Tyler Antrup

Members Absent

Director H. Davis Cole, Chair
Director Amy Woodfin
Councilmember Freddie King III

PRESENTATION ITEMS

A. *Eisner Amper Annual Financial Statement Audit 2024*, presented by Brandy Smith, Partner – Eisner Amper

Ms. Smith provided an overview of the financials outlined within SWBNO's 2024 Annual Comprehensive Financial Report and the opinions and determinations issued by her firm thereof. SWBNO is required to have its financials audited each year by an independent, external auditor and subsequently submit its annual report to the Louisiana Legislative Auditor (LLA) each year accompanied by the auditor's opinion. Ms. Smith provided an unmodified or clean opinion, which means that EisnerAmper ("EA") determined that SWBNO's financial statements were materially correct in accordance with GAAP (Generally Accepted Accounting Principles).

Ms. Smith also stated that EA found no exceptions regarding any Statewide AUP's (Agreed-Upon Procedures), which are promulgated by LLA; nor any exceptions within SWBNO's Single Audit, which gauges compliance with Federal Grant Programs.

Ms. Smith did note that SWBNO had experienced incidents of theft over \$1,000 during the past year, which are required to be disclosed within EA's Management Letter.

B. 3rd Quarter Hazardous Chemical Handling Pay Audit Update - Chief Audit Executive, Ed Sutherland

Mr. Sutherland shared the audit results on the payment structure for Hazardous Chemical Handling Pay (HCHP), SWBNO's version of hazard pay. The audit was based on employee hours recorded from October 1, 2023 - September 30, 2024. The report was released in July 2025, and a response from management was received.

Mr. Sutherland discussed the departments where chemical pay is frequently used. Based on a 100 percentile, 90% of chemical pay is used by the water purification team, which mainly utilizes chlorine

Board of Directors: Hon. LaToya Cantrell, President, Hon. Freddie King III, Janet Howard, Chadrick Kennedy, Joseph Peychaud, Tamika Duplessis, PhD, Tyler Antrup, H. Davis Cole, Amy Woodfin, Kimberly Thomas, Courtney Scrubbs



625 St. Joseph Street
New Orleans, LA 70165
504.529.2837 or 52.WATER

and calcium oxide. The remaining 10% of chemical pay is used by the boiler room team, which handles sodium sulfate and sulfuric acid.

The objectives of the audit were to determine: 1) whether the recordation of employee hours for chemical pay is accurate and sufficiently supported; 2) whether chemical pay is utilized judiciously in accordance with established policies of SWBNO and Civil Service; 3) the adequacy and effectiveness of any applicable in-force directive controls; 4) whether chemical pay is used with the appropriate authorization, accountability, and oversight from divisional/departmental management; and 5) the overall efficiency of the utilization of hazardous chemical handling pay.

Mr. Sutherland shared the audit's finding and recommendations, including: 1) employees should receive formal authorization from management that they are eligible for chemical pay; 2) payroll tools and pay policies should be updated to reflect accurate rates of pay; 3) pay table configurations for HCHP codes should be updated to ensure accurate payment to employees; 4) employee work schedules should be modified so they are not continuously recording HCHP pay (instead of regular time); and 5) timesheets should be reconciled between HCHP logs and employee timesheets before submission.

The committee discussed the issues identified in each finding. Mr. Sutherland noted that the response from management on the recommendations was timely and adequate. The committee also offered suggestions to improving the process of the utility.

ACTION ITEMS

None.

PUBLIC COMMENT

None

ADJOURNMENT

There being no further business to come before the Audit Committee, Director Duplessis adjourned at approximately 10:40 a.m.