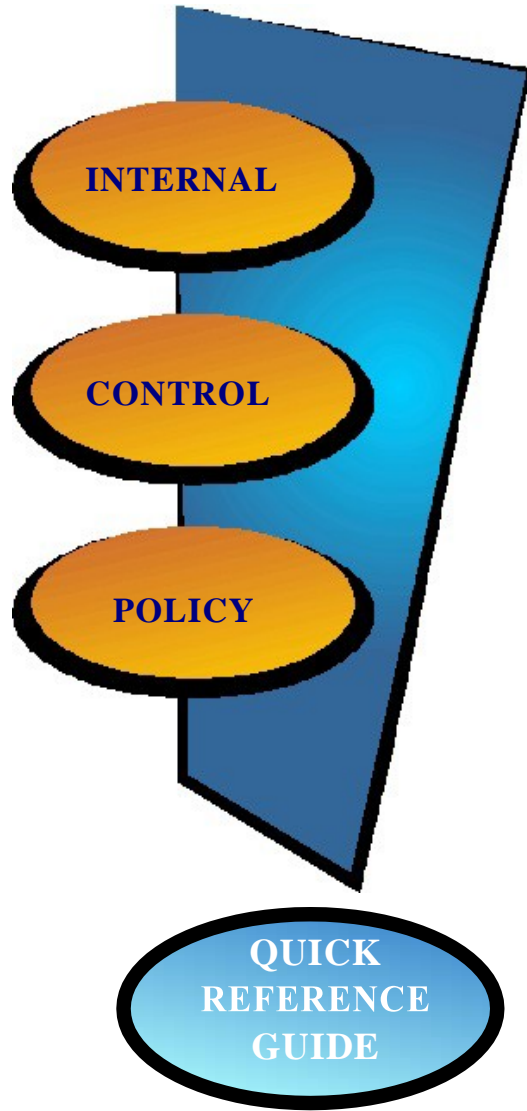


**BOARD OF COMMISSIONERS OF THE
PORT OF NEW ORLEANS**



**TO REPORT CONCERNS TO PORT OF N.O.
INTERNAL AUDIT - CALL 528-3330 OR VISIT ANY
INTERNAL AUDITOR. TO REPORT
ANONYMOUSLY, SEND THROUGH INTEROFFICE
MAIL OR CALL AFTER HOURS TO LEAVE
MESSAGE**

What is Internal Control?

Internal control includes everything an organization does to protect its:



- People
- Reputation
- Property
- Cash
- Equipment
- Information
- Ability to operate into the future

**Why Do We Need Internal Control?
What Can Happen?**

Losses can result from:

- Fire
- Flood
- Theft
- Fraud
- Waste
- Lawsuits
- Accidents and injuries
- Customer taking business elsewhere



What Can Controls Do?

Controls can:

- Increase revenue
- Save money
- Prevent accidents
- Deter fraud
- Detect problems
- Save information
- Correct errors
- Protect people and property



What Are Some Examples of Controls?

- Alarm systems
- Locks
- Safety shoes
- Instruction and training for employees
- Inventory counts
- Budgets
- Signatures on time sheets
- Independent reviews



What Are the Board's Control Objectives?

Objectives are broad statements of what management wants to achieve. Board management wants the following for the good of the Board:

BEST USE OF RESOURCES

(people, property, equipment, etc.)

- Do not waste money or time.
- Use the right property for the right reason.
- Get the job done right.



PROTECTION OF RESOURCES

- Protect the Board's property, equipment, and employees.
- Keep the Board's computers and information secure.



GOOD INFORMATION

- Produce information that is correct, helpful, and on time.



COMPLIANCE

- Follow policies, procedures, instructions, laws, rules, and regulations.



COMPLETION OF THE BOARD'S PLANS

- Help carry out the Board's long-term plans.



Who is Responsible for Internal Control?

Everyone is responsible:

- Management must plan and monitor controls.
- Employees must follow procedures for controls.



What Should Managers Do?

- Set a good example.
- Make sure that employees understand job responsibilities.
- Conduct risk reviews.
- Plan controls.
- Communicate objectives.
- Maintain open communication with employees.
- Monitor operations and activities.



What Should Employees Do?

Put forth a good effort

- Understand job responsibilities.
- Follow management's direction.
- Understand the reasons for controls and help the Board with its *control objectives*.



Do not just "walk away" from problems

- Tell supervisors about errors and problems.
- Report damages, safety hazards, etc.
- Correct errors and problems within lines of authority.



Be diligent on the job

- Be alert and watchful.
 - Be aware of risks that threaten operations and activities.
 - Suggest improvements.
 - Be aware of the Board's commitment to proper conduct and good internal control.
- Keep management informed.
 - Report suspected wrongdoing.



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