

Memorandum



CITY OF DALLAS

DATE: March 17, 2006

TO: Honorable Mayor and Members of the City Council

SUBJECT: Follow-up report of the September 23, 2005, Special Audit of the Accounts and Transactions of Former City Attorney, Madeleine Johnson.

We have conducted this follow-up under the authority of Chapter IX of the City Charter, City Council Resolution No. 920779, and performed it according to applicable government auditing standards.

Our objective was to determine whether the City Manager's Office, the City Attorney's Office, and the Chief Financial Officer implemented the audit's recommendations or taken other acceptable actions to remedy the control weaknesses identified in the original audit report.

The original audit report contained two findings with four recommendations. Management has implemented three recommendations, and one recommendation was not observed.

- 1. The Former City Attorney was over paid.** We Recommended that the Chief Financial Officer recover the overpayment and ensure that payouts are based on actual leave accruals and in accordance with City policies and procedures.

We found that:

- The City of Dallas has recovered, from former City Attorney Madeleine Johnson, all of the overpayments paid to her for leave accruals and retirement payments. Cash receipts from Madeleine Johnson payments have been deposited in the City of Dallas banking account. **(Implemented)**
- The City of Dallas payroll procedures have been amended to include additional controls. The Assistant Payroll Manager will identify final/lump sum payouts for executive level employees and set these aside for approval by the City Controller. **(Implemented)**

2. **The cost consideration related to the reappointment of the City Attorney was not accurate.** We Recommended that the City Manager ensure that resolutions note accurate cost considerations and that the City Attorney ensure that employment contracts are in compliance with established City Personnel rules.

- Resolutions that noted accurate cost considerations were not observed.
- We reviewed the City Attorney Agreement of Appointment, section X, other terms and conditions of employment, states that all provisions relating to personnel benefits, i.e., vacation, sick leave, etc., through the City Charter, City Code, and other regulations and rules of the City apply to the City Attorney appointee, Thomas P. Perkins, Jr. This provision requires compliance with established personnel rules. **(Implemented)**.

We appreciate management's cooperation in this follow-up.

Paul T. Garner

Paul T. Garner
Assistant City Auditor

c: Mary K. Suhm, City Manager
Dave K. Cook, Chief Financial Officer
Thomas P. Perkins, Jr., City Attorney