

# City Auditor Nominating Commission

Government Performance & Financial Management Committee  
August 6, 2018

Councilmember Jennifer S. Gates,  
GPFM Chair  
Mayor and City Council Office  
City of Dallas



# Background

- June 5: Mayor Rawlings informed Council of City Auditor Craig Kinton's decision to not seek another term (see p.11)
- June 18: City Auditor Craig Kinton gave a presentation to the GPFM Committee, which outlined the process to select a new City Auditor, including creating a five-member nominating commission
- June 21: My office sent a memo to Council detailing the criteria City Code requires of a nominating commission, and asked Council to submit suggestions for appointments



# Nominating Commission

- Nominating procedure requirements are codified in City Code, Chapter 2, Section 2-17.2
- Section (a) requires Council to appoint a five-member nominating commission meeting certain requirements:

## **Two members meeting the following qualifications:**

- One member selected by the Dallas Chapter/Texas Society of Certified Public Accountants' board of directors
- One member who is the regional director of the U.S. Government Accountability Office (or highest-ranking member of the Dallas division)

## **Three members meeting one of the following qualifications:**

- Managing partner in multi-national public accounting firm with an office in Dallas
- Chief Executive Officer/Chief Financial Officer/Chief Audit Executive of a publicly-traded company headquartered in Dallas County (\$1B annual revenue)
- Former Dallas Mayor or Councilmember
- Current or former Dallas City Auditor



# Changes to City Code Section 2-17.2

Since the Government Accountability Office declined to participate in the nominating commission due to potential conflicts of interest (see p.12), and we had difficulty finding potential commission members who met the qualifications, we recommend amending the code to:

1. Expand the pool for the one representative selected by the board of directors of the Dallas Chapter of a professional organization to include any organization experienced in accounting and auditing, such as the Texas Society of Certified Public Accountants, Institute for Internal Auditors, Information System Audit and Control Association, Inc., Financial Executives International, and Association of Government Accountants.
2. Delete the requirement that one member must be from the Dallas division of the Government Accountability Office.
3. Change the qualifications for potential members from multi-national, public accounting firms to include current and former managing or founding partners.



# Changes to City Code Section 2-17.2, cont.

4. Change the qualifications for potential members from publicly traded companies to include not only current, but also former CEOs/CFOs/CAOs, and reduce the annual revenue requirement from \$1 billion to \$500 million

Further, in 2-17.2 (f), we made changes to the Committee name to reflect the current title: “Government Performance and Financial Management”



# Nominating Commission Candidates

- **Ann Margolin**  
Former City of Dallas Councilmember  
Nominated by CMs Kingston and Gates
- **Tim Pike**  
Selected by the Dallas Chapter/Texas Society of Certified Public Accountants  
Nominated by CM Gates
- **Maxine Thornton**  
Former City of Dallas Councilmember  
Nominated by CM Felder
- **Kenneth Travis**  
Retired founding partner of Travis Wolff LLP  
Nominated by CM Gates
- **Michelle Vopni**  
Managing Partner in a multi-national public accounting firm (EY)  
Nominated by CM Gates



# Requirements of nominating commission

- Meet within 15 days of appointment
- Nominate one or more candidates to City Council within 180 days of first meeting
- Serve until the City Council accepts a candidate



# Requirements of City Council

- Accept one candidate or reject all within 30 days of receipt of nomination
- Immediately notify the nominating commission if candidates are rejected





# Next Steps

- GPFM Committee recommends nominating commission candidates on August 6
- City Council to amend proposed changes to City Code Chapter 2, Section 2-17.2 to address GAO conflict-of-interest issue on August 22
- Commission candidates presented to City Council for approval on August 22
- City Council will name interim City Auditor on August 22, effective September 28 (see p.13)



# Appendix

1. Page 11: Mayor Rawlings' memo
2. Page 12: GAO/Hilary Sullivan conflict email
3. Page 13: Craig Kinton's memo

