

# Memorandum



CITY OF DALLAS  
(Report No. A16-005)

DATE: January 22, 2016

TO: Honorable Mayor and Members of the City Council

SUBJECT: Special Audit of the Accounts of Six Former City Council Members<sup>1</sup>

The Office of the City Auditor (Office) completed the *Special Audit of the Accounts of Six Former City Council Members* (Special Audit) regarding the former City of Dallas (City) Council Members whose terms expired on June 23, 2015. This Special Audit verified whether the City and/or former City Council Members Jerry Allen, Tennell Atkins, Dwaine Caraway, Carolyn Davis, Vonciel Jones-Hill, and Sheffield Kadane properly:

- Controlled and accounted for any City assets assigned to and/or purchased with City funds by the former City Council Members
- Removed the former City Council Members as authorized agents of the City
- Ensured the former City Council Members did not have any outstanding debts owed to the City

## Special Audit

Upon the death, resignation, removal, or expiration of the term of any officer of the city, other than the city auditor, the city auditor shall cause an audit and investigation of the accounts of such officer to be made and shall report to the city manager and the council. If, as a result of any such audit, an officer is found to be indebted to the city, the city auditor, or other person making such audit, shall immediately give notice of such indebtedness to the council, the city manager, and the city attorney, and the city attorney shall, as directed by the city council, proceed to collect such indebtedness.

Source: City Charter Chapter IX, Section 4

The Office found that the City continues to have difficulties consistently following appropriate procedures to meet these objectives. As a result, certain City policies and

<sup>1</sup> This audit was conducted under the authority of the City Charter, Chapter IX, Sections 3 and 4 and in accordance with the Fiscal Year 2015 Audit Plan approved by the Dallas City Council. The audit objectives are listed above. The audit scope included Fiscal Year (FY) 2014 and FY 2015; however, certain other matters, procedures, and transactions outside that period were reviewed to understand and verify information during the audit period. This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. To achieve our objectives, we interviewed Mayor and City Council staff and performed additional audit procedures to verify: (1) items assigned to and/or purchased with City funds, were properly controlled and accounted for; (2) the former City Council Members' information technology system and City building access were revoked; and, (3) final payments to the former City Council Members were accurate and that no debts were owed.

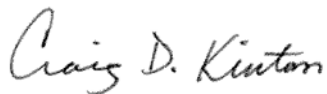
procedures were not always followed, outstanding debts were owed to the City, and compliance exceptions reported in prior Special Audits still exist (see Attachment I). Attachment II contains additional details regarding compliance exceptions related to the purchase and disposition of City assets.

We recommend the City Manager improves compliance with City policies and procedures by implementing the recommendations shown in Attachment I of this report.

Please see Attachment III for Management's Response.

We appreciate the cooperation we received from City management during the conduct of this audit. If you have any questions or need additional information, please contact me at 214-670-3222 or Carol Smith, First Assistant City Auditor, at 214-670-4517.

Sincerely,



Craig D. Kinton  
City Auditor

#### Attachments

C: A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Rosa Rios, City Secretary  
Jeanne Chipperfield, Chief Financial Officer  
William Finch, Director – Department of Communication and Information Services  
Michael Frosch, Director – Department of Business Development and Procurement Services  
Molly McCall, Director – Department of Human Resources  
Jo M. (Jody) Puckett, P.E., Director – Department of Dallas Water Utilities  
Edward Scott, City Controller  
Errick Thompson, P.E., Director – Department of Equipment and Building Services  
Elsa Cantu, Assistant to the City Manager – City Manager's Office

### Compliance Requirements

The information below shows the specific compliance requirements evaluated by the Office of the City Auditor (Office), a summary of the compliance exceptions, whether or not the same exception was noted in a prior Special Audit, and the Office’s recommendations. For additional details regarding compliance exceptions related to the purchase and disposition of City assets, please see Attachment II.

Compliance Requirements Evaluated	Evaluation Results	Exception Noted in a Prior Special Audit	Recommendation
<p>1. Verified the six former City Council Members complied with the City of Dallas (City) policies and procedures related to the “off-boarding” process for an individual leaving City employment.</p>	<p><b>Compliance exception noted</b></p> <p>The Mayor and City Council (MCC) staff submitted Electronic Termination Notification Forms two days after the termination date of all six former City Council Members. As a result, departments with “off-boarding” process responsibilities, such as restricting terminating employees’ access to City buildings and computer systems and processing final paychecks, did not receive timely notification to ensure these responsibilities were fulfilled.</p> <p>The Department of Human Resources (HR) procedures require departments with individuals leaving City employment to notify the departments involved in the “off-boarding” process two weeks in advance of the individuals’ scheduled termination date.</p>	<p>Yes</p>	<p>I. We recommend the City Manager ensures the MCC staff follow HR’s procedures by completing and submitting the Electronic Termination Notification Forms no later than two weeks prior to the scheduled termination date of former City Council Members.</p>

**Special Audit of the Accounts of Six Former City Council Members**

Compliance Requirements Evaluated	Evaluation Results	Exception Noted in a Prior Special Audit	Recommendation
<p>2. Verified the City and/or the six former City Council Members controlled and accounted for any City assets assigned to, and/or purchased with City funds.</p>	<p><b>Compliance exception noted</b></p> <p>Limited documentation exists for the issuance and return of City-owned personal property considered high-risk for loss or theft (i.e., cell phones, tablets, and other electronic equipment). As a result, the auditor was unable to verify the City and/or the six former City Council Members controlled and properly accounted for all City assets assigned to and/or purchased with City funds.</p> <p>Administrative Directive (AD) 6-1, <i>Control of City Property</i>, requires Department Directors to establish and maintain adequate internal controls and security for all personal property charged to the department (especially for items that do not meet the City’s fixed asset criteria of \$1,000).</p>	Yes	<p>II. We recommend the City Manager ensures the MCC staff develops and uses a “Chain of Custody” form to document all City property issued to and returned by City Council Members.</p> <p>III. We recommend the City Manager ensures the MCC staff keep detailed records for purchases of personal property considered high-risk for loss or theft, for example: cell phones, tablets, and other electronic equipment.</p>
<p>3. Verified the City and/or the six former City Council Member’s complied with the City’s AD 4-15, <i>Purchasing Card Policy and Procedures</i>.</p>	<p><b>Compliance exception noted</b></p> <p>One former City Council Member’s staff used the Purchasing Card (P-Card) to buy two external computer hard drives from local retail stores instead of using the City’s Master Services Agreement (price agreement) as required by the City’s P-Card policy. In addition, another former City Council Member purchased an external computer hard drive with personal funds and was reimbursed by the City. As a result, the City might have missed the advantages of discounts through the price agreement.</p> <p>The AD 4-15, PROCEDURES 6.3 specifically prohibits the use of the P-Card to purchase items available on price agreement.</p>	No	<p>IV. We recommend the City Manager ensures MCC staff consistently follow AD 4-15.</p>



**Special Audit of the Accounts of Six Former City Council Members**

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<b>Compliance Requirements Evaluated</b>	<b>Evaluation Results</b>	<b>Exception Noted in a Prior Special Audit</b>	<b>Recommendation</b>
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(Note: Neither the City Code-Chapter 12A Code of Ethics, nor the Mayor and City Council's rules address the sale of personal property to former City Council Members or donations to external parties).

The AD 6-1 requires Department Property Coordinators to arrange for the transfer of surplus personal property to other City departments as requested and the disposal of surplus personal property not needed by other City Departments. The AD, however, does not specifically allow or preclude donations or transfers to external parties. The AD 6-1 also requires BDPS to dispose of surplus personal property in the best interest of the City by sealed bid, public auction, or posted price.

The BDPS-PRO-501, BDPS' internal procedure, requires City Store staff to inventory items received, determine the value, and sell through online auction, the City Store, or on eBay. If the property is not sold, the Store Manager should consider recycling the item.

**Special Audit of the Accounts of Six Former City Council Members**

Compliance Requirements Evaluated	Evaluation Results	Exception Noted in a Prior Special Audit	Recommendation
<p>5. Verified the six Former City Council Members did not have any outstanding debts owed to the City.</p>	<p><b>Compliance exceptions noted</b></p> <p>Upon departing from service on June 23, 2015:</p> <ul style="list-style-type: none"> <li>• Former City Council Member Tennell Atkins had a past due Department of Dallas Water Utilities (DWU) account. The bill was due on June 16, 2015. As a result, the Council Member left office indebted to the City for \$156.44. This debt was paid on July 30, 2015.</li> <li>• Former City Council Member Vonciel Jones-Hill had a past due DWU account. The bill was due on June 16, 2015. As a result, the former City Council Member left office indebted to the City for \$58.74. This debt was paid on July 3, 2015.</li> <li>• Former City Council Member Sheffield Kadane had personal property taxes in arrears. As a result, the former City Council Member left office indebted to the City for \$837.14 (excluding penalties, interest, and additional collection costs). This debt is still outstanding.</li> </ul> <p>City Charter Chapter IX, Section 4 states: <i>"If, as a result of any such audit, an officer is found to be indebted to the city, the city auditor, or other person making such audit, shall immediately give notice of such indebtedness to the council, the city manager, and the city attorney, and the city attorney shall, as directed by the city council, proceed to collect such indebtedness."</i></p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>	<p><b>VII.</b> We recommend the City Manager continues to identify and formally inform City Council Members, prior to their departure, of any indebtedness to the City.</p> <p><b>VIII.</b> We recommend the City Attorney attempts to collect the outstanding debt owed by the former City Council Member.</p>
<p>6. Verified the six former City Council Members complied with the City Charter requirement to attend no less than 90 percent of City Council Committee and City Council Meetings.</p>	<p><b>No exceptions noted</b></p>	<p>No</p>	

**Special Audit of the Accounts of Six Former City Council Members**

Compliance Requirements Evaluated	Evaluation Results	Exception Noted in a Prior Special Audit	Recommendation
7. Verified the six former City Council Members complied with AD 2-51, <i>Records Management</i> .	<b>No exceptions noted</b>	No	
8. Reviewed Final Payroll Payment detail.	<b>Compliance exception noted</b>  The HR does not have a formal policy for establishing the number of days in a work week for the Mayor and City Council Members. As a result, the former City Council Members received 3.2 hours less pay than the former City Council Members departing in June 2013. The HR's calculation for former City Council Members final pay is inconsistent. The last pay period for the six former City Council Members ended on Tuesday, June 23, 2015; however, their last workday was Monday, June 22, 2015. In order to calculate this one day reduction in pay, HR used an 11.2 hour day and a five-day work week. In contrast, when the previous former City Council Member's term(s) ended in June 2013, their final pay was calculated based on an eight-hour day and a seven-day work week.  Although the City's standard work week is the seven-day period from Wednesday through Tuesday, AD 3-56, <i>Payroll Processing and Procedures</i> , allows for a defined schedule based on the employee's specific work schedule.	No	<p><b>IX.</b> We recommend the Director of HR establishes a policy that specifies the work week of Mayor and City Council Members so a consistent guide will be used in case of any payroll deductions in the future.</p> <p><b>X.</b> We recommend the Director of HR consults with the Chief Financial Officer to determine whether the former City Council Members should receive the additional 3.2 hours of final pay.</p>



**Special Audit of the Accounts of Six Former City Council Members**

Compliance Requirements Evaluated	Evaluation Results	Exception Noted in a Prior Special Audit	Recommendation
<p>9. Verified the return of City issued Identification (ID) Badges and Parking Decals as required by AD 2-4, <i>Identification and Access Badge and Restricted Areas Policy</i>.</p>	<p><b>Compliance exceptions noted</b></p> <ul style="list-style-type: none"> <li>The MCC staff reported lost City-issued ID badges on the Termination Action Forms for former City Council Members Atkins and Caraway. Both ID badges were deactivated in the building access system; thus, the badges could not be used to access City buildings through electronically controlled access points. The risk, however, is increased that an unauthorized person could gain access to a City building by presenting the ID badge as valid.</li> <li>The MCC staff collected a City issued Parking Decal two days after the departure of former City Council Member Caraway. The Parking Decal for former City Council Member Atkins was reported as lost. Parking Decals for former City Council Members allow free parking at all City parking meters and at Dallas Love Field airport parking. As a result, Parking Decals could be used throughout the City without valid authorization.</li> </ul> <p>The AD 2-4 requires Department Directors to ensure that all identification/access badges from terminating employees are retrieved and returned to HR.</p>	<p>Yes</p> <p>Yes</p>	<p>XI. We recommend the City Manager ensures MCC staff timely collect City-issued ID badges and Parking Decals prior to the departure of former City Council Members and submit these items with the Termination Action Form.</p>
<p>10. Verified the deactivation of access codes to all Information Systems.</p>	<p><b>No exceptions noted</b></p>	<p>No</p>	
<p>11. Verify MCC's compliance with AD 4-9, <i>Internal Control</i>.</p>	<p><b>No exceptions noted</b></p>	<p>Yes</p>	

**Additional Details on Identified Issues**

As discussed in Attachment I, the City of Dallas (City) sold personal property to some former City Council Members without following proper City policies and procedures. Items were sold as surplus without attempts to transfer, auction, or sell the items at the City Store. The following tables detail the items sold as surplus to the former City Council Members and miscellaneous items not purchased in accordance with the City’s procurement guidelines.

Table I

**Items Sold as Surplus to Former City Council Member Dwaine Caraway**

<b>Item Purchased</b>	<b>Invoice or Purchase Order Date</b>	<b>Item Age in Months (as of June 23, 2015)</b>	<b>Initial Purchase Price</b>	<b>Cost to Former City Council Member</b>
Tropical Green Granite Desktop	01/10/2014	17	\$ 2,016.00	\$ 162.37
55-Inch Smart TV	01/29/2014	17	1,750.00	216.50
Side Chair	01/08/2015	6	317.05	21.65
Two Guest Chairs	No information available	No information available	625.60	27.06
Vinyl Executive Chair	No information available	No information available	628.80	32.48
Two Sets of Small Tables and Bar Stools	09/14/2011	45	413.96	64.96
iPhone 6 Plus	No information available	No information available	No information available	360.00
Glass Cabinet Hutch	No information available	No information available	No information available	21.65
<b>TOTALS</b>			<b>\$ 5,751.41</b>	<b>\$ 906.67</b>

Table II

Items Sold as Surplus to Former City Council Member Sheffield Kadane

Item Purchased	Original Date of Purchase	Item Age in Months (as of June 23, 2015)	Initial Purchase Price	Cost to Former City Council Member
MacBook Pro	08/26/2013	22	\$ 2,199.00	\$ 1,000.00
Microsoft Office For Mac	08/26/2013	22	139.99	Included in price above
Apple USB Super Drive	08/26/2013	22	79.00	Included in price above
Apple Care Protection Plan	08/26/2013	22	249.00	Included in price above
One to One Membership	08/26/2013	22	99.00	Included in price above
Smart Shell and Slip Cover	10/09/2013	20	129.90	Included in price above
iPad 4G 64GB	No information available	No information available	No information available	No information available
iPad 3 64GB	No information available	No information available	No information available	80.00
<b>TOTALS</b>			<b>\$ 2,895.89</b>	<b>\$ 1,080.00</b>

Table III

Items Sold as Surplus to Former City Council Members Jerry Allen and Vonciel Jones-Hill

Former City Council Member	Item Purchased	Date Originally Purchased	Age in Months	Initial Purchase Price	Cost to Former City Council Member
Allen	iPad 3	No information available	No information available	No information available	No information available
Jones-Hill	BlackBerry	No information available	No information available	No information available	\$ 25.00
<b>TOTALS</b>					<b>\$ 25.00</b>

Table IV

Miscellaneous Items Not Purchased In Accordance with the City's Procurement Guidelines

Item Purchased	Original Purchase Date	Item Age in Months	Initial Purchase Price	Comments
<i>Item Not Purchased in Accordance with P-Card Policy</i>				
Two external hard drives purchased by former City Council Member Caraway	05/28/15 and 06/01/2015	1	\$ 123.00	Not located
<b>TOTALS</b>			\$ 123.00	
<i>Other Items Purchased</i>				
One external hard drive purchased by former City Council Member Kadane	01/10/2014	17	74.99	Not located
One projector system purchased by former City Council Member Kadane	10/09/2014	8	\$ 1,786.00	Donated to a tax exempt non-profit organization (501c3), then transferred to the Dallas Police Department
<b>TOTALS</b>			\$ 1,860.99	

## Management's Response

### Memorandum

RECEIVED

JAN 15 2016

City Auditor's  
Office



DATE: January 14, 2016  
TO: Craig D. Kinton, City Auditor  
SUBJECT: Response to Audit Report:  
Special Audit of the Accounts of Six Former City Council Members

Our responses to the audit report recommendations are as follows:

#### Recommendation I

We recommend the City Manager ensures the MCC staff follow HR's procedures by completing and submitting the Electronic Termination Notification Forms no later than two weeks prior to the scheduled termination date of former City Council Members.

#### Management Response / Corrective Action Plan

Agree  Disagree

A system is currently in place to process terminating employees through the use of the ETNF online form. When information is entered, the ETNF generates an email to the Manager/Supervisor immediately after submitting the terminating employee's information, confirming the information was successfully submitted. An error was made when staff attempted to complete the ETNF form. Going forward, a dual checklist will be developed for MCC and CMO staff to ensure the timely termination and notification to all appropriate departments responsible for completing the separation activities necessary to process terminating employees.

#### Implementation Date

June 30, 2017

#### Responsible Manager

Assistant to the City Manager, Mayor and Council Office  
Assistant to the City Manager, CMO

**Recommendation II**

We recommend the City Manager ensures the MCC staff develops and uses a "Chain of Custody" form to document all City property issued to and returned by City Council Members.

**Management Response / Corrective Action Plan**

Agree  Disagree

In the interest of providing more accountability for the City-owned personal property considered high-risk for loss or theft (i.e., cell phones, tablets, and other electronic equipment) issued to the City Council Members, the City Manager will ensure that MCC staff develops a "Chain of Custody" form or similar receipting form to document and acknowledge the issuance and return for the City-owned personal property considered high-risk for loss or theft.

**Implementation Date**

June 30, 2017

**Responsible Manager**

Assistant to the City Manager, Mayor and Council Office

**Recommendation III**

We recommend the City Manager ensures the MCC staff keep detailed records for purchases of personal property considered high-risk for loss or theft, for example: cell phones, tablets, and other electronic equipment.

**Management Response / Corrective Action Plan**

Agree  Disagree

Purchase records were maintained on a decentralized basis; however, the City Manager will ensure the MCC staff keep centralized records for purchases of personal property considered high-risk for loss or theft, for example: cell phones, tablets, and other electronic equipment.

**Implementation Date**

Assistant to the City Manager, Mayor and Council Office

**Responsible Manager**

June 30, 2017

**Recommendation IV**

We recommend the City Manager ensures MCC staff consistently follow AD 4-15.

**Management Response / Corrective Action Plan**

Agree  Disagree

On June 20, 2014, additional flexibility was afforded the City Council Members to meet desired purchasing objectives of an expedited process for purchasing small dollar items with a purchasing credit card (P-Card) issued to City Council Members or their assistants. BDPS will revise Administrative Directive 4-15 to clarify the prohibited purchases section.

BDPS provides user training to all purchasing card holders prior to issuance of their credit card. Additionally, BDPS provides mandatory training to all purchasing card holders on an annual basis.

**Implementation Date**

December 31, 2016

**Responsible Manager**

Assistant Director, BDPS

**Recommendation V**

We recommend the City Manager works with the Mayor and City Council Members to determine whether the City's Code of Ethics and the Mayor and City Council's rules should be amended to: (1) clarify the circumstances under which a former City Council Member may purchase items assigned to them during their term(s); (2) determine an appropriate method for establishing the value of the items and documenting the sale price; and, (3) clarify the circumstances under which City equipment can be donated or transferred to external entities.

**Management Response / Corrective Action Plan**

Agree  Disagree

Consideration of possible changes to the City's Code of Ethics and/or the Mayor and City Council's Rules of Procedure are a planned topic of discussion for February 2016. .

BDPS and the City Controller's Office will work to revise the procedures associated with the control and disposal of city property to provide clarity and updates.

Business Development & Procurement Services (BDPS) is responsible for disposing property deemed surplus by City departments. The property referenced in the audit report was deemed surplus by Equipment and Building Services (EBS) in accordance with BDPS' written procedures. As part of this procedure, BDPS priced the property based on its condition, market value and like item comparisons conducted through internet searches. BDPS concluded that it would be more advantageous to the City to sell the property to interested parties due to the immediate opportunity of obtaining the

full asking price with minimal staff involvement and no additional cost to move the property to the City Store.

The Dallas City Code Sec. 2-37.9 provides a list of staff that are not eligible to purchase property from the City. The list includes the following: City employees who work in the city manager's office or in the department designated by the city manager to enforce and administer this article and the person who determines that the property is surplus, obsolete, worn out, or useless. The list does not include elected officials.

**Implementation Date**  
December 31, 2016

**Responsible Manager**  
Chief Financial Officer

**Recommendation VI**

We recommend the MCC staff works with the Director of the Department of Communication and Information Services (CIS) to ensure electronic devices are transferred for City use or uses the e-Cycle buy-back program for all wireless devices.

**Management Response / Corrective Action Plan**  
Agree  Disagree

Pending the City Council's determination on Recommendation V, MCC staff will work with CIS to ensure electronic devices are transferred for City use or it will use the e-Cycle buy-back program for all wireless devices.

**Implementation Date**  
June 30, 2017

**Responsible Manager**  
Assistant to the City Manager, Mayor and Council Office

**Recommendation VII**

We recommend the City Manager continues to identify and formally inform City Council Members, prior to their departure, of any indebtedness to the City.

**Management Response / Corrective Action Plan**  
Agree  Disagree

The Chief Financial Officer conducted a review of all departing Councilmembers' accounts in February, 2015 and delivered a written memo stating the current results to each departing council member to give them an opportunity to remedy any outstanding items and to ensure they were aware of the upcoming audit. Additionally, the CFO periodically and upon request reviews City Council meeting attendance to test the

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compliance with the Charter's attendance requirement for council members. Any deficiencies are communicated to the councilmember.

The CFO will continue to conduct regular reviews and provide notification to council members.

**Implementation Date**  
NA

**Responsible Manager**  
Chief Financial Officer

**Recommendation IX**

We recommend the Director of HR establishes a policy that specifies the work week of Mayor and City Council Members so a consistent guide will be used in case of any payroll deductions in the future.

**Management Response / Corrective Action Plan**  
Agree  Disagree

The Director of HR will work, in conjunction with the City Attorney's Office, to establish a standard work week for the Mayor and City Council Members and present a recommendation to the City Manager. After which, a policy will be drafted and presented to the Dallas City Council for approval.

**Implementation Date**  
June 30, 2017

**Responsible Manager**  
Director of Human Resources

**Recommendation X**

We recommend the Director of HR consults with the Chief Financial Officer to determine whether the former City Council Members should receive the additional 3.2 hours of final pay.

**Management Response / Corrective Action Plan**  
Agree  Disagree

The Director of HR will determine whether the former City Council Members should receive the additional 3.2 hours of final pay and notify the City Controller's Office to pay the hours if needed.

**Implementation Date**  
February 29, 2016

**Responsible Manager**  
Director of Human Resources

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**Recommendation XI**

We recommend the City Manager ensures MCC staff timely collect City-issued ID badges and Parking Decals prior to the departure of former City Council Members and submit these items with the Termination Action Form.

**Management Response / Corrective Action Plan**

Agree  Disagree

A staff meeting was held on June 5, 2015, with Council staff to go over the procedures for termination of outgoing Council members. Staff was advised that IDs and Parking Decals would be collected upon termination. Additionally, the City Auditor sent out a memo to City Council on May 11, 2015, informing them of the Special Audit to be conducted on outgoing Council members, per City Charter.

City-issued ID Badges and Parking Decals were collected for the majority of outgoing Council members and submitted with the Termination Action Forms. All IDs, including those that were lost were deactivated by Equipment and Building Services on June 23, 2015.

MCC Staff will conduct periodic inventories on ID Badges and Parking Decals to ensure full compliance for collecting the items prior to departure of former Council members.

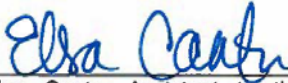
**Implementation Date**

June 30, 2017

**Responsible Manager**

Assistant to the City Manager, Mayor and Council Office

Sincerely,



Elsa Cantu, Assistant to the City Manager  
Mayor and City Council Office



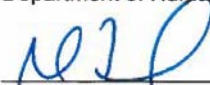
Jeanne Chipperfield  
Chief Financial Officer



Molly Carroll, Director  
Department of Human Resources



A.C. Gonzalez  
City Manager



Mike Frosch  
Director, Business Development & Procurement Services

**Memorandum**

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JAN 21 2016

City Auditor's  
Office



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DATE: January 21, 2016  
TO: Craig D. Kinton, City Auditor  
SUBJECT: Response to Audit Report:  
Special Audit of the Accounts of Six Former City Council Members

Our responses to the audit report recommendations are as follows:

**Recommendation VIII**

We recommend the City Attorney attempts to collect the outstanding debt owed by the former City Council Member.

**Management Response / Corrective Action Plan**

Agree  Disagree

The City has a contract with Dallas County to collect property taxes owed to the City and, in turn, the County has a contract with the Linebarger law firm to collect property taxes owed to the City. Our office will contact the former Council Member and request that the property taxes be paid. If the former Council Member does not do so in a reasonable time, we will refer the matter to the Linebarger firm for collection.

**Implementation Date**

February 1, 2016 to contact the Council Member.  
March 1, 2016 to refer the matter to the Linebarger firm if necessary.

**Responsible Manager**

Chris Bowers, First Assistant City Attorney

Sincerely,

  
Warren M.S. Ernst  
City Attorney

c: A.C. Gonzalez, City Manager

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