



Memorandum

To: Mayor Lewis Rosen, CM Cornelia Banks, CM Terrilyn Tarlton, CM Rusty Legg, CM Elizabeth Beeton, CM Norman Pappous and CM Marie Robb

CC: Michael Kovacs

From: City Auditor's Office

Date: 7/14/2021

Re: City Department Purchase of Chairs

The City Auditor received a call on the Fraud Hotline that (1.) extravagant chairs were being purchased by Staff for \$600 a piece and many other items were being purchased that were not needed for the city and but were being purchased for personal use. (2.) Also, that these chairs were being purchased out of one department's budget for another department without proper approval.

#1: The City Auditor investigated issue #1 and found no errors or irregularities. The Finance Director does not have a problem with the cost of these chairs.

#2: One department did purchase a chair for another department. However, The Finance Director does not feel that Council Approval was needed for this or a Budget Transfer Form was needed for this. Her reasoning is that the employees co-habitated in the same office and shared resources such as office supplies, a conference table, a copy machine, copy paper, etc. She also referred to Section VII – Subsection 9 of the City Code which includes "The City Manager shall have the authority, without Council approval, to transfer appropriation, balances, from one expenditure account to another within a single office, department, or agency of the City.