

# Memorandum



CITY OF DALLAS

DATE October 12, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Results of U.S. Department of Housing and Urban Development's Quality Control Review of the City of Dallas, Texas for the fiscal years ended September 30, 2016 and September 30, 2017**

As you may recall the City was notified earlier in the year that we had been selected for a Housing and Urban Development (HUD) Quality Control Review. HUD notified the City that they would be performing an audit of Grant's Thornton's audits for the fiscal years ended September 30, 2016 and September 30, 2017.

On October 5, 2018, Grant Thornton, LLP received a letter from HUD stating that they had completed their Community Planning and Development Quality Control Review of the related audits Grant Thornton, LLP performed for the fiscal years ended September 30, 2016 and September 2017.

I am happy to report that the results of HUD's Quality Control Review agreed with Grant Thornton, LLP's findings. Specifically, HUD found that Grant Thornton's major program determination complied with the Uniform Guidance and their audit procedures were in substantial compliance with applicable Community Planning and Development Compliance Supplement requirements.

This is great news that I wanted to share with you. Please let me know if you have any questions.

A handwritten signature in blue ink that reads "M. Elizabeth Reich".

M. Elizabeth Reich  
Chief Financial Officer

Attachment

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney (Interim)  
Carol A. Smith, City Auditor (Interim)  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Kimberly Bizzor Tolbert, Chief of Staff to the City Manager

Majed A. Al-Ghafry, Assistant City Manager  
Jon Fortune, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Nadia Chandler Hardy, Assistant City Manager and Chief Resilience Officer  
Directors and Assistant Directors

**U.S. Department of Housing and Urban Development**

Potomac Center South  
550 12th Street SW  
Suite 100  
Washington, D.C. 20410



OFFICE OF PUBLIC AND INDIAN HOUSING  
REAL ESTATE ASSESSMENT CENTER

October 5, 2018

Mr. Dan Barron, Partner  
Grant Thornton, LLP  
1717 Main Street, Suite 1800  
Dallas, TX 75201  
E-mail: Dan.Barron@US.GT.com

Dear Mr. Barron:

At the request of the U.S. Department of Housing and Urban Development's (HUD) Office of Community Planning and Development (CPD), personnel from the Office of Public and Indian Housing – Real Estate Assessment Center (REAC) have completed a CPD Quality Control Review (QCR) of the City of Dallas, Texas audits for fiscal years ended September 30, 2016 and September 30, 2017 performed by Grant Thornton, LLP (the Firm).

The objectives of this CPD QCR were to determine whether the Firm:

- correctly applied the Uniform Guidance in identifying major federal programs for its compliance audit; and
- documented and performed adequate audit procedures to address the audit objectives in the OMB Compliance Supplement for the CPD federal programs.

Based on the CPD QCR procedures performed, it is HUD's position that the Firm's major program determination complied with the Uniform Guidance and the Firm's audit procedures were in substantial compliance with applicable CPD Compliance Supplement requirements.

Thank you for your cooperation during this review. If you have any questions regarding our process, please contact Robert Nguyen at (202) 631-6166 or myself at (404) 229-8952.

Sincerely,

A handwritten signature in cursive script that reads "Deborah Fox".

Deborah Fox  
Supervisory Auditor  
HUD/PIH/REAC  
Financial Quality Assurance