

# Memorandum



CITY OF DALLAS

DATE April 10, 2026

TO Honorable Mayor and Members of the Dallas City Council

SUBJECT **Audit Report Release - Audit of Cultural Programs**

On April 6, 2026, the Office of the City Auditor published an Audit of Cultural Programs which involved the primary cultural support programs administered by the Office of Arts and Culture. The audit findings include management responses to the results and recommendations as well as the City Manager's response memo.

The Office of Arts and Culture (OAC) acknowledges the work of the City Auditor's Office and embraces the opportunity to strengthen internal processes that enhance effective stewardship of public dollars. OAC is proud of the lasting, positive impact cultural funding makes in communities across Dallas, and remains committed to ensuring that these investments meet both the spirit and the letter of state law.

It is important to clarify that OAC has consistently worked to ensure that Hotel Occupancy Tax (HOT)-supported activities align with eligibility requirements and established guidelines, as the City Manager's Office affirmed in its official acknowledgement of the audit. OAC's existing practices, built on longstanding state and industry guidance, professional expertise, and routine performance reporting, have supported effective oversight for many years. State and industry guidance include an Memorandum of Understanding between the Texas Hotel and Lodging Association (THLA) and Texans for the Arts (TFA) titled [Local Hotel Tax Funding of the Arts by Texas Cities](#), and the TFA's [HOT Toolkit](#). The audit report highlights that while these practices are in place, the auditors recommended a formalized and documented standardized process that they find better demonstrates compliance with state law requirements.

To that end, the OAC has agreed to all five of the audit's recommendations. OAC is already working closely with the City Manager's Office to implement improvements, including:

- Implementing an already developed OAC specific HOT Eligibility Framework to formalize how expenditures are evaluated and documented.
- Creating standardized documentation practices to help recipients demonstrate HOT eligibility.
- Implementing a risk based monitoring approach, reinforcing written procedures, and strengthening completion report requirements.
- Revising program guidelines and contract templates to clarify expectations for financial documentation such as labor invoices and material receipts.
- Enhancing final performance reviews to ensure alignment between budgets, expenditures, and deliverables.

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OAC is committed to strengthening accountability, improving documentation, and building the administrative capacity necessary to meet these new expectations while continuing to support artists and cultural organizations in ways that are realistic and respectful of how creative work happens in practice.

Dallas' cultural ecosystem is one of our greatest civic strengths. We will continue working every day to uphold the public trust and ensure that the arts remain a source of pride, access, and opportunity across our city.

If you have questions, please feel free to contact me or Martine Philippe, Director of the Office of Arts and Culture.

Service First, Now!



**M. Elizabeth (Liz) Cedillo-Pereira**  
Assistant City Manager

c: Kimberly Bizer Tolbert, City Manager  
Tammy Palomino, City Attorney  
Mamatha Sparks, City Auditor (I)  
Biliera Johnson, City Secretary  
Preston Robinson, Administrative Judge  
Baron Eliason, Inspector General (I)  
Dominique Artis, Chief of Public Safety

Dev Rastogi, Assistant City Manager  
Alina Ciocan, Assistant City Manager  
Donzell Gipson, Assistant City Manager  
Robin Bentley, Assistant City Manager  
Jack Ireland, Chief Financial Officer  
Ahmad Goree, Chief of Staff to the City Manager  
Directors and Assistant Directors