



U.S. Department of Housing and Urban Development
Regional Office of Inspector General for Audit
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Fort Worth, Texas 76102
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<http://www.hud.gov/offices/oig/>

Date

Addressee

Dear Addressee:

In accordance with our goal to review funds provided under the Housing and Economic Recovery Act of 2008 (HERA) and/or American Recovery and Reinvestment Act of 2009 (ARRA), we are initiating a capacity review of [entity] operations. The review objective is to evaluate [entity's] capacity in the areas of internal controls, eligibility, financial controls, procurement, and output/outcomes in administering funds. We will review operations from [date] to [date].

We would like to conduct an entrance conference at your business office on [date] at [time] to discuss the review and process. The entrance conference should last for approximately one hour. Auditor in charge {Staff member} will contact you to confirm the date and time of the entrance conference.

We request that management representatives from your operational, financial and information technology departments attend the entrance conference. We also request that you make available (we do not need copies) the following information at the meeting:

- Effective Grant agreement(s)/contract(s) with HUD
- Action plans, if applicable
- Annual performance report, if applicable
- Most recent audited financial statements
- Most recent HUD review
- Organizational chart
- Quality control procedures and documents
- Relevant policies and procedures (operational, financial, procurement, information technology, etc.)
- Budget reports as of the most recent month end
- Access to books and records
 - Bank records (bank statements, cancelled checks, deposit slips, wire transfers, debit and credit memos, etc.)
 - Financial records including general ledgers, disbursement journals, check vouchers, vendor invoices, accounts receivable and payable records, etc.

The review should take several weeks depending on the adequacy of the operational, financial and procurement records. We will keep you informed of our progress and any issues identified.

If you have any questions, please contact William W. Nixon, Assistant Regional Inspector General for Audit, at (817) 978-9309.

Sincerely,

Gerald R. Kirkland
Regional Inspector General for Audit