



Yolo County Housing

Lisa A. Baker, Executive Director

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DATE: June 9, 2011

TO: YCH Board of Commissioners

FROM: Lisa A. Baker, Executive Director

SUBJECT: **Receive and File Correspondence from the U.S. Department of Housing and Urban Development (HUD) Regarding Independent Audit Report for 2010**

RECOMMENDED ACTIONS:

That the Board of Commissioners:

1. Receive and file the Correspondence

BACKGROUND/DISCUSSION:

The YCH has received correspondence from HUD regarding the status of the Independent Audit Report for 2010. In that report, HUD closes the 2007 audit, the seven (7) outstanding audit findings enclosed in the 2007 audit, as well as the repeat findings from 2008, 2009 and the 2010 audits. HUD is keeping Finding 2010 – 4 and 2010 – 5, related to Interfund Transfers and HCV Intercompany Accounts open, subject to the results of YCH's investigation into the source and correction of the findings.

This is a real milestone for YCH and is the most recent indicator of the changes undergone by the organization since the new Board and management began operations in June 2006 and since the YCH was downgraded from standard performer to "troubled" in April 2007.

FISCAL IMPACT:

None at this time.

CONCLUSION:

Staff recommends that the Board receive and file the correspondence.

Attachment: Correspondence from HUD



U.S. Department of Housing and Urban Development
San Francisco Regional Office - Region IX
600 Harrison Street
San Francisco, California 94107-1387
www.hud.gov
espanol.hud.gov

Ms. Lisa Baker
Executive Director
Yolo County Housing Authority
147 West Main Street
Woodland, Ca 95695

MAY 16 2011

Dear Ms. Baker:

SUBJECT: Independent Audit Report for 2010

This letter transmits the results of the independent audit report prepared by Reznick Group for the period ended June 30, 2010. The report was issued March 31, 2010 and was retrieved from the REAC electronic submission. There are five findings noted, three are repeat from prior years and two are new.

The three repeat findings from 2008 and 2009 audit years are General Ledger Maintenance, Segregation of Duties and Public Housing Tenant File Review. The HA has made great strides and improvements in the resolution of these findings. Based on the PHA's response and actions taken, we are closing these findings for the 2008-2010 audit years.

Finding 2010-4, Intercompany Accounts Review, states fund for each AMP should remain in the AMP until a surplus cash calculation is performed to determine the amount of funds that can be withdrawn. Finding 2010-5, HCV Intercompany Accounts, states that HCV funds will be used for the payment of the HCV program and not used for any other purpose. The HA is investigating these two findings. We will keep these two findings open and request that an update be provided regarding the resolution of these issues no later than June 30, 2011.

Also, the audit for 2007 had been kept open along with the seven findings because the PHA was financially troubled and was under a Memorandum of Agreement. The HA is now a Standard Performer under REAC-PHAS and has been released from the MOA. This audit year will be closed.

If you have any questions, please contact Claire Garcia, Financial Analyst, at (415) 489-6436.

Sincerely,


Melina Whitehead
Acting Director
Office of Public Housing