

**U.S. Department of Housing and Urban Development  
Office of the Inspector General**

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**SPECIAL ATTENTION OF:**

Mortgage Insurance for Hospitals Program  
Owners and Management Agents

**TRANSMITTAL**

**Handbook No:** IG 2000.04, REV-2, CHG 19  
**Chapter Number:** 4  
**Issued:** September 2014

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1. This transmits Handbook 2000.04, REV-2, CHG-19, Chapter 4, Consolidated Audit Guide for Audits of HUD Programs – Mortgage Insurance for Hospitals Program.
2. **Summary:** This handbook chapter is a change to Handbook IG 2000.04, REV-2, Chapter 4, dated July 2008. Changes were necessary to address inconsistencies with Chapters 1 and 2 of this guide that resulted from revisions to those chapters, revisions to generally accepted government auditing standards, issued by the U.S. Government Accountability Office, and generally accepted auditing standards, issued by the American Institute of Certified Public Accountants. Changes were also made to reflect various regulatory changes as well as HUD program financial operations and accounting handbook changes.

The purpose of the guide and this chapter is to assist independent auditors in performing HUD-required audits of profit-motivated entities that are subject to HUD’s uniform financial reporting standards set forth in 24 CFR (Code of Federal Regulations) Part 5. Nonprofit entities are subject to the audit requirements in Office of Management and Budget (OMB) Circular A-133, and auditors would normally use OMB’s Compliance Supplement to perform the audit and not this audit guide. However, as of the date of this revision to Chapter 4, the Mortgage Insurance for Hospitals Program is not included in the Compliance Supplement. Therefore, the auditor should use the compliance requirements and suggested audit procedures in this audit guide for purposes of building an audit program using the guidance in part 7 of the OMB Compliance Supplement.

**3. Significant Changes:**

This is a complete revision of Chapter 4.

**4. Filing Instructions:**

The issuance of this chapter cancels Chapter 4, dated July 2008.

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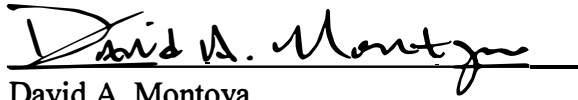
Chapter 4, dated July 2008

**Insert**

Chapter 4, dated September 2014

**5. Effective Date:**

This chapter will apply to audits of entities with fiscal years ending on or after December 31, 2014. Early application is encouraged, and the chapter may be used immediately.

A handwritten signature in black ink that reads "David A. Montoya". The signature is written in a cursive style and is positioned above a solid horizontal line.

David A. Montoya  
Inspector General