

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

SPECIAL ATTENTION OF:

FHA-Approved Lenders;
Loan Management Branch Chiefs;
Ginnie Mae Issuers; Multifamily Owners &
Management Agents; Hospital
Program Owners & Management Agents

TRANSMITTAL

Handbook No: 2000.04, REV-2, CHG-15
Chapter Number: 2
Issued: March 2013

1. This transmits Handbook 2000.04, REV-2, CHG-15, Chapter 2, Consolidated Audit Guide for Audits of HUD Programs – Reporting Requirements and Sample Reports, Report Examples A, B and C.
2. **Summary:** The Office of Inspector General is in the process of updating the handbook and will release each chapter as it is completed. After all of the individual chapters of the audit guide are revised, they will be consolidated into a revised audit guide and issued as Handbook No. 2000.04, REV-3.

This is a change to Handbook IG 2000.04, REV-2, chapter 2, dated January 2013. Changes were made to the audit reporting examples to make them consistent with requirements applicable to audits of States, local governments and nonprofit organizations, subject to Office of Management and Budget Circular A-133.

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.

This change adds reporting examples A, B and C to the revised Chapter 2 that was issued in January 2013 as Change 13 to this handbook. Pages relating to reporting examples D, E and F are renumbered and included in this issuance.

3. Significant Changes:

Report examples A, B and C were revised to make the auditors' reports consistent with requirements applicable to audits of States, local governments and nonprofit organizations, subject to Office of Management and Budget Circular A-133.

4. Filing Instructions:

Remove

Chapter 2, pages 2-11 through 2-18
dated January 2013.

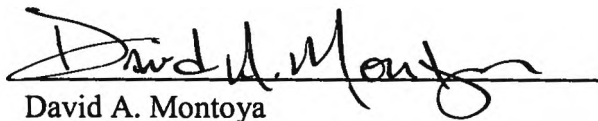
Insert

Chapter 2, pages 2-11 through
2-36 dated March 2013.

Chapter 2, renumbered pages
2-37 through 2-41 dated
January 2013

5. Effective Date:

This chapter will apply to audits of entities with fiscal years ending on or after March 31, 2013. Early application is permitted, and the chapter may be used for audits of entities with fiscal years ending on or after December 31, 2012.



David A. Montoya
Inspector General