

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

SPECIAL ATTENTION OF:

Office of Multifamily Development and
Real Estate Assessment Center

TRANSMITTAL

Handbook No: 2000.04, REV-2, CHG-3

Chapter Number: 2, Examples B & B-1

Issued: March 14, 2007

1. This transmits Handbook 2000.04, REV-2, CHG-3, Chapter 2, Example B and Example B-1, Consolidated Audit Guide for Audits of HUD Programs.
2. **Summary:** The Office of the Inspector General is in the process of updating the handbook and will release each chapter as it is completed. When 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 handbook chapter's Example is a change to Handbook IG 2000.04, REV-2, chapter 2, dated August 1997. A change was necessary to comply with the requirements of SAS 112 and to clarify reporting requirements, providing illustrations of the **Independent Auditor's Report on Internal Control Combined Report Applicable to Internal Control Over Financial Reporting Based on an Audit of Financial Statements and Internal Control Over Compliance for HUD-Assisted Programs**. This change serves as a reference for auditors who perform audits of HUD Programs.

3. Filing Instructions:

The issuance of these Examples cancel Example B contained in chapter 2, dated August 1997.

Remove

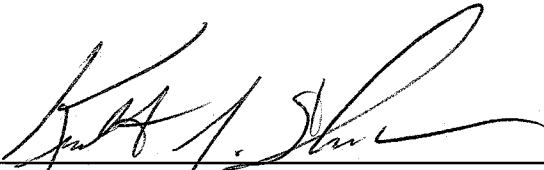
Example B, Chapter 2, dated
August 1997

Insert

Example B and B-1, Chapter 2,
dated March 2007

4. Effective Date:

This change is effective and can be used upon issuance. The Examples B and B-1 shall apply to audits of profit-motivated sponsors/entities with fiscal years ending on or after March 31, 2007.



Kenneth M. Donohue
Inspector General, G