Overview

1. OIG Background
2. Audit Selection & Plan
3. Responding to an Information Request
4. Questions
SECTION I

OIG Background
Inspector General Act of 1978

• Establish Inspectors General & their offices in order to:
  – Conduct and supervise audits & investigations of the agency’s programs & operations
  – Recommend policies designed to:
    • Promote economy, efficiency & effectiveness
    • Prevent and detect fraud & abuse
  – Provide a means for keeping the Secretary & Congress informed
HUD OIG Offices

Office of Audit
- Performance or Compliance, Financial, and Information system audits; Advisory & assistance services

Office of Investigation
- Criminal violations, Civil violations, Administrative violations, Fraud

Office of Evaluation
- Efficiency, Effectiveness, Impact, and Sustainability of HUD programs

Office of Legal Counsel

Office of Management & Technology

Office of Audit

Performance or Compliance, Financial, and Information system audits; Advisory & assistance services
## Who We Audit

### Internal
- **HUD Program Areas**
  - Single-family Housing
  - Multifamily Housing
  - Public and Indian Housing
  - Community Planning and Development
- **HUD Financial Statements**
- **HUD Information Systems**

### External
- **Mortgage Companies**
- **Housing Authorities**
- **Local Governments**
  - Cities
  - Counties
  - Tribes
  - State Housing Agencies
- **Community Organizations**
- **Health (Residential) Care Facilities**
- **Multifamily Properties**
Selecting Auditees

- Risk Assessments
  - HUD funding amounts
  - HUD monitoring efforts
  - HUD-assigned risk levels
  - Historical audit information
- Auditor Suggestions
- Referrals
  - Office of Investigation
  - HUD Program Staff
- Hotline Complaints
- Congressional Inquiries
HUD OIG Audit Plan

• Provides brief descriptions of activities that HUD OIG plans to initiate or continue
• Published every 6 months
• Organized by program area
• Describes the primary objectives and concerns for each review
Finding the Audit Plans

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

This page appears to be a screenshot of a website that includes a section for finding audit plans. The text suggests that the U.S. Department of Housing and Urban Development (HUD) Office of Inspector General (OIG) provides brief descriptions of activities that HUD OIG plans to undertake or that contain results of audits and inspections. The page includes links to various reports, including:

- Semiannual Reports
- Audit Guide
- Audit Reports & Memorandums
- Inspections & Evaluations
- Latest Peer Review
- Office of Audit - Audit Plan
- Office of Evaluation - Evaluation Plan
- Conference Expenditures
- ARRA Reports
- Topic Briefs

The page also features links to specific audit plans, such as:

- Audit Plan September 30, 2016
- Audit Plan September 30, 2015
- Audit Plan March 31, 2015
- Audit Plan October 1, 2014
- Audit Plan February 28, 2014
- Audit Plan September 30, 2013
## Section 232 Audits in Audit Plan

<table>
<thead>
<tr>
<th>Audit Titles</th>
<th>Lead region</th>
<th>Start date</th>
<th>Final report target date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HUD’s monitoring of the financial performance of Section 232 nursing homes:</strong> To evaluate HUD’s monitoring actions taken for financially underperforming nursing homes; specifically, to evaluate financial indicators, such as low utilization, delinquent payments, late payments, unprofitability, and financial solvency and determine what monitoring and actions HUD had taken to protect its investment.</td>
<td>Boston</td>
<td>Apr 2017</td>
<td>May 2018</td>
</tr>
<tr>
<td><strong>HUD’s approval of Section 232 loan originations:</strong> To determine whether HUD insured loans for projects that did not qualify for mortgage insurance.</td>
<td>Philadelphia</td>
<td>Oct 2017</td>
<td>Aug 2018</td>
</tr>
<tr>
<td><strong>Delays in submitting claims on Section 232 loans:</strong> To determine the impact of lenders’ not submitting claims on delinquent loans.</td>
<td>Chicago</td>
<td>Apr 2018</td>
<td>Sep 2018</td>
</tr>
</tbody>
</table>
External Audits

Possible Subjects

• Nursing Home Operator
• Lender who Originated Loan
• Loan Servicer
Information Request

• Not the Subject of the Audit
• We will notify the Subject of the Audit
• Might be Internal or External
• The information we will provide about the audit will be limited
SECTION III

Responding to an Information Request
Suggestions

• Establish POC
• Provide documents requested
  – E-mail may request relevant documents
  – Subpoena may be used
  – Withholding documents may lead to unnecessary review
Possible Document Requests

- Payment History
- Draw Information
- Operator Financials
Interviews

- Explain your role
- Walk us through your processes
- Explain how the use of funds met program requirements
- Explain your organization’s internal controls
Audit Considerations

- Documentation Missing
  - Reserve for Replacement Requests
  - Operator Financials

- Clear Problems Ignored
  - Approving ineligible draw
  - Ignoring Information in Financials
Questions?