

Public Housing Agencies;
Indian Housing Authorities;
Secretary's Representatives;
State/Area Coordinators;
Directors, Public Housing
Divisions; Administrators,
Offices of Native American
Programs; Resident Management
Corporations (RMCs); Independent
Auditors

Notice PIH 96-32(HA)
Issued: May 29, 1996
Expires: May 31, 1997

Public and Indian Housing (PIH) Compliance Supplement for
Annual Audits of Public Housing Agencies and Indian Housing
Authorities by Independent Auditors

1. **PURPOSE**

This Notice reissues the PIH Compliance Supplement which was originally transmitted by Notice PIH 95-31, dated May 25, 1995. The Supplement is to be used by independent auditors (IAs) who perform Single Audits of Public Housing Agencies or Indian Housing Authorities (HAs) in accordance with the Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Reissuance of the Supplement serves to remind HAs and IAs of this requirement.

2. **BACKGROUND**

The PIH Compliance Supplement was developed by the Office of Public and Indian Housing and the Office of the Inspector General (OIG), together with OMB, as part of a planned revision of the OMB "Compliance Supplement for Single Audits of State and Local Governments." The revised OMB Compliance Supplement, when issued, will contain the PIH Compliance Supplement. The PIH Compliance Supplement transmitted by this Notice will continue in effect until superseded by another OMB approved issuance.

3. **SCOPE**

The OMB Compliance Supplement to A-128 includes both the General Requirements applicable to all Federal assistance programs, and the Specific Requirements for individual agency programs. The PIH Compliance Supplement contains the

Specific Requirements identified by PIH program officials and the OIG, and approved by OMB, as being the minimum compliance requirements to be tested for PIH programs.

The PIH Compliance Supplement contains a description of selected programs and reporting requirements for HAS, related reference materials, program compliance requirements, audit questions relating to HA internal control policies and procedures, and suggested audit procedures. The Supplement also includes requirements to test the source data used in the calculation of the Performance Funding System (PFS) operating subsidy (Chapter 4) and the data from which Public Housing Management Assessment Program (PHMAP) scores are derived (Chapter 5). Questions concerning the program areas covered in the Supplement should be directed to the appropriate local HUD office.

The reference material citations in the Supplement reissued with this Notice were updated to reflect the April 1995 change in the Indian Housing regulations from 24 CFR Part 905 to 24 CFR Part 950. No changes were made in compliance or testing requirements. Either issuance (June 1995 or June 1996) of the PIH Compliance Supplement may be used by the IA.

4. **EFFECTIVE DATE**

The original effective date of the PIH Compliance Supplement was May 25, 1995, and included all audits for which the field work was not substantially completed at May 25, 1995. The PIH Compliance Supplement is now effective for all HA audits, including audits performed under multi-year contracts that were signed prior to the initial effective date of May 25, 1995. HAS should expect a reasonable increase in the audit fee as a result of the additional testing requirements of the Supplement, and should adjust their budgets and/or funding requests accordingly.

The HA shall provide a copy of the Supplement to the IA performing the HA Single Audit. The PIH Compliance Supplement will continue to be applicable to HA audits performed in accordance with OMB Circular A-128 until superseded by another OMB approved issuance.

/s/Kevin Emanuel Marchman Acting

Assistant Secretary for Public and
Indian Housing

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Attachment