2012 HUD MULTIFAMILY HOUSING OVERVIEW FOR KNOWLEDGE COACH USERS

PURPOSE

This document is published for the purpose of communicating, to users of the toolset, updates and enhancements included in the current version. This document is not, and should not be used as an audit program to update the audit documentation of an engagement started in a previous version of this product

The **2012 *Knowledge-Based Audits of Housing and Urban Development Programs*** has been updated to help auditors conduct audit engagements in accordance with the new clarified and redrafted auditing standards resulting from the ASB's Clarity Project and pending auditing standards and guidance, including the requirements of SASs 122, 123, 124, 125, and 126 (AU-C 570, *The Auditor's Consideration of an Entity's Ability to Continue as a Going Concern),* and Accounting Standards Update (ASU) 2011-12, *Comprehensive Income (Topic 220)—Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05.*

The 2012 tools include links to specific guidance that provides instant access to detailed analysis related to the steps and processes discussed in the workpapers. Also included is a financial statement disclosures checklist that provides a centralized resource of the current required and recommended GAAP disclosures and key presentation items, using the style referencing under the FASB Accounting Standards Codification™.

In addition, as applicable, the forms, practice aids, and tips and examples, throughout, take into account:

Accounting Standards Update (ASU) No. 2012-02, *Intangibles—Goodwill and Other* (Topic 350);
AICPA Statement on Quality Control Standards No. 8, *A Firm's System of Quality Control (Redrafted);* and
FASB Accounting Standards Codification as of June 30, 2012.

RELATED, FOUNDATIONS AND ASSOCIATION WORKPAPERS FOR THIS TITLE

Related workpapers are Knowledge Coach Word workpapers where information flows in or out of tables within the workpaper. Some of these related workpapers are Foundation workpapers or associated workpapers.

Foundation Workpapers include most of the Communication Hub workpapers, which are central to the Knowledge-Based Audit Methodology used by the Knowledge Coach titles.

Associated workpapers require you to associate them with custom values, such as audit areas, specialists, service organizations, and other items. Workpapers require an association when you need to have more than one instance of a particular Knowledge Coach workpaper in your binder for each type of item to which the workpaper is related. Making this association allows Knowledge Coach information to flow properly between workpapers.

Form No.	Form Name	Financial Statement Package	Compliance Package	Foundation Workpaper	Association Workpaper
KBAs	**KNOWLEDGE-BASED AUDIT DOCUMENTS**				
KBA-101	Overall Audit Strategy	X		X	
KBA-102	Engagement Completion Document	X	X	X	
KBA-103	Evaluating and Communicating Internal Control Deficiencies	X	X	X	
KBA-1033	Evaluating and Communicating Instances of Noncompliance		X	X	
KBA-105	Review of Significant Accounting Estimates	X			
KBA-201	Client/Engagement Acceptance and Continuance Form	X			
KBA-3023	Understanding the Entity and Its Environment	X			
KBA-303	Inquiries of Management and Others within the Entity about the Risks of Fraud	X			
KBA-304	Determining Major and Nonmajor HUD Programs		X	X	
KBA-3053	Identification of Applicable Compliance Requirements		X	X	

Form No.	Form Name	Financial Statement Package	Compliance Package	Foundation Workpaper	Association Workpaper
KBA-400	Scoping and Mapping of Significant Account Balances, Classes of Transactions, and Disclosures	X		X	
KBA-401	Understanding Entity-Level Controls: Complex Entities	X			
KBA-401N	Understanding Entity-Level Controls: Noncomplex Entities	X			
KBA-402	Understanding General Controls for Information Technology	X			
KBA-403	Understanding Activity-Level Controls: Revenue, Accounts Receivable, and Cash Receipts	X			
KBA-404	Understanding Activity-Level Controls: Inventory	X			
KBA-405	Understanding Activity-Level Controls: Property, Plant and Equipment	X			
KBA-406	Understanding Activity-Level Controls: Other Assets	X			
KBA-407	Understanding Activity-Level Controls: Expenses, Accounts Payable, and Disbursements	X			
KBA-408	Understanding Activity-Level Controls: Payroll	X			
KBA-409	Understanding Activity-Level Controls: Treasury	X			
KBA-410	Understanding Activity-Level Controls: Income Taxes	X			
KBA-411	Understanding Activity-Level Controls: Financial Reporting and Closing Process	X			
KBA-412	Understanding Controls Maintained by a Service Organization	X			X
KBA-415	Understanding Internal Controls over Compliance: Complex Entities		X		

Form No.	Form Name	Financial Statement Package	Compliance Package	Foundation Workpaper	Association Workpaper
KBA-415N	Understanding Internal Controls over Compliance: Noncomplex Entities		X		
KBA-5011	Team Discussion of the Risks of Material Noncompliance		X		
KBA-502	Summary of Risk Assessments: Financial-Statement and Assertion-Level Risks	X		X	
KBA-5023	Summary of Risk Assessments of Noncompliance		X	X	
KBA-902	Audit Review and Approval Checklist	X			
KBA-904	HUD Audit Documentation Checklist	X			
AUDs	**AUDIT PROGRAMS**				
AUD-100	Overall Tailoring Questions	X		X	
AUD-103	Overall Audit Program for HUD Chapter 3 Audits	X		X	
AUD-201	Audit Program: Opening Balances and Additional Audit Procedures for an Initial Audit Engagement	X			
AUD-602	Audit Program: Involvement of a Component Auditor	X			X
AUD-603	Audit Program: Using the Work of an Auditor's Specialist	X			X
AUD-604	Audit Program: Using the Work of a Management's Specialist	X			X
AUD-701	Audit Program: Designing Tests of Controls	X			
AUD-7013	Audit Program: Designing Tests of Internal Controls over Compliance		X		

Form No.	Form Name	Financial Statement Package	Compliance Package	Foundation Workpaper	Association Workpaper
AUD-800	Audit Program: Custom	X			X
AUD-801	Audit Program: Cash	X			
AUD-802	Audit Program: Investments in Securities, Derivative Instruments, and Hedging Activities	X			
AUD-803	Audit Program: Revenue and Accounts Receivable	X			
AUD-804	Audit Program: Inventories and Cost of Sales	X			
AUD-805	Audit Program: Escrow Accounts, Prepaid Expenses, Deferred Charges, and Other Assets	X			
AUD-806	Audit Program: Intangible Assets	X			
AUD-807	Audit Program: Property and Equipment, and Depreciation	X			
AUD-808	Audit Program: Expenses and Accounts Payable	X			
AUD-809	Audit Program: Payrolls and Other Liabilities	X			
AUD-810	Audit Program: Income Taxes	X			
AUD-811	Audit Program: Debt Obligations	X			
AUD-812	Audit Program: Equity	X			
AUD-813	Audit Program: Income and Expenses	X			
AUD-814	Audit Program: Journal Entries and Financial Statement Review	X			

Form No.	Form Name	Financial Statement Package	Compliance Package	Foundation Workpaper	Association Workpaper
AUD-815	Audit Program: Related-Party Transactions, Commitments and Contingencies, Estimates, and Concentrations	X			
AUD-816	Audit Program: Fair Value Measurements and Disclosures	X			
AUD-817	Audit Program: Variable Interest Entities	X			
AUD-818	Audit Program: Share-Based Payments	X			
AUD-820	HUD Audit Program: Supplementary Information	X			
AUD-8301	HUD Audit Program: Federal Financial Reports		X		X
AUD-8302	HUD Audit Program: Fair Housing and Nondiscrimination		X		X
AUD-8303	HUD Audit Program: Mortgage Status		X		X
AUD-8304	HUD Audit Program: Replacement Reserve		X		X
AUD-8305	HUD Audit Program: Residual Receipts		X		X
AUD-8306	HUD Audit Program: Distributions to Owners		X		X
AUD-8307	HUD Audit Program: Equity Skimming		X		X
AUD-8308	HUD Audit Program: Cash Receipts		X		X
AUD-8309	HUD Audit Program: Cash Disbursements		X		X
AUD-8310	HUD Audit Program: Tenant Application, Eligibility and Recertification		X		X

Form No.	Form Name	Financial Statement Package	Compliance Package	Foundation Workpaper	Association Workpaper
AUD-8311	HUD Audit Program: Units Leased to Extremely Low-Income Families		X		X
AUD-8312	HUD Audit Program: Tenant Security Deposits		X		X
AUD-8313	HUD Audit Program: Management Functions		X		X
AUD-8314	HUD Audit Program: Unauthorized Change of Ownership/Acquisition of Liabilities		X		X
AUD-8315	HUD Audit Program: Unauthorized Loans of Project Funds		X		X
AUD-8316	HUD Audit Program: Excess Income		X		X
AUD-8317	HUD Audit Program: Leased Nursing Homes		X		X
AUD-8318	HUD Audit Program: Mark-to-Market Program (M2M) Capital Recovery Payments for M2M Projects		X		X
AUD-8319	HUD Audit Program: Mark-to-Market Program (M2M) Incentive Performance Fee for M2M Projects		X		X
AUD-8320	HUD Audit Program: Mark-to-Market Program (M2M) Distributions of Surplus Cash for M2M Projects		X		X
AUD-8321	HUD Audit Program: Mark-to-Market Program (M2M) Special Rules for Cooperatives		X		X
AUD-8322	HUD Audit Program: Section 236 Decoupling Projects		X		X
AUD-890	HUD Agreed Upon Procedures Program: Certification of Electronic Submission	X			
AUD-901	Audit Program: Subsequent Events	X			
AUD-9023	Audit Program: Going Concern	X			

Form No.	Form Name	Financial Statement Package	Compliance Package	Foundation Workpaper	Association Workpaper
AUD-904	Audit Program: Compliance with Laws and Regulations	X			
AIDs	**PRACTICE AIDS**				
AID-303	Understanding the Entity's Revenue Streams and Revenue Recognition Policies	X			
AID-601	Considering Reliance on the Work of Internal Auditors	X			
AID-702	Results of Tests of Controls	X			
AID-7023	Results of Tests of Internal Controls over Compliance		X		
AID-901	Differences of Professional Opinion	X			

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Additional Information for Associated Workpapers

The following tables list the workpapers that require association in this title, along with the information that must be completed before you can insert each workpaper.

Workpaper Requiring Association	What is it associated with?		Association Item (Custom Value)
	Workpaper	*Table/Question*	
KBA-412 Understanding Ctrls: Service Org (Custom)	AUD-100 Tailoring Question Workpaper	Does the client use service organizations? Shows the "Document the service organizations used by the entity." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the service organizations used by the entity.	Service Organization
AUD-602 Audit Program: Component Auditor Involvement (Custom)	AUD-100 Tailoring Question Workpaper	Are any of the multiple components, multiple locations, or segments expected to be audited by other independent (component) auditors? is "Yes" Shows the "Document the multiple components, multiple locations, or segments expected to be audited by other independent (component) auditors." table in KBA- 101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the multiple components, multiple locations, or segments expected to be audited by other independent (component) auditors.	Audit Firm Name
AUD-603 Audit Program: Auditor's Specialist (Custom)	AUD-100 Tailoring Question Workpaper	Do we expect to use a specialist on our audit? is "Yes" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a specialist(s) on our audit. Then select Auditor's Specialist from the Type of Specialist Column	Specialist Firm Name
AUD-604 Audit Program: Management's Specialist (Custom)	AUD-100 Tailoring Question Workpaper	Do we expect to use a specialist on our audit? is "Yes" Shows the "Document the expected use of a specialist(s) on our audit." table in KBA-101 Overall Audit Strategy.	
	KBA-101 Overall Audit Strategy	Document the expected use of a specialist(s) on our audit. Then select Management's Specialist from the Type of Specialist Column.	Specialist Firm Name
AUD-800 Audit Program: (Custom)	AUD-100 Tailoring Question Workpaper	What financial statement audit areas are applicable to this engagement? "Customize Audit Area" link within the answer selection box.	Custom Audit Area

Additional Information for Associated Workpapers
The following tables list the workpapers that require association in this title, along with the information that must be completed before you can insert each workpaper.

Workpaper Requiring Association	*What is it associated with?*	
	Workpaper	*Table/Question*
KBA-5023 Summary of Risk Assessments of Noncompliance	KBA-304 Determining Major and Nonmajor HUD Programs	Once major programs are listed in the table these workpapers will be automatically selected and inserted for each major program when you next insert a Knowledge Coach workpaper.
AUD-8301 through AUD-8322	KBA-304 Determining Major and Nonmajor HUD Programs	Once major programs are listed in the table these workpapers will be automatically selected and inserted for each major program when you next insert a Knowledge Coach workpaper.
KBA-102 Engagement Completion Document	KBA-304 Determining Major and Nonmajor HUD Programs	Once major programs are listed in the table these workpapers will be automatically selected and inserted for each major program when you next insert a Knowledge Coach workpaper.
KBA-103 Evaluating and Communicating Internal Control Deficiencies	KBA-304 Determining Major and Nonmajor HUD Programs	Once major programs are listed in the table these workpapers will be automatically selected and inserted for each major program when you next insert a Knowledge Coach workpaper.
KBA-1033 Evaluating and Communicating Instances of Noncompliance	KBA-304 Determining Major and Nonmajor HUD Programs	Once major programs are listed in the table these workpapers will be automatically selected and inserted for each major program when you next insert a Knowledge Coach workpaper.