

# Paperwork Reduction Act Submission

Please read the instruction before completing this form. For additional forms or assistance in completing this forms, contact your agency's Paperwork Reduction Officer. Send two copies of this form, the collection instrument to be reviewed, the Supporting Statement, and any additional documentation to: Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 Seventeenth St. NW, Washington, DC 20503.

1. Agency/Subagency Originating Request: <b>U.S. Department of Housing and Urban Development</b> Office of Public and Indian Housing Real Estate Assessment Center		2. OMB Control Number: a. <span style="float: right;">b. <input checked="" type="checkbox"/> None</span> <span style="float: right;">2577</span>	
3. Type of information collection: (check one) a. <input checked="" type="checkbox"/> New Collection b. <input type="checkbox"/> Revision of a currently approved collection c. <input type="checkbox"/> Extension of a currently approved collection d. <input type="checkbox"/> Reinstatement, <b>without change</b> , of previously approved collection for which approval has expired e. <input type="checkbox"/> Reinstatement, <b>with change</b> , of previously approved collection for which approval has expired f. <input type="checkbox"/> Existing collection in use without an OMB control number For b-f, note item A2 of Supporting Statement instructions.		4. Type of review requested: (check one) a. <input checked="" type="checkbox"/> Regular b. <input type="checkbox"/> Emergency - Approval requested by c. <input type="checkbox"/> Delegated 5. Small entities: Will this information collection have a significant economic impact on a substantial number of small entities? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 6. Requested expiration date: a. <input checked="" type="checkbox"/> Three years from approval date    b. <input type="checkbox"/> Other (specify)	
7. Title: <b>Independent Public Accountant Roster Application</b>			
8. Agency form number(s): (if applicable) <b>None</b>			
9. Keywords: <b>Housing, public housing, audit, independent public accountant, certified public accountant</b>			
10. Abstract: <b>The Independent Public Accountant (IPA) Roster Application, would list IPAs that have been approved to perform audits or related services for filers. These filers (PHAs, multifamily entities and those otherwise required to submit audited information to HUD) would be required to select an IPA listed on the IPA Roster for their particular state or jurisdiction to perform the audits or related services required by HUD. Any IPA wishing to perform audits or related services for filers would be required to be personally listed, be a member or partner of a listed IPA, or be an employee of a listed IPA.</b>			
11. Affected public: (mark primary with "P" and all others that apply with "X") a. <input checked="" type="checkbox"/> Individuals or households    e. <input type="checkbox"/> Farms b. <input checked="" type="checkbox"/> Business or other for-profit    f. <input type="checkbox"/> Federal Government c. <input type="checkbox"/> Not-for-profit institutions    g. <input type="checkbox"/> State, Local or Tribal Government		12. Obligation to respond: (mark primary with "P" and all others that apply with "X") a. <input checked="" type="checkbox"/> Voluntary b. <input type="checkbox"/> Required to obtain or retain benefits c. <input type="checkbox"/> Mandatory	
13. Annual reporting and recordkeeping hour burden: a. Number of respondents <span style="float: right;">7,137</span> b. Total annual responses <span style="float: right;">7,137</span> 1. Percentage of these responses collected electronically <span style="float: right;">100%</span> c. Total annual hours requested <span style="float: right;">7,137</span> d. Current OMB inventory <span style="float: right;">0</span> e. Difference (+,-) <span style="float: right;">+7,137</span> f. Explanation of difference: 1. Program change: <span style="float: right;">+7,137</span> 2. Adjustment:		14. Annual reporting and recordkeeping cost burden: (in thousands of dollars) Do not include costs based on the hours in item 13. a. Total annualized capital/startup costs b. Total annual costs (O&M) c. Total annualized cost requested d. Current OMB inventory e. Difference f. Explanation of difference: 1. Program change: 2. Adjustment:	
15. Purpose of Information collection: (mark primary with "P" and all others that apply with "X") a. <input type="checkbox"/> Application for benefits    e. <input type="checkbox"/> Program planning or management b. <input checked="" type="checkbox"/> Program evaluation    f. <input type="checkbox"/> Research c. <input type="checkbox"/> General purpose statistics    g. <input type="checkbox"/> Regulatory or compliance d. <input checked="" type="checkbox"/> Audit		16. Frequency of recordkeeping or reporting: (check all that apply) a. <input checked="" type="checkbox"/> Recordkeeping    b. <input type="checkbox"/> Third party disclosure c. <input type="checkbox"/> Reporting: 1. <input checked="" type="checkbox"/> On occasion    2. <input type="checkbox"/> Weekly    3. <input type="checkbox"/> Monthly 4. <input type="checkbox"/> Quarterly    5. <input type="checkbox"/> Semi-annually    6. <input type="checkbox"/> Annually 7. <input type="checkbox"/> Biennially    8. <input type="checkbox"/> Other (describe)	
17. Statistical methods: Does this information collection employ statistical methods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		18. Agency contact: (person who can best answer questions regarding the content of this submission) Name: Wanda Funk Phone: (202) 475-8736	

---

## 19. Certification for Paperwork Reduction Act Submissions

On behalf of the U.S. Department of Housing and Urban Development, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9.

**Note:** The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320/8(b)(3) appear at the end of the instructions. The certification is to be made with reference to those regulatory provisions as set forth in the instructions.

The following is a summary of the topics, regarding the proposed collections of information that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
  - (i) Why the information is being collected;
  - (ii) Use of the information;
  - (iii) Burden estimate;
  - (iv) Nature of response (voluntary, required for a benefit, or mandatory);
  - (v) Nature and extent of confidentiality; and
  - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to collected (see note in item 19 of the instructions);
- (i) It uses effective and efficient statistical survey methodology; and
- (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in item 18 of the Supporting Statement.

---

Signature of Program Official:

Date:

X  
Elizabeth A. Hanson, Deputy Assistant Secretary  
Office of Public and Indian Housing Real Estate Assessment Center

---

Signature of Senior Officer or Designee:

Date:

X  
Lillian Deitzer, Departmental Reports Management Officer  
Office of the Chief Information Officer

# Supporting Statement for Paperwork Reduction Act Submissions

## A. Justification

1. All public housing agencies (PHAs), multifamily entities, or those otherwise required to submit audited information to HUD, that receive federal funds are required to submit financial information on an annual basis to HUD in accordance with the Uniform Financial Reporting Standards (UFRS) regulation, 24 CFR part 5, subpart H, and the Public Housing Assessment System (PHAS) regulation, 24 CFR part 902, subpart C. These regulations establish reporting standards for financial information being submitted by PHAs, HUD-approved mortgagees and owners of multifamily assisted housing. The regulations require that all financial information be submitted electronically, in a HUD prescribed format, and using generally accepted accounting principles (GAAP). After HUD receives financial data in accordance with the reporting standards, the Real Estate Assessment Center (REAC) then reviews and assesses the fiscal performance of low rent only and low rent/section 8 PHAs and multifamily entities receiving federal fund from HUD. REAC does not assess the performance of section 8 only PHAs, but does review all section 8 only financial submissions.

In addition to the regulations, there are a number of other requirements supporting HUD's collection of financial data from its program participants. The Single Audit Act of 1984 (31 U.S.C. 7501, et seq.), the Single Audit Act Amendments of 1996, and OMB Circular A-133 set forth financial reporting requirements for state/local governments and non-profits receiving federal funds. HUD relies on the audited financial information submitted to it, whether by entities subject to the UFRS rule or by those otherwise required to submit such information to HUD, to ensure the integrity of financial data submitting to HUD.

OMB Circular A-133 requires all recipients of federal funds of \$500,000 or more to have an audit conducted. The quality and accuracy of the financial data submitted to HUD begins with selecting qualified independent public accountants and public accounting firms (collectively referred to as IPAs) who agree to comply with HUD's requirements with respect to the provision of audits or related services. The IPA Roster would list IPAs that have been approved to perform audits or related services for filers. These filers, which include PHAs, multifamily entities and those otherwise required to submit audited information to HUD, would be required to select an IPA listed on the IPA Roster for their particular state or jurisdiction to perform the audits or related services required by HUD. Any IPA wishing to perform audits or related services for filers would be required to be personally listed, be a member or partner of a listed IPA, or be an employee of a listed IPA. It is important to note, however, that while HUD is committed to improving the quality and accuracy of the financial information submitted to it, the inclusion of an IPA on the IPA Roster would not create or imply any warranty or endorsement by HUD of a listed IPA to the filers or to any other organization or individual user of the resulting audited financial statements, nor would it represent a warranty of the specific audits or related services performed by a listed IPA. The inclusion of an IPA on the IPA Roster would mean only that the IPA has met the qualifications and conditions prescribed by the Secretary for placement on the IPA Roster.

2. In order to be placed on the IPA Roster, each IPA would be required to submit an application to HUD identifying the specific state(s) or jurisdiction(s) in which the IPA wishes to be considered for listing. Attached is copy of the IPA Roster application. HUD would review each IPA's application to ensure that each requirement for eligibility discussed below is met for each of the specific states or jurisdictions in which the IPA has requested to be considered for listing. If HUD's review of an IPA's application demonstrates that the IPA is eligible in a particular state of jurisdiction, the IPA's name would be placed on the IPA Roster for that state or jurisdiction. The IPA would be required to comply with all agreements made in applying for listing on the IPA Roster immediately upon approval for such listing.

The IPA provides these audits or related services to filers who are required to submit the audits to HUD and, therefore, the IPA is also has a responsibility to HUD. IPAs that are listed on the IPA Roster will be responsible for: 1) complying with any agreements with HUD immediately upon their approval for listing on the IPA Roster and continually thereafter, including but not limited to agreements identified at 5 CFR

§ 5.807(a); 2) maintaining compliance with any other eligibility requirements for listing on the IPA Roster for each state or jurisdiction in which they are listed; and 3) notifying HUD within 30 days of any change in their continued compliance with eligibility requirements.

HUD would remove an IPA that fails to fulfill its responsibilities as a listed IPA from the Roster at any time for cause. Cause for removal would include, but would not be limited to: 1) failing to comply with any agreements with HUD immediately upon the IPA's approval for listing on the IPA Roster and continually thereafter, including but not limited to agreements identified at 5 CFR § 5.807(a) as requirements for eligibility; 2) failing to maintain compliance with any other eligibility requirements for listing on the IPA Roster for each state or jurisdiction in which the IPA is listed; 3) failing to notify HUD within 30 days of any change in their continued compliance with eligibility requirements; or 4) making, or causing to be made, any false certification to HUD.

3. The electronic submission process has proved successful and has allowed HUD to maximize the efficiency of its staff through the use of automate systems. Through REAC secure systems, a browser-based extranet application, IPAs would complete and submit Roster applications electronically via the Internet, and attach required documentation as a PDF file.
4. REAC is not aware of any duplication of efforts to collect this data. Any data already submitted to HUD will not be requested again.
5. The information being collected has no significant impact on small businesses or other small entities. HUD provides IPAs with submission software, a user guide and other technical assistance on the submission process.
6. The normally one-time IPA Roster application submission is a regulatory requirement of entities that conduct audits or other related services for filers. Without this information, HUD's interest (as well as the interest of taxpayers) will be unprotected and HUD will not be able to identify the risks due to an inadequate audit provided to filers. Furthermore, evaluation of submitted data may impact funds used to achieve HUD program obligations, or detect fraud, waste and abuse.
7. The circumstances listed as part of the instructions are not applicable to the IPA Roster process.
8. HUD published a Proposed Rule on February 6, 2008, in the Federal Register. Vol. 73, No. 25 page 7169. The public was given until April 7, 2008, to submit comments on the proposed information collection.
9. No payments or gifts are provided to respondents.
10. All data that is linked to a particular IPA is secured from public access. When an IPA submits data electronically to HUD, security prevents users outside of HUD from intercepting this data. HUD's web access security system ensures that all IPA Roster data is secure. The authorities or justifications for the security system are: the Information Security HUD Handbook 2400.24; the Computer Security Act of 1987; the Clinger-Cohen Act of 1996; OMB Circular A-130 part 3; and the Government Information Security Reform Act of 2000 (GISRA). HUD's web access security system allows users to apply online for an ID and password and to reset a forgotten password. It also controls and limits access to systems for authorized users by managing the roles and responsibilities for each user of each system.

There are primary and secondary users. Primary PHA users are able to see his/her submission, and HUD authorized primary users (i.e., selected staff) have security access to update the information, with strict controls of the tasks that they may perform. Secondary HUD users are granted read-only access to the system.

11. No sensitive questions are being asked.
12. The estimated burden hours and annual costs to respondents are provided in the attached table. The hourly cost for response is assuming a Manager's annual salary of \$65,832 at a GS-13/1 level rate (Salary Table 2006-GS) or an hourly rate of \$31.54.

<b>IPA Burden Hours and Cost</b>					
<b>IPAs Responding</b>	<b>Frequency of Response</b>	<b>Estimated Hours</b>	<b>Total Annual Burden Hours</b>	<b>Estimated Hourly Cost</b>	<b>Total Annual Cost</b>
7,137	1	1	7,137	\$31.54	\$225,101

The total number of IPAs responding was estimated based on the total number of IPA offices listed on participant filings with HUD since the inception of the UFRS regulation through FY 2005. Typically, an IPA office will only need to register one time unless additional state(s) or jurisdiction(s) are applied for or need to be removed from the IPA's profile. The estimate of one hour was based on the amount of time required to complete the application, locate the IPA's licenses and certificates, prepare and photo copy the supporting documentation required, and research state and jurisdiction requirements, assuming the IPA applied for listing for 15 different states and jurisdictions. HUD's records indicate that any give IPA office typically does not practice in more than 15 states and jurisdictions and most practice in five or fewer localities.

13. No other costs are associated with the collection of this information.
14. The estimated annualized costs to the federal government, based on a GS-13/1 level rate are provided in the table, below. The GS-13/1 level rate is the average salary for an analyst. The hourly cost for response is assuming an annual salary of \$65,832 at a GS-13/1 level rate (Salary Table 2006-GS) or an hourly rate of \$31.54.

<b>Total Estimated Cost to the Federal Government</b>						
	<b>Number of Respondents</b>	<b>Total Burden Hours</b>	<b>X</b>	<b>Hourly Rate</b>	<b>=</b>	<b>Annualized Cost</b>
IPAs	7,137	7,137		\$31.54		\$225,101

15. This is a new collection. OMB Circular A-133 requires all recipients of federal funds of \$500,000 or more to have an audit conducted. The quality and accuracy of the financial data submitted to HUD begins with selecting qualified independent public accountants and public accounting firms (collectively referred to as IPAs) who agree to comply with HUD's requirements with respect to the provision of audits or related services. The IPA Roster would list IPAs that have been approved to perform audits or related services for filers. These filers, which include PHAs, multifamily entities and those otherwise required to submit audited information to HUD, would be required to select an IPA listed on the IPA Roster for their particular state or jurisdiction to perform the audits or related services required by HUD. Any IPA wishing to perform audits or related services for filers would be required to be personally listed, be a member or partner of a listed IPA, or be an employee of a listed IPA.
16. The information will not be published.
17. HUD is not seeking approval to not display the expiration date for OMB approval. A copy of the OMB Disclosure is attached.
18. There are no exceptions to the certification statement identified in item 19.

---

## **B. Collections of Information Employing Statistical Methods**

N/A