

**Illinois Housing Development Authority  
Internal Audit Department  
Audit Committee Minutes  
September 20, 2019**

- For the Audit Committee: Karen Davis, Committee Chair  
King Harris, Board Chairman  
Alyssa Rapp, Committee Member  
Luz Ramirez, Board Member
  
- For the Authority: Debbie Olson, Chief of Staff  
Kevin O'Connor, Chief Internal Auditor  
Michaela Angeles, Senior Department Administrator

The meeting was called to order at 8:57 A.M.

- I. Approval of Audit Committee Minutes from June 21, 2019  
Mr. Harris made the motion for approval of the Audit Committee minutes. Ms. Raap seconded the motion. The minutes were approved as submitted.
  
- II. Audit Plan Status Report FY2019  
Mr. O'Connor presented the completed FY2019 audit plan status report. He noted his initial concern about completing the audit plan as scheduled. Despite the department not being fully staffed, the plan was completed successfully. No significant deficiency report ratings were issued.
  
- III. Audit Plan Status Report FY2020  
Mr. O'Connor presented the status report for the FY2020 audit plan. Three audits are currently in progress. There are no adjustments to the audit plan recommended at this time.
  
- IV. Audit Observation Follow-up  
Mr. O'Connor presented the audit follow-up report. He noted that quarterly meetings are held to discuss the status of open observations and they have been a tremendous success.
  
- V. Informational Updates  
Ms. Olson stated it is the expectation that the KPMG external audit will be issued on time. She noted several positive staff changes in the Accounting department and commended the controller.

Mr. O'Connor noted staffing changes in the Internal Audit department. An auditor resigned for a job opportunity with the Internal Revenue Service (IRS). Recruiting

began shortly after the position became vacant. A senior internal auditor has been hired and will start October 8. The new hire comes highly qualified.

Mr. O'Connor stated the annual State Internal Audit Advisory board (SIAAB) government conference in Springfield will take place in October.

VI. FY2019 Internal Audit Reports

#2019-009 Section 8 and 236 Activities Review

Mr. O'Connor presented the report which had a deficiency level report rating. Ms. Olson noted the department has hired dedicated staff and is working diligently on policies and procedures.

#2019-004 Fiscal Administration and Monitoring of the Developments Review

Mr. O'Connor presented the report, which had a deficiency level report rating. He stated this area has had difficulties in the past but has improved significantly. Mr. Harris and Ms. Rapp inquired about other housing finance agencies (HFA) and their technology capabilities.

#2019-011 Time & Attendance Follow Up #2

Mr. O'Connor presented the report, which had a deficiency level report rating. There has been a 50% reduction in the number of discrepancies between the ADP system and employee timesheets. Ms. Rapp brought up a geolocation feature for time management. Mr. O'Connor stated they were discussing options with Human Resources.

#2019-012 Benefits & Salary Administration Review

Mr. O'Connor presented the report, which received a satisfactory report level rating. There were no observations.

#2019-013 General Ledger Maintenance Review

Mr. O'Connor presented the report, which received a satisfactory report level rating, despite its high risk. There were no observations. Ms. Rapp noted the improvement for this area.

#2019-010 Rental Housing Support Program Follow Up Review

Mr. O'Connor presented the report, which received a deficiency report level rating. He added that RHSP reviews have usually been rated significant deficiency but has improved due to internal controls and leadership.

VII. Attachments

Mr. O'Connor presented the Fiscal Control and Internal Auditing Act (FCIAA) 2019 year-end summary report. The report was submitted to the Assistant Executive Director for review and approval earlier this month.

The meeting concluded at approximately 9:14 AM.