

Illinois Housing Development Authority
Internal Audit Department
Audit Committee Minutes
December 17, 2021

- For the Audit Committee and Board of Directors: Tom Morsch, Committee Chairman
Darrell R. Hubbard, Committee Member
Aarti Kotak, Committee Member
King Harris, Board Chairman
Luz Ramirez, Board Member
Sonia Berg, Board Member
Tommy Arbuckle, Board Member
Sam Tornatore, Board Member

- For the Authority: Kristin Faust, Executive Director
Lawrence E. Grisham, Assistant Executive Director
Ed Gin, Chief Financial Officer
Maureen Ohle, General Counsel
Christina Monroe, Chief Internal Auditor
Tim Hicks, Controller
Michaela Angeles, Senior Department Administrator
Scot Berkey, Chief Information Officer

The meeting was called to order at 9:03 A.M. by Mr. Morsch.

- I. Approval of Audit Committee Minutes from September 17, 2021
Mr. Harris made the motion for approval of the Audit Committee minutes. Ms. Hubbard seconded the motion. The minutes were approved as submitted.

- II. FY2021 Audit Plan Status Report
Ms. Monroe presented the FY2021 Audit Plan Status Report. The Accounts Payable report is complete and included in the package. The close meeting for the procurement audit is expected to be scheduled next month and the report will be included in the March 2022 audit package.

- III. FY2022 Audit Plan Status Report
Ms. Monroe presented the FY2022 Audit Plan Status Report. The Portfolio Risk Management and the Low-Income Housing Tax Credit reports have been completed. The Debt Issuance review is in progress.

- IV. FY2022-2023 Proposed Audit Plan
Ms. Monroe presented the FY2022-2023 Audit Plan with proposed revisions. She noted that the Internal Audit department is using a more specialized and value-added

approach, which has resulted in audits taking longer to complete. There have also been some staff vacancies. She provided an overview of the revisions.

Mr. Morsch commended Ms. Monroe and the Internal Audit team on their work, acknowledging that the level of detail in audit reports has been substantial. Mr. Harris also acknowledged Ms. Monroe and her team's approach.

Mr. Harris asked about the vacant manager position. Ms. Monroe stated that fulfilling the role looks to be in final stages and is promising.

The revised audit plan was approved at the Audit Committee meeting and will be circulated for signature to the Executive Director and Audit Committee chairman.

V. Open Findings Status Report

Ms. Monroe summarized the audit findings. She noted two open findings are due at the end of the year. There are also two findings that are overdue: the finding related to the budget will be closed at the end of the month, and the finding related to COOP will be closed after Internal Audit obtains sufficient evidence. Mr. Berkey added that there is scheduled Disaster Recovery testing tonight that addresses the COOP finding.

Ms. Monroe noted an Accounts Payable (AP) follow-up audit will be conducted to properly address the closed AP findings.

VI. Informational Updates

Ms. Monroe presented the informational updates.

A Quality Assurance Review (QAR) is being conducted at the beginning of 2022. Ms. Monroe explained that the QAR of the Internal Audit department operations occurs every five years. The QAR was last performed in 2017 and Internal Audit received a "Generally Conforms" rating, which is the passing grade.

Mr. Chad Hayden, senior internal auditor at I-Pass, is our independent validator for the 2022 QAR and will review our compliance and validate our results. Ms. Monroe added that an internal assessment was performed by the department in October as part of preparation for the full QAR.

Ms. Monroe noted that Mr. Cedric Choi was hired as a Senior Internal Auditor in October.

Continuing Professional Education (CPE) credit hours are on track.

VII. Internal Audit Reports

Ms. Monroe presented the Accounts Payable and Portfolio Risk Management reviews and provided a high-level overview of each audit.

Mr. Gin provided an update on the Clifton Larson Allen (CLA) financial audit, as part of the informational updates in the audit package. He described the preparation the Finance department underwent this year, the submission of the materials to CLA in September, and the responses provided by CLA. The Board stated they would like to be updated on the progress of the external audit.

Mr. Morsch made the motion to adjourn. The meeting concluded at approximately 9:41 AM.