

**Illinois Housing Development Authority**  
**Internal Audit Department**  
**Audit Committee Minutes**  
**March 18, 2022**

- For the Audit Committee and Board of Directors: Tom Morsch, Committee Chairman  
Aarti Kotak, Committee Member  
Tommy Arbuckle, Incoming Board Member  
King Harris, Board Chairman  
Luz Ramirez, Board Member  
Sonia Berg, Board Member  
Sam Tornatore, Board Member
  
- For the Authority: Kristin Faust, Executive Director  
Lawrence Grisham, Assistant Executive Director  
Ed Gin, Chief Financial Officer  
Tim Hicks, Controller  
Muhammad Jalaluddin, Deputy Controller  
Maureen Ohle, General Counsel  
Christina Monroe, Chief Internal Auditor  
Michaela Angeles, Senior Department Administrator
  
- Guests: Emily Schmidt, Crowe Horwath  
Dan Curran, Crowe Horwath  
Lisa Stinson, Crowe Horwath

The meeting was called to order at 9:00 A.M. by Mr. Morsch.

- I. Approval of Audit Committee Minutes from December 17, 2021  
Ms. Monroe presented the December 17, 2021 Audit Committee meeting minutes for approval. Mr. Morsch made the motion for approval of the Audit Committee minutes. Ms. Kotak seconded the motion. The minutes were approved as submitted.
  
- II. FY2021 Audit Plan Status Report  
Ms. Monroe presented the FY2021 Audit Plan Status Report. She noted that the Procurement audit has been completed and is included in the audit package.
  
- III. FY2022 Audit Plan Status Report  
Ms. Monroe presented the FY2022 Audit Plan Status Report. Since the last meeting, three audits have been initiated and are in progress: Debt Issuance, Cybersecurity and Remote Workforce, and the Illinois Rental Payment Program.
  
- IV. Open Findings Status Report  
Ms. Monroe presented the Open Findings Status Report. She stated there are six closed findings that were due this quarter. Internal Audit granted an extension to Asset Management for their overdue finding.

V. Informational Updates

Ms. Monroe presented the informational updates.

The Quality Assurance Review (QAR) was completed in the first quarter. Internal Audit received the highest passing grade of "Generally Conforms" by the State Internal Audit Advisory Board (SIAAB). The next QAR will be performed in 2027.

The department hired Internal Audit Manager, Denise Harvey. There is currently one vacancy for a Senior Internal Auditor position.

Internal Audit is currently working with Crowe-Horwath for the Cybersecurity and Remote Workforce review.

The Clifton Larson Allen (CLA) FY2021 audit is in progress and the Chief Financial Officer (CFO) will be presenting an update later in the meeting.

The staff is on track to complete their Continuing Professional Education (CPE) credits requirements.

Mr. Morsch recognized the Internal Audit team for their audit accomplishments with the QAR, staffing, and detailed audit reports.

VI. Internal Audit Reports

Ms. Monroe presented the Procurement report. She stated the key takeaway is the recommendation around the vendor management and vendor risk management programs for IHDA.

VII. FY2021 Financial Statement Audit Financial Update by Finance

Mr. Gin, CFO, presented an update of the FY2021 Financial Statement Audit since the last quarter update. He stated the financial audit should be completed by the end of March. The final audit report will be presented in June. Mr. Gin provided an overview of what to expect at the June Audit Committee.

Mr. Morsch noted the delay of financial statement audit is significant as it potentially impacts business. He noted the audit is critically important to the Authority. Ms. Kotak noted it is important to be proactive and discuss how to systemically prevent an audit delay from occurring again.

Ms. Stinson stated the timing and delays the Authority has experienced has not been uncommon for other several state agencies that Crowe has worked with. She added that it will be important to communicate the urgency of timing to Clifton Larson Allen (CLA) and the Office of the Auditor General (OAG) to encourage prioritizing the Authority audit.

Mr. Morsch suggested obtaining an outside asset manager to help manage investments and transactional information. If this happens, Ms. Kotak would like a regular update as part of Audit Committee or Finance Committee on this task. Ms. Ohle stated that Legal could look into an expedited procurement process for obtaining an asset manager if it is considered urgent.

Mr. Morsch made the motion to adjourn. The meeting concluded at approximately 9:59 AM.