

***Illinois Housing Development Authority
Internal Audit Department
Audit Committee Minutes
December 15, 2023***

- For the Audit Committee and Board of Directors: Tom Morsch, Committee Chair
Tommy Arbuckle, Committee Member
Sonia Berg, Board Member
King Harris, Chairman of the Board
Daniel Hayes, Board Member
Brice Hutchcraft, Committee Member
Erika Poethig, Board Member
Luz Ramirez, Board Member
Sam Tornatore, Board Member

- For the Authority: Kristin Faust, Executive Director
Karen Davis, Deputy Executive Director
Lawrence Grisham, Assistant Executive Director
Keith Evans, Chief Information Officer
Tim Hicks, Deputy Chief Financial Officer
Maureen Ohle, General Counsel
Christina Lopez, Chief Internal Auditor
Michaela Angeles, Senior Department Administrator

The meeting was called to order at 9:00 A.M. by Mr. Morsch. Ms. Angeles performed the roll call.

- I. Approval of Audit Committee Minutes from September 16, 2023
Mr. Morsch presented the Audit Committee minutes. The minutes were approved as submitted.

- II. FY2024 Audit Plan Status Report
Ms. Lopez presented a status report of the FY2024 audit plan. Four audits have been completed and issued this quarter. Four audits are currently in progress. There were no questions.

- III. FY2024-2025 Proposed Audit Plan
Ms. Lopez presented the FY2024-2025 Audit Plan and stated that Internal Audit is presenting a revision. "Finance Operations – System Access and Usage" was removed as an audit for FY24. Ms. Lopez stated that it did not make sense to perform an audit of JDE since it will be replaced by Oracle in six months. The revised audit plan was approved as submitted.

- IV. Open Findings Status Report
Ms. Lopez presented the Open Findings Status Report and summarized the findings. She stated all the findings due this quarter have been closed.

V. Internal Audit Reports

Ms. Lopez presented the Internal Audit Reports.

Benedict Update Installation Consultation Review #2024-001C

Ms. Lopez stated that Benedict is a loan servicing software and went over the finding. There were no questions.

Accounts Payable Review #2024-002

Ms. Lopez summarized the five high risk findings.

Procurement Review #2024-003

Ms. Lopez presented the audit. She noted there were two high risk findings related to vendor maintenance and a need for a formalized third-party risk management program.

PowerSeller Update Installation Consultation #2024-004C

Ms. Lopez stated there were no findings for this review.

VI. Informational Updates

Ms. Lopez presented the informational updates for this quarter.

She stated that Internal Audit recently purchased RiskOversight for AuditBoard, which is a tool that will help automate the annual risk assessment process.

She noted that the auditors are on track with obtaining their Continuing Professional Education (CPE) credits.

VII. FY23 Financial Audit Update

Mr. Hicks provided an update on the external audit. He stated that the audit has been completed and that it was a clean audit with an unqualified opinion. There were three findings, one of which is a repeat finding.

He noted that there is no compliance audit this year, as it is performed every other year.

Mr. Morsch inquired about when the board will be able to review the audit. Mr. Hicks stated it is expected that the Office of the Auditor General (OAG) will release the results by December 21. The audit will be distributed to the board by the following day. Additionally, Clifton Larson Associates (CLA) will be invited to attend the Audit Committee next year to report and communicate details about the report.

Mr. Hutchcraft inquired about the remediation plan for the repeat finding. Mr. Hicks noted it will take a few cycles and multi-departmental implementation in order to resolve the issue. Mr. Evans added that a program needs to be built and formalized regarding third-party vendor management.

The meeting adjourned at approximately 9:14 A.M.