

Illinois Housing Development Authority
Internal Audit Department
Audit Committee Minutes
June 21, 2024

- For the Audit Committee and Board of Directors: Tom Morsch, Committee Chair
Sonia Berg, Board Member
King Harris, Chairman of the Board
Brice Hutchcraft, Committee Member
Claire Leopold, Board Member
Sam Tornatore, Board Member

- For the Authority: Kristin Faust, Executive Director
Karen Davis, Deputy Executive Director
Lawrence Grisham, Assistant Executive Director
Maureen Ohle, General Counsel
Christina Lopez, Chief Internal Auditor
Muhammad Jalaluddin, Controller
Seth Runkle, Chief Financial Officer
Sheri Geishecker, Executive Assistant

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

- I. Approval of Audit Committee Minutes from March 15, 2024
Mr. Morsch presented the Audit Committee minutes. The minutes were approved as submitted.

- II. Annual Confirmation of Organizational Independence
Ms. Lopez presented the Annual Confirmation of Organizational Independence. She stated that the Chief Internal Auditor (CIA) must confirm the Internal Audit department's independence to the board, at least annually.

- III. FY2024 Audit Plan Status Report
Ms. Lopez presented a status report of the FY2024 audit plan. Since the last quarterly audit committee meeting, seven audit reports have been issued. Four of these audits were Information Technology (IT) audits or consultations. She added that two remaining audits on the plan are pending and expected to be completed shortly after the end of FY2024. There were no questions.

- IV. FY2024-2025 Revised Audit Plan
Ms. Lopez presented the FY2024-2025 Revised Audit Plan. The following revisions have been proposed: a special project was added to FY2024 for the IT Benedict Full Release review. Pilot Direct Delivery was moved from FY2024 to FY2025. Additionally, three spots were added for potential special projects in FY2025. The revised audit plan was approved. After the meeting, Ms. Lopez stated that the revised audit plan would be circulated for signatures to the Executive Director and the Audit Committee Chair.

V. Open Findings Status Report

Ms. Lopez presented the Open Findings Status Report. All findings that were due this quarter have been closed, including three high risk findings from the Illinois Court Based Rental Assistance Program (CBRAP) review, and one high risk finding from the Accounts Payable (AP) review. There were no questions.

VI. Internal Audit Reports

Ms. Lopez presented the Internal Audit Reports. She stated that management is actively working on remediating findings for issued reports. She also noted that Internal Audit conducts robust reviews and some of the issued audits had very minor findings or none at all as a result of the organization's strong infrastructure.

Intranet Update Consultation #2024-012C

Ms. Lopez presented the report. She noted it was a consultation, which meant there is no follow-up conducted for findings. There were three findings.

Continuity of Operations Plan and Disaster Recovery Review #2024-009

Ms. Lopez provided a brief overview of the audit. There were two medium risk findings.

PowerSeller Migration #2024-013

Ms. Lopez provided an overview of the audit.

Benedict Full Release #2024-015

Ms. Lopez presented the audit. There were no findings.

Multifamily Asset Servicing #2024-009

Ms. Lopez presented the audit. There were only two low-risk findings, and no finding follow-up is required.

Single-Family Whole Loans Review #2024-011

Ms. Lopez presented the audit. There were no findings.

Cash Operations #2024-006

Ms. Lopez presented the audit and findings. Mr. Morsch emphasized the importance of regularly scheduled reviews of user access. Ms. Faust agreed and stated that management would meet with Human Resources and Information Technology to further discuss this.

Ms. Lopez provided a brief overview of the audit finding and remediation process for Ms. Leopold. She added that the department auditee determines the remediation date, and that the organization is very responsive towards remediating their findings.

VII. Informational Updates

Ms. Lopez presented the informational updates for this quarter.

The risk assessment, which is used to update the two-year audit plan, is now performed in AuditBoard. The process is now automated, and all departments were able to complete their risk assessment exercise in the new RiskOversight module for the first time this year.

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

VIII. FY24 Financial Audit Update

Mr. Jalaluddin provided an update on behalf of Finance.

He discussed the Oracle program timeline which involves all departments. He noted it is on schedule and ready for a go-live date of July 1st.

Mr. Jalaluddin also provided an update on the FY2024 audit performed by Clifton Larson Allen (CLA). This is their fifth year performing the audit. This year, the Authority will undergo three audits: the financial audit, the state compliance review, and the federal compliance (single audit) review. He discussed the timeline process and key deadline dates.

The meeting adjourned at approximately 9:23 A.M.