

**Illinois Housing Development Authority
Internal Audit Department
Audit Committee Minutes
September 19, 2025**

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

- For the Authority: Kristin Faust, Executive Director
Lawrence Grisham, Assistant Executive Director
Christina McClernon, General Counsel
Christina Lopez, Chief Internal Auditor
Seth Runkle, Chief Financial Officer

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

- I. Roll Call
Ms. Synowiecki performed the roll call.

- II. Approval of Audit Committee Minutes from June 20, 2025
Mr. Morsch presented the Audit Committee minutes. Ms. Berg made a motion for approval. Mr. Hayes seconded the motion. The minutes were approved as submitted.

- III. Annual Confirmation of Organizational Independence
Mr. Morsch presented the Annual Confirmation of Organizational Independence which was approved after the meeting.

- IV. Internal Audit Charter and V. Audit Committee Charter
Ms. Lopez presented the Internal Audit Charter and Audit Committee Charter and discussed the two agenda items together. Changes were made to the documents to align with the new Global Standards. Any requirements related to the Fiscal Control and Internal Auditing Act (FCIAA) and the State of Illinois Audit Advisory Board (SIAAB) Bylaws were retained. The internal audit charter now includes an internal audit mandate and detailed section on the quality assurance improvement program. There were no questions or comments. The charters were approved after the meeting.

- V. FY2025 Audit Plan Status Report
Ms. Lopez presented the FY2025 Audit Plan status report. Since June, three audits have been issued. Two reports are currently in progress by Baker Tilly and draft reports are expected to be issued next week.

FY2026 Audit Plan Status Report

Ms. Lopez presented the FY2026 Internal Audit Plan. There are two audits in progress: Cash Management and Wire Activity and Debt Close Out reviews.

VI. Open Findings Status Report

Ms. Lopez presented the Open Findings Status Report and provided an overview of the ten closed findings that were due this quarter. She presented five overdue findings. Mr. Morsch stated there aren't usually many overdue findings. Ms. Lopez emphasized that while there are more overdue findings this quarter, none of them expose the organization to significant risk, and the findings are being actively monitored to ensure timely resolution. Three of the five overdue findings are related to third-party risk management. Mr. Harris inquired further about the definition and potential training for vendors to ensure they are in compliance.

Ms. Faust stated an internal committee is currently working on developing requirements and procedures related to third-party risk management. She added that the goal is to have policies in place by the end of the fiscal year.

Ms. Lopez continued presenting the two overdue findings which were both in the Accounting area. There were no questions.

VII. Internal Audit Reports

Ms. Lopez presented the three following audits. She noted that none of the findings indicate a significant risk to the organization and remediation efforts are underway with timelines in place.

#2025-008 Multifamily Programs including HOME, First Mortgage, National Housing Trust Fund (NHTF), Low-Income Housing Tax Credits (LIHTC), COVID Affordable Housing Grant Program Funds (CAHGP), and Illinois Affordable Housing Trust Fund (IAHTF) (Multifamily Programs) Review

There was one medium risk finding related to the annual review of IHDA Connect.

#2025-009 First Mortgage and Down Payment Assistance Review

There was one medium risk finding related to loans receivable reconciliation.

#2025-007 State Court Based Rental Assistance Program (CBRAP) Review

There was one high risk finding related to reconciliation timing and accuracy issues.

VIII. Informational Updates

Ms. Lopez presented the informational updates. There are two staffing vacancies. Mr. Morsch noted there continues to be staffing challenges and Baker Tilly is currently being utilized to support the Internal Audit department.

The year-end summary will be submitted this month.

All auditors are on track with obtaining their Continuing Professional Education (CPE) requirements.

IX. External Audit Update by Finance

Mr. Jalaluddin presented on the mid-year progress of the external audit. There were no questions.

The meeting adjourned at approximately 9:21 A.M.