

**Illinois Housing Development Authority
Internal Audit Department
Audit Committee Minutes
March 20, 2026**

For the Audit Committee and Board of Directors: Brice Hutchcraft, Acting Audit Committee Chair
King Harris, Chairman of the Board
Daniel Hayes, Committee Member
Luz Ramirez, Board Member
Sonia Berg, Board Member
Sam Tornatore, Committee Member

- For the Authority: Kristin Faust, 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. Hutchcraft.

- I. Roll Call
Ms. Synowiecki performed the roll call.
- II. Approval of Audit Committee Minutes from January 16, 2026.
Mr. Hutchcraft was the Acting Audit Committee Chair and presented the Audit Committee minutes. The minutes were approved as submitted.
- III. FY2026-2027 Proposed Audit Plan
Ms. Lopez presented the proposed FY2026–2027 Audit Plan. She noted that two audits, Conversion to Encompass API and Mitas Loan Servicing Implementation, will be moved to FY2027. The audits for those two items cannot be conducted until the projects are finished. There were no questions. A motion to approve the revisions to the audit plan was made and approved.
- IV. FY2025 Audit Plan Status Report
Ms. Lopez presented the FY2025 Audit Plan status report. The two remaining audit reports, Employee Business Expense and Part II: Oracle Post Conversion, have been issued. The FY2025 audit plan is now complete. There were no questions.
- V. FY2026 Audit Plan Status Report
Ms. Lopez presented the FY2026 Audit Plan status report and provided an update on the FY2026 Audit Plan. Two audits have been issued: Cash Management and Wire Activity and Debt Close Out. There are three audits that are currently in progress: Accounts Payable, Financial Close and Reporting, and DMS Updates and HOTMA.

Five audits remain on the plan, including IHDA Connect and DataConnect Warehouse, which will be completed by Baker Tilly. The Internal Audit team will conduct the remaining three audits: Disaster Recovery and COOP, Annual Homeownership QC Procedures, and AI

Microsoft Copilot. Ms. Lopez stated that the plan is on track for full completion in June, supported by the additional resources provided by Baker Tilly.

VI. Open Findings Status Report

Ms. Lopez presented the Open Findings Status Report and summarized the results for the current quarter. She reported that twenty findings have been closed, including six high-risk findings involving system limitations, SOC 1 report review processes, expanded background checks, SSO and MFA configuration, and reconciliations. She noted that five findings remain overdue, including one high-risk item involving missing review evidence, which Accounting has since addressed.

VII. Internal Audit Reports

Ms. Lopez presented the internal audit reports completed this quarter and stated that none of the findings indicate a significant risk at this time. All audits are taken seriously by management. She emphasized that remediation efforts are underway with clear timelines.

#2025-010 Employee Business Expenses

Ms. Lopez presented the audit and stated there were three medium risk findings.

#2025-011 Oracle Post Implementation

Ms. Lopez presented the audit and noted there was one high risk finding.

#2026-001 Cash Management and Wire Activity

Ms. Lopez provided an overview of the audit, noting that cash management and wire activity is a robust process and a significant function at the Authority. The audit resulted in only three low-risk findings and emphasizes the strength of the controls currently in place.

#2026-003 Debt Close Out Review

Ms. Lopez presented the audit and stated there was one high risk finding.

VIII. Informational Updates

Ms. Lopez provided departmental updates. She reported that a new Internal Audit Manager joined the department during the quarter and that recruitment is underway for a Staff Auditor.

The Chief Internal Auditor was re-appointed to the position of Chief Internal Auditor as of December 2025, in accordance with Fiscal Control and Internal Auditing Act (FCIAA) requirements.

All auditors remain on track to meet their Continuing Professional Education (CPE) requirements.

Ms. Lopez stated that the IIA Global Standards require the development of a strategic plan, and she provided an update on the midpoint of Internal Audit's three-year plan. She noted that the department's strategic plan prioritizes strengthening auditor capabilities through professional certifications, enhanced skill development, and cross-training opportunities.

In addition, challenge session meetings were introduced in March, and the department has been conducting post-audit reflections since FY2025 to identify successes and opportunities for improvement. Ms. Lopez also highlighted the department's increasing use of data analytics and its efforts to streamline the risk assessment process through AuditBoard. In addition, department staff have completed Microsoft AI Copilot training and are actively incorporating the tool into their work. Ms. Lopez stated that AI can assist with smaller, manual tasks, enabling auditors to focus more of their time on strategic activities and critical thinking.

IX. External Audit Update by Finance

Ms. Larson presented the final update on the FY25 audit. There were no repeat findings, and all prior-year findings have been remediated. One new finding was issued related to monitoring subrecipients. Mr. Hutchcraft noted that this may be an appropriate time to review software solutions that could support this area.

Ms. Larson also provided an update on the status of external audit findings. A new process has been implemented to address these items. Six findings have been fully resolved, and three remain in progress.

The meeting adjourned at approximately 9:16 A.M.