

**Illinois Housing Development Authority
Internal Audit Department
Audit Committee Minutes
June 26, 2026**

For the Audit Committee and Board of Directors:	Tom Morsch, Audit Committee Chairman Brice Hutchcraft, Committee Member King Harris, Chairman of the Board Daniel Hayes, Committee Member Luz Ramirez, Board Member Sonia Berg, Board Member Sam Tornatore, Board 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 March 20, 2026
Mr. Morsch presented the Audit Committee minutes. The minutes were approved as submitted.
- III. FY2026 Audit Plan Status Report
Ms. Lopez presented the FY26 Audit Plan Status Report. She reported that four audits have been issued and completed: DMS Updates and HOTMA, IHDA Connect, Financial Close and Reporting, and Accounts Payable. The three remaining audits are in progress and are expected to be completed by the end of the fiscal year. The COOP and Copilot audits are in the draft report stage, and the HOME Q&C Policies and Procedures audit has a close meeting scheduled for next week. Mr. Morsch noted that the fiscal year ends on June 30 and stated that nine audits will be completed this year.
- IV. Revised Audit Plan FY2026-2027
Ms. Lopez presented the revised audit plan. Before discussing the proposed changes to FY2027, she presented the results of the annual risk assessment performed in April and confirmed that the highest-risk activities remain on the plan.

She then presented the revised audit plan and explained that three audits, Benefits and Salary Administration, SF Whole Loans, and the 2012–2022 Server Upgrades, are proposed for removal due to resource limitations determined in the resource allocation analysis. The Benefits and Salary Administration audit was removed because a robust audit was recently completed in FY25, the SF Whole Loans audit was removed because the program is currently in the run-off phase, and the Server Upgrades audit was removed based on IT risk assessment scores and discussions with IT management.

In addition to those changes, Ms. Lopez added that two IT audits were replaced: The IHDA on the Move project replaced Data Connect Implementation, and CBRAP Platform replaced Encompass API Framework. Ms. Lopez explained that the IHDA on the Move audit will assess whether the Authority has appropriate governance, IT controls, and operational readiness to ensure a smooth transition without disrupting critical services.

Ms. Lopez stated that although three audits were removed and two were replaced, the plan continues to cover all high-risk areas. She emphasized that the revised plan maintains focus on major systems and high-risk activities, aligns with IIA standards and FCIAA, protects audit quality, and avoids unnecessary audit risk. Any future changes will be brought to the Audit Committee for approval.

During the discussion, Mr. Brice Hutchcraft inquired about the Benefits and Salary Administration audit, noting a CLA (Clifton Larson Allen) external audit finding related to Human Resources. Ms. Lopez responded that while there may be some overlap between the CLA audit and Internal Audit's review, the department established a robust remediation plan with HR and management is addressing the issues appropriately. She also noted that HR is in the process of implementing a new HRIS system. Mr. Runkle added that there is some overlap between the audits.

Mr. Morsch reiterated that the Internal Audit department is limited with resources and the plan is to utilize Baker Tilly to supplement the audit team. He emphasized that the audits that were selected to be removed and postponed are not areas of concern. The revised audit plan was approved as submitted.

V. Open Findings Status Report

Ms. Lopez presented the Open Status Findings Report. She stated that two findings remain open. The Accounts Payable finding is scheduled for approval at the June policy meeting. The second open finding, Debt Maintenance and Monitoring, will be retested. Both overdue findings are expected to be remediated by the September Audit Committee meeting.

Ms. Lopez reported that the other two findings due this quarter have been closed. She added that Internal Audit continues to monitor progress to ensure timely completion.

Mr. Morsch commented on the action plan related to establishing a policy on uncashed checks and clarified to the Board that the issue resulted from vendors failing to cash checks, rather than any action by the Authority.

VI. Internal Audit Reports

Ms. Lopez presented the audits. She stated that none of the findings in the Internal Audit reports presented significant risk to the Authority at this time and that management has already begun remediation with clear timelines.

#2026-006 Document Management System (DMS) Updates and Housing Opportunity Through Modernization Act (HOTMA)

Ms. Lopez provided an overview of the audit. She presented the DMS Audit and provided background information. Key issues included user access controls, segregation of duties, and the absence of annual access reviews.

#2026-002 IHDA Connect – Initial Closing Project

Ms. Lopez provided an overview of the audit. She discussed the IHDA Connect Review and explained that only one low-risk observation resulted from this audit.

#2026-005 Financial Close and Reporting

She presented the Financial Close and Reporting Audit, which included four high-risk observations relating to missing reconciliations and inadequate documentation.

#2026-004 Accounts Payable

Ms. Lopez presented the Accounts Payable Review, which identified five high-risk observations.

VII. Informational Updates

Ms. Lopez provided several informational updates. She stated that the Internal Audit Staff Auditor position was recently filled and the department is now fully staffed.

Internal Audit performed the annual Fiscal Control and Internal Auditing Act (FCIAA) certification process and continuing professional education requirements remain on track. She also noted that the annual risk assessment had been discussed earlier in the meeting.

VIII. External Audit Update by Finance

Mr. Villegas presented an overview of the FY26 IHDA review, which includes the financial audit, the federal Single Audit, and the biennial state compliance examination. He explained that the Office of the Auditor General (OAG) is required to conduct these examinations at least once every two years. Clifton Larson Allen (CLA) is in its seventh year auditing the Authority.

Mr. Villegas stated that the objective for this audit cycle is to deliver clean opinions with no material findings across all engagements. There were no questions from the Board.

The meeting was adjourned at 9:19 AM.