

**Illinois Housing Development Authority  
Internal Audit Department  
Audit Committee Minutes  
September 20, 2024**

- 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  
Sam Tornatore, Committee Member
  
- For the Authority: Kristin Faust, Executive Director  
Karen Davis, Deputy Executive Director  
Lawrence Grisham, Assistant Executive Director  
Christina McClernon, General Counsel  
Keith Evans, Chief Information Officer  
Christina Lopez, Chief Internal Auditor  
Muhammad Jalaluddin, Controller  
Seth Runkle, Chief Financial Officer  
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 June 21, 2024  
Mr. Morsch presented the Audit Committee minutes. The minutes were approved as submitted.
  
- II. FY2024 Audit Plan Status Report  
Ms. Lopez presented the status report of the FY2024 audit plan. Two reports have been issued for Oracle Implementation and Debt Maintenance and Monitoring. The audit plan has been completed.  
  
Ms. Faust stated that fourteen audits and consultations have been completed for the FY2024 audit plan. She noted there has been an intentional move to focus on more in-depth and robust audits that bring value to the organization. Mr. Morsch agreed and commended the Internal Audit department for the quality of audits.
  
- III. FY2025 Audit Plan Status Report  
Ms. Lopez presented a status report of the FY2025 audit plan. The Direct Delivery Pilot report has been issued, and four audits are in progress: Illinois Homeowner Assistance Fund Home Repair (HAFHR) Program, Benefits and Salary Administration, Investments, and Cybersecurity.

- IV. FY2024-2025 Revised Audit Plan  
Ms. Lopez presented the FY2024-2025 Revised Audit Plan. There has been one revision to the plan: The State Court-Based Rental Assistance Program (CBRAP) audit has been added to the FY2025 audit plan. The plan was approved as submitted.
- V. Open Findings Status Report  
Ms. Lopez presented the Open Findings Status Report. There were three overdue findings at the time that the status update was collected. The finding related to the MultiFamily T-drive is close to being resolved. The finding related to Third-Party Risk Management policies and procedures has now been completed as of today. The last overdue finding involves procuring a new Human Resources Information System (HRIS). The request for proposal (RFP) was put on hold until the Oracle implementation.

The rest of the findings due this quarter have been closed. There were no questions.

- VI. Internal Audit Reports  
Ms. Lopez presented the audit reports. She noted that management is in the process of addressing all the findings based off their responses. She stated that Internal Audit has a robust review process. Some reports resulted in only low findings, or no findings at all, due to having very strong control infrastructure.

#### #2024-010 Part 1 Oracle Implementation

This was a complex process that involved IT, Accounting, and the entire organization. Internal Audit participated in system implementation testing sessions and conference room pilot sessions, which happened several months in advance of the implementation. Ms. Lopez also participated in the monthly Steering Committee meetings in order to understand the status of the implementation and to ensure the process was running smoothly. There were two low-risk findings.

Mr. Evans stated the implementation was successful and the issues are now more functional and user-based than technical. There will be a new service provider starting in October as Mythics, the vendor that assisted in the conversion, exits. Mr. Runkle added that now the implementation phase is complete, they look forward to focusing more on capturing efficiencies.

#### #2024-014 Debt Maintenance and Monitoring Audit

Internal Audit looked at the maintenance and monitoring procedures performed by Capital Markets and Accounting departments over conduit and program debt for both the Single Family and Multifamily programs. There were two high-risk findings.

#### #2024-001 Direct Delivery Pilot

The pilot was established in March 2021 by the Homeownership department. There was one low-risk finding. Ms. Faust stated that the goal of the pilot was to understand our own capability in the event that we are without a servicer and need to go that route.

VII. Informational Updates

Ms. Lopez presented the informational updates for this quarter.

She noted the year-end summary report for the fiscal year will be submitted to the Executive Director this month.

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

VIII. Resolution Authorizing Payment of Audit Invoices

Mr. Jalaluddin discussed the resolution which is part of the consent agenda.

Ms. Faust discussed CBRAP which is open for applications as of today.

The meeting adjourned at approximately 9:45 A.M.