

Illinois Housing Development Authority
Internal Audit Department
Audit Committee Minutes
December 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
Luz Ramirez, Board Member
Sam Tornatore, Committee Member
Erika Poethig, Board Member

- For the Authority: Kristin Faust, Executive Director
Lawrence Grisham, Assistant Executive Director
Christina McClernon, General Counsel
Christina Lopez, Chief Internal Auditor
Keith Evans, Chief Information Officer
Seth Runkle, Chief Financial Officer
Michaela Angeles, Senior Department Administrator

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

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

- II. Approval of Audit Committee Minutes from September 20, 2024
Mr. Morsch presented the Audit Committee minutes. The minutes were approved as submitted.

- III. FY2025 Audit Plan Status Report
Ms. Lopez presented a status report of the FY2025 audit plan. She stated that one audit has been issued since the last Audit Committee meeting. Four audits are currently in progress: Benefits and Salary Administration, Investments, Cybersecurity, and Fiscal Administration and Monitoring for the Developments and Risk Management. She noted that there have been delays in the audit plan due to a pause in the Fiscal Administration audit and the Internal Audit (IA) department not being fully staffed. Additionally, she stated that IA has been supporting the Authority in other activities. She noted these delays may result in the audit plan not being completed on time. There were no questions or comments.

- IV. Open Findings Status Report
Ms. Lopez presented the Open Findings Status Report. She noted there are five findings that have been closed this quarter. There were no questions.

- V. Internal Audit Report(s)
Ms. Lopez presented the Part 1: Pre-Award and Award: Illinois Homeowner Assistance Fund Home Repair (HAFHR) Program Review. She provided a brief overview of the program and stated there were no exceptions noted in the review.

VI. Informational Updates

She stated that the auditors have all fulfilled their Continuing Professional Education (CPE) credit requirements for the 2023-2024 reporting period.

Ms. Lopez discussed the new Global Internal Audit Standards, to be effective in January 2025. She went over the five domains of the Standards and went over a summary of key expectations of the Audit Committee. Additionally, IA has performed a detailed gap analysis to ensure compliance by next month. Ms. Lopez stated the two major changes include implementing an IA strategic plan and enhancing documentation around approvals and IA activity.

Mr. Morsch discussed the IA strategic plan's focus on increasing the number of audits performed and more importantly, the focus on the personnel to ensure they are supported with training and adequate resources. Mr. Harris inquired about the difficulty in filling the vacant position. Ms. Lopez stated the department is actively looking and currently interviewing, and hopeful to fill the position.

Ms. Poethig inquired about the Inspector General's involvement and process as it relates to addressing program risks. Ms. McClernon stated they do not go into agencies to perform a review, but they can receive complaints and act as an outlet for members of the public to express dissatisfaction. She stated she has never seen an inquiry for program functions at the Authority.

Mr. Morsch stated the Audit Committee would meet next month in January to discuss the external audit, which was completed early. Ms. Faust thanked the Accounting and Finance staff for their work with the external audit.

The meeting adjourned at approximately 9:15 A.M.