

Illinois Housing Development Authority
Internal Audit Department
Audit Committee Minutes
October 16, 2020

- For the Audit Committee: Tom Morsch, Committee Chairperson
Aarti Kotak, Committee Member
Darrell R. Hubbard, Committee Member

- For the Board: King Harris, Board Chairperson
Sonia Berg, Board Member
Rita Ali, Board Member
Sam Tornatore, Board Member
Luz Ramirez, Board Member

- For the Authority: Kristin Faust, Executive Director
Herman Brewer, Chief of Staff
Maureen Ohle, General Counsel
Tim Hicks, Controller
Tracy Grimm, Deputy Chief Financial Officer
Michaela Angeles, Senior Department Administrator
Ebony Peggs, Internal Auditor
Victoria Seay, Senior Internal Auditor
John Caporale, Senior Internal Auditor
Christine Moran, Director, Multifamily
Tara Pavlik, Director, Homeownership
Cheremie Hibbler, Assistant Director, IT
Scot Berkey, Chief Information Officer

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

Before addressing the agenda, the chairperson recognized the sudden passing of Kevin O'Connor, Chief Internal Auditor, and his contributions to the Authority. Mr. O'Connor passed away in July. Karen Davis, formerly the Audit Committee Chair, was brought on as IHDA Deputy Director. Ms. Davis presented the audit package at the meeting today.

- I. Approval of Audit Committee Minutes from June 16, 2020
Mr. Morsch made the motion for approval of the Audit Committee minutes. Mr. Hubbard and Ms. Kotak seconded the motion. The minutes were approved as submitted.

- II. Status Report of FY2020 Audit Plan
Ms. Davis presented the status report of the FY2020 audit plan. She stated all audits were complete.

- III. Status Report of FY2021 Audit Plan
Ms. Davis presented the status report of the FY2021 audit plan. She noted the audits that are currently in progress.

- IV. Updated Audit Plan FY2020-2021
Ms. Davis presented the updated audit plan for FY2020-2021. A special project was allotted to the Covid Relief Fund (CRF) review.
- V. Audit Observation Follow-up
Ms. Davis presented the observation follow-up. She noted the department is currently in transition and the worksheet will be updated for the December meeting.
- VI. Informational Updates
Ms. Davis stated that she and the Chief Financial Officer have been interviewing candidates to fulfill the Chief Internal Auditor (CIA) position. The goal is to have someone in place no later than the year end.

The year-end summary was released on July 7, 2020.

The external financial audit is currently in progress.

Auditors are on track to meet their Continuing Professional Education (CPE) requirements for the 2019-2020 period. Senior Internal Auditor, Mr. Caporale, has scheduled training to satisfy his specialized government CPE and fraud CPE requirements.

- VII. FY2021 Internal Audit Reports
Ms. Davis presented the issued internal audit reports.

HR Policies and Procedures and Procurement Review #2020-015

The audit received a deficiency report level. The Human Resources director is in discussion with Automatic Data Processing (ADP), the timekeeping software utilized by the Authority, to address issues.

Single Family Whole Loan Review #2021-001

The audit had a high risk rating and received a satisfactory report level. There were no findings.

HOME Program Compliance Review #2021-003

The audit had a high risk rating and received a satisfactory report level. There were no findings.

After agenda items were discussed, Mr. Morsch brought up the new external auditor. Ms. Faust stated that Clifton Larson Allen (CLA) is on track to complete the financial audit and it will be ready for discussion at the December audit committee meeting. Ms. Kotak suggested holding a quick and optional discussion before committee meetings.

Ms. Davis made the motion to adjourn the meeting. The meeting concluded at approximately 9:22 AM.