

Illinois Housing Development Authority
Internal Audit Department
Audit Committee Minutes
June 18, 2021

- For the Audit Committee: Tom Morsch, Committee Chairperson
Aarti Kotak, Committee Member
Darrell R. Hubbard, Committee Member
- For the Board of Directors: King Harris, Board Chairperson
- Other Guests: Thomas Kizziah, Office of the Auditor General
Chuck Kozlik, Clifton Larson Allen
Mandy Merchant, Clifton Larson Allen
- For the Authority: Kristin Faust, Executive Director
Herman Brewer, Chief of Staff
Ed Gin, Chief Financial Officer
Maureen Ohle, General Counsel
Christina Monroe, Chief Internal Auditor
Tim Hicks, Controller
Tracy Grimm, Deputy Chief Financial Officer
Michaela Angeles, Senior Department Administrator
Cheremie Hibbler, Assistant Director, IT

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

- I. Approval of Audit Committee Minutes from March 19, 2020
Mr. Morsch made the motion for approval of the Audit Committee minutes. Ms. Kotak and Mr. Hubbard seconded the motion. The minutes were approved as submitted.
- II. Annual Confirmation of Independence
Ms. Monroe presented the Annual Confirmation of Independence. She stated that the Institute of Internal Auditors (IIA) requires that the Internal Audit (IA) function be independent. This form requires annual acknowledgment.
- III. Internal Audit Activity Charter
Ms. Monroe presented the IA Activity Charter. She noted the charter is in the standard format provided by the IIA and was last reviewed in 2018. The charter was approved and will be signed by the Audit Committee chair after the meeting.
- IV. Audit Committee Charter
Ms. Monroe presented the Audit Committee Charter. The Audit Committee last reviewed the charter in 2018. Ms. Kotak asked about the purpose of approval. Ms. Monroe noted that the documented approval of the charters is required to be in compliance when a Quality Assurance Review (QAR) is performed on the IA department. Ms. Ohle added that if the charter is amended, a full approval would be needed and it would go to the Board. The charter was approved and will be signed by the Audit Committee chair after the meeting.

V. FY2021 Audit Plan Status Report

Ms. Monroe presented the FY2021 Audit Plan Status Report. She noted that two audit reports have been issued this quarter, and the department is on track to complete the FY21 audit plan on time.

VI. FY2022-2023 Proposed Audit Plan

Ms. Monroe presented the two-year audit plan for approval. She noted the plan will also include special projects in each fiscal year. Ms. Kotak asked for clarification on the special projects. Ms. Monroe explained that a special project indicates the audit was not performed as a result of the risk assessments. There are three special projects scheduled in FY22: a Virtual Private Network (VPN) audit, an overall IT security audit, and an upcoming JDE Conversion involving the Authority's financial system. The audit plan was approved during the meeting.

VII. Open Findings Status Report

Ms. Monroe presented the status report. She noted that the report would only display findings due in the current quarter. Ms. Kotak inquired about one overdue finding and the reason for the delay. Ms. Monroe answered that the finding was discussed with the department director and based off of their response, an extension was provided. She added there was no reason for concern.

Ms. Kotak inquired about the finding related to IHDA Connect. Ms. Monroe explained that if the IHDA Connect system isn't up yet, IT would have a successful workaround process to be able to work outside of the system. Ms. Monroe added that IT is expected to be on track once IL RPP is done, and if anything is overdue, it will be reported.

Ms. Kotak inquired about a finding related to RHSP. Ms. Monroe noted that the findings were closed back in September and since then, action was taken to properly close it. Ms. Faust suggested that Ms. Monroe provide the department's detailed response for the finding if Ms. Kotak is interested.

VIII. Informational Updates

Ms. Monroe went over the informational updates.

IX. Internal Audit Reports

Ms. Monroe briefly went over the two audit reports issued this quarter: the Rental Housing Support Program Follow Up #2 Review #2021-002, and the IHDA Connect Review #2020-012.

X. Clifton Larson Allen (CLA) External Audit Presentation

Mr. Gin introduced the CLA team, Mr. Kozlik and Ms. Merchant. Mr. Kozlik and Ms. Merchant presented the FY2020 audit results and went over the findings. Ms. Kotak noted the summary was helpful and receiving it in advance in conjunction with the other board materials would be useful.

Ms. Faust thanked CLA and the Audit Committee members. Mr. Morsch made the motion to adjourn. The meeting concluded at approximately 9:52 am.