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Honorable William G. Holland  
Auditor General  
740 East Ash  
Springfield, Illinois 62703-3154

April 25, 2007

The Honorable William Holland:

An evaluation of the internal fiscal and administrative controls of Illinois Housing Development Authority (IHDA) for the Fiscal Year ended June 30, 2007 was performed in accordance with guidelines established by the Comptroller in consultation with the Director of Central Management Services.

The objectives of the system of the internal fiscal and administrative controls of IHDA are to provide reasonable assurance that:

- 1) resources are utilized efficiently, effectively, and in compliance with applicable law;
2. obligations and costs are in compliance with applicable law;
- 3) funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation;
- 4) revenues, expenditures, and transfer of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the Authority's and State's resources; and
- 5) funds held outside the State Treasury are managed, used, and obtained in strict accordance with the terms of their enabling authorities and that no unauthorized funds exist.



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**Illinois Housing Development Authority  
Internal Control Certification  
For the Fiscal Year Ended June 30, 2007**

The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits expected to be derived there from, and that the benefits consist of reductions in the risks of failing to achieve the stated objectives. Estimates and judgments are required to assess the expected benefits and related costs of control procedures. Furthermore, errors or irregularities may occur and not be detected because of inherent limitations in any system of internal accounting and administrative control, including those limitations resulting from resource constraints, legislative restrictions, and other factors.

Finally, projection of any evaluation of the system to future periods is subject to the risk that procedures may be inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate. Nonetheless, I have taken the necessary measures to assure that the evaluation, identified in the first paragraph, has been conducted in a thorough and consistent manner.

The systems of internal fiscal and administrative controls of the Authority comply with the requirements of this Act (FCIAA) except for the timely reconciliation of sub-systems to the general ledger. This is being addressed in the reengineering project underway at the Authority.

A handwritten signature in black ink that reads "DeShana L. Forney".

**DeShana L. Forney**  
**Executive Director**

**CC:** Internal Audit Committee  
Mr. James Kregor     Controller  
Mr. Robert Kugel     Chief Financial Officer  
Mr. William Kazan     Director of Internal Audit