



STATE OF ILLINOIS  
**OFFICE OF THE  
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

**Financial Audit  
 For the Year Ended June 30, 2022**

**Release Date: December 21, 2022**

<b>FINDINGS THIS AUDIT: 2</b>				<b>AGING SCHEDULE OF REPEATED FINDINGS</b>			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
<b>Category 1:</b>	<b>1</b>	<b>0</b>	<b>1</b>	2021		22-2	
<b>Category 2:</b>	<b>0</b>	<b>1</b>	<b>1</b>				
<b>Category 3:</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>2</b>				
<b>FINDINGS LAST AUDIT: 2</b>							

**INTRODUCTION**

This digest covers the Illinois Housing Development Authority (Authority) Financial Audit as of and for the year ended June 30, 2022. The Authority's Compliance Examination and Single Audit covering the year ended June 30, 2022 will be issued in separate reports at a later date.

**SYNOPSIS**

- **(22-1)** The Authority has not established adequate internal controls over service providers.

**Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

**Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

**Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**  
**FINANCIAL AUDIT**  
**For the Year Ended June 30, 2022**

<b>FINANCIAL POSITION - ALL FUNDS (In Thousands)</b>	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash and investments - unrestricted.....	\$ 321,768	\$ 231,395
Cash and investments - restricted.....	2,504,266	2,348,910
Net Program loans receivable.....	1,229,050	1,223,156
Other.....	146,262	170,086
<b>Total</b> .....	<b>4,201,346</b>	<b>3,973,547</b>
Deferred Outflows of Resources.....	523	6,223
<b>Liabilities</b>		
Bonds and Notes Payable.....	1,947,760	1,731,239
Due to State of Illinois.....	422,830	411,295
Deposits held in escrow.....	149,196	140,281
Other.....	407,489	320,564
<b>Total</b> .....	<b>2,927,275</b>	<b>2,603,379</b>
Deferred Inflows of Resources.....	8,192	1,594
<b>Net Position</b>		
Net investment in capital assets.....	8,616	7,853
Restricted.....	955,194	1,087,980
Unrestricted.....	302,592	278,964
<b>Total</b> .....	<b>\$ 1,266,402</b>	<b>\$ 1,374,797</b>
<b>ADMINISTRATIVE FUND OPERATIONS (In Thousands)</b>	<b>2022</b>	<b>2021</b>
<b>Revenues</b>		
Service Fees.....	\$ 11,296	\$ 7,295
Interest and investment income.....	20,196	48,734
Federal assistance programs.....	19,250	39,040
Other.....	75,011	20,790
<b>Total</b> .....	<b>125,753</b>	<b>115,859</b>
<b>Expenses</b>		
Salaries and benefits.....	24,159	21,920
Professional fees.....	5,285	3,686
Other general and administrative.....	2,963	5,076
Transfers, net.....	12,898	2,781
Financing Costs.....	1,426	1,257
Federal assistance programs.....	19,250	39,040
Provision for est. loss on loan receivable.....	3,545	1,232
Other.....	13,922	18,688
<b>Total</b> .....	<b>83,448</b>	<b>93,680</b>
Change in net position.....	<b>\$ 42,305</b>	<b>\$ 22,179</b>
<b>EXECUTIVE DIRECTOR</b>		
During Engagement: Kristin Faust		
Current: Kristin Faust		

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INACCURATE CONTROLS OVER SERVICE  
PROVIDERS**

**Controls over service providers  
needs improvement**

The Illinois Housing Development Authority (Authority) did not maintain adequate controls over service providers.

**Documentation could not be  
provided for the completeness  
and accuracy of the population  
of service providers**

During the audit, we requested the Authority to provide a population of third-party service providers utilized. Although the Authority provided the population, they did not provide documentation demonstrating the population was complete and accurate. Due to this condition, we concluded the Authority's population was not sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 330, AU-C § 530, AT-C § 205).

Despite the population limitations noted above, we performed testing. During testing of five service providers, we noted:

- The Authority had not reviewed the service providers' System and Organization Control (SOC) reports.
- The contracts with the service providers did not document roles and responsibilities, controls over the security, integrity, availability, confidentiality, and privacy. In addition, the contracts did not require the service provider to undergo a SOC examination. (Finding 1, pages 88-89)

We recommended the Authority perform procedures to ensure its listing of service providers utilized is complete and accurate. In addition, we recommended the Authority review SOC reports and review its contracts with service providers to ensure roles and responsibilities and security controls are documented and SOC examinations of the service providers' controls are carried out.

**Authority agreed with the  
auditors**

Authority officials accepted the recommendation.

**OTHER FINDING**

The remaining finding pertains to inadequate controls over investments. We will review the Authority's progress towards the implementation of our recommendation in our next financial audit.

**AUDITOR'S OPINION**

Our auditors stated the financial statements of the Authority as of June 30, 2022, and for the year then ended, are fairly stated in all material respects.

The financial audit was conducted by CliftonLarsonAllen LLP.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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