



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

Single Audit
 For the Year Ended June 30, 2022

Release Date: March 30, 2023

FINDINGS THIS AUDIT: 4				AGING SCHEDULE OF REPEATED FINDINGS			
	<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>
Category 1:	1	0	1	2021		22-2	
Category 2:	1	2	3	2011		22-3	
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	2	2	4				
FINDINGS LAST AUDIT: 5							

INTRODUCTION

This digest covers our Single Audit of the Illinois Housing Development Authority (Authority or IHDA) for the year ended June 30, 2022. A separate Financial Audit as of and for the year ended June 30, 2022, was previously released on December 21, 2022. A separate Compliance Examination for the year ended June 30, 2022 will be released at a later date. In total, this report contains 4 findings, 2 of which were reported in the Financial Audit.

SYNOPSIS

- (22-3) The Authority did not follow its established policies and procedures for monitoring subrecipients of the Section 8 Project-Based program.
- (22-4) The Authority did not execute an intergovernmental agreement with other State of Illinois agencies before being subgranted funding for the Coronavirus State and Local Fiscal Recovery Funds and Housing Assistance Fund programs.

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.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

**FAILURE TO FOLLOW ESTABLISHED SUBRECIPIENT
MONITORING PROCEDURES FOR THE SECTION 8
PROJECT-BASED CLUSTER PROGRAM**

**Monitoring procedures
not followed**

The Authority did not follow its established policies and procedures for monitoring subrecipients of the Section 8 Project-Based (Section 8) program.

The Authority has implemented procedures whereby program staff perform periodic on-site inspections and desk reviews of subrecipients' compliance with regulations applicable to the Section 8 Cluster program. These reviews are formally documented and include the issuance of a report of the review results to the subrecipient summarizing the procedures performed, results of the procedures, and any findings or performance improvement observations noted. The Authority's policies require the subrecipient file to be closed within 90 days of the subrecipient being notified of any findings.

**Management and Occupancy
Reviews were not sent timely
to the subrecipients**

During our test work over monitoring review procedures performed for 8 subrecipients (with expenditures of \$3,420,351) of the Section 8 Cluster program, we noted the Authority has not established adequate control activities to ensure its monitoring procedures were followed in communicating the results of its monitoring reviews. We noted the Authority did not send the findings of the Management and Occupancy Reviews (MORs) to two subrecipients (with expenditures totaling \$1,799,238) in a timely manner (within 30 days of onsite inspection). Specifically, one MOR was 33 days after the onsite inspection and the other MOR was not sent until 41 days after the onsite inspection. (Finding 3, pages 17-18) **This finding has been reported since 2011.**

We recommended the Authority ensure monitoring files are completed and closed in accordance with established policies and procedures.

**Authority agreed with the
auditors**

Authority officials agreed with the recommendation.

**FAILURE TO EXECUTE INTERGOVERNMENTAL
AGREEMENTS**

The Authority did not execute an intergovernmental agreement with other State of Illinois agencies before being subgranted funding for the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and Housing Assistance Fund (HAF) programs.

During our testwork over the SLFRF and HAF programs, we requested IHDA provide us with the grant agreement/subrecipient agreements between IHDA and other State of Illinois agencies

Intergovernmental agreements were not executed

who passed through SLFRF and HAF funding to the Authority during fiscal year 2022. After discussion with Authority management, we learned that no such subrecipient agreements/intergovernmental agreements were executed for the SLFRF and HAF funding IHDA received. (Finding 4, pages 19-20)

We recommended the Authority obtain intergovernmental agreements with other State of Illinois agencies before being subgranted funding.

Authority agreed with the auditors

Authority officials agreed with the recommendation.

AUDITOR’S OPINIONS

The financial audit report was previously released. The auditors stated the financial statements of the Authority as of and for the year ended June 30, 2022, are fairly stated in all material respects.

The auditors also conducted a Single Audit of the Authority as required by the Uniform Guidance. The auditors stated the Authority complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on the Authority’s major programs for the year ended June 30, 2022.

This Single Audit was conducted by CliftonLarsonAllen LLP.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

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

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:TLK