



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY**

State Compliance Examination  
 For the Year Ended June 30, 2021

Release Date: June 16, 2022

FINDINGS THIS AUDIT: 15	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	1	1	2020		21-6, 21-8, 21-9, 21-10, 21-11, 21-12, 21-13	
Category 2:	5	9	14	2019		21-7	
Category 3:	0	0	0	2015	21-1		
TOTAL	5	10	15	2011		21-3	
FINDINGS LAST AUDIT: 14							

**INTRODUCTION**

This digest covers our Compliance Examination of the Illinois Housing Development Authority (Authority) for the year ended June 30, 2021. A separate Financial Audit as of and for the year ended June 30, 2021, was previously released on March 29, 2022. A separate Single Audit for the year ended June 30, 2021, was previously released on June 8, 2022. In total, this report contains 15 findings, two of which was reported in the Financial Audit and three of which were reported in the Single Audit.

**SYNOPSIS**

- (21-9) The Authority did not approve payroll reports timely.
- (21-10) The Authority has not established adequate controls over the appropriate completion of I-9 Forms for employees hired by the Authority.
- (21-11) The Authority did not properly accrue for compensated employee absences.

**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**

**INADEQUATE CONTROLS OVER TIME REPORTING**

The Authority did not approve payroll reports timely.

During our testwork of 40 Weekly Attendance Reports prepared during the fiscal year ended June 30, 2021, we noted the following:

**Approvals were performed late**

- Twenty (50%) reports were not approved by the designated Department Director within two weeks of the related pay period end date. Specifically, we noted the review timeframe ranged from 1 to 104 days subsequent to the pay period end date.
- Four (11%) reports were not approved by the designated Department Director within two weeks of the related pay period end date. Specifically, we noted the review timeframe ranged from 2 to 7 days subsequent to the pay period.
- One (3%) report was not approved by the designated Department Director and Department Timekeeper. (Finding 9, pages 28-29)

We recommended the Authority enforce existing policies and procedures to ensure payroll is approved timely.

**Authority agreed with the auditors**

Authority officials agreed with the recommendation.

**INADEQUATE CONTROLS OVER I-9 FORMS**

The Authority has not established adequate controls over the appropriate completion of I-9 Forms for employees hired by the Authority.

**Controls over I-9 Forms need improvement**

During our review of 40 employees, we noted the following:

- Nine employees (23%) did not fully complete section 1 of the I-9 Form as there was no indication as to whether the employee used a preparer, translator, or other individual to assist in completing Form I-9 on or before their respective hire date.
- Five employees (13%) failed to date section 1 of the I-9 Form by their respective hire date.
- Five employees (13%) dated and completed the I-9 Form prior to their hire date.

**Five I-9 Forms were completed prior to the hire date**

- Two employees (5%) failed to sign section 1 of the I-9 Form. (Finding 10, page 30)

We recommended the Authority enhance their controls over the process for preparing and reviewing I-9 forms to ensure compliance with U.S. Citizen and Immigration Services requirements.

**Authority agreed with the auditors**

Authority officials agreed with the recommendation.

### **IMPROPER ACCRUAL OF COMPENSATED ABSENCES**

The Authority did not properly accrue for compensated employee absences.

During our testwork of 30 employees' accrued compensated absences (i.e. vacation and sick leave) liability balances during the fiscal year ended June 30, 2021, we noted the following:

**Vacation and sick accruals were not calculated correctly**

- Five accruals were calculated incorrectly resulting in the vacation balance being understated. Specifically, we noted the hours ranged from 2.50 to 26.50 and in total 65 hours and \$2,922.
- Three vacation payouts were calculated incorrectly resulting in an overpayment. Specifically, we noted three payouts had an overpayment of \$2,354.
- Two accruals were calculated incorrectly resulting in the vacation balance being overstated. Specifically, we noted the hours ranged from 43 to 45 and in total 88 hours and \$4,874.
- Two sick accruals were calculated incorrectly resulting in the sick balance being understated. Specifically, we noted the sick hours ranged from 4 to 42.50 hours and in total were understated by 46.50 hours and \$2,178. (Finding 11, page 31)

We recommended the Authority enforce existing policies and procedures to ensure proper review of the calculation of accrued compensated absences. We also recommended the Authority review the accuracy of its prior compensated absence payouts and determine whether additional payments or recoupments are warranted and legal.

**Authority agreed with the auditors**

Authority officials agreed with the recommendation.

**OTHER FINDINGS**

The remaining findings are reportedly being given attention by Authority personnel. We will review the Authority’s progress toward the implementation of our recommendations in our next examination.

**AUDITOR’S OPINIONS**

The auditors stated the financial statements of the Authority as of and for the year ended June 30, 2021, 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, 2021.

**ACCOUNTANT’S OPINION**

The accountants conducted a compliance examination of the Authority for the year ended June 30, 2021, as required by the Illinois State Auditing Act. The accountants stated the Authority complied, in all material respects, with the requirements described in the report.

This State Compliance Examination 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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