

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE
HELD ON JUNE 28, 2023

Pursuant to the call of the Committee Chair and notice duly given, the meeting of the Audit Committee of the Board of Commissioners of the Virginia Housing Development Authority (the “Authority”) was held on June 28, 2023, at the offices of the Authority, 601 South Belvidere Street, Richmond, Virginia.

COMMITTEE MEMBERS PRESENT:

Michael J. Schewel, Chair
Thomas A. Gibson, IV, ex officio
Donald E. Scoggins

COMMITTEE MEMBERS ABSENT:

Dominique Hicks-Whitaker
Lisa R. Porter

OTHERS PRESENT

Susan Dewey, Chief Executive Officer
David Henderson, Managing Director of Finance and Administration
Cindy Hii, Internal Audit Director
Steven Mintz, Deputy Chief Counsel
Tara Jenkins, Director of Executive Services
Hil Richardson, Chief Financial Officer
Mike Urban, Managing Director of Homeownership
Tammy Neale, Chief of Programs
Gaby Miller, Signing Director, CliftonLarsonAllen LLP
James Baker, Controller
Lisa Watson, Managing Director of Human Resources

The meeting of the Audit Committee was called to order by Chair Schewel at approximately 8:33 a.m. on June 28, 2023. The members of the Committee listed above as being present at the meeting were present at that time and remained present throughout the meeting.

On a motion duly made and seconded, the minutes of the meeting of the Audit Committee held on February 22, 2023, were approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

The Chair invited Gaby Miller of CliftonLarsonAllen LLP (CLA) to speak. Using pictures and brief biographies on the screen, Ms. Miller introduced the CLA team who will be conducting Virginia Housing’s annual audit and related work this year. She explained they were experienced working with clients like Virginia Housing and were known as CLA’s housing team. Ms. Miller then discussed the results of single audits already completed for three federal programs: Emergency Rental Assistance, Homeowner Assistance Fund, and Mortgage Insurance Program,

for which there were no findings. Ms. Miller then discussed the plan and the schedule for the audit of FY23 financials and other items, including all related work and required submissions, and said her team would deliver all the work of the audit by September 14, 2023. Ms. Miller then discussed the effects of GASB 96 and how they may affect Virginia Housing. Finally, Ms. Miller invited the committee members to ask any questions and to suggest anything they wanted CLA to look at. She called this “Governance Input,” and it was a deliberate invitation. The Chair said his main concern is the federal dollars Virginia Housing has distributed under COVID relief programs. Ms. Miller summarized what CLA has done and will do to review all of them.

The Chair then discussed the third-party report on Virginia Housing’s Internal Audit and explained the primary concerns and suggestions in the report. The Chair then explained the way that report influenced the proposed amendments to the Audit Committee Charter which were on the Audit Committee’s agenda. After some discussion of the proposed amendments, on motion made and seconded, the Audit Committee Charter was adopted with all proposed amendments by the affirmative vote of each of the Commissioners noted above as present at the meeting. A copy of the adopted Charter is attached.

Ms. Hii reported on recent audits and explained how their reports include, in addition to findings, the identified risk, the agreed upon action plan, and the commitment dates for changes. Ms. Hii said future reports from her to the Committee would include updates on those action plans. Ms. Hii and Ms. Dewey noted that by the time Ms. Hii presents her reports to the CEO it is common for many of the recommended changes to already be in place. Ms. Hii discussed the following audits: Homeownership Originations, Homeownership Quality Control, Accounting Systems, and Human Resources, including Payroll Administration. The Chair and Ms. Hii then discussed how the Internal Audit function helps Virginia Housing to work better and to be better prepared for the external audit. Ms. Hii also answered questions from Committee members.

There being no further business, the meeting was adjourned at approximately 9:35 a.m. on June 28, 2023.