



## MEMORANDUM

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To: Audit Committee

From: Mary Hom  
Chief Risk Officer

Date: November 22, 2021

Re: 2022 Internal Audit Plan

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Please find attached the proposed 2022 Internal Audit Plan. After careful performance of the annual risk assessment process (which included individual discussions with Members of the Audit Committee as well as team discussions with the various departments across the Corporation), Internal Audit has developed a plan for 2022 as follows:

- (1) Perform seven assurance audits
- (2) Participate in two advisory engagements
- (3) Perform four agile audits
- (4) Complete two special projects
- (5) Continuous monitoring of the HDC investment portfolio, employee expenses, President's Office expenses, and petty cash

### **Action by the Members of the Audit Committee**

The Members of the Audit Committee are requested to approve the 2022 Internal Audit Plan.

**INTERNAL AUDIT PLAN  
2022  
(DRAFT)**

<b>ASSURANCE</b>					
<u>Audit</u>	<u>Description of Review</u>	<u>Last Audit</u>	<u>Estimated Duration</u>	<u>Department</u>	<u>Auditor</u>
Corporate Culture	Gain an understanding of corporate culture and how it impacts conduct risk	N/A	8 weeks	Human Resources/Corporate	Ogoke/Saranga
AM-Construction Monitoring	Evaluate compliance with HDC construction loan monitoring protocols	2018	8 weeks	Asset Management	Saranga
AM-Property and Liability Insurance	Evaluate the HDC portfolio and compliance with P&L insurance requirements	N/A	4 weeks	Asset Management	Ogoke
Cash Mgmt-Construction Loan Servicing	Evaluate accuracy of advances posted to AP and GL and proper disbursements	2016	8 weeks	Cash Management	Ogoke
IT-Equipment Delivery and Inventory	Evaluate accuracy and controls for equipment delivery and inventory	N/A	4 weeks	IT	Saranga
LG-Real Estate Loan Documentation	Assuring loan documentation compliance	N/A	4 weeks	Legal	Ogoke
TSY-Budget Process	Assess the process for formulating the HDC budget and examine budget trends	N/A	4 weeks	Treasury	Saranga

<b>ADVISORY</b>	
<u>Description</u>	<u>Department</u>
Diversity Equity & Inclusion (DEI)	Human Resources
Personally Identifiable Information (PII)	IT/Legal/Human Resources/Asset Management/HPD

<b>AGILE</b>					
<u>Audit</u>	<u>Description</u>	<u>Last Audit</u>	<u>Duration</u>	<u>Department</u>	<u>Auditor</u>
Bank Token Management	Evaluate effectiveness of controls over management of trustee tokens	N/A	2 weeks	Cash Management/IT/Credit	Saranga
Contract Administration	Evaluate the effectiveness of contract management policies	2014	2 weeks	Legal	Ogoke
Facilities Management-Access Cards	Evaluate controls to ensure effective facilities management	N/A	2 weeks	Office Services	Saranga
Termination/Separation from Service	Evaluate compliance with HR policy regarding termination/separation from service	N/A	2 weeks	Human Resources	Ogoke

<b>CONTINUOUS MONITORING</b>	
<u>Type</u>	<u>Description</u>
Employee Expenses/President's Office Expenses/Petty Cash	Evaluate compliance with HDC employee expense and petty cash policies
Investments	Quarterly review of investment portfolio and compliance with Investment Guidelines

<b>PROJECTS</b>	
<u>Type</u>	<u>Description</u>
FHA Risk Share Reporting Requirements	Follow up on recommendations (2020) and implementation
IT-Incident Response Management	Follow up on audit results (2021) and assist in formulation and implementation