



**New York City Housing Authority
Department of Internal Audit & Assessment (IA&A)**

**Minutes of Audit Committee Meeting
March 15, 2018**

Board and Audit Committee Members:

Derrick Cephas, Chair
Victor A. Gonzalez, Co-Chair
Mark Kaplan, Independent Member
Richard Kuo, Independent Member

NYCHA Board and Staff Members- Present:

Shola Olatoye, Chair & Chief Executive Officer
Karina Totah, Vice-President for Strategic Initiatives
Tricia L. Roberts, Vice-President for Finance, Office of the CFO
Hyacinth Jeffers, Acting Director, Department of Internal Audit & Assessment
Dan Frydberg, Deputy Director, Financial Accounting & Reporting Services
Anil Agrawal, Assistant Director, Department of Internal Audit & Assessment
Jacqueline Palmer, Assistant Director, Department of Internal Audit & Assessment
Avik Das, Management Auditor, Department of Internal Audit & Assessment

Deloitte & Touché LLP – Present:

Michael Fritz, Lead Client Service Partner
Jill Strohmeyer, Managing Director

A meeting of the Audit Committee members of the New York City Housing Authority (the “Authority”) was held on March 15, 2018 at 10:05 AM in the Board Room of the Authority at 250 Broadway, New York, New York 10007.

Hyacinth Jeffers, Acting Director of Internal Audit & Assessment (IA&A) commenced the meeting by introducing herself to all members present at the meeting.

I. Approval of Minutes:

Upon motion duly made and seconded, the committee members unanimously approved the minutes of the February 15, 2018 Audit Committee meeting.

II. NYCHA Chair Remarks:

Shola Olatoye, Chair & Chief Executive Officer thanked the Board and the Audit Committee Members for their services to NYCHA. Mr. Kuo inquired about the Audit Committee’s role and responsibilities. The Chair responded that indeed the Board and Audit Committee Members play an important role in the independent financial audit. Regarding the internal audits, she stated that the Audit Committee’s role needs to be figured out, but she welcomes their thoughts and input on this matter. She emphasized that the

internal audits need to be prioritized based on risks. Karina Totah, Vice-President for Strategic Initiatives indicated that Internal Audit group has skills around processes and is working to develop skill-sets for data analytics in terms of analyzing large amount of data. She also indicated that the Audit group has lost three auditors last year and was not able to back fill the positions. Mr. Cephas asked if we have the right amount of staff and skill-sets. Ms. Totah indicated that under the NextGen Plan, NYCHA's technology environment has been rapidly changing towards becoming truly "digital", with recent investments in information systems through initiatives such as Online Self Service Portal, MyNYCHA app, Digital HR and Online Annual reviews. As such, Jacqueline Palmer was appointed as Assistant Director for IT Audits and Special Projects. She will be responsible to build, lead and manage the Internal Audit IT program to ensure the confidentiality, integrity and availability of NYCHA's technology network, for developing and executing an IT risk assessment program, and for managing any Special Projects.

Mr. Derrick Cephas, Chair of the Audit Committee stated that the Audit Committee members need to take a pro-active role in Internal Audit. Victor Gonzalez, Co-chair of Audit Committee indicated that as a Public Housing resident and Board Member, he does not mind visiting the developments. The Chair suggested that Directors of different departments may come to the Audit Committee meeting to provide status reports to the Audit Committee periodically. Mr. Kuo suggested a possibility of separate quarterly meetings and mid-year reports, and also a need to figure out whether all the Audit Committee members, or one or two members, should be involved in such meetings. Mr. Mark Kaplan inquired whether Deloitte reviews internal audits. Michael Fritz, Lead Client Service Partner stated that they usually look at the Audit Plans.

III. IAA Presentation- 2017 Year in review and 2018 Proposed Audit Plan Process:

Ms. Jeffers presented the 2017 Year in Review and 2018 Proposed Audit Plan. She indicated that the basis for this audit plan was a risk assessment performed by IA&A, with input from various Executive areas.

2017 Accomplishments:

Ms. Jeffers mentioned that the total number of potential audits for 2017 was 85, which comprised of 26 audits carried over from 2016, the 53 Audit Committee-approved audits for 2017, and 6 special requests.

During 2017, a total of 44 audits have been completed (29 final reports issued, and 15 reports are expected to be finalized by March 31, 2018).

2018 NYCHA Internal Audit Plan

The 2018 NYCHA Internal Audit Plan proposes a total of 41 assignments, comprising of 23 Audits/ Assessments/Desk Memos in addition to 18 assignments that were carried over from 2017. Examples of some key areas are:

- “Five Alive” – Apartment Safety Checks
- Lead Disclosure to Residents
- Timekeeping
- Leased Housing Department Portability Tenants
- Stability of Critical systems

Of the 41 assignments planned:

- 13- Operational

- 15- Compliance
- 13- Financial

Ms. Jeffers requested the Audit Committee members accept the 2018 Proposed Internal Audit Plan and to recommend the 2018 Proposed Audit Plan to NYCHA Board.

Upon motion duly made and seconded, the Audit Committee members accepted the 2018 Proposed Internal Audit plan, subject to review of items, and also requested additional information on the departmental budget and resources.

Adjournment

The Audit Committee meeting was adjourned at about 11:30 AM.