

LEGISLATIVE AUDIT COMMISSION



Review of
Illinois Housing Development Authority
Year Ended June 30, 2012

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ILLINOIS HOUSING DEVELOPMENT AUTHORITY
YEAR ENDED JUNE 30, 2012

FINDINGS/RECOMMENDATIONS - 13

ACCEPTED - 3
IMPLEMENTED - 10

REPEATED RECOMMENDATIONS - 5

PRIOR AUDIT FINDINGS/RECOMMENDATIONS - 11

This review summarizes the auditors' reports on the Illinois Housing Development Authority for the year ended June 30, 2012, filed with the Legislative Audit Commission on December 20, 2012 (financial) and March 28, 2013 (compliance). The auditors performed a financial audit and compliance examination in accordance with Government *Auditing Standards* and state law and the requirements of the Federal Single Audit Act and OMB Circular A-133. The auditors stated that the financial statements of the Authority are fairly presented.

A bipartisan Board of nine members appointed by the Governor and confirmed by the State Senate governs the Illinois Housing Development Authority. The statutory mandate of the Authority is to increase the production and supply of low and moderate income housing within the State. This goal is accomplished through several State and federal programs. *The Mortgage Loan Program* and *The Affordable Housing Bond Program* provides mortgage financing at rates lower than those available from commercial lenders for housing developments meeting Authority criteria. Through *The Homeowner Mortgage Purchase Program*, the Authority, through a Master Servicer, purchases mortgage loans on which it provides below market rate financing from certain institutions, which have made home purchase loans available to eligible borrowers.

The Authority is the administrator of several other programs including:

- Illinois Affordable Housing Program
- Rental Housing Support Program
- Build Illinois Bond Program
- Foreclosure Prevention Program
- Illinois Affordable Housing Tax Credit Program
- Low Income Housing Tax Credit Program
- Federal HOME Program
- Risk Sharing Agreement
- Homeowner Mortgage Purchase Program
- Neighborhood Stabilization Program
- American Recovery and Reinvestment Act, Section 1602

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- National Foreclosure Mitigation Counseling Program
- Cook County Mortgage Foreclosure Mediation Program
- Single Family Program
- Hardest Hit Fund.

The bonds and notes outstanding as of June 30, 2012 consist of both general and special limited obligations of the Authority. The full faith and credit of the Authority are pledged for payment of general obligation bonds and notes. The Authority has the power under the Act to have up to \$3.6 billion of general and special limited obligation bonds and notes outstanding, excluding those issued to refund outstanding bonds and notes. At June 30, 2012, amounts outstanding against this limitation were approximately \$1.9 billion.

Some developments financed by the Authority are eligible for federal subsidies for interest and/or rents. The Authority makes mortgage loan commitments after an extensive study of the feasibility of a development.

The Authority's operations are financed by fees and charges paid by borrowers, interest income from investments securities, and other administration fees. No State appropriations are received by the Authority and no State tax dollars are provided directly to the Authority, except as a partial reimbursement of expenses related to the administration of the Affordable Housing Trust Fund, the Rental Housing Support Program Fund, and the Foreclosure Prevention Fund. Payment of any amounts on behalf of the Authority by the State is subject to appropriation. Accordingly, IHDA does not create a legally enforceable obligation on the part of the State nor does it create a debt enforceable against the State.

Mary Kenney was Executive Director of the Illinois Housing Development Authority during the audit period and since April 2011. She had served the Authority as General Counsel since 2000. Ms. Kenney remains as Executive Director.

The average number of full-time employees is as follows:

	Fiscal Years		
	2012	2011	2010
Financial and Computer Services	44	44	45
Human Resources, Administration and Legal	36	28	29
Director's Office and Housing Programs	192	149	138
TOTAL	272	221	212

Operating expenses from the Administrative Fund for the Authority in FY12 were about \$158.3 million compared to \$154.4 million in FY11. The increase was due primarily to program grants and an increase in estimated losses on program loans receivable and the mortgage certification program.

Appendix A provides selected activity measures of the Authority for FY12 and FY11. Over 80% of the Authority's production since inception has been to households with 80% or below of the area median income.

Financial Statements

Appendix B provides the market value of cash and investments at June 30, 2012 and 2011. The Authority's cash and cash equivalents for its proprietary funds and investments for all funds totaled \$951 million in FY12 compared to almost \$983 million one year earlier. The preponderance of the investments is United States Agency Obligations and United States Government Obligations.

Appendix C provides a statement of net assets for the Authority as of June 30, 2012 and 2011. Total net assets were \$832,725,657 at June 30, 2012 and \$712,200,227 at June 30, 2011. The largest change in assets was in current assets, cash and cash equivalents, which increased almost \$142 million from FY11 to FY12.

Appendix D provides a summary of the Authority's revenues, expenditures, and changes in fund balances for the Authority's governmental funds. These funds include the Illinois Affordable Housing Trust Fund, the HOME Program Fund, the Rental Housing Support Program Fund, the ARRA Fund, the Hardest Hit Fund, the Build Illinois Bond Program Fund, and other programs. Revenues less expenditures increased from \$71 million in FY11 to \$103 million in FY12. Net assets of governmental activities increased to \$98.3 million in FY12 due to fewer grants due to the decrease in ARRA funds.

Appendix E provides a summary of the Authority's revenues, expenditures, and changes in fund balance for the Authority's proprietary funds. These funds include the Administrative Fund, the Mortgage Loan Program Funds, the Single Family Program Fund and the new Illinois Housing Authority LLC which maintains, improves and disposes of multi-family properties acquired through foreclosure or deed-in-lieu of foreclosure. Net assets were about \$22 million higher in FY12 than FY11.

Loan originations were \$73.8 million in FY12 compared to \$104.9 million in FY11. Authority debt issuances during FY12 totaled \$217 million. The Authority's debt outstanding of \$1.511 billion was \$57 million less than the amount outstanding as of June 30, 2011.

Accountants' Findings and Recommendations

Condensed below are the 13 findings and recommendations presented in the auditors' reports. Eight were repeated from previous audits. The following recommendations are classified on the basis of updated information provided by Mary R. Kenney, Executive Director of the Illinois Housing Development Authority, via electronic mail received August 1, 2013.

Accepted or Implemented

1. Work with the Attorney General's Office to get approval to write-off the uncollectible loan balances. (Repeated-2008)

Finding: The Illinois Housing Development Authority (Authority) has loan balances in the multi-family program recorded in their financial statements that should be removed due to the loans being uncollectible.

During the audit of the Authority's allowance for loan loss estimate, auditors noted 36 loans totaling approximately \$7.4 million were recorded on the Authority's financial statements for which a 100% allowance reserve was recorded. The Authority anticipates that most of these loans will ultimately be written off.

Authority management stated they have continued to be successful in addressing outstanding loan write-off requests submitted to the Attorney General's office. During FY12 the Authority received write-off approval for 23 loans totaling \$2,110,761. The Authority continues to work with the Attorney General's office to receive timely approval of all write-off submissions as well as continue to implement regular follow up and communication on any outstanding requests.

Updated Response: Accepted. The Authority continues to maintain regular communications with the Attorney General's office and received write off approval for 34 loans totaling \$4,438,428 in FY13. This represents a cumulative total of 71 loans totaling \$7,605,824 written off over the last 3 fiscal years. It is to be noted that the Authority follows a regular loan monitoring process and although at risk loans have been identified and fully reserved at a 100% loss the loan may still be in the foreclosure and/or some other workout process and until such time as all means of recourse have been exhausted, the loan cannot be submitted to the Attorney General's office for write off approval.

2. Strictly enforce Housing Quality Standards (HQS) inspection procedures which include timely follow-up, maintaining support for all deficiencies corrected and correspondence to developments regarding the inspections. (Repeated-2008)

Finding: The Authority did not adequately monitor the Housing Quality Standards (HQS) Inspections for the Section 8 Programs, the Section 236 Program and the HOME Investment Partnerships Program.

During sample testing of 23 (Section 8 Programs), 5 (Section 236 Program) and 26 (HOME Program) developments Housing Quality Standards (HQS) Inspections, auditors noted the following:

Section 8 Programs

- two out of 23 development inspections tested, the Authority did not communicate the results of the inspection to the development in a timely manner.

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- four out of 23 development inspections tested, the Authority failed to make timely follow-ups and obtain work orders/documents from the development to address deficiencies identified in the inspection.
- two out of 23 development inspections tested, the tracking information was not updated properly by the inspectors.

Section 236 Program

- one out of five development inspections tested did not have tracking information properly updated by the inspectors.

Home Program

- two out of 26 development inspections tested had deficiency letters that were not sent to the respective property management company on a timely basis.
- four out of 26 development inspections tested had follow-ups with the property management regarding the correction of deficiencies found during the inspection that were not completed on a timely basis.

Per the Authority's procedures for physical inspections:

- The Authority must provide at least 14 days notice to developments prior to the inspection.
- The results of inspections should be communicated within 10 business days to the developer.
- The Authority must make timely follow-ups and obtain work orders/documentation from the development to address the deficiencies identified.
- The final tracking report should be updated by the Field Inspector.

Authority management stated that it had not fully implemented Quality Control measures for its HQS inspection procedures. This resulted in timing errors and incorrect tracking of information.

Response: Accepted. The Asset Management Services department has implemented a Quality Control system effective January 1, 2013 that requires a quarterly review of each Physical Inspection file for errors, adherence to time lines, and tracking system updates. The department's senior staff will review the Quality Control report each quarter. The department has also implemented an email tickler system that allows the support staff to automatically send an email notice to the inspector when inspection time periods are about to expire. This change was effective July 1, 2010 and has been enhanced effective January 1, 2013 to include direct notification to the development. The department is revising its written procedures for Physical Inspections to clarify timelines and separate staff performance expectations into training materials. Procedures will reflect only timelines required by the Authority or HUD policy. These revisions will be completed by June 30, 2013.

Updated Response: Implemented. The Authority completed all revisions to the written procedures by 6/30/13.

Accepted or Implemented – continued

3. Continue to work with the Department of Revenue to ensure disbursements are made within the required time frame of 15 days. (Repeated-2011)

Finding: The Authority has inadequate procedures to ensure disbursements are made timely. Based on sample testing of 60 disbursements auditors noted the following:

- four out of 60 were not processed and paid by the Department of Revenue within the 15 days required per HUD regulations. The disbursements were made between three and eight days late.
- one out of 60 did not have the signature of the Staff Accountant – Governmental or Supervisor, Governmental Reporting and Analysis.

Authority management stated that the payouts are primarily based on the funding held at the Illinois Department of Revenue (IDOR). Authority personnel developed a monitoring log to track all IHDA payouts through IDOR and follow-up with IDOR personnel if payouts have not been processed within 15 days of the payout request. Despite monitoring and follow-ups, payouts are still made after the required time frame.

Response: Accepted. The Authority has continued to work with IDOR to ensure disbursements are made within the required 15 day time frame. Based on discussions with IDOR, IDOR has agreed that the Authority may implement a new procedure under which the Authority will scan the payout request to IDOR to begin the approval process for disbursement, while the original request will be mailed via overnight delivery to their office. The Authority is also exploring with IDOR the possibility of disbursements being made via wire transfer instead of actual checks being disbursed which could lessen the time required for payouts to occur with the 15 day time frame.

Updated Response: Accepted. The Authority has begun scanning payout requests to IDOR to begin the disbursement process and then overnights originals. This new step in the disbursement procedure has proven to lessen the amount of processing time to meet the required 15 day time frame and as a result timely payments are being made.

4. Implement procedures to ensure follow-up procedures are performed in a timely manner. In addition, implement procedures to ensure all supporting documentation of inspection results and status of deficiencies is maintained for accurate record keeping. (Repeated-2011)

Finding: The Authority has inadequate monitoring procedures of the Tax Credit Assistance Program (TCAP) inspections. Based on sample testing of four developments, auditors noted the following:

- one out of four did not meet the required amount of units inspected in the development during the site visit.

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- one out of four indicated that the Authority did not communicate the results of the visit in a timely manner.
- two out of four did not have tenant file reviews conducted during FY12.

Authority management stated that it had not fully implemented Quality Control measures, resulting in timing delays and tracking errors.

Response: Accepted. The Asset Management Services department has implemented a Quality Control system effective January 1, 2013 that requires a quarterly review of each Physical Inspection file for errors, adherence to time lines, and tracking system updates. The department's senior staff will review the Quality Control report each quarter. The department has also implemented an email tickler system that allows the support staff to send an email notice to the development and inspector when inspection time periods are about to expire. This change was effective as of 7/1/2012. The department is revising its written procedures for Physical Inspections to clarify timelines and separate staff performance expectations into training materials. Procedures will reflect only timelines required by IHDA or HUD policy. These revisions will be completed by June 30, 2013. The department has put in place a log to track the preparation and implementation of Tenant File Reviews for the Tax Credit Assistance Program (TCAP) Program. The department is reviewing all files to ensure that initial file inspections have been conducted or scheduled. All initial inspections will be completed by June 30, 2013.

Updated Response: Implemented. The Authority completed all revisions to the written procedures by 6/30/13.

5. Comply with internal policies and procedures. (Repeated-2011)

Finding: The Authority did not comply with its internal policies and procedures to administer the Section 8 program. During sample testing, some of the issues noted were the following:

- For Annual Property Inspections (Management Reviews), eight of 14 development reviews were not completed within 60 days. The 8 reviews that were not completed on time were completed between 42 and 101 days late.
- For the review of the annual audited financial statements for each development, 12 out of 14 financial reports submitted by developments tested were not completed within the 30-day timeframe. The eight reviews that were completed at the time of testing (four were still in process, but were over 30 days), were 17 and 74 days late.
- For Tenant File Reviews performed by the Authority's Technical Services department during the first six months of FY12, four out of five developments tested were not completed within 60 days of the audit date. The four reviews were completed between 168 and 358 days late.
- For Desk Reviews performed by Asset Management during the final six months of fiscal year 2012, four out of six development desk reviews tested were not submitted

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Accepted or Implemented – continued

by the Asset Manager to the Supervisor within 7 days of the Asset Manager's review. In addition, the findings were not addressed within the 60-day processing time for all six reviews with findings.

Authority management stated effective January 1, 2012, the merger of two internal departments took effect. Due to this transition, some of the roles, duties and responsibilities of employees may have slightly and/or significantly changed and procedures may not have been updated in order to meet various monitoring requirements of the Housing and Urban Development (HUD). Due to these changes, internal deadlines were not met.

Response: Accepted. The Asset Management Services department is revising its internal policies and procedures to clarify and align timelines for completion and follow-up on Audited Financial Statements, Management and Occupancy Reviews, Tenant File Reviews and Desk File Reviews and to separate staff performance expectations into training materials. Procedures will align with HUD requirements. These revisions will be completed by June 30, 2013.

Additionally, department senior staff is reviewing weekly reports on completion of Audited Financial Statements, Management and Occupancy Reviews, Tenant File Reviews and Desk File Reviews and monthly reports on the status of required follow-up to clear deficiencies.

Updated Response: Implemented. The Authority completed all revisions to the written procedures by 6/30/13.

6. Prepare a corrective action plan in accordance with the requirements of Circular A-133 when findings are identified for inclusion in the Reporting Package submitted to the Federal Audit Clearinghouse.

Finding: The Authority did not prepare and submit as a part of their Reporting Package submitted to the Federal Audit Clearinghouse (FAC) a formal Corrective Action Plan (CAP) for FY11 Audit Findings.

Authority management stated they were unaware that a formal corrective action plan needs to be prepared and submitted as part of the overall Reporting Package submitted to the Federal Audit Clearinghouse. It was believed that the section included in each finding titled "Authority Response" was sufficient.

Response: Accepted. An internal document was maintained to track and monitor progress of each Department Head responsible for implementing the management action plan to correct any deficiencies noted in the findings. This report was also reviewed during quarterly audit status meetings held with the Department Heads, Internal Audit and Executive management to review open findings. This document also meets the criteria to be included in a formal corrective action plan per OMB Circular A-133 requirements. This

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document will be submitted as the formal CAP with the FY2012 Reporting Package to be filed with the Federal Audit Clearinghouse.

Updated Response: Implemented. The Authority filed a formal Corrective Action Plan (CAP) as an attachment to the Single and Compliance Audit Report that was filed with the Federal Audit Clearinghouse on 3/31/13.

7. Review procedures to ensure payroll certifications are monitored for proper documentation and authorization.

Finding: The Authority did not properly monitor the weekly Payroll Certification Statements of Compliance as required by HUD under the Davis-Bacon Act.

Based on sample testing, auditors noted that one out of 60 items tested had a payroll certification that was missing the signature of an authorized employee of the contractor.

Authority management indicated that the missing signature was an oversight as the construction payment requests are monitored weekly and any discrepancy would be addressed on a subsequent payroll submission and if necessary an adjustment would be noted and the required change would be submitted by the contractor prior to the release of any future payment.

Updated Response: The Authority implemented the corrective actions.

8. Implement procedures to ensure reports are reviewed for accuracy prior to being submitted.

Finding: Auditors noted that the total amount awarded to Section 3 businesses in the Annual Performance Report (\$14,416,454), submitted to the HUD office in Chicago, did not correspond to the amount reported in the Consolidated Section 3 Summary Report (\$14,716,454), submitted to the HUD office in Washington D.C., which was the correct amount based on the supporting documentation.

Authority management stated the discrepancy was a clerical error.

Response: Accepted. The Multifamily and OHCS Departments have implemented a new procedure whereas the Section 3 reports that are submitted to the HUD Office in Washington D.C. are scanned and placed verbatim within the Consolidated Plan Performance Report. This will eliminate any future clerical errors in Section 3 reporting. This procedure has already been implemented for the draft 2012 Annual Performance Report.

Updated Response: Implemented.

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9. Review procedures during times of transition to ensure policies are being followed.

Finding: The Authority did not comply with its internal policies and procedures regarding the administration of the Section 236 program. During sample testing, auditors noted the following:

For those reviews performed by the Authority's Technical Services Department,

- Both development audits tested were not completed/closed out within the 60 calendar day timeline.
- The Compliance Office did not make timely follow-ups with the development regarding their findings for the development audit tested that had findings reported. Also, the development tested did not address its findings in a timely manner.

For those reviews performed by the Authority's Asset Management Department,

- One of two development reviews tested were not completed/closed out within the 60 calendar day timeline.
- For the review of the annual audited financial statements for each development, the results of the review for one of two developments tested were not communicated within 30 days of the Authority's receipt of the audit report.

Authority management stated effective January 1, 2012, the merger of two internal departments took effect. Due to this transition, some of the roles, duties and responsibilities of employees may have slightly and/or significantly changed and procedures may not have been updated in order to meet various monitoring requirements of the Housing and Urban Development (HUD). Due to these changes, internal deadlines were not met.

Response: Accepted. The Asset Management Services department is revising its internal policies and procedures to clarify and align timelines for completion and follow-up on Audited Financial Statements, Management and Occupancy Reviews, Tenant File Reviews and Desk File Reviews and to separate staff performance expectations into training materials. Procedures will align with HUD requirements. These revisions will be completed by June 30, 2013.

Additionally, department senior staff is reviewing weekly reports on completion of Audited Financial Statements, Management and Occupancy Reviews, Tenant File Reviews and Desk File Reviews and monthly reports on the status of required follow-up to clear deficiencies.

Updated Response: Implemented. The Authority completed all revisions to the written procedures by 6/30/13.

10. Implement procedures to ensure reports are submitted timely.

Finding: The Authority submitted the Section 3 Summary Report 45 days late.

Authority management stated there are conflicting reporting requirements that require submission of Neighborhood Stabilization Program (NSP) programmatic information in the Annual Performance Report. IHDA believes that up until this time it has submitted the Section 3 report in compliance with HUD procedures as described in the HUD publication "Section 3 Requirements for Recipients of HUD Community Planning & Development Funding." According to Authority management, these reports were submitted to HUD with its HOME Section 3 reports consistent with this directive and there were no apparent HUD concerns. Submission of the report based on the referenced guidance would indicate that there was adequate information for HUD to effectively monitor the NSP program.

Response: Accepted. Based on the response provided by the HUD Frequently Asked Questions regarding Section 3 reporting, specifically as noted in question 67, we believe we have complied with the guidance and will continue to coordinate our reporting as required for timely submissions of the report.

Updated Response: Implemented.

11. Provide additional training to staff to ensure all policies and procedures are followed.

Finding: The Authority had inconsistent documentation to support its vouchers processed. During testing of printing vouchers, auditors noted the following:

- 31 of 45 (69%) had purchase requisitions prepared and approved after invoices for goods and services were received.
- nine of 45 (20%) had invoices that were not approved within 30 days of receipt.

Based on the sample testing of equipment vouchers,

- one of 13 had an invoice that was not approved within 30 days of receipt.

Based on the sample testing of EDP vouchers,

- one of 30 had an invoice that was not approved within 30 days of receipt.

Authority management stated due to a Director vacancy in the marketing department the staff was unfamiliar with the procurement policies and procedures for completing requisitions and accounts payable forms.

Updated Response: Accepted. The Authority has implemented a process that provides appropriate staff with a copy of the procurement policy in addition to related forms on small purchases. The Administrative Services department is working closely with

Accepted or Implemented – continued

the Legal department to establish an annual training for all staff that participates in the procurement process to ensure compliance with purchase order and procurement policies.

12. Work with the Trustee to ensure all required forms are submitted to the Office of the Comptroller.

Finding: The Authority did not monitor the timely submission of the Form C-08 “Notice of Payment of Bond Interest and/or Principal.” Auditors conducted sample testing of the preparation and submission of the Form C-08s provided by the Trustee on behalf of the Authority and noted the four of six tested were not submitted to the Office of the Comptroller in a timely manner.

Authority management stated in certain instances, the trustee forwards the documents to the Authority without sending the documents to the Comptroller’s Office. This results in the Authority to forward the documentation to the Comptroller’s Office, which causes delays.

Response: Accepted. The Authority will work closely with the Trustee to ensure all required forms are submitted to the Office of the Comptroller timely.

Updated Response: Implemented.

13. Implement procedures to ensure all required financial information is filed within the Office of the Comptroller’s required deadline.

Finding: The Authority did not file all required financial information with the Office of the Comptroller by the required deadline of October 31, 2012.

Auditors noted that the Authority received a notification from the Office of the Comptroller on November 5, 2012 that the draft of the financial statements and footnotes as of June 30, 2012 were not submitted to the Office by the required deadline of October 31, 2012.

Authority management stated that this was the first year a separate audit was required for the Illinois Housing Authority, LLC and this impacted the timing to submit the draft audit report and footnotes by the Authority in time to meet the October 31, 2012 deadline.

Response: Accepted. Now that the Authority is aware that a separate audit of the LLC may be required we can plan accordingly to issue draft financial statements and footnotes to the Office of the Comptroller by the October 31 reporting deadline.

Updated Response: The Authority accepted the recommendation set forth under Finding No. 12-13. On April 22, 2013 the Authority received notification from the Office of the Auditor General that a separate audit of the LLC will not be required and will be

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included as part of the regular financial audit. Therefore the Authority will plan accordingly to issue the draft financial statements and footnotes to the Office of the Comptroller by the October 31 deadline.

Emergency Purchases

The Illinois Procurement Code (30 ILCS 500/) states, "It is declared to be the policy of the State that the principles of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts...." The law also recognizes that there will be emergency situations when it will be impossible to conduct bidding. It provides a general exemption when there exists a threat to public health or public safety, or when immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State Property, to prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues, or to ensure the integrity of State records; provided, however that the term of the emergency purchase shall not exceed 90 days. A contract may be extended beyond 90 days if the chief procurement officer determines additional time is necessary and that the contract scope and duration are limited to the emergency. Prior to the execution of the extension, the chief procurement officer must hold a public hearing and provide written justification for all emergency contracts. Members of the public may present testimony.

Notice of all emergency procurement shall be provided to the Procurement Policy Board and published in the online electronic Bulletin no later than 3 business days after the contract is awarded. Notice of intent to extend an emergency contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 days before the public hearing.

A chief procurement officer making such emergency purchases is required to file an affidavit with the Procurement Policy Board and the Auditor General. The affidavit is to set forth the circumstance requiring the emergency purchase. The Legislative Audit Commission receives quarterly reports of all emergency purchases from the Office of the Auditor General. The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

During FY11, the Authority filed no affidavits for emergency purchases. During FY12, two affidavits were filed totaling \$57,500.00 as follows:

- \$27,500 for banking services; and
- \$30,000 for legislative services.

Headquarters Designations

The State Finance Act requires all State agencies to make semiannual headquarters reports to the Legislative Audit Commission. Each State agency is required to file reports of all its officers and employees for whom official headquarters have been designated at

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any location other than that at which official duties require them to spend the largest part of their working time. In July 2012, the Illinois Housing Development Authority reported it had ten employees assigned to locations other than official headquarters.