

**FINAL - Draft Posted October 6, 2023**

**VHFA Audit Risk Committee Meeting**

VHFA

164 St. Paul Street

Burlington

October 5, 2023 – 9:00 a.m.

**VHFA Committee Members Present:**

Tom Leavitt (Chair), Michael Pieciak, and Marie Milord-Ajanma (all attended in person, except that Mr. Pieciak attended by electronic means)

**Other VHFA Board Members Present:**

Emily Kisicki (designee for Kevin Gaffney)

**Staff Present:**

Maura Collins, Chris Flannery, Seth Leonard, Jacklyn Santerre, George Demas, Sheila Dodd, Alejandro Flores-Howland, Lisa Clark, Michelle Baird, Kim Roy, Megan Roush, Alyssa Peteani and Olivia LaVecchia

**Guests Present:**

Eric Rumberger, Kelsey Helin, Andre Bos (Cohn Reznick)

**COMMITTEE MEETING**

Mr. Leavitt, Chair, called the Audit Risk Committee Meeting to order at 9:09 a.m.

Staff confirmed that a Notice of this meeting was provided to the requesting parties and was posted on the Agency website and with State Department of Libraries, and that the Agenda for this meeting was provided to the requesting parties and posted on the Agency website, all within the statutory time requirements.

Staff confirmed that Minutes of prior meetings had been posted on the Agency website not less than 5 days after the meeting as required.

Mr. Leavitt confirmed that the Commissioners attending by electronic means could hear the conduct of the meeting and be heard throughout the meeting by the other attendees. Mr. Leavitt noted that Commissioners would have to vote by roll-call since there were Commissioners participating by electronic means.

Mr. Leavitt asked if anyone had any changes to the Agenda and there were none.

**AUDIT RISK MINUTES**

Ms. Milord-Ajanma moved that the Audit Risk Committee approve the June 12, 2023, Minutes.  
Mr. Pieciak seconded the motion, which was approved unanimously by roll call vote.

**PUBLIC COMMENT**

Mr. Leavitt asked if there was any public comment, and there was none.

## **RISK MANAGEMENT REVIEW**

Mr. Flannery reviewed his memorandum on Agency risks and the attached materials. Mr. Flannery noted that risks to the multifamily financing programs had increased due to increased project operating costs, sunseting of COVID relief programs, and staffing shortages. In addition, he noted that development of new projects was being affected by lack of capacity of Vermont developers and contractors. Mr. Flannery also noted that the single-family mortgage business was affected by lack of housing availability and higher mortgage rates. Finally, Mr. Flannery discussed risks associated with the number of new programs that the Agency has been tasked with setting up and executing. Ms. Roy noted that there were 24 projects that were on the Multi Family watch list, totaling approximately \$12.4 million. She also noted the difficulties with finding qualified property managers.

There was a general discussion of issues raised in Mr. Flannery's and Ms. Roy's presentations.

## **FINANCIAL STATEMENT AUDIT AND UNIFORM GUIDANCE AUDIT FOR FY2023**

Mr. Flannery introduced CohnReznick representatives Mr. Rumberger, Ms. Helin, and Mr. Bos, who presented the FY 2023 Financial Statement Audit report and Uniform Guidance Audit. Mr. Rumberger reviewed the Independent Auditor's report and the audit standards, report on compliance with Government Auditing Standards, and Uniform Guidance report, which focused on the Vermont Homeowner Assistance Program. Ms. Helin reviewed procedures used in conducting the audit. Mr. Rumberger noted that no deficiencies or non-compliance with standards had been found. Mr. Rumberger reviewed the management letter, which did not note any significant difficulties or disagreements with management.

After a general discussion, Mr. Pieciak moved that the Committee recommend the audit report and uniform guidance audit to the full Board for review and acceptance. Ms. Milord-Ajanma seconded the motion which was unanimously approved by roll call vote.

## **ADJOURNMENT**

Mr. Leavitt confirmed with Staff that Minutes of the meeting had been kept and would be posted to the Agency's website within five days.

Upon motion by Ms. Milord-Ajanma, seconded by Mr. Pieciak and unanimously approved by roll call vote, the meeting was adjourned at 10:33 a.m.