

FLORIDA HOUSING
FINANCE CORPORATION

ANNUAL REPORT FISCAL YEAR 2024

OFFICE OF THE
INSPECTOR GENERAL

ENHANCING PUBLIC
TRUST IN FLORIDA'S
AFFORDABLE HOUSING

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INTRODUCTION

MISSION STATEMENT

Enhancing Public Trust in Florida's Affordable Housing

VISION

To provide the highest quality work product and services that aid in positive change

VALUE

The Office of Inspector General places value on making a positive difference through the work we do. We are committed to constantly improving how we operate, embracing innovation, and using persistence and determination to achieve results.

ABOUT US

In 2000, Florida Housing Finance Corporation (Florida Housing) re-established the internal audit function; and in 2011, Sections 20.055 and 420.506, Florida Statutes, were amended to create the Office of Inspector General (OIG) within Florida Housing.

The OIG provides independent, objective, assurance and consulting services designed to add value and improve operations.

The OIG serves as a central point of coordination and is responsible for activities that provide accountability, integrity, and efficiency for Florida Housing. This is accomplished by the OIG conducting independent audits, investigations, and other accountability activities. The OIG's purpose is to promote economy and efficiency, and to prevent and detect fraud, waste, and abuse in programs and operations carried out or financed by Florida Housing.

The OIG ensures effective coordination and cooperation between the Florida Auditor General, the Office of Program Policy Analysis and Government Accountability (OPPAGA), federal auditors, and other governmental bodies to ensure efficiency and avoid duplication of services.

Pursuant to statute, the OIG has full, free, and unrestricted access to all Florida Housing activities, records, data, and property, and may request any other information deemed necessary to carry out audit assignments or investigative needs. The unrestricted access ensures audits, investigations, and other activities are independent.



STATUTORY REQUIREMENTS

As outlined in Section 20.055, Florida Statutes, the specific duties and responsibilities of the Inspector General include:

- Providing direction for, supervising, and coordinating audits, investigations, and management reviews relating to the programs and operations of the agency (corporation);
- Keeping the agency head [the Board of Directors of Florida Housing] informed of fraud, abuses, and deficiencies relating to programs and operations administered or financed by the agency, recommending corrective actions concerning fraud, abuses, and deficiencies, and reporting on the progress made in implementing corrective action;
- Reviewing the actions taken by the agency to improve program performance and making recommendations for improvement;
- Conducting, supervising, and coordinating activities that promote economy and efficiency and prevent or detect fraud, waste, and abuse;
- Ensuring effective coordination and cooperation between the Auditor General, federal auditors, and other governmental bodies;
- Reviewing rules relating to programs and operations and making recommendations regarding impact;
- Assessing the reliability and validity of information provided on performance measures and standards and making recommendations as needed; and
- Ensuring an appropriate balance between audit, investigative, and other accountability activities.

Additionally, Section 20.055, Florida Statutes, requires each Inspector General to submit an annual report summarizing its activities during the preceding fiscal year (FY).¹ This report includes, but is not limited to:

- A summary of each audit and investigation completed during the reporting period;
- A description of significant abuses and deficiencies relating to the administration of programs and operations of the agency disclosed by investigations, audits, reviews, or other activities during the reporting period; and
- A description of recommendations for corrective action made by the Office of Inspector General (OIG) during the reporting period with respect to significant problems, abuses, or deficiencies identified.

This annual report summarizes the OIG's activities for FY 2024 (January 1 – December 31).

¹ FY is mentioned in Florida Statute; however, Florida Housing defines their FY as the calendar year from January 1 – December 31.

PROFESSIONAL STANDARDS

Pursuant to Section 20.055, Florida Statute, the OIG is required to:

- Comply with the *General Principles and Standards for Offices of Inspector General* as published and revised by the Association of Inspectors General.
- Conduct audits in accordance with the current *International Standards for the Professional Practice of Internal Auditing* as published by the Institute of Internal Auditors, Inc., or, where appropriate, in accordance with *Generally Accepted Governmental Auditing Standards*.

The OIG also adheres to the Commission for Florida Law Enforcement Accreditation's, *The Florida Inspectors General Standards Manual* for the investigative section.

Accreditation is the certification by an independent reviewing authority that an OIG has met specific requirements and prescribed standards. An accreditation program has long been recognized as a means of maintaining the highest standards of professionalism. In the State of Florida, the Commission for Law Enforcement Accreditation (CFA) is the designated accrediting body for law enforcement agencies and Offices of Inspector General. Accreditation involves a thorough examination of an office's policies and procedures, work product, investigations, reviews, supervision, personnel, and training practices. Accreditation is primarily geared toward the investigative function. Once achieved, accreditation is valid for three years. The OIG received their initial accreditation in 2017 and has subsequently received reaccreditation in 2020 and 2023.

PROFESSIONAL CERTIFICATIONS

Current staff members hold the following certifications:

- Certified Governance Risk and Compliance CGRC (1)
- Certified Fraud Examiner (3)
- Certified Information Systems Auditor (2)
- Certified Information Systems Security Professional - Information Systems Security Management Professional (1)
- Certified Inspector General (2)
- Certified Inspector General Auditor (4)
- Certified Inspector General Investigator (5)
- Certified Internal Auditor (2)
- Certified Equal Employment Opportunity (EEO) Investigator (1)
- Certified Public Manager (3)
- Notary Public (3)

PROFESSIONAL ORGANIZATIONS

Current staff members belong to the following organizations:

- Association of Certified Fraud Examiners (ACFE)
- Association of Government Accountants (AGA)
- Association of Inspectors General (AIG)
- Federal Bureau of Investigation National Academy (FBINA)
- Institute of Internal Auditors (IIA)
- Information Systems Audit and Control Association (ISACA)
- International Information Systems Security Certification Consortium ((ISC)²)

Along with membership to these professional organizations, OIG staff are encouraged to participate and serve on local chapter association boards as detailed below:

- ACFE Tallahassee Chapter, officer from 2014-2019 and board member from 2019-present
- AGA Tallahassee Chapter, Executive Committee Member from 2016-2023
- AIG Florida Chapter, board member from 2015-present and training committee member from 2019-present
- IIA Tallahassee Chapter, Board of Governors from 2017-present
- ISACA Tallahassee Chapter, officer from 2018-2021



BACKGROUND

Florida Housing Finance Corporation (Florida Housing) was created by the state Legislature over 40 years ago to assist in providing a range of affordable housing opportunities for residents that help make Florida communities great places in which to live, work, and do business. Florida Housing is a public corporation of the State of Florida and is considered a financial institution. Additionally, Florida Housing is not a department of the executive branch of state government but is an instrumentality of the State.

Florida Housing's vision is to be recognized as an outstanding provider of innovative, measurable, data-driven and fiscally sustainable solutions that respond to the affordable housing challenges of the state.

Today, Florida Housing continues its mission by increasing affordable housing opportunities and ensuring that its programs are well matched to the needs of those served. Florida Housing knows that they cannot accomplish the mission alone. As such, Florida Housing continues to work with federal, state and local governments, non-profits, elected officials and others to help spread the importance of affordable housing in Florida's communities.



FLORIDA HOUSING'S PROGRAMS

Multifamily development programs (or rental housing program) include State Apartment Incentive Loan (SAIL), Multifamily Mortgage Revenue Bonds (MMRB), HOME Investment Partnerships, Elderly Housing Community Loan (EHCL), Low Income Housing Tax Credit (LIHTC) program, Grants to Serve Persons with Developmental Disabilities and National Housing Trust Fund.

State Apartment Incentive Loan (SAIL)

Provides developers with the gap financing needed to obtain full financing of affordable rental housing.

Elderly Housing Community Loan (EHCL)

Offers up to \$750,000 in loans to make substantial improvements to existing affordable rental housing for the elderly.

HOME Investment Partnerships

Makes low or no interest, non-amortizing loans to developers who acquire, rehabilitate or construct housing for low-income families.

Low Income Housing Tax Credits ("Housing Credits")

Provides nonprofit and for-profit developers with a dollar-for-dollar reduction in federal tax liability in exchange for the development of affordable rental housing.

Multifamily Mortgage Revenue Bonds (MMRB)

Uses both taxable and tax-exempt bonds to provide below market rate construction loans to nonprofit and for-profit developers of affordable housing.

Predevelopment Loan Program

Assists affordable housing developers with up to \$750,000 in financing for predevelopment activities associated with the construction of affordable housing, such as rezoning, title searches, impact fees and other requirements.

Grants for Housing to Serve Persons with Developmental Disabilities

Grants are available to private nonprofit organizations with a primary mission includes serving persons with developmental disabilities. Developments eligible for these grants include community residential homes (CRHs) as defined in Section 419.001, Florida Statutes, and licensed by the Florida Agency for Persons with Disabilities; individual supported living units; and apartment properties that provide permanent supportive housing units. Funds may be used to renovate existing CRHs or build new properties.

Florida Housing's evaluation process for competitive development applications includes the extent of funds from local and other sources used to leverage these grant funds; employment opportunities and supports that will be available to residents of the housing; a plan for residents to effectively access community-based services, resources, and amenities; and partnerships with other supportive services agencies.

Developments receiving these grant funds must commit to serve persons with developmental disabilities with incomes at or below 60% of the median income in the area where the property is to be built.

National Housing Trust Fund (NHTF)

A federal program that provides funding for affordable housing for Extremely Low Income (ELI) households with incomes at or below 30% of Area Median Income. Each state must develop an allocation plan to guide how the funds will be used and update the plan each year. This plan is part of the Annual Action Plan associated with the State of Florida's adopted 5-year Consolidated Plan.

FLORIDA HOUSING'S PROGRAMS

The Plan is part of the 5-year State of Florida Consolidated Plan and affiliated Annual Action Plan that describes the priorities, uses and distribution of four other programs administered at the state level: the Community Development Block Grant program, administered by the Florida Department of Economic Opportunity; the Emergency Solutions Grant, administered by the Florida Department of Children and Families; the Housing Opportunities for Persons with AIDS program, administered by the Florida Department of Health; and the HOME program, also administered by Florida Housing.

HOMEBUYERS

Florida Housing offers homeownership programs through our Homebuyer Programs

Homebuyer Programs

Offers 30-year fixed rate first mortgage loans to first time homebuyers through participating lenders and lending institutions throughout the State of Florida. Eligible borrowers may also participate in one of Florida Housing's second mortgage programs to assist borrowers with down payment assistance and closing costs.

Down Payment Assistance Program

Offers down payment and closing cost assistance in the form of a second mortgage loan to assist eligible homebuyers with their down payment and closing costs. Down payment assistance is only available when used in conjunction with Florida Housing's first mortgage loan. Down payment assistance is NOT available as "stand alone" down payment assistance.

Florida Housing offers the following Down Payment Assistance Programs:

- **The Florida Assist (FL Assist)**

Provides eligible homebuyers with up to \$10,000 on FHA, VA, USDA, and Conventional Loans. Additionally, it is a 0%, non-amortizing, deferred second mortgage. The FL Assist is not forgivable. Repayment is deferred, except in the event of the sale, transfer, satisfaction of the first mortgage, refinancing of the property or until such a time the mortgagor ceases to occupy the property at which time, the Florida Assist will become due and payable, in full.

- **The Florida Homeownership Loan Program (FL HLP) Second Mortgage**

Provides eligible homebuyers with up to \$10,000; 3% fully-amortizing, second mortgage; and 15-year term. The FL HLP Second Mortgage carries a monthly payment. The remaining unpaid principal balance (UPB) is deferred, except in the event of the sale, transfer of deed, satisfaction of the first mortgage, refinancing of the property or until such a time the mortgagor(s) ceases to occupy the property as his/her primary residence at which time, the FL HLP Second Mortgage will become due and payable, in full. Since the FL HLP Second Mortgage carries a monthly payment, this payment may need to be considered in a borrower's debt-to-income (DTI) ratio when credit underwriting.

- **3%, 4%, and 5% Housing Finance Agency (HFA) Preferred and HFA Advantage PLUS Second Mortgage**

Borrowers utilizing these down payment and closing cost programs receive 3%, 4%, or 5% of the total loan amount in a forgivable second mortgage. This second mortgage is forgiven at 20% a year over its 5-year term when used with Florida Housing's conventional HFA Preferred for TBA or HFA first mortgage products. The "PLUS" Second Mortgage is available only with these conventional first mortgage products.

Homeownership Pool (HOP) Program

Designed to be a noncompetitive and on-going program, where Developers, by way of an online system have the ability to reserve funds for eligible homebuyers to provide purchase assistance on a first-come, first-served basis.

FLORIDA HOUSING'S PROGRAMS

Florida Hometown Heroes Housing Program

The Florida Hometown Heroes Housing Program makes homeownership affordable for eligible frontline community workers such as law enforcement officers, firefighters, educators, healthcare professionals, childcare employees, and active military or veterans. The program provides down payment and closing cost assistance to first-time, income qualified homebuyers so they can purchase a primary residence in the community in which they work and serve. The Florida Hometown Heroes Loan Program also offers a lower first mortgage rate and additional special benefits to those who have served and continue to serve their country.

HOMEOWNERS

Florida Housing also offers assistance to homeowners such as the SHIP Disaster Relief Programs.

RENTERS

Find an Affordable Apartment

Floridahousingsearch.org is a free, online affordable housing locator service that makes it easier to find affordable rental housing around the State. This locator is part of Florida Housing's ongoing effort to respond to housing needs in general and specifically during natural disasters. Floridahousingsearch.org provides real time information on property vacancies, features and amenities, rents and deposits and detailed information on the number of bedrooms and bathrooms. The locator also allows users to map the location of the property.

PRESERVATION INITIATIVES

Florida Preservation Fund

In 2008 Florida Housing, with direction from the Florida State Legislature, established a pilot demonstration program to help preserve affordable rental housing in Orange, Palm Beach, and Pasco counties. The Florida Community Loan Fund (FCLF) was competitively selected as administrator of the pilot. FCLF is a nonprofit, statewide Community Development Financial Institution established in 1994. FCLF's "Florida Preservation Fund" uses private and public funding sources to:

- Preserve affordable multifamily rental housing in Florida;
- Provide loans to developers for acquisition and/or rehabilitation of affordable multifamily rental properties; and
- Help ensure the availability of homes for families receiving project-based rental assistance.

SPECIAL PROGRAMS

State Housing Initiatives Partnership (SHIP)

Florida Housing administers the State Housing Initiatives Partnership program (SHIP), which provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program was designed to serve very low, low and moderate-income families.

Catalyst Program

The Catalyst Program provides community-based organizations and state and local governments with technical assistance to meet affordable housing needs.

Predevelopment Loan Program

The Predevelopment Loan Program (PLP) helps nonprofit and community-based organizations, local governments, and public housing authorities plan, finance, and develop affordable housing.

FLORIDA HOUSING'S PROGRAMS

Preservation Rehabilitation Pilot Program

From the funds in Specific Appropriation 1616, \$10,000,000 in non-recurring funds in the State Housing Trust Fund is provided for a preservation rehabilitation pilot program in Pasco, Palm Beach and Orange counties targeting rental housing that receives or has received funding from any federal or state housing funding program.

Go Green

Florida Housing Finance Corporation is committed to “living green” by requiring the inclusion of green building features that promote energy and water efficiency and healthy living practices in affordable homeowner and rental homes financed by our programs. In addition to financial benefits of lower operating costs, green building practices provide environmental and social benefits as well. Many great building construction requirements promote healthier living environments by eliminating the use of hazardous materials, creating designs that include more natural light and the use of more durable materials for long term sustainability and preservation.

SHIP Disaster Relief Resources and Information

Works with state and federal officials to provide information on disaster relief resources and information and provides available resources to assist individuals with recovery efforts.

• Hurricane Housing Recovery Program (HHRP)

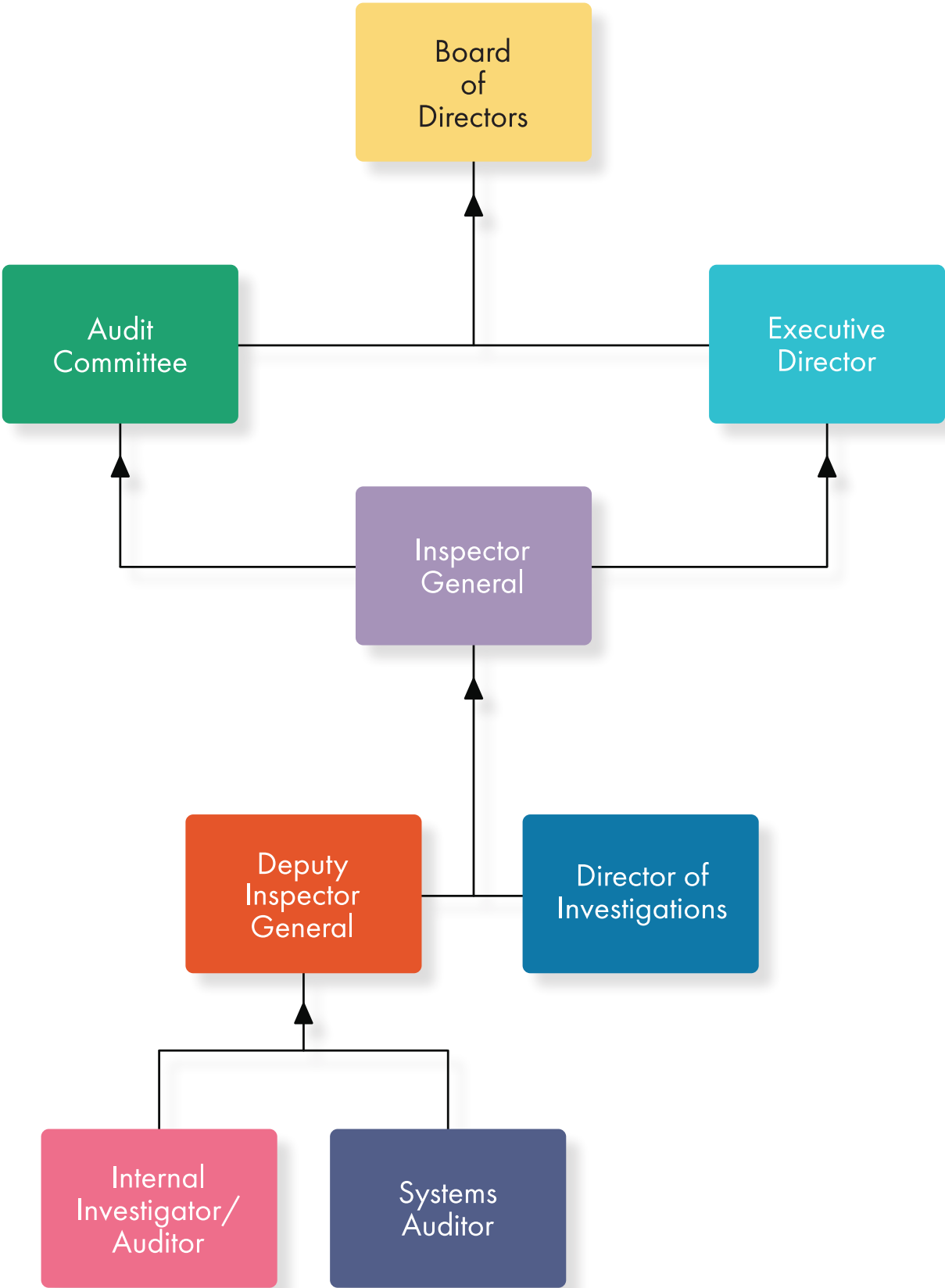
HHRP is currently available to assist families with hurricane recovery purposes that include, but are not limited to, repair and replacement of housing; acquisition of building materials for home repair and construction; payment of insurance deductibles for storm-related damages, and housing reentry assistance such as security deposits, utility deposits, and temporary storage of household items.

HHRP is a locally administered fund established to accommodate the different housing needs of different communities. The funding for the program is allocated among 28 qualified counties. The funds are given directly to local SHIP offices and may go towards hurricane recovery purposes such as repair and replacement of housing; acquisition of building materials for home repair and construction; housing reentry assistance; and assistance paying home insurance deductibles.

Live Local Act

The Live Local Act is a comprehensive, statewide attainable housing strategy, designed to increase the availability of affordable housing opportunities for Florida's residents, who desire to live within the communities they serve. This framework provides historic recurring funding for housing very-low to moderate income households. In addition to a multitude of new programs, incentives, and opportunities, this legislation works to focus Florida's housing strategy in ways that make housing more attainable. Florida Housing will implement programs that support the development of multifamily residential housing, homeownership, and creating innovative approaches for all housing markets.

ORGANIZATIONAL CHART



INVESTIGATIONS

INVESTIGATIVE SECTION

The Investigative Section's primary responsibility is working towards accomplishing the OIG's mission by conducting investigations of fraud, waste, abuse, and misconduct. This is accomplished by initiating, conducting, and coordinating investigations that are designed to detect, deter, prevent, and eradicate fraud, waste, abuse, mismanagement, misconduct and other abuses within Florida Housing and the contracted entities of Florida Housing.

The OIG typically receives requests for assistance or complaints from the Office of the Chief Inspector General, Florida Housing or contracted entities employees, and the general public via the online Fraud, Waste, and Abuse (FWA) complaint form submission, telephone, letter, fax, or email.

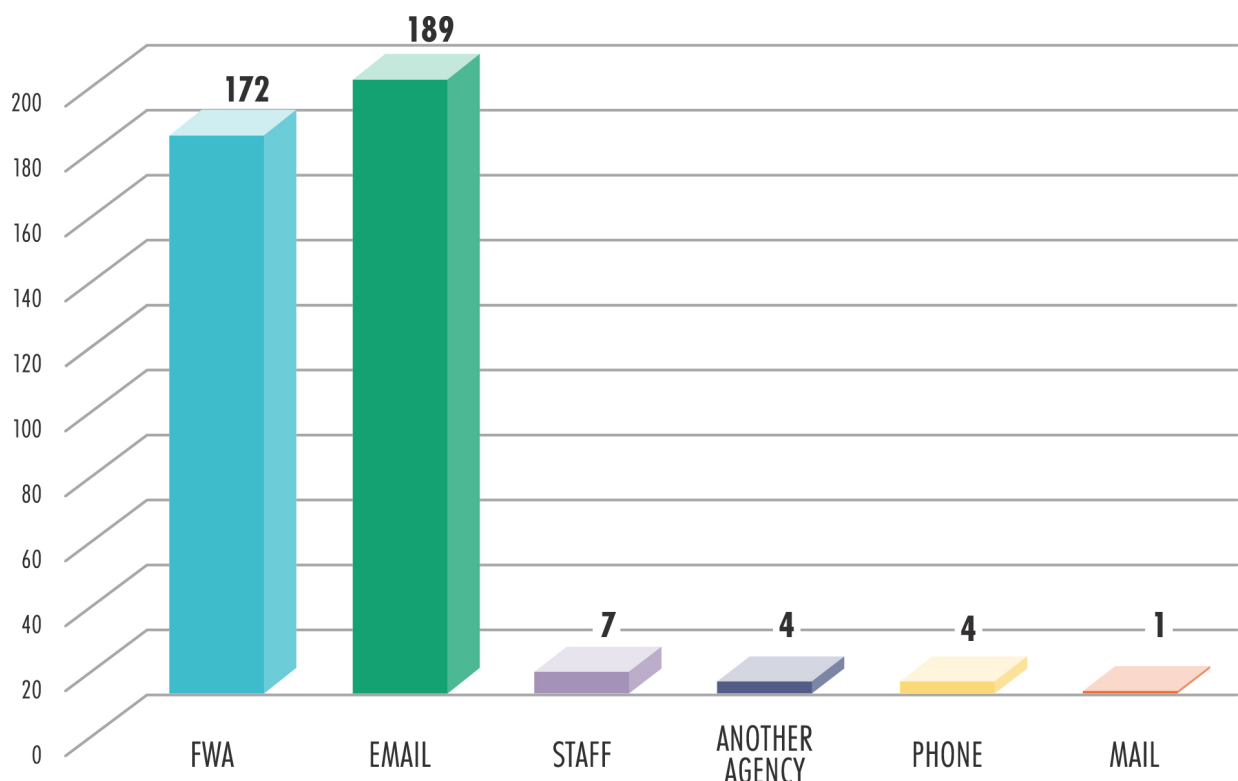
The online FWA complaint form allows the public, stakeholders, and others to report suspected corruption, fraud, waste, and abuse.

The Investigative Section complies with the *General Principles and Standards for Offices of Inspector General* as published and revised by the Association of Inspectors General. Additionally, the Investigative section adheres to the Commission for Florida Law Enforcement Accreditation's, *The Florida Inspectors General Standards Manual* (Green Book) for the investigative section.

The Investigative Section is comprised of two staff members: an Investigations Director and an Internal Investigator/Auditor. The investigative staff members have a wide variety of skills, knowledge, and experience. Both staff members hold the Association of Inspectors' General, Certified Inspectors General Investigator certification. Additional certifications held by the staff members include Certified Fraud Examiner, Certified Inspector General Auditor, Certified EEO Investigator, as well as Certified Public Manager.

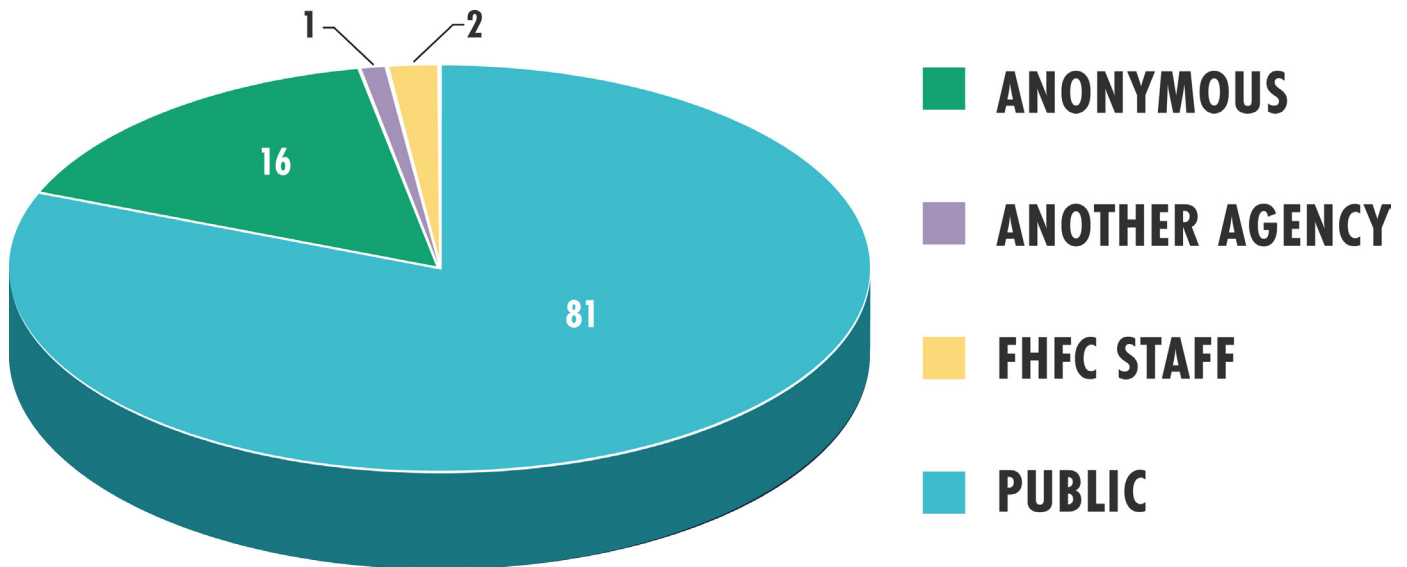
The OIG received a total of 377 requests for assistance/complaints in 2024. The method of receipt for these requests for assistance/complaints and the sources of those requests for assistance/complaints are listed below:

Summary of Method of Receipt for 377 Requests for Assistance/Complaints Received in 2024



INVESTIGATIONS

Summary of Source of 377 Requests for Assistance/Complaints Received in 2024



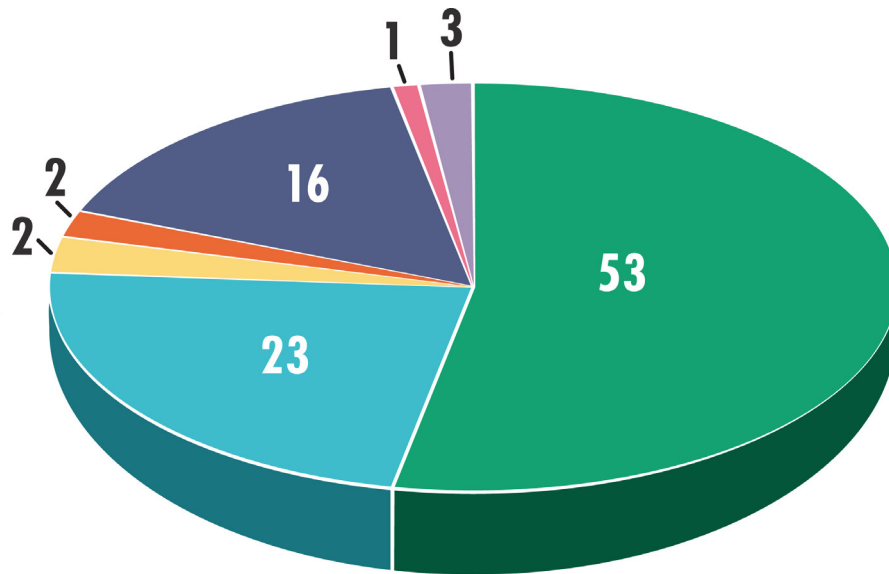
As each correspondence is received, it goes through a process to determine if it is a request for assistance or if it is a complaint regarding Florida Housing. Once verified as a request for assistance, the best course of action for it must be ascertained. Some requests for assistance are obvious referrals for other Florida Housing business units and/or outside agencies, whether State or Federal. The remaining requests for assistance are then reviewed to determine the best way to assist the individual. Some determinations can be time consuming with research, in order to provide helpful and precise information to assist these individuals.

The total requests for assistance and complaints are resolved, referred, or investigated as detailed below:

Total Requests for Assistance Received in 2024	
374 requests for assistance were received in 2024:	
197	requests were non-jurisdictional and were referred to the appropriate outside entity;
87	requests involved coordination and review by the Asset Management and Compliance Monitoring staff;
60	requests did not result in assistance due to lack of information or failure to respond to requests for additional information;
12	requests involved coordination and review by the State Housing Initiatives and Partnership (SHIP) Program staff;
6	requests involved OIG staff coordinating information with the US Department of Housing and Urban Development (HUD) OIG;
6	requests involved coordination and review by the Homeownership Program and Loan Servicing/Program Accounting staff;
4	requests involved requests for assistance with the Policy and Special Programs staff
2	requests involved requests for assistance with the Multifamily Programs staff
374	Total requests for assistance

INVESTIGATIONS

SUMMARY OF 374 REQUESTS FOR ASSISTANCE RECEIVED IN 2024 BY FLORIDA HOUSING PROGRAM AREA



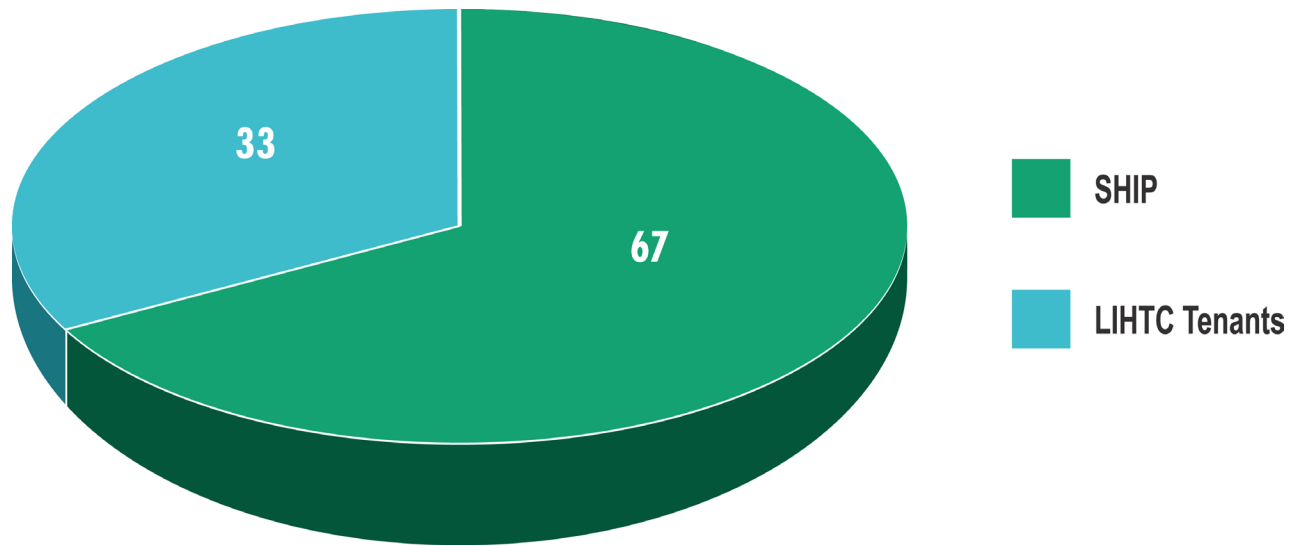
- NO JURISDICTIONAL REFERRED TO OUTSIDE ENTITY
- ASSET MANAGEMENT & COMPLIANCE MONITORING
- STATE HOUSING INITIATIVES AND PARTNERSHIP (SHIP) PROGRAM
- HOMEOWNERSHIP & LOAN SERVICING/PROGRAM ACCOUNTING
- UNABLE TO PROVIDE ASSISTANCE
- POLICY AND SPECIAL PROGRAMS
- COORDINATING INFO W/ HUD OIG

Complaints are reviewed further and will be either referred to the Florida Housing business unit it pertains to or turned into a management review, investigative review, or investigation. The OIG requests responses for any action taken on referred complaints. Those responses are evaluated, and the complaint may be closed, the OIG may seek further clarification or may initiate an investigation.

Total Complaints Received in 2024	
3 complaints were received in 2024:	
2	complaints involved SHIP Program assistance administered by the local governments;
1	complaints involved low-income housing tax credits (LIHTC) funding and related apartment complexes in Florida Housing's Affordable Housing Portfolio;
3	Total complaints

INVESTIGATIONS

SUMMARY OF 2024 COMPLAINTS BY PROGRAM AREA



INVESTIGATIONS

OIG staff initiate management reviews, investigative reviews, and investigations when violations of rule, statute, policy and/or contract requirements are alleged, including those filed under the Whistle-blower's Act.² The findings are based on facts and evidence obtained while completing the management reviews, investigative reviews, and investigations.

While the investigations are administrative in nature, the results and recommendations can lead to monetary recoveries. In addition, criminal violations are sometimes discovered during the investigative process. When a determination is made that a potential criminal violation has occurred, the investigation is coordinated with the Florida Department of Law Enforcement (FDLE), the applicable State Attorney's Office, or other appropriate law enforcement agencies for criminal prosecution.

FINAL INVESTIGATIVE REPORTS

Final investigative reports are distributed to the Audit Committee, the Executive Director, and others as needed for review, resolution, and/or any needed actions. Final investigative reports are also distributed to program leadership responsible for the employee or program investigated for appropriate personnel actions, compliance reviews, or recommended policy changes. Additionally, the final investigative reports are posted on the Florida Housing website: <http://www.floridahousing.org/contact-us/inspector-general/investigations>.

RECOMMENDED CORRECTIVE ACTIONS

Based on the investigative findings, the OIG may make recommendations in the form of a corrective action. The recommendations are for the purpose of process improvement and are made to Florida Housing management or contracted providers. The recommendations are tracked by the OIG.

² The Whistle-blower's Act, § 112.3187-112.31895, F.S., is intended to protect current employees, former employees, or applicants for employment with state agencies or independent contractors from retaliatory action. Whistle-blower designation is determined by the OIG in consultation with the Governor's Chief Inspector General's office. If a complaint meets whistle-blower criteria, the whistle-blower's identity is protected from release and an investigation is conducted pursuant to § 112.3189, F.S.

INVESTIGATIONS

SUMMARY OF MANAGEMENT REVIEWS (MR) AND INVESTIGATIVE REVIEWS (IR) COMPLETED DURING FY 2024

240214-01 MR

Allegation: On February 14, 2024, the Florida Housing Finance Corporation (Florida Housing) Office of Inspector General (OIG) staff received a correspondence from the Executive Office of the Governor, Office of the Chief Inspector General (CIG), which had the primary disposition as Refer for Action Deemed Appropriate. A review of the correspondence disclosed that the Complainant, Chief Development Officer and General Counsel for Consolidated Real Estate Investments (CREI) expressed a list of concerns regarding the Live Local Act and the perceived inflexibility exhibited by Florida Housing. Specifically, the limitations they stated which are limiting their efforts to qualify for State funding are:

1. Requiring tax credit experience for proposing developers.
2. Requiring that tax credit be utilized in the financing of the proposed projects.
3. Requiring an overreliance on state funding (mandated to use both LIHTC³ and SAIL⁴) creating a concentration of state resources in fewer projects, failing to incentivize the leveraging of other sources through innovative financing.
4. Exhibiting inflexibility through strict set-aside and unit mix requirements (in terms of income mix, unit types, and number of units set aside), even when leveraging other income sources and not over relying on state funding.
5. Establishing an artificially high developer fee (up to 18% of project value), making project seem less financially viable and depleting state resources on developer profit.

Since the noted concerns are not within the purview of the OIG, OIG staff referred them to the Multifamily Program Office, for their review and response.

Results of Review: OIG staff reviewed relevant information and corresponded with program staff, to include the Managing Director for Strategic Planning. On March 1, 2024, the Managing Director of Strategic Initiatives, provided the following response:

The subject of the complaint referred to Florida Housing Finance Corporation (Florida Housing) is the process Florida Housing is using for the allocation of funding for multifamily development provided in the Live Local Act. Presumably, the complaint is more specifically referring to the 150 million dollars in recurring funding provided through sec. 420.50871, F.S. (Live Local Funding). This statute provides various criteria Florida Housing is required to consider in funding multifamily developments. The statute reflects that the Live Local Funding is considered State Apartment Incentive Loan (SAIL) program funding, notwithstanding some requirements. Pursuant to the SAIL statute, the funding is limited to covering 25 percent of total development cost and may cover up to 35 percent of total development cost for developments that commit to serving extremely low income (ELI) residents or certain special needs demographics.

³ Low Income Housing Tax Credit

⁴ State Apartment Incentive Loan

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The explanation, for the concerns in the complaint, are addressed in order below:

1. Requiring tax credit experience for proposing developers.

The policy justification for this was that Florida Housing wanted to ensure the applicant had appropriate experience with the requirements a third-party investor would require in structuring the nonresidential component of the development. No other Live Local Request for Applications (RFA), (including RFAs 2024-206, 2024-214 and 2024-215) has eligibility, preference or point values associated with low-income housing tax credit (LIHTC) experience.

The only RFA that required tax credit experience was RFA 2023-213. At least one natural person Principal of at least one Developer entity must have met a requirement that:

- At least two of the developments must have (i) been financed utilizing either 9% or 4% Housing Credits; and (ii) committed to Average Income Test; or
- At least one of the developments must have (i) been financed utilizing either 9% or 4% Housing Credits; and (ii) included at least 20% of the units as non-Housing Credit units.

The policy justification for this experience requirement stemmed from the complexity of these transactions. These developments will serve a wide range of incomes, and a large portion of the units have the potential to be non-housing credit units. This triggers what could become very complex legal and financial structures that are sometimes required by a third-party investor. The mixed-use component can also trigger these same types of complexities. Florida Housing wanted to ensure that the Applicants applying for funding under this RFA had the requisite experience to handle these types of complicated financing structures. We considered much public feedback in relation to the developer experience requirements and changed the requirements in the end to address those concerns. No other Live Local RFA (including RFAs 2024-206, 2024-214 and 2024-215) has eligibility, preference or point values associated with LIHTC experience.

2. Requiring tax credit be utilized in the financing of the proposed projects.

... not all RFAs under the Live Local Act funding have required the leveraging of LIHTC funding. In the most recent workshops, Florida Housing has emphatically stated it will consider transactions that do not include LIHTC funding if we are provided with an explanation through a financial proforma of how the transaction can meet the statutory requirements to not exceed 25 percent of total development cost with the SAIL funding and meet the statutory income limit set asides. Florida Housing has not received such information. We remain committed to accepting, analyzing and discussing such proposals during the RFA development period.

3. Requiring an overreliance on state funding (mandated to use both LIHTC and SAIL) creating a concentration of state resources in fewer projects; failing to incentivize the leveraging of other sources through innovative financing.

As referenced above, the leveraging of private activity bond allocation and LIHTC, which are federal resources, result in a larger distribution of Live Local SAIL resources throughout the state, not a concentration of resources. Florida Housing has not been provided with any examples of “innovative” housing development resources that meet the statutory program requirements. For example, resources that are used for infrastructure improvements related to the proposed housing development or existing tenant relocation resources, while beneficial, are not considered innovative housing development resources that support construction and permanent financing. Furthermore, limiting intended residents to at or above 80 percent area median income (AMI), in order to rely

INVESTIGATIONS

on 80% AMI rental income, without providing a range of affordable income set asides in the proposed development is also not an innovative housing development resource, and is contrary to the statutory intent of the resource.

4. Exhibiting inflexibility through strict set-aside and unit mix requirements (in terms of income mix, unit types, and number of units set aside), even when leveraging other income sources and not over relying on state funding.

This concern is referenced in the response to number 3, above. The statutory intent, and requirement, is to provide a broad range of affordable and workforce unit set asides. Sec. 420.50871, F.S., states that the loans provided through the innovative SAIL program shall be SAIL loan under sec. 420.5087, F.S. with certain notwithstanding clauses in sec. 420.5087 (1) and (3), F.S., as well as sec. 420.507 (48) and (50), F.S. One clause that is not excluded is the requirement in sec. 420.5087 (2), F.S., or the requirement in sec. 420.5087 (6), F.S., which requires Florida Housing to consider, when selecting developments for funding, the applicants' agreement to set aside a certain percentage of units at or below 60% AMI, as well as the applicant's agreement to set aside units for extremely low-income households.

5. Establishing an artificially high developer fee (up to 18% of project value), making project seem less financially viable and depleting state resources on developer profit.

The developer fees are set through administrative rules set forth at Rule 67-21.014(2)(q) and 67-48.0072(16), F.A.C., which have been workshopped for decades and subject to public feedback. The fee is not artificial, but rather a demonstration of the risk it takes to develop affordable housing with income and associated rent set asides predominately at or below 60 percent AMI and including ELI units (in accordance with the demonstrated cost burdened needs of the state) with long term affordability commitments. Florida Housing's developer fee is consistent with nationwide housing finance authority (HFA) developer fee standards. Furthermore, developers often defer developer fee or forgo fee altogether in order to leverage the feasibility of the proposed development. The fee is a cap, not a requirement.

Thank you for the opportunity to clarify the mischaracterizations put forth by the complainant. Florida Housing has every confidence that it administers the Live Local allocation process in an open, flexible, and transparent manner in accordance with statutory and regulatory requirements while prioritizing the affordable and workforce housing policy objectives set forth through the Executive Office of the Governor and the Legislature.



INVESTIGATIONS

For reference – The Live Local funding has been divided into separate RFAs that address multiple or individual statutory criteria from the above referenced section of the RFA.

ACCREDITATION

In order to obtain accredited status, a team of assessors from the Commission for Florida Law Enforcement Accreditation (CFA) must examine all aspects of an OIG's investigative policies, procedures, management, and operations. The OIG must maintain compliance with more than 48 standards in order to receive accredited status. The OIG received their initial accreditation in 2017. Subsequently, they have received reaccreditation in 2020 and 2023. The OIG will be up for reaccreditation in 2026.

The CFA Assessment Team consisted of Team Leader, Deputy Sheriff David Pate of the Leon County Sheriff's Office and Team Member, Jeremy Billington, Director of Investigations, of the Department of Economic Opportunity⁵, Office of Inspector General. The Summary and Final Report, which was presented to the CFA Commission in February 2023, stated the following:

The Florida Housing Finance Corporation Office of Inspector General serves as a model of efficiency within the inspector general community. While the Florida Housing Finance Corporation is in fact a corporation, they operate above and beyond the expectations of any state agency Office of Inspector General.

This office has embraced their responsibilities as a steward of public trust for the citizens. The assessment team observed a work group which not only has defined the FHFC OIG mission, but genuinely understands the value the Inspector General System provides to their agency and the functions of the corporation and the services they provide to the citizens of Florida.

The assessment was flawless, with no discussion of noncompliance issues or corrective actions. The policies of the FHFC OIG are sound, allow for effective workflow, and are compliant with state statute, agency policy, and established principles for operation for investigative functions in an Office of Inspector General.

The assessment team recommends the Florida Housing Finance Corporation Office of Inspector General be favorably reviewed for reaccredited status by the Commission for Florida Law Enforcement Accreditation as the next commission meeting.

⁵ The Department of Economic Opportunity (DEO) is now known as Florida Commerce.

INTERNAL AUDIT

INTERNAL AUDIT SECTION

The Internal Audit Section's primary responsibility is to support the overall OIG mission, by conducting audits and reviews to detect fraud, waste, abuse, and mismanagement. Just as importantly, the Internal Audit Section also assists Florida Housing management in determining whether adequate controls exist, and risks are mitigated to ensure the orderly and efficient conduct of business.

In addition, Section 20.055(2)(a) and (b), F.S., requires a description of activities related to the development, assessment, and validation of performance measures. These activities are integrated into the audit process.

Audit engagements generally conclude with the issuance of a final audit report which contains the OIG's findings/observations, and recommendations regarding the audited subject matter. Additionally, the final report contains the auditee's response to those findings/observations and recommendations.

Most of the audits and reviews performed originate from the annual audit plan. However, there are times a request may come from the Audit Committee/Board or Executive Director when there is an area of interest or concern warranting a more in-depth look.

The Internal Audit Section completed one audit, with a total of three recommendations, and five management reviews. Two additional audits were initiated; however, they were not completed by the end of the fiscal year (FY). Coordination and/or follow-up on one external audit and four internal audit follow-up projects were completed. Internal audit reports and advisories are posted on the Florida Housing website.

<http://www.floridahousing.org/contact-us/inspector-general/audits>

The Internal Audit Section conducts audits in accordance with the current *International Standards for the Professional Practice of Internal Auditing* as published by the Institute of Internal Auditors, Inc. (Red Book), or, where appropriate, in accordance with *Generally Accepted Governmental Auditing Standards* (Yellow Book).

Just as the Investigations Section uses accreditation to ensure the policies and procedures, work product, supervision, personnel, and training are held to the highest standard of professionalism, the Internal Audit Section undergoes the statutorily mandated Quality Assurance Review (QAR) process performed by the Auditor General's Office. These reviews are conducted every three years and serve to ensure the section encompasses the charter, organizational environment, and policies and procedures established to provide management with reasonable assurance that the internal audit activity operates in conformity with applicable auditing standards and the Code of Ethics issued by the Institute of Internal Auditors. The most recent review was conducted in 2023.

The Internal Audit Section is comprised of a Deputy Inspector General (Audit Director) and a Senior Systems Auditor. On occasion, as needed, the Director of Investigations and Internal Investigator/Auditor also participate in the internal audit activities. All staff members hold the Association of Inspectors' General Certified Inspectors General Auditor certification. Additional certifications held by the staff members include Certified Internal Auditor, Certified Fraud Examiner, Certified Information Systems Auditor, Certified Inspector General Investigator, Certified Governance Risk and Compliance, Certified Information Systems Security Professional - Information Systems Security Management Professional, Certified Inspector General, Certified EEO Investigator, as well as Certified Public Manager.

As of December 31, 2024, all corrective actions for significant recommendations described in previous annual reports have been completed.

INTERNAL AUDIT

ASSURANCE ENGAGEMENTS

Assurance engagements are conducted to provide an independent assessment on governance, risk management, and control processes for Florida Housing. The nature and scope of the assurance engagements are determined by the OIG Internal Audit staff and are performed in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)* published by the Institute of Internal Auditors (IIA).

The assurance engagements result in a written report of observations and recommendations, including any response by management. The reports are distributed to the Audit Committee, Executive Director, affected program managers, the Executive Office of the Governor's Chief Inspector General, and the Office of the Auditor General.

CONSULTING ENGAGEMENTS

Consulting engagements provide assistance to Florida Housing management or staff with the intention of improving specific program operations and/or processes. Consulting engagements are usually performed at the request of management, in which the OIG Internal Audit staff agree upon the nature and scope and management. The engagements are performed in accordance with the *Standards*. The written reports are issued to the affected program management.

MANAGEMENT REVIEWS

Management Reviews are reviews of programs or processes that do not require a complete audit. These reviews may include compliance reviews of Florida Housing contractors or entities under Florida Housing's oversight. Management reviews result in a written report or a letter of observations and recommendations, including responses by management. The *Standards* are not cited. These reports are typically distributed to the Audit Committee, Executive Director and affected program management. Additionally, certain reports may be sent to the Executive Office of the Governor's Chief Inspector General and to the Office of the Auditor General.

SUMMARY OF INTERNAL AUDIT REPORTS COMPLETED DURING FY 2024

2023-20 Audit of Hurricane Housing Recovery Program (HHRP)

In accordance with the OIG's Annual Audit Plan for FY 2023 and at the request of the Managing Director of Policy and Special Programs, an audit of Florida Housing's Hurricane Housing Recovery Program (HHRP) was conducted. The objectives of this audit were to determine the adequacy and effectiveness of internal controls for HHRP, along with testing and analysis of HHRP records to determine whether:

- Florida Housing has adequate processes in place for the administration and management of the HHRP; and
- controls are in place to adequately manage and validate report data as submitted by a local government (LG) to Florida Housing.

INTERNAL AUDIT SECTION

The audit disclosed that Florida Housing's HHRP controls that were reviewed and tested are compliant with Senate Bill 2500 (2019) and Specific Appropriation 2282A (2020), the *HHRP Funding Agreement, Local Government*⁶ (funding agreement). However, the OIG concluded that certain controls for the submission of LG extension requests should be strengthened.

As such, the following recommendation were made:

- The OIG **recommended** that Florida Housing ensure that any future extension request submitted under the Florida Housing HHRP contains all required documentation.

SUMMARY OF REVIEWS COMPLETED DURING FY 2024

2023-21 - Quality Assurance Review of 2022 – 2023 Random Number Generation Assignments

This quality assurance review was conducted at the request of the Inspector General. The objective of this review was to provide assurance of the OIG's compliance with the random number generation process and that it was performed in accordance with policy and procedures.

The review determined that OIG staff members are following the applicable internal procedures while performing the random number generation process. Furthermore, it was concluded that internal controls in place are adequate to maintain the integrity of the process; however, the OIG should continue to look for ways to further enhance the process.

2024-12 Management Review of Statements Made by Florida Housing's Former Executive Director

The Office of Inspector General (OIG) conducts management reviews (reviews) of Florida Housing Finance Corporation's (Florida Housing) Programs to provide management and other stakeholders with unbiased, timely, and relevant information for use in promoting accountability, stewardship, and efficient operations. On February 2, 2024, Florida Housing's Board Chair requested that Florida Housing's Inspector General conduct a review of two statements made in the resignation letter⁷ of the former Executive Director.

Statement 1: "Staff avoided my request to explain – and therefore bring accountability to – nearly \$900 million in investment assets that have not been accessed in nearly two decades."

Statement 2: "Approximately 50 bank accounts open under Florida Housing with nearly \$2 billion are subject to a concerning low - level of oversight. Reconciled only biannually, with little to no back-up documentation or verification, and all managed by simple spreadsheets."

Therefore, the OIG initiated a management review to determine the validity of the two statements. The objective of this review was to determine if there is oversight, accountability, and reconciliation of the "investment assets" and "bank accounts" as referenced in the two statements.

⁶ Local governments are designated Florida Counties and cities. FEMA declared 12 counties impacted by Hurricane Michael, where households were eligible for FEMA assistance. Florida Housing used the FEMA declared counties and related impact and need assessment data to determine which counties were eligible for an allocation and how much.

⁷ On October 26, 2023, the former Executive Director submitted his resignation to the Florida Housing Board of Directors.

INTERNAL AUDIT SECTION

Statement 1 Results: The OIG reviewed all available information and determined that staff did not avoid the former Executive Director's request to explain the accounts, there is accountability for the accounts, and the \$900 million in investment assets that have been accessed daily in the last two decades. This is evidenced by the CFO providing the former Executive Director detailed email messages and attachments that gave an explanation as to oversight and accountability around, *Florida Housing Finance Corporation Allocation of Pooled Investment Income for the Month Ended December 2022 Allocation*. Additionally, the OIG determined during the reconciliation review that the accounts are reconciled monthly, and Florida Housing has documented procedures and maintains all backup documentation. Finally, the "tracking spreadsheet which has all activity for 2022 in it" shows the accounts being accessed with deposits in (e.g., document stamp tax funds and legislative allocations) and withdrawals out to various Florida Housing programs (e.g., State Apartment Incentive Loan program (SAIL), Homeownership Assistance Program (HAP), Operating Fund, etc.).

Statement 2 Results: The OIG reviewed all available information and determined that there is monthly oversight of the 50 bank accounts open under Florida Housing. These accounts are reconciled more frequently than biannually and there is back-up documentation and verification for these reconciliations. This is evidenced by the CFO providing the former Executive Director with email messages and attachments that gave an explanation of oversight and accountability around, Florida Housing's Special Purpose Investment Account program (SPIA). The OIG determined during the reconciliation review that the accounts are reconciled monthly, and Florida Housing has documented procedures and maintains all backup documentation. It should also be noted the majority of bond related issues and decisions, related to oversight and reconciliation, are not made by Florida Housing, but are managed by all external and independent entities: the bond trustee, with the advice of bond counsel and the single-family cash flow provider. Additionally, bond related supporting documentation is readily available on Florida Housing's public website. www.floridahousing.org

Performance Measures Reviews

Section 20.055, Florida Statutes, requires that the OIG perform a validity and reliability assessment of the agency performance measures and, if needed, make recommendations for improvements. The Florida Housing Performance Measures Reports, prepared pursuant to the Affordable Housing Services Contract with Florida Commerce⁸ are reviewed quarterly. These reports contain data pertaining to the performance measures and targets established by Section 420.511(1)(a) through (e), Florida Statutes. The OIG reviewed the performance measure data to ensure its accuracy prior to submission of the report to the Florida Commerce Secretary. Each of the OIG's reviews determined that the reports were accurate and supported by the appropriate documentation.

2024-09 – Review of 2023 4th Quarter Performance Measures Review

2024-13 – Review of 2024 1st Quarter Performance Measures Review

2024-14 – Review of 2024 2nd Quarter Performance Measures Review

2024-18 – Review of 2024 3rd Quarter Performance Measures Review

COORDINATED EXTERNAL AUDIT REPORTS DURING FY 2024

Ernst & Young's Florida Housing Finance Corporation 2023 Financial Report

The Office of Inspector General ensures effective coordination and cooperation during the annual financial statement audit.

⁸ Florida Commerce was formerly known as the Department of Economic Opportunity (DEO).

INTERNAL AUDIT SECTION

FOLLOW-UP REVIEWS COMPLETED DURING FY 2024

Project No. 2024-16 – 2nd Follow-up on Information Technology Security Tools and Policies for Telework Facilitation

The International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, require that the OIG monitor implementation of Florida Housing's corrective action responses to observations and recommendations made in audit reports issued by the Internal Audit Section.

The objective of this follow-up was to determine the status of actions related Project No. 2023-12, 1st Follow-up on Information Technology Security Tools and Policies for Telework Facilitation and Project No. 2021-14, *Review of Information Technology Security Tools and Policies for Telework Facilitation*. Florida Housing has a responsibility to safeguard the release of information in a public document that might expose potential IT security vulnerabilities. Internal Audit follows guidance provided by Section 282.318, Florida Statutes, providing that findings related to IT security should be considered confidential information and exempt from public disclosure.⁹

Project No. 2024-17 – 3rd Follow-up on the Audit of Records Management

The International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, require that the OIG monitor implementation of Florida Housing's corrective action responses to observations and recommendations made in audit reports issued by the Internal Audit Section.

The objective follow-up was to determine the status of the last corrective action related to the audit. The other six corrective actions have previously been implemented as confirmed in Project No. 2023-22, *2nd follow - up on the Audit of Records Management* and Project No. 2021-12, the *1st Follow - up on the Audit of Records Management*. It should be noted that the completion date is TBD (to be decided). This is due to competing project priorities that make a realistic completion date yet to be determined. The OIG is not performing another formal follow-up for this audit. However, the OIG will continue to monitor the status of this corrective action until completion.

Project No. 2024-21 – 1st Follow-up on the Audit of Purchasing Card Controls

The International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, require that the OIG monitor implementation of Florida Housing's corrective action responses to observations and recommendations made in audit reports issued by the Internal Audit Section.

The objective follow-up was to determine the status of the one corrective action related to Project No. 2022-15, *Audit of Purchasing Card Controls*. The OIG reviewed the latest corrective action status update, as provided by the Comptroller, related to the audit. The Comptroller asserted that the corrective action was completed. The OIG reviewed the documentation provided by the Comptroller in support of the completed assertions and concurs. The OIG now considers the corrective action as completed and closed.

Project No. 2024-22 – 1st Follow-up on the Audit of Procurement Vendor Preference

The International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, require that the OIG monitor implementation of Florida Housing's corrective action responses to observations and recommendations made in audit reports issued by the Internal Audit Section.

The objective follow-up was to determine the status of the two corrective actions related to Project No. 2023-12, *Audit of Procurement Vendor Preference*. The OIG reviewed the latest corrective action status update, as provided by the Contract Administrator, related to the audit. The Contract Administrator asserted both corrective actions were completed. The OIG reviewed the documentation provided by the Contract Administrator in support of the completed assertions and concurs. The OIG now considers all corrective actions as completed and closed.

⁹ Section 282.318(4)(g) Ensure that periodic internal audits and evaluations of the agency's information technology security program for the data, information, and information technology resources of the agency are conducted. The results of such audits and evaluations are confidential information and exempt from s. 119.07(1), except that such information shall be available to the Auditor General, the Cybercrime Office of the Department of Law Enforcement, the Agency for State Technology, and, for agencies under the jurisdiction of the Governor, the Chief Inspector General.

SPECIAL PROJECTS

SPECIAL PROJECTS AND OTHER PROJECTS

Services other than assurance engagements, consulting engagements, and management reviews performed by OIG staff members for Florida Housing management or entities outside of Florida Housing, are considered special projects. Special projects may include things such as participation in intra-agency reviews and/or workgroups; or assisting the Governor's office or the Legislature. Special projects may also include atypical activities that are completed within the OIG such as self-assessments or policy revisions. Four examples of special projects are listed below.

Legislative Tracking

The OIG conducts bill analysis and monitors/tracks legislative actions related to Florida Housing and the Inspector General community.

Random Number Generation (Lottery Number) Assignments

Lottery numbers¹⁰ are generated to use when tiebreakers are needed by any of Florida Housing's competitive funding applications. Florida Housing's OIG has a process to assign lottery numbers using random numbers generated in Microsoft Excel. The instructions for various Florida Housing competitive funding programs provide that each request for application (RFA) will receive a random lottery number at or prior to the issuance of final scores or ranking. In 2024, OIG staff assigned lottery numbers for the following RFAs listed below:

- | | | |
|----------------|----------------|----------------|
| • RFA 2024-102 | • RFA 2024-202 | • RFA 2024-214 |
| • RFA 2024-103 | • RFA 2024-203 | • RFA 2024-215 |
| • RFA 2024-104 | • RFA 2024-204 | • RFA 2024-216 |
| • RFA 2024-105 | • RFA 2024-205 | • RFA 2024-305 |
| • RFA 2024-106 | • RFA 2024-206 | • RFA 2024-306 |
| • RFA 2024-201 | • RFA 2024-213 | |

In addition, at the final review committee meeting for each RFA, the OIG verifies the accuracy of the lottery numbers used in the review committee's scoring spreadsheet; and on the applications recommended for funding spreadsheet, which is provided to the Board for approval.

¹⁰ The term "lottery number" used by Florida Housing does not refer to the commonly known lottery process.

SPECIAL PROJECTS

Enterprise Risk Assessment and Mitigation

Background

Florida Housing's Strategic Plan includes the following goal: "Establish an environment in which risk assessment and mitigation is integrated into all business practices and decisions." While the management and assessment of risk is the primary responsibility of each business unit, an Enterprise Risk Assessment (ERM) project team was tasked with creating a policy and the related process that will help integrate enterprise risk management into business processes, ultimately creating the "environment" (i.e. corporate culture) sought in the Strategic Plan. That ERM project was completed in 2016 and is currently being utilized to assess, identify, mitigate and monitor risk throughout Florida Housing's business units.

The OIG plays a vital role in Florida Housing's ongoing ERM efforts by collecting, compiling, and analyzing the data throughout the year. As the process continues to mature, the data gathered will continue to expand and offer greater insight into the key risk drivers for each business unit. Additionally, the OIG uses the associated data gathered through the ERM process as a component of its annual risk assessment process, which is used to develop the subsequent years audit plan. The OIG plans to continue improving the process and educating staff on the benefits of a fully functioning ERM process for Florida Housing.

Risk Assessment and Development of Annual Audit Plan

In accordance with Section 20.055, F.S., the OIG performed a risk assessment of Florida Housing's programs and activities to assist in the development of the Annual Audit Plan. The risk assessment process included identifying programs and activities performed by Florida Housing; interviewing managers to gather their perspectives on Florida Housing's current risks and exposures; addressing concerns of the Audit Committee members; identifying applicable risk factors (such as compliance risk, financial risk, reputational risk, etc.); and determining the risk ranking for selected programs and activities. The risk ranking of each program and activity was reviewed and evaluated by the OIG and used to develop the Annual Audit Plan.

The 2024 Annual Audit Plan identified the programs and activities to be audited or reviewed. The Audit Plan established the priorities of the Internal Audit staff while optimizing the use of internal audit resources and allowing the OIG to add value to Florida Housing. The Audit Plan also identified additional areas that may be included in the audit plans for FY 2025 and FY 2026. The Audit Plan was approved during the December Audit Committee meeting.

OFFICE OF INSPECTOR GENERAL FY 2024 INTERNAL AUDIT PROJECTS

Project Number	Project Type	Project Name	Final Report Issued
2019-13	Special Project	CDBG – DR Oversight Activities	In Progress
2023-15	Special Project	Risk Assessment and Development of 2024 Annual Audit Plan	12/14/2023
2023-16	Consulting Engagement	Data Management Consulting Engagement	Terminated
2023-20	Audit	Audit of Hurricane Housing Recovery Program (HHRP)	Report Issued 10/16/2024
2023-21	Special Project	Quality Assurance Review of 2022-2023 Random Number Generation Assignments	Report Issued 01/17/2024
2024-01	Special Project	OIG Admin (staff meetings; P&P reviews, etc.)	Closed 12/31/2024
2024-02	Special Project	Random Number Generation (RNG) for RFAs/ Review Committee Meetings (RCM)	Closed 12/31/2024
2024-03	Special Project	Investigative Assistance	Closed 12/31/2024
2024-04	Special Project	General ERM Activities	Closed 12/31/2024
2024-05	Special Project	General Program Area Work (Servicer Meetings, Informational Meetings, etc.)	Closed 12/31/2024
2024-06	Special Project	2023 OIG Annual Report	Report Issued 03/28/2024
2024-07	Special Project	Tracking Legislation	Closed 12/31/2024
2024-08	Special Project	Audit Committee Prep and Meeting	Closed 12/31/2024
2024-09	Management Review	Review of 2023 4th Quarter Performance Measures Report	Memo Issued 01/30/2024
2024-10	Audit	Audit of Security and Incident Management	In Progress
2024-11	Special Project	CIG 2024-25 Cyber Risk Assessment Workgroup (Confidential)	Closed 12/31/2024
2024-12	Management Review	Management Review of Statements Made by Florida Housing's Former Executive Director	Memo Issued 03/18/2024
2024-13	Management Review	Review of 2024 1st Quarter Performance Measures Report	Memo Issued 04/29/2024
2024-14	Management Review	Review of 2024 2nd Quarter Performance Measures Report	Memo Issued 07/29/2024
2024-15	Special Project	2024 Risk Assessment and Development of 2025 Annual Audit Plan	Approved 12/12/2024
2024-16	Follow-Up	2nd Follow-up on Review of Information Technology Security Tools and Policies for Telework Facilitation	In Progress
2024-17	Follow-Up	3rd Follow-up on Audit of Records Management	Memo Issued 11/25/2024
2024-18	Management Review	Review of 2024 3rd Quarter Performance Measures Report	Memo Issued 10/29/2024
2024-19	Audit	Operational Audit of Records Management	In Progress
2024-20	Special Project	Quality Assurance Review of 2023-2024 Random Number Generation Assignments	In Progress
2024-21	Follow-Up	1st Follow-up on Audit of Purchasing Card Controls	Memo Issued 05/15/2024
2024-22	Follow-Up	1st Follow-up on Audit of Procurement Vendor Preference	Report Issued 05/15/2024

OIG INITIATIVES

Since the start of 2024, the OIG has continued and commenced several projects to improve the efficiency and effectiveness of the office. The OIG is working diligently to meet its statutory mandates and fulfill its mission of “Enhancing Public Trust in Florida’s Affordable Housing.” These projects include:

- **Association of Government Auditors, 2024 Government Training Event (AGA-GTE)** – At the Residence Inn Conference Center in Tallahassee, OIG staff delivered a presentation entitled *Understanding the FTC Safeguards Rule: Requirements and Compliance*. The Safeguards Rule requires entities, such as Florida Housing, to have measures in place to keep customer information secure. In addition to developing their own safeguards, entities are responsible for taking steps to ensure that their affiliates and service providers safeguard customer information in their care. Conference attendees are professionals in the field of governmental financial management which includes accounting, auditing, budgeting, financial reporting, performance reporting, grants management, contract management, and information systems.
- **Statewide Cybersecurity ISM and CSIRT Training Exercise** – In conjunction with the Office of the Chief Inspector General and the Florida Department of Law Enforcement Cybercrime Office, OIG staff participated, as non-technical observers, in evaluating the incident response capabilities of the Florida Commission on Human Relations during a mock IT security breach.

This report was prepared by the Office of Inspector General at the Florida Housing Finance Corporation, in compliance with Section 20.055(8)(b), Florida Statutes, which states: *The inspector general of the Florida Housing Finance Corporation shall, not later than 90 days after the end of each fiscal year, prepare an annual report summarizing the activities of the office of inspector general during the immediately preceding fiscal year.*



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