



AUDIT SUMMARY

Connecticut Housing Finance Authority

www.cga.ct.gov/apa

Calendar Years Ended December 31, 2020 and 2021

ABOUT THE AGENCY



The Connecticut Housing Finance Authority (CHFA) is a quasi-public agency created to alleviate the shortage of housing for low-income and moderate-income families, as well as encourage the development of a balanced community of all income levels in the urban areas.

ABOUT THE AUDIT

We have audited certain operations of CHFA in fulfillment of our duties under Sections 1-122, 2-90, and 8-260 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the calendar years ended December 31, 2020 and 2021. The objectives of our audit were to evaluate the:

1. Authority's significant internal controls over compliance and its compliance with policies and procedures internal to the quasi-public or promulgated by other state agencies, as well as certain legal provisions, including as applicable, but not limited to whether the quasi-public has complied with its regulations concerning affirmative action, personnel practices, the purchase of goods and services, the use of surplus funds and the distribution of loans, grants and other financial assistance;
2. Authority's internal controls over certain financial and management functions; and
3. Effectiveness, economy, efficiency, and equity of certain management practices and operations, including certain financial transactions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[Link to full report](#)



Our audit identified instances of noncompliance with laws, regulations, or policies and internal control deficiencies that warrant the attention of management.

NOTEWORTHY FINDING



Finding

1

CHFA did not adequately monitor limited equity cooperatives. The authority only requested submission of annual budgets, two quarterly financial reports, and annual audited financial reports. However, it did not obtain and review all information required by the various agreements, including tenant demographic data. Our review of three limited equity cooperatives found only one submitted all information, another did not submit any of the information, and the third did not submit its annual audited financial statements.



Recommendation

The Connecticut Housing Finance Authority should strengthen its monitoring of limited equity cooperatives to ensure adherence to program requirements. The authority should ensure that only eligible individuals benefit from the program.

