

**MINUTES OF THE  
ILLINOIS STUDENT ASSISTANCE COMMISSION  
AUDIT COMMITTEE MEETING**

Michael A. Bilandic Building  
Room N-505  
160 N. LaSalle Street, Chicago, IL

September 12, 2019  
11:30 a.m.

**AUDIT COMMITTEE MEMBERS PRESENT:**

Elizabeth Lopez, Commissioner, Audit Committee Member  
James Hibbert, Commissioner, Audit Committee Member

**AUDIT COMMITTEE MEMBERS ABSENT:**

None

**OTHER COMMISSIONERS PRESENT:**

Darryl Arrington, Commissioner  
Niketa Brar, Commissioner, Investment Committee Member  
Kevin Huber, Commissioner, Board Chair, Investment Committee Member

**STAFF PRESENT:**

Eric Zarnikow, Executive Director  
Ramnath Cidambi, Chief Information Officer  
Carol Cook, Director, Program Services and Compliance  
Kishor Desai, Chief Internal Auditor  
Karen Salas, General Counsel  
Shoba Nandhan, Chief Financial Officer  
Natalie Wandall, Secretary to the Commission  
Melvin Dsouza, Telecom and Network Engineer  
Andy Cervantes, Data Security  
Kathleen Cole, Staff Attorney

## **Item 1. Announcements**

At 11:30 a.m. Mr. Zarnikow called the Illinois Student Assistance Commission (ISAC) Audit Committee meeting to order. Mr. Zarnikow asked for a roll call to be taken and a quorum was established.

Mr. Zarnikow reported that Commissioner Savage, who had been serving on an expired term, had been replaced on the Commission by a new appointee of the Governor. On behalf of ISAC, Mr. Zarnikow thanked Kim for her outstanding service to ISAC over the past eight years as she served both on the Board and also served on and chaired the Audit Committee. Her work on the Audit Committee provided invaluable acumen and support to our team. Mr. Zarnikow noted that he had benefited from her sound advice and counsel, and that her insight and perspective had helped the agency advance its programs and services for all Illinoisans. ISAC is most grateful to her for her service and wishes her all the best in the future.

## **Item 2. Approval of the Minutes of June 24, 2019 Audit Committee Meeting (Action)**

Ms. Lopez **MOVED THAT** the minutes of the June 24, 2019 Audit Committee Meeting be approved. Mr. Hibbert seconded that motion, and it was approved unanimously.

## **Item 3. Status Update of Fiscal Year 2019 Internal Audit Plan (Information) - Kishor Desai**

Mr. Desai noted that thirteen audits have been completed on time and on schedule. There were no questions.

## **Item 4. Status Update of Fiscal Year 2020 Internal Audit Plan (Information) - Kishor Desai**

Mr. Desai reported that thirteen audits were planned for Fiscal Year 2020, and that the plan is to complete them on time and on schedule. Mr. Desai responded to questions from the Audit Committee members about specific audits that are scheduled to be completed in FY2020.

## **Item 5. Annual Declaration of Chief Audit Executive Independence (Information) - Kishor Desai**

Mr. Desai provided a definition for an internal audit. Mr. Desai also affirmed to the Audit Committee members that he is independent of management and read his statement/Declaration of Independence. Ms. Brar asked if he can initiate his own activities regarding the audit. Mr. Desai confirmed that he can and that his audit plan covers every aspect of ISAC. Mr. Zarnikow also affirmed that ISAC takes its audit responsibilities very seriously.

## **Item 6. Discussion of Metrics for Evaluation of Internal Audit Function - Kishor Desai**

### **Item 6A. Approach - Annual Performance of Internal Audit Function (Information)**

#### **1. Quantitative: IA Performance Metrics - FY19**

Mr. Desai stated that about 67 more hours were spent on the FY19 audits than had been included in the FY19 budget.

## **2. Qualitative: Job Description**

Mr. Desai provided a job description for his position as Chief Internal Auditor. There have been no changes to the job description in the past year.

### **Item 6B. Approach - Annual Self-Evaluation of Audit Committee Performance (Information)**

Mr. Desai referred to page 6B-1 through 3 and indicated that the survey has about 23 questions. The goal is to get feedback from the Audit Committee regarding these questions. Mr. Desai asked for Audit Committee members to answer the questions to the best of their ability. ISAC will email out the survey and present a summary of the responses at the December Audit Committee meeting.

### **Item 7. Program Services and Compliance Function Presentation - Carol Cook**

Ms. Cook gave a presentation of the Program Services and Compliance Division. She explained that the Program Services and Compliance Division exists to support the agency's mission by delivering the agency's financial aid related programs. She further explained that there are four service lines in the Program Services and Compliance Division. They consist of: The Monetary Award Program (MAP); 16 other Scholarship/Grants/Loan Repayment programs; the Federal Family Education Loan Program (FFELP); and College Illinois!

Mr. Zarnikow stated that because we have several new Audit Committee members we will have different business areas come in and present at future Audit Committee meetings.

### **Item 8. Public Comment**

There were no public comments.

### **Item 9. Closed Session: Closed Minutes and Internal Control Weaknesses**

Mr. Hibbert **MOVED THAT** they go into closed session to discuss closed minutes and Internal Control Weaknesses as allowed by subsection 2(c) (21) and (29) of the Open Meetings Act. Ms. Lopez seconded that motion, which was approved unanimously by roll call vote.

At 12:15 p.m. the Audit Committee went into closed session.

At 12:23 p.m., the Audit Committee returned to open session.

### **Item 10. Approval of the Closed Session Items**

**Item 10A. Approval of the Closed Minutes of the June 24, 2019 Meeting & Approval to Open (Action)**

Mr. Hibbert **MOVED THAT** the minutes of the June 24, 2019 closed session of the Audit Committee be approved and to make those minutes open to the public. Ms. Lopez seconded that motion, which was approved unanimously.

**Item 10B. Approval of Determination Regarding Confidentiality and Verbatim Record Destruction (Action)**

Ms. Lopez **MOVED THAT** the following resolutions be approved:

“**BE IT RESOLVED** that the Committee has determined the need for confidentiality still exists for the minutes of its closed sessions for: January 27, 2012, March 26, 2012, June 25, 2012, June 21, 2013 and January 27, 2015 and therefore should remain closed to the public.”

“**BE IT FURTHER RESOLVED** that the Committee approves the destruction of the verbatim audio recordings of the closed session of the November 15, 2017 Audit Committee meeting as at least 18 months has transpired since the completion of the meeting.”

Mr. Hibbert seconded that motion, and it was approved unanimously.

Mr. Zarnikow summarized that ISAC is subject to many audits (both internal and external) that ISAC complies with throughout the year.

Ms. Lopez **MOVED THAT** the Illinois Student Assistance Commission Audit Committee Meeting be adjourned. Mr. Hibbert seconded the motion, which was approved unanimously.

The meeting was adjourned at 12:30 p.m.

Respectfully submitted,

Kathleen Cole