

AGENDA ITEM 2

**APPROVAL OF MINUTES OF THE
DECEMBER 5, 2019 AUDIT COMMITTEE MEETING**

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

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

December 5, 2019
11:30 a.m.

COMMISSIONERS PRESENT:

Darryl Arrington, Commissioner, Audit Committee Member
Elizabeth Lopez, Commissioner, Vice Chair, Audit Committee Member

COMMISSIONERS ATTENDED VIA TELEPHONE:

Niketa Brar, Commissioner, Audit Chair and Committee Member

COMMISSIONERS ABSENT:

None

STAFF PRESENT:

Eric Zarnikow, Executive Director
Ramnath Cidambi, Chief Information Officer
Carol Cook, Director, Program Services and Compliance
Kishor Desai, Chief Internal Auditor
Carmen Heredia, Chief Investment Officer
Roger Rojas, Investment Officer
Karen Salas, General Counsel
Shoba Nandhan, Chief Financial Officer
Wendy Funk, Director, Finance and Accounting
Evelyn Smith, Director, Loan Portfolio
Natalie Wandall, Secretary to Commission
Michael Wilder, Telecom and Network Engineer
Kathleen Cole, Staff Attorney

Item 1. Announcements

The Illinois Student Assistance Commission Audit Committee Meeting was called to order. A roll call was taken and a quorum was established. Mr. Zarnikow explained that the Committee member, Brar, could not physically attend the meeting due to illness and that she would be in attendance by telephone. Ms. Lopez **MOVED THAT** the committee members physically present vote to approve Committee member Brar's electronic attendance by telephone. Mr. Arrington seconded the motion, which was unanimously approved by the Committee.

Item 2. Approval of the Minutes of September 12, 2019 Audit Committee Meeting (Action)

Ms. Lopez **MOVED THAT** the minutes of the September 12, 2019 Audit Committee Meeting be approved. Mr. Arrington seconded that motion, and it was approved unanimously.

Item 3. Approval of the Calendar Year 2020 Audit Committee Meeting Dates (Action) - Kishor Desai

Mr. Arrington **MOVED THAT** the proposed Calendar Year 2020 Audit Committee Meeting Dates be approved. Ms. Lopez seconded that motion, and it was approved unanimously.

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

Mr. Desai noted that thirteen audits have been planned and that four have been completed and two are still in process. He explained that the status of the plan looks good so far. Mr. Desai went over the Fiscal Year 2020 Audit Plan status table, which is located on page 4-1 of the Agenda Book. He pointed out that field work is being done on Audit number 12 "Physical Security and Environmental Controls."

Item 5. Finance & Accounting Presentation (Information) - Shoba Nandhan

As information for the Committee, Ms. Nandhan reviewed the nature of the nine different types of external audits to which ISAC subjected, in addition to Internal Audits. She explained that ISAC gets about 1,500 requests from auditors throughout the year and provides data and information to the auditors to respond to those requests. Ms. Nandhan stated that she is very proud of her team as responding to auditor requests are a lot of work.

She also reviewed the various functions at ISAC where ISAC has responsibilities to review the work being done by other parties. Some of those include: 1) Institutional Compliance/Program Review; 2) Common Review Initiative (CRI) - FFELP; and 3) Annual Review of Collection Service Partners.

Mr. Zarnikow added that it is important that ISAC does not have or minimizes the number of audit findings. If ISAC does receive an audit finding, it tries to address it appropriately and timely. It is an overall agency/team effort to not have any audit findings. He explained that there is a lot of effort that goes into this process and that there is a huge level of oversight.

Overall, Mr. Zarnikow stated that the goal at ISAC is to have the right internal controls in place.

Ms. Lopez asked if they had whistleblower protection for people to come forward before an audit finding and Mr. Zarnikow answered yes.

Item 6. Public Comment

There were no public comments.

Item 7. Closed Session: Closed Minutes and Internal Control Weaknesses

Ms. Lopez **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. Mr. Arrington seconded that motion, which was approved unanimously by roll call vote.

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

At 12:32 p.m., the Audit Committee returned to open session.

Item 8. Approval of the Closed Session Items

Item 8A. Approval of the Closed Minutes of the September 12, 2019 Meeting & Approval to Open (Action)

Ms. Lopez **MOVED THAT** the minutes of the September 12, 2019 closed session of the Audit Committee be approved and to make those minutes open to the public. Mr. Arrington seconded that motion, which was approved unanimously.

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

Respectfully submitted,

Kathleen Cole