

AGENDA ITEM 2.

**APPROVAL OF MINUTES OF THE AUDIT COMMITTEE
MEETING OF APRIL 18, 2024**

Submitted for: Action

Summary: This is a request for approval of the minutes for the Audit Committee meeting held on April 18, 2024.

Action requested: That the Audit Committee approve minutes of the April 18, 2024 Audit Committee meeting

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

**Illinois Student Assistance Commission
3rd Floor, Room 3030
1755 Lake Cook Road, Deerfield, IL**

**April 18, 2024
11:00 a.m.**

COMMISSIONERS PRESENT:

Daryl Arrington, Commissioner, Audit Chair, Audit Committee Member
Elizabeth Lopez, Commissioner, Vice Chair, Audit Committee Member
Tomas Dowling, Commissioner, Audit Committee Member

STAFF PRESENT:

Eric Zarnikow, Executive Director
Kishor Desai, Chief Internal Audit Officer
Rolake Adedara, Interim Chief Financial Officer
Dana Mills, Director, Appropriation and Compliance
Harikumar Pillai, Chief Information Officer
Natalie Wandall, Secretary to Commission
Lisa Murphy-Coveny, Interim General Counsel
Lisa Schlessinger, Compliance Counsel
Michael Wilder, Network Technician/LAN Administrator

PUBLIC ATTENDANCE:

None

The Illinois Student Assistance Commission Audit Committee was called to order at 11:11 a.m.

Mr. Zarnikow, ISAC's Executive Director, began by noting that the meeting was being held in person at ISAC's Deerfield headquarters which is open to the public.

Commissioner Arrington called for a roll call of the Audit Committee Members. A roll call of the Audit Committee members was taken, and a quorum was established.

Item 1. Announcements

Commissioner Arrington announced that the next regularly scheduled Audit Committee meeting is expected to be held on Thursday, June 20, 2024, and start at 11:00 a.m. at ISAC headquarters in Deerfield.

Item 2. Approval of the Minutes of the December 7, 2023 Audit Committee Meeting (Action)

Commissioner Dowling **MOVED THAT** the Audit Committee approve the minutes of the December 7, 2023, meeting of the Audit Committee. Commissioner Lopez seconded the motion, which was unanimously approved by a vote of the Audit Committee.

Item 3. Approval for the Destruction of Open Meeting Verbatim Recordings (Action)

Commissioner Dowling **MOVED THAT** the Audit Committee approve the following resolution:

"BE IT RESOLVED that the Audit Committee approves the destruction of the verbatim records of the open session of the April 14, 2022 Audit Committee meeting as at least 18 months have transpired since the completion of that meeting and 24 months have transpired since the web posting."

Commissioner Lopez seconded the motion, which was unanimously approved by a vote of the Audit Committee.

Item 4. Status Update of FY 2024 Internal Audit Plan (Information)

Mr. Desai presented a status update to the Fiscal Year 2024 Internal Audit plan that is printed on page 4-1 of the agenda book, which was prepared on March 14, 2024. Mr. Desai explained that as of the time the book was printed, there were 13 audits scheduled, and that audits # 1, 6 and 8 are in process. Mr. Desai provided that since printing, audits #1 and 6 were completed on time, while #8 is in process and almost complete. Mr. Desai announced that the audit plan is on track, and that audits #12 and 13 will require an

outside IT consultant and they are in the process of going through the procurement process. Mr. Desai expected to be on track with all audits by the end of June.

Mr. Zarnikow thanked Mr. Desai for his work on the FCIAA Forms. Mr. Desai discussed what the FCIAA forms are and how the agency fulfills this annual requirement.

Item 5. Reassessment Audit Committee Charter for Compliance (Action)

Mr. Desai reviewed the Audit Committee Charter that is printed on pages 5-1 and 5-2 of the agenda book. There was discussion of whether there were any proposed changes and Mr. Desai confirmed that there were no major changes to the Charter.

Commissioner Lopez **MOVED THAT** the Audit Committee approve the reassessment of the Audit Committee Charter and recommended its review and approval by the Commission during the meeting scheduled for later this day.

Commissioner Dowling seconded the motion, which was unanimously approved by a vote of the Audit Committee.

Item 6. Changes to External Audit Process (Information)

Ms. Adedara presented changes to the external audit process. Ms. Adedara first reviewed the current processes as printed on page 6-2 of the agenda book. Ms. Adedara then reviewed the upcoming changes to the external audit process as printed on page 6-3 of the agenda book. Ms. Adedara highlighted that one of the most impactful upcoming changes is that in the future ISAC will receive standalone audited financial statements for IDAPP, which previously had been audited as part of the overall audit of ISAC.

There was discussion about the changes of going from two financials to three financial statements.

Ms. Adedara then reviewed the timeline as printed on page 6-4 of the agenda book. Ms. Adedara also presented the impact assessment of the upcoming changes as printed on page 6-5 of the agenda book, including the necessity of the state procuring a new audit firm.

Mr. Zarnikow emphasized that this is a big change and discussed challenges that can exist in the procurement of a new audit firm by the state and to manage expectations for the timeline of the transition.

Item 7. Public Comment

No requests for public comment were made.

Item 8. Closed Session

Commissioner Lopez **MOVED THAT** the Audit Committee go into closed session to discuss compensation matters, closed minutes and internal control weaknesses as allowed by subsections 2(c)(1), (21), and (29) of the Open Meetings Act. Commissioner Dowling seconded the motion, which was unanimously approved by a roll call vote of the Audit Committee.

At approximately 11:45 a.m. the Audit Committee went into closed session.

At approximately 12:11 a.m. the Audit Committee re-entered open session.

Item 9. Approval of Closed Session Items

Item 9A. Approval of the Closed Minutes of the December 7, 2023 Meeting and Approval to Open (Action).

Commissioner Dowling **MOVED THAT** the Audit Committee approve the closed minutes of the December 7, 2024 closed session of the Audit Committee and determine that they may be opened to the public. Commissioner Lopez seconded the motion, which was unanimously approved by a vote of the Audit Committee.

Item 9B. Approval of the Report of Redetermination Regarding Confidentiality and Destruction of the Verbatim Transcripts And/or Audio Recordings of Closed Session (Action).

Commissioner Dowling **MOVED THAT** the Audit Committee approve the following resolution:

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

BE IT FURTHER RESOLVED that the Committee approves the destruction of the closed meeting verbatim records of the April 14, 2022, closed session as at least 18 months has transpired since the completion of that meeting.”

Commissioner Lopez seconded the motion, which was unanimously approved by a vote of the Audit Committee.

Item 9C. Approval of Chief Internal Audit Officer’s Compensation Adjustment (Action).

Commissioner Dowling **MOVED THAT** the Committee approve the Chief Internal Audit Officer’s compensation adjustment as discussed in the closed session, of 2.5%. Commissioner Lopez seconded the motion, which was unanimously approved by a vote of the Audit Committee.

Seeing no further business to come before the Audit Committee, Commissioner Lopez **MOVED** to adjourn. Commissioner Dowling seconded that motion, which was unanimously approved by a vote of the Audit Committee.

The meeting adjourned at approximately 12:14 p.m.

Respectfully submitted,

Lisa R. Schlessinger