

## AGENDA ITEM 10B.

### APPROVAL OF DETERMINATION OF CONFIDENTIALITY & VERBATIM RECORD DESTRUCTION

**Submitted for:** Action

**Summary:** While the Illinois Open Meetings Act, [5 ILCS 120] (the “**Open Meetings Act**”) generally requires that public bodies conduct their business at meetings that are open to the public, the Open Meetings Act also provides various exceptions for matters to be discussed in a closed session. In compliance with the Open Meetings Act, the Audit Committee has, from time to time, held closed meetings to discuss certain confidential matters that are exempt from public disclosure under the Open Meetings Act.

Under the Open Meetings Act, the Audit Committee is required to periodically meet to review minutes of closed meetings to determine (1) whether the need for confidentiality still exists as to all or a part of the closed meeting minutes or (2) whether the minutes or portions thereof no longer require confidential treatment and are available for public inspection. (5 ILCS 120/ 2.06(d))

The General Counsel has determined that the minutes of the closed session of the June 25, 2012 meeting no longer need confidential treatment and recommends that they be opened to the public.

The General Counsel has made the determination that the minutes of the closed meetings on March 26, 2012 and June 21, 2013 are confidential and should remain closed.

The Audit Committee has been provided, attached hereto as Exhibit A, the rationale for maintaining their confidentiality.

Additionally, the Open Meetings Act states in relevant part as follows:

“(a) all public bodies shall keep written minutes of all their meetings, whether open or closed, and a verbatim record of all their closed meetings in the form of an audio or video recording...

(c) the verbatim record may be destroyed without notification to or the approval of a records commission or the State Archivist under the Local Records Act or the State Records Act no less than 18 months after the completion of the meeting recorded but only after: (1) the public body approves the destruction of a particular recording; and (2) the public body

approves minutes of the closed meeting that meet the written minutes requirements of the Open Meetings Act.” (5 ILCS 120/2.06)

The September 22, 2022, and December 8, 2022, closed meeting minutes which comply with the Open Meetings Act, have been previously approved by the Audit Committee and at least 18 months has transpired since the recording of those meetings. Those minutes were opened to the public by the Audit Committee when the minutes were approved.

Based on the foregoing legal authority and General Counsel determination, ISAC staff asks that the committee approve the following resolutions in open session:

**Action requested:** That the Committee approve the following resolutions after it has returned to open session:

**“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, and June 21, 2013 and therefore should remain closed to the public.”

**“BE IT FURTHER RESOLVED** that the Committee has determined that the need for confidentiality no longer exists for the closed session minutes of June 25, 2012 meeting and therefore, they may be opened to the public”

**“BE IT FURTHER RESOLVED** that the Committee approves the destruction of the closed meeting verbatim records of the September 22, 2022 and December 8, 2022 closed session as at least 18 months has transpired since the completion of those meetings.”

**EXHIBIT A**

**GENERAL COUNSEL DETERMINATION**

<b>MEETING DATE</b>	<b>DESCRIPTION</b>	<b>SHOULD MINUTES REMAIN CLOSED? &amp; REASON FOR REMAINING CLOSED</b>
3/26/12	1. Internal Control Weaknesses 2. Closed Minutes	Yes Security & Confidential Internal Audit findings
6/25/12	1. Internal Control Weaknesses	No
6/21/13	1. Internal Control Weaknesses	Yes Security reasons.

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

**June 25, 2012**

**Illinois Student Assistance Commission  
1755 Lake Cook Road  
Deerfield, IL**

**COMMISSIONERS PRESENT:** Kendall Griffin  
Paul Roberts  
Kim Savage

**STAFF PRESENT:** Anita Geter, Director, Internal Audit  
Eric Zarnikow, Executive Director

**PUBLIC PRESENT:** Linda Abernethy, McGladrey & Pullen  
Rolake Adedera, McGladrey & Pullen  
Ramnath Cidambi, Managing Director, Information Services  
Carol Cook, Director, Program Services and Compliance  
Mary Pat Burns, Burke, Burns & Pinelli  
Jon Fox, Office of the Auditor General  
Dan Sethness, McGladrey & Pullen

## CLOSED SESSION

Ms. Geter introduced the external audit members who were present at the meeting, Mr. Jon Fox with the Office of the Auditor General, Ms. Linda Abernathy and Rolake Adedara, with McGladrey & Pullen.

Mr. Fox addressed the Audit Committee to discuss the internal control weaknesses as a result of the fiscal year 2011 financial audit of the Commission, the Illinois Designated Account Purchase Program (IDAPP) and College Illinois!® Prepaid Tuition Program, which were released on April 17, 2012.

Mr. Fox explained that the Office of the Auditor General contracts out about 80 percent of the audits to CPA firms around the state, which is why McGladrey & Pullen have been performing the three audits for the past 10 years. He then explained to the Committee the background of the Auditor General and its function.

Mr. Fox stated that there are three types of audits performed on the Commission, first the financial audit, the yearly Federal single audit and every two years a State compliance examination. He explained to the Audit Committee the schedule the audits are performed, and the processes taken when performing the audits.

Ms. Abernathy then provided the Audit Committee information pertaining to the findings in the three audits performed and the suggested action to be taken.

Mr. Zarnikow stated that he and the management staff of ISAC take the audit findings very seriously and have processes in place to address those findings.

Continuing, Ms. Abernathy reviewed with the Audit Committee the accounting practices with respect to the previous fiscal year. Ms. Abernathy then asked that management staff not be present for the remainder of the closed session in order to address fraud inquiries with the Audit Committee.

At this point only, the Audit Committee and the outside auditors were present in the room.

Ms. Abernathy asked members of the Audit Committee if they were aware of any fraud that has occurred for this fiscal year or through today. Ms. Savage, Mr. Roberts and Mr. Griffin each expressed that they were not aware of any fraud or abuse. Ms. Savage reminded the auditors that the Committee was formed just in July of 2011 and they are aware of the investigations from the SEC but have not been involved in that investigation.

Ms. Abernathy encouraged the Audit Committee that should they become aware of fraud or abuse that they contact either Mr. Fox or herself at McGladrey & Pullen and not wait until the next scheduled Audit Committee meeting. Ms. Savage reminded the Audit Committee that they cannot violate the Open Meetings Act by talking to each other, so they should contact Ms. Abernathy directly should they have the need.

Ms. Savage then asked that management staff be asked to return to the closed session.

Ms. Geter stated that the next item to discuss is the MAP upgrade project. She provided the Audit Committee background information related to the MAP upgrade and the findings related to the MAPnet system.

Ms. Cook provided the Audit Committee an update on the timeline of the new MAP upgrade. She stated that June 4, 2012 was the last date that data was received on the MAPnet for 2011-12 from the U.S. Department of Education from students who were filing FASFAs or making corrections to their previously filed FASFA. July 1, 2012 will be the final day for submission of payment requests through MAPnet for 2011-12. She stated that July 27, 2012 will be the last date to submit any changes to 2011-12 MAP records. On August 1, 2012 the interactive capability from MAPnet from the school users will be removed and can only view MAP records in what is called the historical view capacity and on August 1, 2013 MAPnet will be removed completely.

Ms. Cook stated that on February 22, 2012 the Gift Assistance Program (GAP) system was launched. On March 16, 2012 data from the U.S. Department of Education was received for the first time and loaded into the new system to determine MAP eligibility. She stated that they are currently working on the development to allow MAP payment and hopeful in mid-August school users will be using the new system going forward.

Responding to Ms. Savage, Mr. Cidambi stated that the new GAP system will provide higher security controls by revalidation every year and that every school user will have to be authorized for access. He stated the new system has more validation in terms of who is allowed to access the system.

Responding to Mr. Griffin, Ms. Cook stated that the communication focus on the rollout of the new system has been with the school partners as all the institutions in Illinois participate in MAP. She stated that the communication to schools started in late January via the e-message technology ISAC uses to communicate with schools and upon the launch of the system in February, ISAC conducted webinars to provide training in using the new system.

Mr. Roberts inquired if the new system addresses the audit issues that were outstanding with the old MAPnet system. Mr. Cidambi stated that it takes care of the audit trail issue and that ISAC users also are required to revalidate each year, so this also addresses the issue of past ISAC employees still having access to the system.

Responding to Mr. Griffin, Ms. Cook stated that the decision was made from a development perspective to not convert data from MAPnet into the new MAP Upgrade. She stated that users of the old MAPnet would have to work with ISAC to retrieve data from the MAPnet system. Mr. Cidambi stated that those records will be kept on a database backup, which can be restored if needed

Ms. Cook then provided the Audit Committee background and an update on the external Compliance Department including the status of hiring part time staff to conduct the compliance

audits. She reminded the Audit Committee that the Compliance Department is responsible for the oversight of the post-secondary institutions.

Continuing, Ms. Geter updated the Audit Committee on prior audit findings, which include the records management retentions policy issued in May.

Ms. Geter then gave an update on the data processing project, which is included in the FY2013 Proposed Internal Audit Plan.

Ms. Geter requested only the Audit Committee be present in the closed session to briefly reviewed the FY 2013 Proposed Internal Audit Plan and what it encompasses.

Ms. Savage stated that the Audit Committee must take action on the plan in open session and then it will be brought to the full Commission for approval at today's meeting.

Mr. Roberts **MOVED THAT** the Audit Committee return to open session. Mr. Griffin seconded the motion, which was approved by roll call vote. The Audit Committee returned to open session at 11:06 a.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Debora A. Calcara", is written on a light green rectangular background.

Debora A. Calcara  
Secretary to the Commission