

**AGENDA ITEM 2.**

**REVIEW OF THE MINUTES OF THE JUNE 22, 2023  
AUDIT COMMITTEE MEETING**

**Submitted for:** Action.

**Summary:** This report includes the minutes for the Audit Committee meeting held on June 22, 2023.

**Action requested:** That the Audit Committee approve the minutes of the June 22, 2023 meeting.

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

**Illinois Student Assistance Commission  
3rd Floor, Room 3030  
1755 Lake Cook Road, Deerfield, IL  
and  
Illinois Student Assistance Commission  
3rd Floor Conference  
500 West Monroe, Springfield, IL**

**June 22, 2023  
11:00 a.m.**

**COMMISSIONERS PRESENT:**

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

**STAFF PRESENT:**

Eric Zarnikow, Executive Director  
Kishor Desai, Chief Internal Auditor  
Shoba Nandhan, Chief Financial Officer  
Harikumar Pillai, Chief Information Officer  
Rich Nowell, Interim General Counsel  
Natalie Wandall, Secretary to Commission  
Lisa Murphy-Coveny, Deputy General Counsel

**PUBLIC ATTENDANCE:**

Hollis Hanson-Pollock  
Jose G. Roa

The Illinois Student Assistance Commission Audit Committee was called to order at 11:05 a.m.

Mr. Zarnikow, ISAC's Executive Director, began by explaining that Governor Pritzker's extension of the Gubernatorial COVID-19 Disaster Proclamation had expired and that the meeting was taking place in-person in compliance with the Open Meetings Act. Mr. Zarnikow advised that the Act allows meetings to take place in two locations connected electronically, provided both locations are open to the public. However, it was confirmed that no one was present at the Springfield meeting location, so the link was disconnected.

A roll call of the Audit Committee members was taken, and a quorum was established.

### **Item 1. Announcements**

Mr. Zarnikow announced that the next regularly scheduled Audit Committee meeting will be on Thursday, September 21, 2023, at 11:00 a.m. He also indicated that the upcoming meeting will be held in-person at both the Deerfield and Springfield offices. The Commission meeting is scheduled to begin that day at 1:00 p.m.

He announced that Commissioner Brar resigned from the Board and from the Audit Committee. He thanked her for her service, for asking thoughtful questions and for always pushing ISAC to advance its mission in new and innovative ways. He indicated that the Commission would address the appointment of Commissioner Arrington as Chair of the Audit Committee and Commissioner Dowling as Audit Committee Member at the upcoming meeting. He expressed gratitude for their service and for continued service of Commissioner Lopez as Vice Chair of the Board and Audit Committee member.

Mr. Zarnikow presented a portfolio to honor Mr. Desai for 10 years of service to ISAC.

### **Item 2. Approval of the Minutes of the April 26, 2023 Audit Committee Meeting (Action)**

Commissioner Arrington **MOVED THAT** the Audit Committee approve the minutes of the April 26, 2023, meeting of the Audit Committee. Commissioner Lopez seconded the motion, which was unanimously approved by a vote of the Audit Committee.

### **Item 3. Status Update of the Fiscal Year 2023 Internal Audit Plan (Information)**

Mr. Desai reviewed the Fiscal Year 2023 Internal Audit plan that is printed on page 4-1 of the agenda book. He reported that, since the printing of the report, audit #12 had been completed and that audit #9 is in process. There was discussion of the specific audit requirements, the required timeframes, electronic security, and the use of 3<sup>rd</sup> Party messaging apps on state devices.

#### **Item 4. Approval of the Fiscal Year 2024 Internal Audit Plan (Action)**

Mr. Desai presented the Fiscal Year 2024 Audit Plan included in the agenda book. There was discussion regarding the process for developing the plan to ensure that all requirements were included. There was also discussion regarding previous recommendations made by committee members which were included in the plan. Finally, there was discussion regarding external auditing of cyber security.

Commissioner Lopez **MOVED THAT** the Audit Committee review and approve the following resolution:

**BE IT RESOLVED** that the Audit Committee has reviewed and approved the Fiscal Year 2024 Internal Audit Plan and recommends it to the Commission for final approval.

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

#### **Item 5. Review and Approve the Internal Audit Charter (Action)**

Mr. Desai reviewed the summary on page 5 of the agenda book and explained the recommended change to update ISAC's mission statement in the Charter.

Commissioner Arrington **MOVED THAT** the Audit Committee reassess and approve the Internal Audit Charter. Commissioner Lopez seconded the motion, which was unanimously approved by a vote of the Audit Committee.

#### **Item 6. Public Comment**

No requests for public comment were made.

#### **Item 7. Closed Session**

Commissioner Lopez **MOVED THAT** the Audit Committee go into closed session to discuss meeting with external auditors, closed minutes, Internal Control Weaknesses in the FY23 Audit, and the Chief Internal Auditor's compensation as allowed by subsections 2(c)(1), (21) and (29) of the Open Meetings Act. Commissioner Arrington seconded the motion, which was unanimously approved by a roll call vote of the Audit Committee.

At approximately 11:33 a.m. the Audit Committee went into closed session.

At approximately 12:18 a.m. the Audit Committee returned to open session.

**Item 8. Approval of Closed Session Items**

**Item 8A. Approval of the Closed Minutes of the June 22, 2023 Meeting and Approval to Open (Action)**

Commissioner Lopez **MOVED THAT** the Audit Committee approve the closed minutes of the June 22, 2023 closed session of the Audit Committee and determine that they may be opened to the public. Commissioner Arrington seconded the motion, which was unanimously approved by a vote of the Audit Committee.

**Item 8B. Approval of FY24 Internal Audit Budget, Resource Plan, and the Chief Internal Auditor's Compensation (Action)**

Commissioner Arrington **MOVED THAT** the Audit Committee approve the Internal Audit budget, and the Chief Internal Auditor's compensation for FY24. Commissioner Lopez seconded the motion, which was unanimously approved by a vote of the Audit Committee.

**Item 9. Approval for Destruction of Open Meeting Verbatim Records (Action)**

Commissioner Lopez **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 June 17, 2021 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 Arrington 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 Arrington **MOVED** to adjourn. Commissioner Lopez seconded that motion, which was unanimously approved by a vote of the Audit Committee.

The meeting adjourned at approximately 12:21 pm.

Respectfully submitted,

Lisa Murphy-Coveny