

**AGENDA ITEM 2.**

**APPROVAL OF THE MINUTES  
OF THE AUDIT COMMITTEE MEETING  
OF SEPTEMBER 16, 2021**

**Submitted for:** Action

**Summary:** This report includes the minutes for the Audit Committee meeting held on September 16, 2021.

**Action requested:** That the Audit Committee approve the minutes of the September 16, 2021 meeting.

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

**VIDEO CONFERENCE  
Instruction to be provided by ISAC.org**

**September 16, 2021  
11:00 a.m.**

**COMMISSIONERS PRESENT via WebEx:**

Niketa Brar, Commissioner, Audit Chair and Committee Member  
Elizabeth Lopez, Commissioner, Vice Chair, Audit Committee Member  
Daryl Arrington, Commissioner, Audit Committee Member

**STAFF PRESENT via WebEx:**

Eric Zarnikow, Executive Director  
Kishor Desai, Chief Internal Auditor  
Shoba Nandhan, Chief Financial Officer  
Harikumar Pillai, Acting Chief Information Officer  
Karen Salas, General Counsel  
Natalie Wandall, Secretary to Commission  
Gloria Legette, Deputy General Counsel  
Meghan Chrum, Professional Development Specialist  
Manuel Talavera, Professional Development Specialist  
Lisa Murphy-Coveny, Senior Compliance Counsel

**OTHERS PRESENT via WebEx:**

Dada Ibrahimovic, Professional Development Specialist

The Illinois Student Assistance Commission Audit Committee was called to order at 11:08 a.m.

Mr. Zarnikow, ISAC's Executive Director, began by explaining that the meeting was being conducted through electronic means pursuant to Governor Pritzker's extension of the Gubernatorial COVID-19 Disaster Proclamation and the Open Meetings Act.

Mr. Zarnikow advised that it is not practical or prudent to conduct the meeting in person or at the usual meeting location in downtown Chicago, so the meeting was conducted virtually. Mr. Zarnikow indicated that he was physically present at ISAC's headquarters in Deerfield.

He further stated that, as with all ISAC public meetings, a specific time is reserved in the agenda for public comment.

He explained that the applicable law requires a roll call for every vote and gave Commission members the relevant instructions.

He indicated that there would be a verbatim recording of the whole meeting, open and closed session, as required by law.

WebEx instructions, including those for public comment and the closed session, were provided by Manuel Talavera.

Mr. Zarnikow turned the meeting over to Committee Chair Niketa Brar who called for a roll call of the Audit Committee. A roll call of the Audit Committee members was taken, and a quorum was established.

### **Item 1. Announcements**

Committee Chair Brar announced that the next regularly scheduled Audit Committee meeting will be on Thursday December 2, 2021 at 11:00 a.m. She also indicated that the upcoming meeting is scheduled to be held virtually and that notice would be provided if that changes.

### **Item 2. Approval of the Minutes of the June 17, 2021 Audit Committee Meeting (Action)**

Commissioner Arrington **MOVED THAT** the Audit Committee approve the minutes of the June 17, 2021 meeting of the Audit Committee. Commissioner Lopez seconded the motion, which was unanimously approved by a roll call vote of the Audit Committee.

### **Item 3. Status Update of FY 2021 Internal Audit Plan (Information)**

Chief Internal Auditor, Kishor Desai, reviewed the status of the fiscal year 2021 audits as listed on page 3-1 of the agenda book. He advised that it was an aggressive plan which included an external assessment, but it was completed on time.

#### **Item 4. Status Update of FY 2022 Internal Audit Plan (Information)**

Mr. Desai reviewed the current status of the fiscal year 2022 Audit Plan as listed on page 4-1 of the agenda book. Referring to the audit numbers on that page, he pointed out that audit #3 was completed, audit #4 was in progress. He noted that audit #2 is a large biannual audit that will begin after completion of audit #4.

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

Mr. Desai advised the Committee of the definition of Internal Auditing Standards which require that the Chief Audit Executive confirm Internal Audit Independence to the board at least annually. Mr. Desai then acknowledged and declared that Internal Audit is operating independent of management.

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

##### **A. Approach- Annual performance of Internal Audit Function (Information)**

###### **1. Quantitative: IA Performance Metrics-FY 21**

Mr. Desai presented the budget of hours spent on the FY 2021 internal audits on page 6A-1 of the agenda book and explained that the audits took more total hours than originally budgeted.

###### **2. Qualitative Job description**

Mr. Desai presented his employment Position Description Questionnaire and explained that it had not changed in the previous 4-5 years.

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

Mr. Desai introduced the Audit Committee Self-Evaluation Survey form on page 6B-1 of the agenda book and explained that it will be sent to Committee members in the near future to be completed before the next Audit Committee Meeting in December.

#### **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 closed minutes, Security Procedures and internal control weaknesses as allowed by subsection 2(c)(21), (29) and (8) 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 11:30 a.m. the Audit Committee went into closed session.

At approximately 12:16 p.m. the Audit Committee returned to open session.

Committee Chair Niketa Brar was not present after the closed session.

### **Item 9. Approval of Closed Session Items**

#### **Item 9A. Approval of Closed Minutes of the June 17, 2021 Meeting and Approval to open**

Commissioner Lopez **MOVED** to approve the minutes of the June 17, 2021 closed session of the Audit Committee and that those minutes be opened to the public. Commissioner Arrington seconded the motion, which was unanimously approved by a roll call vote of the Audit Committee.

#### **Item 9B. Approval of Determination Regarding Confidentiality & Verbatim Record Destruction.**

Commissioner Arrington **MOVED THAT** the Audit Committee approve the following resolutions:

“**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 Audit Committee approve the destruction of the verbatim record of the closed session of the December 5, 2019 Audit Committee meetings as at least 18 months has transpired since the completion of those meetings.”

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

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

The meeting adjourned at approximately 12:18 p.m.

Respectfully submitted,

Lisa Murphy-Coveny