

AGENDA ITEM 2.

**REVIEW OF THE MINUTES OF THE SEPTEMBER 21, 2023
AUDIT COMMITTEE MEETING**

Submitted for: Action.

Summary: This report includes the minutes for the Audit Committee meeting held on September 21, 2023.

Action requested: That the Audit Committee approve the minutes of the September 21, 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**

September 21, 2023

11:00 a.m.

COMMISSIONERS PRESENT:

Daryl Arrington, Commissioner, Audit Chair, Audit Committee Member
Thomas Dowling, Commissioner, Audit Committee Member

COMMISSIONER ABSENT:

Elizabeth Lopez, Commissioner, Vice Chair, Audit Committee Member

STAFF PRESENT:

Kishor Desai, Chief Internal Auditor
Hari Pillai, Chief Information Officer
Shoba Nandhan, Chief Financial Officer
Rolake Adedara, Deputy Chief Financial Officer
Rich Nowell, Interim General Counsel
Natalie Wandall, Secretary to Commission
Lisa Murphy-Coveny, Deputy General Counsel
Lisa Schlessinger, Staff Attorney
Michael Wilder, Network Technician/LAN Administrator
Victoria Spivak, Director of Strategy, Research, & Impact

STAFF PRESENT via WebEx:

Eric Zarnikow, Executive Director

The Illinois Student Assistance Commission Audit Committee was called to order at 11:07 a.m.

Mr. Zarnikow, ISAC's Executive Director, began by explaining that the Open Meetings Act provides for virtual meetings when the Governor has issued a health-related disaster proclamation and that the pandemic disaster proclamation expired on May 11th, 2023, which means that the meeting must be in person. He noted that we are proceeding with the meeting under the general provisions of the Open Meetings Act that were followed prior to the pandemic. He further stated that pursuant to the Open Meetings Act, the meeting was not being recorded.

He further stated that the Open Meetings Act allows for two locations that are connected electronically, provided there is a quorum physically present between the locations and that the locations are open to the public. This meeting is being held at ISAC's Springfield and Deerfield Offices, which are open to the public.

Mr. Zarnikow turned over the meeting to Commissioner Arrington.

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

Item 1. Announcements

Chair Arrington announced that the next regularly scheduled Audit Committee meeting will be on Thursday, December 7, 2023, at 11:00 a.m., and the Commission Meeting at 1:00 p.m. He also indicated that the upcoming meeting will be held in-person at the Deerfield location, along with the Springfield location, if needed.

Item 2. Approval of the Minutes of the June 22, 2023, Audit Committee Meeting (Action)

Commissioner Dowling **MOVED THAT** the Audit Committee approve the minutes of the June 22, 2023, meeting of the Audit Committee. Chair Arrington seconded the motion, which was unanimously approved by a vote of the Audit Committee.

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

Commissioner Dowling **MOVED THAT** the Audit Committee approve the destruction of the verbatim records of the open session of the September 16, 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. Chair Arrington seconded the motion, which was unanimously approved by a vote of the Audit Committee.

Chair Arrington turned the meeting over to Mr. Desai to provide the Audit Committee with updates for agenda items 4, 5, 6, and 7, which were all informational items.

Item 4. Status Update of the Fiscal Year 2023 Internal Audit Plan (Information)

Mr. Desai presented the Fiscal Year 2023 Internal Audit plan that is printed on page 4-1 of the agenda book. He reported that, all 12 audits were completed on time and under budget.

Item 5. Status Update of the Fiscal Year 2024 Internal Audit Plan (Information)

Mr. Desai presented the Fiscal Year 2024 Internal Audit plan that is printed on page 5-1 of the agenda book. He reported that there were 13 audits planned for fiscal year 2024. Audit #3 was completed in July, 2023, audit #9 was in process and audit #7 was scheduled to start the week of September 25th. Mr. Desai noted that the audit plan was on track to be completed by June, 2024.

Item 6. Annual Declaration of Chief Audit Executive Independence (Information)

Mr. Desai reviewed the definition of internal auditing and explained that the Chief Audit Executive must confirm to the Board, at least annually, the organizational independence of the internal audit activity. He acknowledged and declared that Internal Audit is operating independently of management.

Item 7. Discussion of Metrics for Evaluation of Internal Audit Function (Information)

Item 7A. Approach—Annual performance of Internal Audit function (Information)

Mr. Desai reviewed the annual performance of ISAC's Internal Audit function, as summarized on pages 7A1 and 7A2 to 7A2-7 of the agenda book.

Item 7B. Approach—Annual Self-Evaluation of Audit Committee Performance (Information)

Mr. Desai presented the new survey for audit committee members on pages 7B to 7B-2 of the agenda book. There was discussion about when the survey would be sent out and how long committee members would have to respond. Mr. Desai explained that the survey would go out in the near future and that committee members would be given ample time to respond.

Item 8. Public Comment

No requests for public comment were made.

Item 9. Closed Session: Closed Minutes and Internal Control Weaknesses

Commissioner Dowling **MOVED THAT** the Audit Committee go into closed session to discuss closed minutes and Internal Control Weaknesses as allowed by subsections 2(c) (21) and (29) of the Open Meetings Act. Chair Arrington seconded the motion, which was unanimously approved by a vote of the Audit Committee.

At approximately 11:17 a.m. the Audit Committee went into closed session.

At approximately 11:28 a.m. the Audit Committee returned to open session.

Item 10. Approval of Closed Session Items

Item 10A. Approval of the Closed Minutes of the June 22, 2023 Meeting and Approval to Open (Action)

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

Item 10B. Approval of Determination Regarding Confidentiality & Verbatim Record Destruction. (Action)

Commissioner Dowling **MOVED THAT** the Audit Committee determined that the need for confidentiality still existed 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. The Audit Committee also determined that the need for confidentiality no longer existed for the closed sessions for: January 27, 2012, and January 27, 2015, and therefore could be opened to the public. In addition, the Audit Committee approved the destruction of the verbatim records of the December 2, 2021, closed session as at least 18 months had transpired since the completion of those meetings. Chair 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 Dowling **MOVED** to adjourn. Chair Arrington seconded that motion, which was unanimously approved by a vote of the Audit Committee.

The meeting adjourned at approximately 11:30 a.m.

Respectfully submitted,

Lisa R. Schlessinger