

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

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

**June 17, 2021
11:00 a.m.**

COMMISSIONERS PRESENT via WebEx:

Elizabeth Lopez, Commissioner, Vice Chair, Audit Committee Member
Darryl Arrington, Commissioner, Audit Committee Member

COMMISSIONERS ABSENT:

Niketa Brar, Commissioner, Audit Chair and Committee Member

STAFF PRESENT via WebEx:

Eric Zarnikow, Executive Director
Kishor Desai, Chief Internal Auditor
Shoba Nandhan, Chief Financial Officer
Karen Salas, General Counsel
Natalie Wandall, Secretary to Commission
Wendy Funk, Managing Director, Accounting and Finance
Gloria Legette, Deputy General Counsel
Ana Moya, Professional Development Specialist, GEAR UP
Manuel Talavera, Professional Development Specialist
Lisa Murphy-Coveny, Staff Attorney

OTHERS PRESENT via WebEx:

Hollis Hanson-Pollack, Crowe
Bill Helton, Illinois Auditor General Office

The Illinois Student Assistance Commission Audit Committee was called to order at 11:04 a.m.

Mr. Zarnikow, ISAC's Executive Director, began by explaining that the meeting is being conducted through electronic means pursuant to Governor Pritzker's extension of the Gubernatorial COVID-19 Disaster Proclamation and Public Act 101-0640 which suspends the Open Meetings Act requirements for physical presence at meetings of public bodies during gubernatorial disaster proclamations.

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 due to the COVID-19 disaster, so the meeting was conducted virtually.

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 closed session were provided by Ana Moya.

Mr. Zarnikow 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

Mr. Zarnikow announced that the next regularly scheduled Audit Committee meeting will be on Thursday September 16, 2021 at 11:00 a.m. Currently the meeting is scheduled to be held virtually and notice will be provided if there are any changes.

He also announced that the Audit findings for FY20 were released. He reviewed the relevant findings and explained that there was one financial statement finding with respect to Citibank which is a structural finding that will continue until the facility is repaid. He also discussed the two compliance findings and explained that the first was a repeat of the Citibank financial statement finding and the second that ISAC did not have a reconciliation process to provide assurance that census data submitted to its pension and other postretirement benefits plan was complete and accurate. He noted that a number of state agencies received this finding and although ISAC believes it submitted accurate census data, it accepted the finding and agreed to do a reconciliation with the plans in the future.

Item 2. Approval of the Minutes of the April 15, 2021 Audit Committee Meeting (Action)

Commissioner Arrington **MOVED THAT** the Audit Committee approve the minutes of the April 15, 2021 meeting of the Audit Committee. Commissioner Lopez seconded the motion and a roll call was taken which was unanimously approved by the Audit Committee.

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

Chief Internal Auditor, Kishor Desai, reviewed the current status of the audits for the fiscal year 2021 as listed on page 3-1 of the agenda book. He advised that all audits are on track to be completed by the end of June 2021.

He also noted that every five years there is an external review completed of Internal Audit's work and documentation files which was complete and resulted in no findings.

Item 4. Approve FY 2022 Internal Audit Plan (Action)

Kishor Desai presented the fiscal year 2022 Audit plan and tentative schedule as listed on page 4-1 of the agenda book.

Commissioner Lopez **MOVED THAT** the Audit Committee review and approve the Fiscal Year 2022 Internal Audit Plan and approve the following resolution:

“BE IT RESOLVED that the Audit Committee has reviewed and approves the Fiscal Year 2022 Internal Audit Plan and recommends it to the Commission for final approval.”

Commissioner Arrington seconded the motion. A roll call was taken which was unanimously approved by the Audit Committee.

Item 5. Public Comment

No requests for public comment were made.

Item 6. Closed Session

Commissioner Arrington **MOVED THAT** the Audit Committee go into closed session to discuss meeting with external Auditors, Crowe Horwath, closed minutes, Status Update & discussion of FY20 Audit Findings and discussion of the FY22 compensation of ISAC's internal auditor as allowed by subsections 2(c)(1),(21) and (29) of the Open Meetings Act. Commissioner Lopez seconded the motion and a roll call was taken which was unanimously approved by the Audit Committee.

At approximately 11:25 a.m. the Audit Committee went into closed session.

At approximately 11:58 a.m. the Audit Committee returned to open session.

Item 7A. Approval of Closed Minutes of the April 15, 2021 Meeting and Approval to open

Commissioner Lopez **MOVED** to approve the minutes of the April 15, 2021 closed session of the Audit Committee and that those minutes be opened to the public. Commissioner Arrington seconded the motion and a roll call was taken which was unanimously approved by the Audit Committee.

Item 7B. Approval of the Internal Audit Budget, Resource Plan, and the Chief Internal Auditor's Compensation for FY22.

Commissioner Arrington **MOVED THAT** the Audit Committee approve the Internal Audit budget and the Chief Internal Auditor's increase in compensation of 3.95%, effective July 1, 2021, which is consistent with the cost of living adjustment for all ISAC staff for FY22. Commissioner Lopez seconded the motion and a roll call was taken which was unanimously approved by the Audit Committee.

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

The meeting adjourned at approximately 12:00 p.m.

Respectfully submitted,

Lisa Murphy-Coveny