AGENDA ITEM 7D.

APPROVAL OF

FISCAL YEAR 2018 INTERNAL AUDIT PLAN

Submitted for: Action

Summary: As defined in the Audit Committee Charter, the Audit Committee has the responsibility to "review the proposed scope of the internal audit plan and make a recommendation for final approval by the Commission".

The proposed audit plan includes 14 audits to be conducted over the course of the next fiscal year. The program or operational areas included in the upcoming audit schedule are General Agency organization / management / administration, IDAPP cash, receivables and loan servicing, Revenue, Cash Receipts and Payment Postings, Contractual Services, Data Center and some other smaller areas. The FY2018 audit plan has been developed in conjunction with an audit plan for FY2019 in order to ensure that the agency conducts audits of all of its major systems of internal accounting and administrative controls as required under the Fiscal Control and Internal Auditing Act. The proposed FY2019 plan will be brought to you for consideration and approval later in FY2018.

Action requested: That the Commission approve the following resolution:

"BE IT RESOLVED that the Commission approved the Fiscal Year 2018 Internal Audit Plan as recommended by the Audit Committee for approval."

Audit #	FY 2018 Audit / Activity	Audit Scope Description	Budgeted Hours	Month Planned
	Illinois Student Assistance Commission		5/11/17	
	FY2018 Audit Plan			
		= Statutory audits need to be done annually and/or at least once in a 2-year period in compliance with FCIAA.		
1	Annual Coordination of FY18 FCIAA Certification	To coordinate the FCIAA certification process in its entirety with individual entity Director.	80.0	March
2	General: Agency Organization/ Management/Administrative Support	A review of agency's organization, administration, effectiveness & efficiency of functions and controls which keep the agency in compliance with all applicable laws. Also a review of policies to safeguard agency assets, emergency planning, maintenance of fixed assets and overall management of the agency.	140.0	October
3	IDAPP Cash and Receivables	A review of Financials (major assets) are accounted, recorded and reported in line with GAAP (Valuation and Allocation) and proper segregation is being followed. Also, a review of cash handling, performance of bank reconciliation, controls over investments and accounts receivable, and adherence to proper procedures / policies / covenants.	100.0	July
4	IDAPP Loan Servicing / Federal Interest Benefit (FIB) / Special Allowance	A review of management processes surrounding IDAPP's Loan Service Providers - such as monitoring controls, compliance with vendors' contracts, SSAE 16 Reporting (Statement on Standards for Attestation Engagements (SSAE) No. 16, Reporting on Controls at a Service Organization).	120.0	August
5	Revenue, Cash Receipts, and Payment Postings	Review of adjustments, reconciliations, GL and other records for existence, accuracy, timeliness, valuation & allocation, rights and obligations, completeness, evidence of management review and proper segregation of functions.	80.0	November
6	Contractual Services	To review contracts for compliance with SAMS & Procurement Code, and where applicable, follow guidelines from Comptroller's office, CMS, Auditor General's office etc. Also, to ascertain if proper procurement process is followed and mgmt. reviews are performed as well as allocation, classification, recording requirements are complied with.	160.0	January
7	Ancillary Program: Minority Teachers of Illinois (MTI) Scholarship Program	To review whether the applicants are qualified for the receipt of scholarship and that proper procedures are in place to comply with all statutory requirements i.e. IL Admin code. To review that annual dollar amount limits are followed; the money is being used for appropriate authorized expenses; Agreement/Promissory notes were signed prior to receiving scholarship; and repayment plan is effective.	100.0	Sept.
8	External Compliance: Scholarships/Grants/Loans	To verify if External Compliance Department has established and consistently maintains an adequate evaluation process of schools and lenders receiving program funds from ISAC. Verify if the department complies with statutes and regulations and that periodic compliance reviews are performed as a mechanism to provide reasonable assurance that only eligible applicants received the program funds.	90.0	November
9	Data Center	To determine if Data Center has implemented policies, procedures, practices, and an organizational structure designed to provide reasonable assurance that agency objectives will be achieved, undesired events will be prevented/detected/corrected and assets will be safeguarded.	90.0	May
10	Petty Cash	A financial and operational review of petty cash controls to ensure proper management approval, adequate supporting documentation, and sufficient controls over petty cash checking account.	32.0	June
11	College Access and Outreach	To evaluate the policies, procedures and records to determine if adequate internal controls exist.	80.0	April
12	Human Resources System Implementation	Review the project scope, objectives, planning, approval, budget, costs, benefits, system information security and internal controls.	80.0	October
13	Social Media Security	To review usage of various social media sites and evaluate security measures taken by ISAC to ensure data privacy and security of ISAC information systems.	80.0	December
14	Physical Security and Environmental Controls	To conduct an IT audit of the processes and practices for the physical security and the environmental controls for IT equipment and information.	80.0	February
	Grand Total		1,312.0	
		Assumptions:		
		Work Week of 37.5 hours for 52.0 weeks of the year	1,950.0	
		Less: Vacation: 5 weeks @ 37.5 hours per week	(187.5)	
		Holiday: 12 holidays @ 7.5 hours each	(90.0)	
		Training: Minimum 2 weeks: 37.5 hours per week	(75.0)	
		Sick	0.0	
		Administrative time/Special Projects: Preparation/Attendance - Meetings (Board of Commissioners, Audit Committee, Executive Director, weekly Executive Staff meetings), annual risk assessment and audit Plans.	(390.0)	
		Audit Execution Time	1,207.5	
		Hours required for planned audits	1,312.0	
		Hours shortfall for FY18	(104.5)	

7D-1