AGENDA ITEM 2.

**APPROVAL OF MINUTES OF THE
SEPTEMBER 17, 2020 AUDIT COMMITTEE MEETING**

MINUTES OF THE
ILLINOIS STUDENT ASSISTANCE COMMISSION
AUDIT COMMITTEE MEETING

VIDEO CONFERENCE
Instruction to be provided on ISAC.org

September 17, 2020

11:30 a.m.

COMMISSIONERS PRESENT via WebEx:

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

COMMISSIONER ABSENT:

Niketa Brar, Commissioner, Audit Chair and Committee Member

STAFF PRESENT via WebEx:

Eric Zarnikow, Executive Director
Ramnath Cidambi, Chief Information Officer
Kishor Desai, Chief Internal Auditor
Shoba Nandhan, Chief Financial Officer
Shana Rogers, Managing Director, RPPA
Karen Salas, General Counsel
Harikumar Pillai, IT Security
Michael Wilder, Telecom and Network Engineer
Natalie Wandall, Secretary to Commission
Kathleen Cole, Staff Attorney
Eddie Brambila, Managing Director, Capacity Development
Sara Espinosa, Manager, Professional Development
Meghan Chrum, Professional Development Specialist
Ana Moya, Professional Development Specialist, GEAR UP

Item 1. Announcements

The Illinois Student Assistance Commission Audit Committee Meeting was called to order at 11:31 a.m.

Mr. Zarnikow began by explaining that the meeting today is being conducted through electronic means pursuant to Governor Pritzker's extension of his 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 stated further that 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 we will proceed virtually.

He further stated that with all ISAC public meetings, there is a specific time reserved in the agenda for public comment. Instructions for making public comments will be given shortly.

He indicated that WebEx instructions for all would be provided by Eddie Brambila.

He also explained that the new law requires a roll call for every vote and gave committee members instructions for doing that. He also explained the procedures for going into closed session.

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

He then asked if anyone had any questions before they began the meeting. Hearing no questions, they proceeded with the meeting.

Mr. Zarnikow called for a roll call of the Committee. A roll call of the Committee members was taken, and a quorum was established.

Mr. Zarnikow announced that the next meeting of the Audit Committee is scheduled for December 3, 2020 at 11:30 a.m. in Chicago with more details to follow as we get closer to the meeting date.

Item 2. Approval of the Minutes of the June 18, 2020 Audit Committee Meeting (Action)

Mr. Arrington **MOVED THAT** the minutes of the June 18, 2020 Audit Committee Meeting be approved. Ms. Lopez seconded that motion, and a roll call was taken which was unanimously approved by the Audit Committee.

Item 3. Status Update of Fiscal Year 2020 Internal Audit Plan (Information) - Kishor Desai

Mr. Desai noted that all 13 audits have been completed on time and on budget by June 30, 2020.

Item 4. Status Update of Fiscal Year 2021 Internal Audit Plan (Information) - Kishor Desai

Mr. Desai noted that there are 14 audits planned for 2021, which runs from 7/1/2020 through 6/30/2020. Mr. Desai reviewed the 14 audits listed on page 4-1 of the Agenda Book. He stated that numbers 3 and 4 are done. Audit number 7 is still in progress and going well, and it will be done at the end of the month. Audit numbers 12 and 13 are done by an outside consultant every 4 years. Audit number 14 is a special request from a few years ago. He noted that the audits are going well so far. Ms. Lopez asked if audits 12 and 13 should be done more often given the pandemic. Mr. Desai answered that he does an IT audit and does look at the IT controls frequently. However, if it were necessary, they would do it, but so far there are no problems.

Mr. Zarnikow noted that it was a good question and that more information may be provided in agenda item number 7 later in this meeting.

Item 5. Annual Declaration of Chief Audit Executive Independence (Information) – Kishor Desai

Mr. Desai read through and reviewed the definition of Internal Auditing on page 5-1 of the Agenda Book. He then declared that the Internal Audit is operating independently of management.

Item 6. Discussion of Metrics for Evaluation of Internal Audit Function - Kishor Desai

Item 6A. Approach - Annual Performance of Internal Audit Function (Information)
       1. Quantitative: IA Performance Metrics - FY20
       2. Qualitative: Job Description

Mr. Desai reviewed the FY20 Budget vs. Actual Hours Table on page 6A1-1 of the Agenda Book and explained the data contained therein. He also reviewed the ISAC Position Description Questionnaire (PDQ) on pages 6A2-1 through 6A2-8 of the Agenda Book.

Item 6B. Approach - Annual Self-Evaluation of Audit Committee Performance (Information)

Mr. Desai went over the December 2020 Audit Committee Self-Evaluation Survey found on pages 6B-1 through 6B-3 of the Agenda Book. He reviewed each of the sections. He explained that Natalie Wandall will send out the survey to all Audit Committee members to fill out.

Ms. Lopez asked for a little clarification on Reference D.4 of the survey. Mr. Desai and Mr. Zarnikow explained that section to her satisfaction. Mr. Zarnikow commented that we usually get very clean audits, but we really try to stay on top of audits so that there are no findings. Mr. Zarnikow went on to thank Mr. Desai and his entire team for their efforts.

Item 7. Cyber Security Presentation (Information) - Hari Pillai

Mr. Zarnikow introduced Mr. Hari Pillai (Chief Information Security Officer) and explained that Mr. Pillai's efforts have greatly increased ISAC's security level. Mr. Pillai gave a very extensive presentation on Cyber Security at ISAC. He informed the Audit Committee that there are four members on his security team with many years of experience. Their goal is to try to come up with a secure solution to any business problem at ISAC. They developed a PII Quick Reference Guide because ISAC handles such a great deal of PII_{2 - 3}

Mr. Pillai explained that the team does many things involving: Information Security Programs; Risk Assessments; Incident Response; Security Awareness Training; and Phishing Simulations. They also handle other areas that include: Facilitating External Network Tests; Vulnerability Scans; Application Control; Security Patches; Contact for Agency IT Audits. They also do Vendor Management.

Ms. Lopez asked what a SOC report was and Mr. Pillai explained that it was done by the auditors.

Mr. Pillai also explained that scams increased by 400% during the month of March this year because of working remotely. ISAC took actions to keep the agency safe after during remote working. To create a safer agency, they: Created PII Dos and Don'ts; Created remote work resources; Periodic reminders to staff; Heightened vigilance; and Enabled Two-Factor Authentication for External Email Access.

Furthermore, he stated that ISAC is the leader among all State agencies because of the security steps they have in place, such as: Encryption; No Privileged Access to Users; Mandatory Security Awareness Training; Application Control; Session Limits; and Device Access Control.

Mr. Pillai noted the following Recently Completed Projects: Application Control; Next Generation Firewall (NGFW) Update; Endpoint Protection Upgrade; Department of Education Security Assessment; Two Factor Authentication for GAP Access Update.

According to the Department of Education Security Assessment, based on NIST 800-53, ISAC has been receiving the highest possible rating.

Ms. Lopez asked if we had any security shortcomings. Mr. Pillai stated that according to the Department of Education, we passed all areas, so we received a "Good" rating, which is the highest. We are always on our toes and alert and despite these achievements, we are always trying to improve.

Ms. Lopez also asked if there were any COVID instances that targeted ISAC. Mr. Pillai responded that there were only some phishing attempts. Ms. Lopez also noted that her employer has a button on Outlook to easily report any phishing attempts and Mr. Pillai explained that ISAC already has that in place.

Finally, Mr. Zarnikow summarized that ISAC always tries to strike a balance between security issues and being able to perform our work. Mr. Desai and Ms. Lopez thanked Mr. Pillai for his informative presentation.

Item 8. Public Comment

There were no public comments.

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

Ms. Lopez **MOVED THAT** they go into closed session to discuss closed minutes and Internal Control Weaknesses as allowed by subsection 2(c)(21) and (29) of the Open Meetings Act. Mr. Arrington seconded that motion, and a roll call was taken which was unanimously approved by the Audit Committee.

At 12:38 p.m. the Audit Committee went into closed session.

At 12:48 p.m. the Audit Committee returned to open session.

Item 10. Approval of the Closed Session Items

Item 10A. Approval of the Closed Minutes of the June 18, 2020 Meeting & Approval to Open (Action)

Mr. Arrington **MOVED THAT** the closed minutes of the June 18, 2020 closed session of the Audit Committee be approved and to make those minutes open to the public. Ms. Lopez seconded that motion, and a roll call was taken which was unanimously approved by the Audit Committee.

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

Mr. Arrington **MOVED THAT** the following resolution be approved:

"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 6, 2018 Audit Committee meetings as at least 18 months has transpired since the completion of those meetings."

Ms. Lopez seconded that motion, and a roll call was taken which was unanimously approved by the Audit Committee.

Ms. Lopez **MOVED THAT** the Illinois Student Assistance Commission Audit Committee Meeting be adjourned. Mr. Arrington seconded the motion, and a roll call was taken which was unanimously approved by the Audit Committee.

The meeting was adjourned at 12:52 p.m.

Respectfully submitted,

Kathleen Cole