

AGENDA ITEM 2

**APPROVAL OF MINUTES OF THE
JUNE 24, 2019 AUDIT COMMITTEE MEETING**

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

Michael A. Bilandic Building
Room N-505
160 N. LaSalle Street, Chicago, IL

June 24, 2019

11:30 a.m.

COMMISSIONERS PRESENT:

Kim Savage, Audit Chair and Committee Member
James Hibbert, Audit Committee, Investment Advisory Panel Member
Elizabeth Lopez, Audit Committee

STAFF PRESENT:

Eric Zarnikow, Executive Director
Kishor Desai, Chief Internal Audit
Karen Salas, General Counsel
Ramnath Cidambi, Chief Information Officer
Carol Cook, Director, Program Services and Compliance
Shoba Nandhan, Chief Financial Officer
Karen Salas, General Counsel
Shoba Nandhan, Chief Financial Officer
Wendy Funk, Managing Director of Finance and Accounting
Evelyn Smith, Director Loan Portfolio
Natalie Wandall, Secretary to Commission
Melvin Dsouza, Telecom and Network Engineer
Tiara Woods, HR Generalist

EXTERNAL AUDITORS IN ATTENDANCE:

Jose Roa, Office Auditor General
Greg Manning, Crowe

Roll Call to establish quorum:

The Illinois Student Assistance Commission Audit Committee Meeting was called to order at 11:35 a.m. Ms. Savage asked for a roll call to be taken and a quorum was established.

Item 1. Announcements

No announcements

Item 2. Approve Minutes of the April 4, 2019 Audit Committee Meeting

Mr. Hibbert **MOVED THAT** the minutes of the April 4, 2019 Audit Committee Meeting be approved. Ms. Lopez seconded the motion which, was approved unanimously.

Item 3. Status Update of FY 2019 Internal Audit Plan

Mr. Desai stated that 11 audits in the FY2019 audit plan are completed. The Payroll and Personnel services audit is in process. The Petty Cash audit has not yet started.

Mr. Desai expressed confidence that the FY2019 audit plan would be completed before the end of the fiscal year.

Item 4. Approval of Fiscal Year 2020 Internal Audit Plan

Ms. Lopez asked about the hours shortfall for FY20. Mr. Desai stated that he is an exempt employee and occasionally works extra hours if needed to complete the audit plan.

Mr. Hibbert **MOVED THAT** the FY20 Internal Audit Plan as provided in the agenda book be approved by the Audit Committee and recommend it to the Commission for final approval. Ms. Lopez seconded that motion, which was approved unanimously.

Item 5. Chief Financial Officer Update – Shoba Nandhan

Ms. Nandhan noted that ISAC is working on closing the books for the FY2019 fiscal year.

The team is also working on an accounting software conversion to AccuFund. The new accounting software would replace the current system, which is no longer supported by the original vendor. Mr. Hibbert asked, how old is current accounting software package. Ms. Nandhan stated that the current software is approximately 25 years old. The current software still works; however, it is no longer supported.

Ms. Nandhan noted that the procurement process in state government is lengthy, consisting of a lot of steps and complexities. It is a robust and transparent process that requires multiple layers of approvals. Even though the new software is not particularly expensive it is a very critical tool needed to maintain accurate accounting records.

Mr. Hibbert noted that migrating to the new system will take extra time. Ms. Nandhan indicated that the monthly closing process for the first half of the fiscal year may take longer than normal because they will be running the two software systems in parallel.

Mr. Zarnikow noted that this new accounting software system is a priority for ISAC and that Ms. Nandhan made sure that the vendors understood what we need.

Item 6. PUBLIC COMMENT

There were no public comments.

Item 7. Closed Session: Closed Minutes and Internal Control Weaknesses

Commissioner 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. Commissioner Hibbert seconded that motion. A roll call vote was taken which was approved unanimously.

At 11:44 a.m., the Audit Committee went into closed session.

At 12:06 p.m., the Audit Committee returned to open session.

Item 8A. Approval of the Closed Minutes of the April 4, 2019 Meeting of the Audit Committee

Mr. Hibbert **MOVED THAT** the minutes of the April 4, 2019 closed session of the Audit Committee be approved and that those minutes be opened to the public. Ms. Lopez seconded that motion, which was approved unanimously.

Ms. Lopez **MOVED THAT** the Illinois Student Assistance Commission Audit Committee Meeting be adjourned. Mr. Hibbert seconded the motion, which was approved unanimously. The meeting was adjourned at 12:10pm.

Respectfully submitted,

Tiara Woods