

AGENDA ITEM 2.

**APPROVAL OF MINUTES OF THE
APRIL 15, 2021 AUDIT COMMITTEE MEETING**

Submitted for:

Action

Summary:

This report includes the minutes of the Audit Committee meeting held on April 15, 2021.

Action requested:

That the Audit Committee approve the minutes of the April 15, 2021 Audit Committee.

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

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

April 15, 2021

11:00 a.m.

COMMISSIONERS PRESENT via WebEx:

Niketa Brar, Commissioner, Audit Chair and Committee Member
Elizabeth Lopez, Commissioner, Vice Chair, Audit Committee Member
Darryl Arrington, Commissioner, Audit Committee Member

STAFF PRESENT via WebEx:

Eric Zarnikow, Executive Director
Kishor Desai, Chief Internal Auditor
Shoba Nandan, Chief Financial Officer
Michael Wilder, Telecom and Network Engineer
Natalie Wandall, Secretary to Commission
Wendy Funk, Managing Director, Accounting and Finance
Harikumar Pillai, Manager, Information Security
Karen Salas, General Counsel
Gloria Legette, Deputy General Counsel
Kalene Heaton, Professional Development Specialist
Meghan Chrum, Professional Development Specialist
Lisa Murphy-Coveny, Staff Attorney

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 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, were provided by Meghan Chrum.

Mr. Zarnikow then turned the meeting over to Commissioner Niketa Brar who 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

Commissioner Brar announced that the next regularly scheduled Audit Committee meeting will be on Thursday June 17, 2021 starting at 11:00 a.m. Currently the meeting is scheduled to be held virtually and notice will be provided if there are any changes.

Item 2. Approval of the December 3, 2020 Minutes of the Audit Committee Meeting (Action)

Commissioner Arrington **MOVED THAT** the Audit Committee approve the minutes of the December 3, 2020 Investment Committee meeting. Commissioner Lopez seconded the motion and a roll call was taken which was unanimously approved by the Audit Committee.

Item 3. Status Update of Fiscal Year 2021 Audit Plan (Information)

Chief Internal Auditor, Kishor Desai, reviewed the current status of the audits for 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.

There was discussion regarding the technology review audits. Mr. Zarnikow illustrated the priority placed on security by pointing out that ISAC has built in redundancies using its own firewalls along with the extra layers of security from the State IT system.

Mr. Zarnikow announced that Mr. Desai earned the highest rating from the State Internal Audit Advisory Board on the Internal Audit quality assurance self-assessment review. He also reminded the committee that back in December Mr. Desai was appointed by Governor Pritzker to that very board, but that he recused himself from any involvement in auditing himself. Mr. Zarnikow congratulated Mr. Desai on both counts, noting that it is a great honor to be appointed by the Governor to the State Internal Audit Advisory Board and then to receive the highest rating from them.

Item 4. Approval of Calendar Year 2021 Activity Calendar (Action)

Kishor Desai presented the schedule of audit committee activities for the calendar year 2021 to ensure compliance with the audit committee charter as listed on page 4-1 of the agenda book.

Commissioner Lopez **MOVED THAT** the Audit Committee approve the calendar year 2021 activity calendar as provided in the agenda book. Commissioner Arrington seconded the motion and a roll call was taken which was unanimously approved by the Audit Committee.

Item 5. Reassessment Audit Committee Charter for Compliance (Action)

Kishor Desai indicated that the Audit Committee Charter details the duties and responsibilities of the Audit Committee. He advised that it must be reviewed annually and updated as applicable laws, regulations, accounting and auditing standards change. Therefore, Mr. Desai presented the Audit Committee Charter on pages 5-1 to 5-3 of the agenda book. He noted that there were minor changes to the order of the paragraphs. In addition, to maintain compliance with the International Standards for Professional Practice of Internal Auditing the newly revised Charter includes the additional requirement that the Audit Committee review and approve an Internal Audit Budget, a resource plan and the Chief Internal Auditor's compensation. Mr. Zarnikow advised that reports and recommendations on those topics would be made to the Audit Committee for review and approval. The extent to which ISAC follows the International Standards for Professional

Practice of Internal Auditing and the periodic reviews of the standards to maintain compliance were also discussed.

Commissioner Arrington **MOVED THAT** the Audit Committee approve the Audit Committee Charter as reassessed by the Committee. Commissioner Lopez seconded the motion and a roll call was taken which was unanimously approved by the Audit Committee.

Item 6. Public Comment

No requests for public comment were made.

Item 7. Closed Session: Closed Minutes and Internal Weaknesses

Commissioner Brar asked for a motion to 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 Lopez **SO MOVED** and Commissioner Arrington seconded that motion. A roll call was taken which was unanimously approved by the Committee.

At 11:39 a.m. the Audit Committee went into closed session.

At approximately 11:50 a.m. the Audit Committee returned to open session.

Item 8. Approval of Closed Session Items

Item 8A. Approval of Closed Minutes of the December 3, 2020 Meeting & Approval to Open (Action)

Commissioner Arrington **MOVED THAT** the Audit Committee approve the minutes of the December 3, 2020 closed session of the Audit Committee and that those minutes be opened to the public. Commissioner Lopez seconded the motion and a roll call was taken which was unanimously approved by the Audit Committee.

Item 8B. Approval of the Report of Redetermination Regarding Confidentiality and Destruction of the verbatim transcripts and/or audio recordings of Closed Session. (Action)

The Audit Committee was requested to approve of the resolution of Redetermination Regarding Confidentiality and Destruction of the verbatim transcripts and/or audio recordings of Closed Session as follows:

“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 Committee approves the destruction of the verbatim record of the closed session of the April 4, 2019, June 24, 2019 and September 12, 2019 Audit Committee meetings as at least 18 months has transpired since the completion of those meetings.”

Commissioner Lopez **MOVED THAT** resolutions be approved. Commissioner Arrington 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 Investment Committee, Commissioner Arrington **MOVED** to adjourn, and Commissioner Lopez seconded that motion. A roll call was taken which was unanimously approved by the Committee.

The meeting adjourned at approximately 11:57 a.m.

Respectfully submitted,

Lisa Murphy-Coveny