

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

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

April 4, 2019  
2:00 p.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  
Carol Cook, Director, Program Services and Compliance  
Shoba Nandhan, Chief Financial Officer  
Natalie Wandall, Secretary to Commission  
Michael Wilder, Telecom and Network Engineer  
Kathleen Cole, Staff Attorney

### **Item 1. Announcements**

The Illinois Student Assistance Commission Audit Committee Meeting was called to order at 2:33 p.m. Ms. Savage asked for a roll call to be taken and a quorum was established. Ms. Savage welcomed new members, Elizabeth Lopez and James Hibbert.

### **Item 2. Approval of the Minutes of December 6, 2018 Audit Committee Meeting (Action)**

Ms. Lopez **MOVED THAT** the minutes of the December 6, 2018 Audit Committee Meeting be approved. Mr. Hibbert seconded that motion, and it was approved unanimously.

### **Item 3. Status Update of Fiscal Year 2019 Internal Audit Plan (Information) - Kishor Desai**

Mr. Desai noted that eight of the thirteen audits have been completed. Two are in progress and there are three more to go. By the end of June, they will be fully completed.

### **Item 4. Approval of the Calendar Year 2019 Activity Calendar (Action) - Kishor Desai**

Mr. Hibbert **MOVED THAT** the calendar year 2019 activity calendar as provided in the Agenda Book be approved. Ms. Lopez seconded that motion, and it was approved unanimously.

### **Item 5. Reassess Audit Committee Charter for Compliance (Action) - Kishor Desai**

Ms. Lopez **MOVED THAT** the Audit Committee Charter as reassessed by the Committee be approved. Mr. Hibbert seconded that motion, and it was approved unanimously.

### **Item 6. Chief Financial Officer Update (Information) - Shoba Nandhan**

Ms. Nandhan noted that the Committee had already heard a financial update during the Commission Meeting

Ms. Nandhan discussed the fact that ISAC is subject to multiple audits. The financial statement audit is done annually. The compliance audit is done bi-annually, and we had no material findings for the latest two-year audit cycle. The U.S. Department of Education does regular program reviews. Also, because FFELP is over a \$200 million-dollar program, we get audited by KPMG as part of the Single Audit Act audit of the entire State. We had just one Single Audit Act finding this year which is structural finding we get each year. The finding is primarily due to lenders exiting the program as the FFELP program winds down.

Mr. Zarnikow stated that Kishor does many internal audits each year, but these are the external audits that the agency receives. ISAC is basically constantly under audit.

### **Item 7. Public Comment**

There were no public comments.

**Item 8. Closed Session: Closed Minutes and Internal Control Weaknesses**

Mr. Hibbert **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. Ms. Lopez seconded that motion, which was approved unanimously by a roll call vote.

At 3:07 p.m. the Audit Committee went into closed session.

At 3:21 p.m. the Audit Committee returned to open session.

**Item 9. Approval of the Closed Session Items**

**Item 9A. Approval of the Closed Minutes of the December 6, 2018 Meeting & Approval to Open (Action)**

Mr. Hibbert **MOVED THAT** the minutes of the December 6, 2018 closed session of the Audit Committee be approved and to make those minutes open to the public. Ms. Lopez seconded that motion, which was approved unanimously.

**Item 9B. Approval of Redetermination Regarding Confidentiality and Destruction of the Verbatim Transcripts and/or Audio Recordings of Closed Sessions (Action)**

Ms. Lopez **MOVED THAT** the following resolutions 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 Committee approves the destruction of the verbatim transcripts and/or audio recordings of the closed session of the April 12, 2017, June 27, 2017 and September 13, 2017 Audit Committee meetings as at least 18 months has transpired since the completion of those meetings.”

Mr. Hibbert **MOVED THAT** the Illinois Student Assistance Commission Audit Committee Meeting be adjourned. Ms. Lopez seconded the motion, which was approved unanimously. The meeting was adjourned at 3:30 p.m.

Respectfully submitted,

Kathleen Cole