

**STATE OF ILLINOIS
ILLINOIS STUDENT ASSISTANCE COMMISSION**

STATE COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2024

Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

STATE OF ILLINOIS
ILLINOIS STUDENT ASSISTANCE COMMISSION

STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024

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STATE OF ILLINOIS
ILLINOIS STUDENT ASSISTANCE COMMISSION

STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024

Commission Officials:

Executive Director	Eric Zarnikow
Chief Financial Officer	Rolake Adedara (01/01/25 – Present) Rolake Adedara (Interim) (01/01/24 – 12/31/24) Shoba Nandhan (Up to 12/31/23)
Director of Investments	Roger Rojas (09/24/22 – Present)
General Counsel	Lisa Murphy-Coveny (03/21/25 – Present) Lisa Murphy-Coveny (Interim) (03/21/24 – 03/20/25) William G. Farrar (11/16/23 – 03/21/24) Rich Nowell (Interim) (Up to 11/15/23)
Chief Internal Audit Officer	Kishor Desai

Commission Offices:

1755 Lake Cook Road
Deerfield, IL 60015-5209

500 West Monroe
Springfield, IL 62704

160 North LaSalle Street
Suite N-100
Chicago, IL 60601



MANAGEMENT ASSERTION LETTER

July 14, 2025

Crowe LLP
One Mid America Plaza
Oak Brook, Illinois 60522-3697

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Illinois Student Assistance Commission (Commission). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Commission's compliance with the following specified requirements during the two-year period ended June 30, 2024. Based on this evaluation, we assert that during the years ended June 30, 2023, and June 30, 2024, the Commission has materially complied with the specified requirements listed below.

- A. The Commission has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Commission has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Commission on behalf of the State or held in trust by the Commission have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

State of Illinois, Illinois Student Assistance Commission

SIGNED ORIGINAL ON FILE

Eric Zarnikow, Executive Director

SIGNED ORIGINAL ON FILE

Rolake Adedara, Chief Financial Officer

SIGNED ORIGINAL ON FILE

Lisa Murphy-Coveny, General Counsel

STATE OF ILLINOIS
ILLINOIS STUDENT ASSISTANCE COMMISSION

STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the *Audit Guide*.

ACCOUNTANT'S REPORT

The Independent Accountant's Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	0	2
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	0	2

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
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Current Findings

None Reported.

Prior Findings Not Repeated

A	8	2022/2022	Weaknesses in Cybersecurity Programs and Practices
B	8	2022/2022	Lack of Adequate Controls over the Monitoring of Service Providers

STATE OF ILLINOIS
ILLINOIS STUDENT ASSISTANCE COMMISSION

STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2024

STATE COMPLIANCE REPORT (Continued)

EXIT CONFERENCE

The report was discussed with Commission personnel at an exit conference on July 10, 2025.

Attending were:

From Commission:

- Eric Zarnikow, Executive Director
- Rolake Adedara, Chief Financial Officer
- Kishor Desai, Chief Internal Audit Officer
- Jacqueline Benitez, Chief Accountant
- Harikumar Pillai, Chief Information Officer
- Dana Mills, Director, Appropriation and Compliance

From OAG:

- José Roa, Audit Manager

From Special Assistant Auditor

- Christine Torres, Partner

The responses to the recommendations were provided by Rolake Adedara, Chief Financial Officer, in a correspondence dated July 14, 2025.



Crowe LLP
Independent Member Crowe Global

INDEPENDENT ACCOUNTANT'S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
State of Illinois, *Illinois Student Assistance Commission*

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Illinois Student Assistance Commission (Commission) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2024. Management of the Commission is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Commission's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Commission has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Commission has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Commission are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Commission on behalf of the State or held in trust by the Commission have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Commission complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Commission complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Commission's compliance with the specified requirements.

In our opinion, the Commission complied with the specified requirements during the two years ended June 30, 2024, in all material respects.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Commission's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Commission's compliance with the specified requirements and to test and report on the Commission's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A material weakness in internal control is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our examination we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Crowe LLP

Oakbrook Terrace, Illinois
July 14, 2025

STATE OF ILLINOIS
ILLINOIS STUDENT ASSISTANCE COMMISSION

SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2024

No Findings identified in the current examination.

STATE OF ILLINOIS
ILLINOIS STUDENT ASSISTANCE COMMISSION

SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2024

A. **Weaknesses in Cybersecurity Programs and Practices**

In the prior year examination, the Illinois Student Assistance Commission (Commission) had not implemented adequate internal controls related to cybersecurity programs and practices.

During the current examination, our testing indicated the Commission implemented adequate controls related to cybersecurity programs and practices. (Finding Code No. 2022-001)

B. **Lack of Adequate Controls over the Monitoring of Service Providers**

In the prior year examination, the Illinois Student Assistance Commission (Commission) had not established internal monitoring and oversight procedures to ensure service providers were performing their contracted duties.

During the current examination, our testing indicated the Commission established adequate controls over the monitoring of service providers. (Finding Code No. 2022-002)