

## Minutes

### VSAC Audit Committee Meeting

January 25, 2021

1:30 p.m.

### Zoom Videoconference Meeting

**Committee Members Present:** John McSoley (Chair) and Beth Pearce

**Committee Members Absent:** Michael Smith

**Other Board Members Present:** Dodie Mitchell

**VSAC Staff Present:** Scott Giles, Mike Stuart, Tom Little, Marilyn Cargill, Patrick Leduc, Laurie Oliver, Bruce Hicken, Jodie Ducharme

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The meeting was called to order at 1:30 p.m. on the Zoom virtual meeting platform with all present able to hear one another throughout the meeting. With a quorum established, the Committee took up the first order of business.

#### Approval of Minutes

*Upon a motion made by John McSoley and seconded by Beth Pearce, the Committee voted to approve the minutes of the September 21, 2020 Committee meeting, as presented.*

#### Annual Federal Trade Commission Red Flags Policy

Tom Little provided background on the Red Flags Identity Theft Prevention Program, directing the Committee to the previously distributed Summary Report and program documents. The Red Flags regulation requires covered businesses and organizations to implement a written identity theft prevention program designed to detect the “red flags” of identity theft in their day-to-day operations, take steps to prevent the crime, and mitigate its damage. Tom reported that review of the program affirms that VSAC’s Red Flags Identity Theft Prevention Program is effective in identifying and preventing identify theft. Committee members engaged in a conversation about the policy and Tom Little and Laurie Oliver responded to questions.

*Upon a motion made by John McSoley and seconded by Beth Pearce, the Committee voted unanimously to approve the Annual FTC Red Flags Policy as presented including both the report and the program documents.*

#### Internal Audit and Risk Management Report

##### *Status Report*

Laurie Oliver reported that she completed the 40 hours of continuing professional education for 2020 in compliance with the Institute of Internal Auditors *International Professional Practices Framework (IPPF)*.

Laurie provided a snapshot of active audits highlighting the continuation of NIST and NY Cybersecurity compliance readiness and assessment activities, verification of CARES Relief Act interest payments to student loan borrowers, and review of the loan payment process control associated with the lockbox conversion. Laurie also briefed the Committee on the State Law Compliance Program, 2020 state student loan servicer reporting, and the upcoming planned 2021 Guarantor Agency Security Assessment Self-Assessment scheduled with Federal Student Aid.

### **Charter & Workplan Review**

Laurie Oliver directed the Committee's attention to the Audit Committee Charter & Work Plan, previously distributed. Laurie highlighted changes to the Work Plan which included moving the Committee Self-Evaluation to occur in May based on feedback from the Committee, and the addition of the annual NIST Self-Assessment report to be presented at the January meeting as a result of NY Cybersecurity Requirements.

Laurie reviewed the NY Cybersecurity Requirements document, previously distributed, and noted that following the NIST Self-Assessment report to the Audit Committee in January, the subsequent VSAC Board meeting must include the presentation and review of the annual report by the Audit Committee Chair for compliance with the requirements.

*Upon a motion made by John McSoley and seconded by Beth Pearce, the Committee voted unanimously to accept the Audit Committee Charter & Work Plan, as presented.*

Laurie directed the Committee to the Internal Audit and Risk Charter. She outlined the purpose of the charter and noted there were no proposed changes.

### **Risk Management Overview**

Laurie provided the Committee with a risk management overview, referencing previously distributed materials that outlined various risks. Laurie noted that she will work with the Executive Committee to review the risk profiles and make changes where necessary now that strategic planning is complete.

### **Audit Committee Training**

Chair John McSoley noted that the opportunity for additional training is an item that came out in the Audit Committee Self-Evaluation about a year ago. John is working with Laurie Oliver to explore training opportunities through the Institute of Internal Auditors. John noted that he will share these resources with the Committee once they are available.

### **Other Business & Adjournment**

There being no other business, the Committee adjourned at 2:34 p.m.

Respectfully submitted,

Tom Little  
Assistant Secretary

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