

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

Web Address: [HTTP://SIAAB.AUDITS.UILLINOIS.EDU](http://SIAAB.AUDITS.UILLINOIS.EDU)

MINUTES

Board Meeting- November 14, 2012

1:00 p.m.

CALL TO ORDER

The regularly scheduled meeting of the State Internal Audit Advisory Board (SIAAB) was held at the Capital City Center, Room 104, Springfield, Illinois, with video conferencing available at the JRTC, Room 9-036, Chicago, Illinois. The meeting was called to order at 1:05 p.m. by Doug Hathorn, Vice Chair.

ROLL CALL

Members Present/Location:

Tracy Allen, Office of the Comptroller – Springfield
Julie Zemaitis, University of Illinois – by phone
Barb Ringler, Office of the Treasurer- Springfield
Amy Walter, Central Management Services-Springfield
Marcus Dodd, Illinois Department of Employment Security-Chicago
Stell Mallios, Office of Secretary of State- Chicago
Doug Hathorn, Department of Revenue – Springfield

Members Absent

Stephen Kirk, (Chair), Illinois Department of Transportation–Springfield
Lesslie Morgan, Office of the Attorney General-Springfield
Jane Cullen, Illinois Department on Aging-Springfield

MINUTES

The October 10, 2012, meeting minutes were presented to the Board for discussion and approval. A motion was made by Barb Ringler and seconded by Ms. Walter to accept the October 10, 2012 minutes. The motion carried unanimously.

REPORTS AND UPDATES

CPE Coordinator

Ms. Zemaitis reported that the training certification from the Department of Financial and Profession regulation is up for renewal and the application for renewal has already been submitted. It is due by December 31, 2012.

With regard to the Fall Conference 143 CPE certificates were issued on November 1, 2012.

Ms. Zemaitis reported that no new people had registered for or passed the 2011 QAR Course since the last meeting. She also reported that on-line registration is now available for the QAR training and the course was successfully moved to the new server platform. She also reported that the process has started to make changes to the online training course to reflect the changes to the IIA standards effective January 1, 2013; these will be finalized once formally adopted by SIAAB.

FOIA

Ms. Ringler reported she had received no FOIA requests. Stell Mallios will need to file the independence and confidentiality statements that are on the SIAAB website.

BOARD APPOINTMENTS

The position formerly held by Lisa Labonte is still vacant. Ms Walter said she would contact the Governor's Office regarding filling the vacant position. Ms Walter also stated that she has contacted the Governor's Office to start the renewal process for board position terms, which will expire in 2013. Both current board members set to expire expressed a desire to remain on the Board. Ms Walter suggested the board members, which terms expire in 2013, should register on the Boards and Commissions website maintained by the Governor's Office to begin the renewal process.

Guidance Coordinator

Ms. Morgan was not present, so the response to the questions currently before the Board was tabled until the next meeting when Ms. Morgan and Mr. Kirk are anticipated to attend.

Quality Assurance Reviews – Current Reviews and Request

Vice Chair Hathhorn presented the QAR report for Western Illinois University and noted Ms. Rusti Cummings had served as Special Assistant reviewer and noted no exceptions in the report review. After brief discussion Ms. Zemaitis motioned to approve the report, Mr. Allen seconded the motion and it was approved unanimously. Vice Chair Hathhorn presented the QAR report for the Comptroller's Office and noted Mr. Jeff Beals had served as Special Assistant reviewer and noted no exceptions in the report

review. Ms. Ringler motioned to approve the report, Ms. Lyons seconded the motion and it was approved with Mr. Allen abstaining from the vote.

Vice Chair Hathhorn stated he would get the letters written and send the final QAR reports with the approval letter from the Board to WIU and the Comptroller.

External Quality Assurance Reviews Due CY12:

Illinois State Board of Education

The review draft report is expected in December.

New Business

Training Conference Update

All members present congratulated Vice Chairman Hathhorn on the great job he did in coordinating the conference this year. Everyone felt the conference was a great success. The evaluations of speakers ranged from 3.9 – 4.5 on a 1 to 5 scale. Amy Walter stated that the event had a net loss of \$170 and this would be deducted from SIAAB's balance maintained with the Springfield IIA Chapter.

Many people commented the breakout sessions could have been longer. Next year we will consider making the Chiefs' roundtable last all afternoon and scheduling two breakout sessions for staff on day two of the conference. Ms. Zemaitis stated it would be better to not have the University Chiefs have to choose between the Audit Chiefs' and the University break-out sessions in the future.

The best date for the conference was discussed and general agreement was obtained that October works best for the conference. Participants felt the venue and room size was good and should be used again next year. On-line registration and evaluations provided by the University of Illinois worked well.

Adoption of new IIA standards

A brief description of the changes IIA has made to their standards and adopted them earlier this fall took place. It was noted that many of the changes were minor or were only changes to the interpretation of the standards instead of the standards themselves. Mr. Allen made a motion that the changes to the IIA standards be adopted by SIAAB in total. Mr. Dodd seconded the motion. The measure was approved unanimously.

Review of SIAAB Business Responsibilities SIAAB 2012 Project

The priorities of the SIAAB for the upcoming year were discussed at the fall training conference and revisited in general discussion in the SIAAB meeting. A vote was taken at the fall conference where a significant majority of those Chief Audit Executives who voted expressed a desire to not seek a modification of the FCIAA statute.

The topic of modifying and updating the Internal Control Questionnaires in SAMS Chapter 2 supplement was discussed and there was no support for a comprehensive update of the questionnaires at this time. Mr. Allen noted SAMS Chapter 2 states these questionnaires are offered as guidance but are not required to be used and modification of them or development of new questionnaires to meet the specific needs of each agency is encouraged. The Comptroller's Office has modified questionnaires and developed new questionnaires to meet its needs as suggested by Chapter 2.

The role of SIAAB in the Quality Assurance Review process was discussed at the fall conference and at the SIAAB meeting. Marcus stated he believed there was potential consensus among the Chiefs at the Fall Conference to make changes to the QAR process. Board Members discussed the comments provided at the round table and noted that notes from the round table have been prepared and once approved will be distributed to the Chief Internal Auditors. Further discussion of modification of SIAAB's role in the QAR process will be discussed at the December meeting

ANNOUNCEMENTS

The next regular meeting will be December 12, 2012 at 1:00 p.m., at the Capital City Center's Video Conference Room #104, 130 West Mason, Springfield, Illinois. For those attending via video conference in Chicago, Room 9-036 of the JRTC has been reserved.

ADJOURNMENT

Motion made by Mr. Allen to adjourn the meeting.

Second: Mr. Dodd

Vote was unanimous, motion passed and the meeting was adjourned at 1:55.