

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting – October 14, 2014

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 1:02 p.m. by Marcus Dodd in Chicago.

ROLL CALL

Members Present/Location:

Marcus Dodd (Chair), Illinois Department of Employment Security - Chicago
Gary Shadid (Vice Chair), Illinois Department of Commerce and Economic Opportunity - Springfield
H. Jay Wagner, Office of the Attorney General - Springfield
Barb Ringler, Office of the Treasurer – Springfield
Stell Mallios, Office of Secretary of State - Chicago
Tracy Allen, Office of the Comptroller – Springfield
Jack Rakers, Central Management Services – Springfield (Proxy for Debbie Abbott, arrived at 1:27pm)
Stephen Kirk, Department of Transportation – Springfield
Jane Hewitt, Department of Human Services – Springfield (arrived at 1:11pm)
Julie Zemaitis, University of Illinois – Springfield

Members Absent:

None

Visitors Present:

None

PUBLIC COMMENT

None

MINUTES

The minutes from the September 9, 2014, Regular Meeting were presented to the Board for discussion and approval. Board members identified and corrected several errors in the minutes. A motion was made by Mr. Shadid and seconded by Mr. Allen to accept the September 9, 2014 minutes as revised. The motion carried unanimously.

REPORTS AND UPDATES

CPE Coordinator

Ms. Zemaitis indicated that SIAAB's CPE Sponsorship License application has been completed, processed, and the license has been renewed. There was no cost because SIAAB is a governmental entity.

No individuals registered for or completed the QAR training course online.

Quality Assurance Coordinator

Mr. Dodd indicated that when completing the Independence and Confidentiality Forms, some people scan and fax the entire document while others only scan and fax the signature pages. The Board discussed that going forward we should require that all pages of the forms be sent to SIAAB for review and approval.

Mr. Dodd indicated that there are several QAR Team Requests which the Board needs to review, discuss, and approve individually.

- Illinois Department of Transportation – Julie Zemaitis and Steve Kirk recused themselves from the discussion. There was discussion among the Board members regarding where or not there was a conflict in fact or in appearance if a SIAAB Board member serves on the review team of another Board member. The conclusion to this was that this topic had been discussed in the past, and the situation does not pose a conflict in and of itself, but SIAAB reviews and approves each QAR Team Request question individually. A motion was made by Mrs. Ringle and seconded by Mr. Shadid to accept the Illinois Department of Transportation's QAR Team Request. The motion carried unanimously, subject to the abstentions of Ms. Zemaitis and Mr. Kirk.
- The Illinois State Police QAR Team Request was included on the agenda in error.
- Illinois Department of Healthcare and Family Services – The Board discussed this request and decided not to vote on it. Mr. Dodd is going to follow-up with the Chief Internal Audit on the following items:
 - Is the audit shop aware of the difference between an external validation and a self-assessment with independent validation?

- Are all QAR Team members included in the QAR Team Approval Request?
- Can the Chief Internal Auditor please provide all of the pages for each Independence and Confidentiality Form? You do not need to send the instructions page.
- Can the Chief Internal Auditor please revisit the timeline of the audit, especially the time between the draft report and the final report? We recommend leaving a 2 month window for the completion activities.
- Illinois Department of Employment Security – Mr. Dodd recused himself from this discussion. Ms. Zemaitis noted that the finalization of the report was April 2015 and that a date of May 2015 would be consistent with the 2-month period SIAAB recommends between the submission of the draft report and the final approval and acceptance of the report. The final report date was revised to May 2015 accordingly. A Board member indicated that the CPE box was not checked on Mrs. Rouse' Independence form, but this was thought to be an administrative oversight. A motion was made by Mrs. Hewitt to approve the Illinois Department of Employment Security's QAR Team Request, subject to Mrs. Rouse's confirmation of her compliance with the CPE requirements. Mr. Kirk seconded the motion. The motion carried unanimously, subject to Mr. Dodd's abstention.

Mr. Dodd presented the Illinois Tollway Authority's QAR Report for review and approval. Ms. Zemaitis recused herself from this discussion. There was discussion among the remaining Board members about the meaning and interpretation of the Ethics-related question in the QAR matrix. A motion was made by Mrs. Ringler to accept the Illinois Tollway Authority's QAR Report as presented. Mr. Kirk seconded the motion. The motion carried unanimously, subject to Ms. Zemaitis' abstention.

Mr. Shadid indicated that he has updated the QAR Tracking Grid based on the information he had. He sought a few additional clarifications from Board members during the meeting. Mr. Shadid requested that the Board members review the updated document for discussion during the November SIAAB Monthly meeting.

Mr. Dodd presented Mr. Mark Kimmet's comments regarding the report template for QAR with External Reviewers. The Board members requested that this topic be tabled until the November SIAAB meeting.

FOIA Officer

Ms. Ringler indicated that there had been no FOIA requests since the last meeting.

Guidance Coordinator

Mr. Kirk indicated there were no updates.

OLD BUSINESS

Financial Reporting Standards Board (FRSB) Draft Internal Audit Guidelines

Ms. Zemaitis indicated the FRSB is seeking an opinion about their FOIA exemption from the Attorney General. They received verbal feedback that they should seek legal revisions to the statues which gave rise to the FRSB in order to address their FOIA and OMA concerns.

Ms. Zemaitis indicated that the FRSB plans to issue the letter to the Comptroller and Governor regarding the status of submission of GAAP Process Audits after their meeting on October 15, 2014.

The Board discussed that there is no longer a need to have a specific SIAAB representative at future FRSB meetings, but that any Chief Internal Auditor was welcomed and encouraged to attend the FRSB meetings so that SIAAB can be aware of current happenings.

Fall Conference Discussion

Mr. Allen indicated there are 135 people registered for the conference as of October 10, 2014. There was a discussion among the Board about the number of registrants compared to the numbers from last year. Mrs. Hewitt indicated that she experienced a technical issue during the registration, and suggested that SIAAB follow-up to ensure that all people are registered properly. Mr. Kirk made a follow-up suggestion that SIAAB contact any internal audit shops with no representatives currently registered, and those who attended the conference last year but are not registered this year. Mr. Allen agreed to follow-up on this.

Mr. Allen also indicated that 3 projectors have been secured to improve the video capabilities at the conference.

There was a brief discussion of the proposed changes to the IIA's Professional Practice Standards.

Discussion of August Public Comment Request for SIAAB to Adopt Rules

Ms. Zemaitis indicated that she is currently doing research and historical due diligence to prepare for SIAAB to draft a memo to the Attorney General. Mr. Kirk discussed the Floor Debate document which he suggested all Board members read. Ms. Zemaitis agreed that she will draft the language and indicated she would have draft language for the December meeting.

New Business

Mr. Dodd indicated that November SIAAB meeting date was November 11, 2014, but that was a holiday so the meeting needs to be rescheduled. There was discussion among the Board that the November 12, 2014 had already been approved as the November meeting date. Mr. Dodd agreed to follow-up on this to ensure that the rooms are properly reserved.

ANNOUNCEMENTS

The next regular meeting is scheduled for November 12, 2014, at 1:00 p.m. The meeting will be 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 will be reserved.

ADJOURNMENT

A motion to adjourn was made by Mrs. Hewitt, seconded by Mr. Shadid. Motion carried unanimously. Meeting adjourned at 2:44 p.m.