

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting – May 12, 2015

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 1:01 p.m. by Gary Shadid in Springfield.

ROLL CALL

Members Present/Location:

Gary Shadid, (Chair) Illinois, Department of Agriculture - Springfield
Jerry Nimmons – Proxy for Stephen Kirk, (Vice Chair), Department of Transportation – Springfield
Debbie Abbott, Central Management Services – Springfield
Tracy Allen, Office of the Comptroller - Springfield
Angela Bartlett, Office of the Treasurer - Springfield
Jane Hewitt, Department of Human Services – Springfield
Stell Mallios, Office of Secretary of State - Chicago
H. Jay Wagner, Office of the Attorney General – Springfield
Julie Zemaitis, University of Illinois – Springfield

Members Absent:

Marcus Dodd, Illinois Department of Employment Security

Visitors Present:

None

MINUTES

The minutes for the April 14, 2015 SIAAB meeting were accepted as revised after minor errors and other “housekeeping” adjustments were discussed. Mr. Allen made the motion to accept and Mr. Nimmons seconded the motion. The motion passed unanimously, with the exception of an abstention by Ms. Hewitt (who departed the April 14 meeting at 2:12 p.m.).

PUBLIC PARTICIPATION

None.

REPORTS AND UPDATES

CPE Coordinator

Ms. Zemaitis indicated that one individual registered for the online training course and no certificates were issued.

Quality Assurance Coordinator

The Capital Development Board (CDB) Quality Assurance Review (QAR) Report and Matrix were discussed with no comments. Ms. Zemaitis made a motion to accept, Ms. Bartlett seconded. The motion passed, with Ms. Hewitt voting no, Mr. Allen abstaining (as he is the direct supervisor of the independent validator), and all others voting in favor.

The Illinois Emergency Management Agency (IEMA) QAR report and matrix were tabled pending resolution of the issue of partial conformance with the Fiscal Control and Internal Auditing Act (FCIAA).

The Department of Human Services (DHS) QAR team request was discussed with no comments. Mr. Allen motioned to approve, Mr. Wagner seconded. The motion passed unanimously, with the exception of abstentions from Ms. Hewitt (Chief Internal Auditor at DHS) and Ms. Abbott (direct supervisor of the independent validator).

The Department of Corrections (DOC) QAR team request was discussed with no comments. Mr. Allen motioned to approve, seconded by Ms. Abbott. The motion passed unanimously, with the exception of abstentions from Mr. Wagner (the independent validator) and Ms. Bartlett.

The Department of Juvenile Justice (DJJ) QAR team request was discussed with no comments. Mr. Allen motioned to approve, seconded by Ms. Zemaitis. The motion passed unanimously, with the exception of abstentions from Mr. Wagner (the independent validator) and Ms. Bartlett.

FOIA Officer

Ms. Bartlett stated there were no new requests.

Guidance Coordinator

Mr. Wagner stated SIAAB Guidance 04: Internal Audit Plan Development and Amendment in State of Illinois Government was posted to the SIAAB website and a notice of release was sent to Chief Internal Auditors and Internal Audit Representatives via email on May 11, 2015.

Mr. Wagner stated he has made significant progress on a draft of SIAAB Guidance 05: Small Audit Functions, and a copy of the draft was loaded to the SIAAB intranet. However, the draft guidance is still in progress. Mr. Wagner further stated that he plans to complete the draft by June or July, as time permits.

OLD BUSINESS

Fall Conference Discussion

Mr. Allen stated he has the following topics and entities on the tentative schedule: BKD for fraud and ethics; the Auditor General or representative (likely Jim Dahlquist); KPMG for Yellow Book; the Inspector General (has spoken to the acting Inspector General, and a new Inspector General will begin on July 1); the Institute of Internal Auditors (IIA) American Center for Government Auditing (ACGA) (likely Jim Pelletier, who Mr. Wagner met with at IIA Leadership Academy in April); and Protiviti to discussion Sharepoint. The IT and Chief Auditor Roundtable will likely occur on the morning of the third day, with two hours devoted to each.

August Public Comment Request for SIAAB to Adopt Rules

Mr. Wagner indicated the request remains in the queue with no expected response timeframe. SIAAB will continue to wait for a response.

Vote to Approve Two Separate QAR Report Templates after 6/30

SIAAB decided to table approving the two separate report templates, and address the issue in conjunction with updating the matrix for the FCIAA issues. Mr. Allen motioned, Mr. Nimmons seconded. The motion passed unanimously.

CIA Status if An Agency is Eliminated

Ms. Abbott stated based on discussions she has had that a CIA should be reappointed to a new 5-year term when their 5-year term ends. However, there was consensus that if an agency is eliminated, the Chief Internal Auditor position ceases to exist, and the decision regarding what to do with the individual who held the position is beyond the authority of SIAAB.

NEW BUSINESS

Possible Amendment to By-Laws regarding CPE Requirements

Mr. Allen discussed the possibility of amending the by-laws to address individuals who lapsed in their CPE requirements, and how they can return to good standing. Mr. Allen had reviewed IIA guidance for reactivating IIA certifications, Government Accountability Office (GAO) guidance, and Information Systems Audit and Control Association (ISACA) guidance. The guidance varied, but generally required explanations for the lapses and allowed for a return to good standing after CPE was made up.

Ms. Hewitt stated that was an issue to be handled by the Chief Internal Auditor and the Auditor General during their compliance examinations of the agency. Ms. Hewitt further expressed an opinion that lapses in CPE are not an issue for SIAAB to get involved in.

Mr. Shadid stated that an individual's CPE is only a SIAAB issue if the individual is doing a QAR.

Ms. Abbott stated that the bylaws should only apply to SIAAB, and there should be separate rules for internal audit functions. Further, this is an issue to be addressed after the Attorney General issues its opinion regarding whether rules should be adopted through the Joint Committee on Administrative Rules (JCAR).

Guidance Document #5- Small Audit Functions

Mr. Wagner stated he has made significant progress on a draft of SIAAB Guidance 05: Small Audit Functions, and a copy of the draft was loaded to the SIAAB intranet. However, the draft guidance is still in progress. Mr. Wagner further stated that he plans to complete the draft by June or July, as time permits.

ANNOUNCEMENTS

The next regular meeting is scheduled for June 9, 2015, 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 Mr. Allen, seconded by Ms. Abbott. Motion carried unanimously. Meeting adjourned at 2:08 p.m.