

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting – July 14, 2015

1:00 p.m.

CALL TO ORDER

A 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 Gary Shadid in Springfield.

ROLL CALL

Members Present/Location:

Gary Shadid, (Chair) Illinois, Department of Agriculture – Springfield
Stephen Kirk, (Vice Chair), Department of Transportation – 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:

Debbie Abbott, Central Management Services
Marcus Dodd, Illinois Department of Employment Security

Visitors Present:

None

MINUTES

The minutes for the June 23, 2015 SIAAB meeting were accepted after minor updates. Ms. Zemaitis made a motion to accept, seconded by Mr. Allen. The motion passed unanimously, with the exception of Ms. Hewitt's abstention (as she was not at the June 23, 2015 meeting).

PUBLIC PARTICIPATION

None

REPORTS AND UPDATES

CPE Coordinator

Ms. Zemaitis stated four new QAR training CPE certificates were issued for auditors at the Department of Revenue (one), Department of Juvenile Justice (one), and the Department of Corrections (two). There was also one registration for Northern Illinois University (NIU).

Ms. Zemaitis also noted that a link to the QAR training was added to the “Training Resources” page under “Resources” on the website.

Quality Assurance Coordinator

Mr. Shadid stated two late QAR notifications were received for the Department of Lottery and the Department of Public Health.

Mr. Shadid noted that 22 agencies had QARs due on June 30, 2015, with the status breakdown as follows: 8 were completed, 4 submitted late notifications, 3 have a vacant Chief Internal Auditor position, 2 are pending, 4 have not provided updates to SIAAB, and 1 agency has declined to submit their QAR report to SIAAB.

FOIA Officer

Ms. Bartlett stated there were no new requests.

Guidance Coordinator

Mr. Wagner stated that a draft of Guidance 05, small audit shops, has been loaded to the SIAAB intranet and that he welcomes feedback. There was general consensus that other factors, specifically agency mission and programs, that determine whether an audit function is small in context of its mission. Mr. Wagner agreed to update the factors defining a small audit functions.

Mr. Kirk noted that the format should be tweaked for consistency with other guidance, and specifically noted that normally SIAAB interpretation comes first.

Mr. Kirk advised caution as to not “paint ourselves into a corner.” For example, the suggestion to use the QAR matrix as a quality assurance tool may be misconstrued as a recommendation to do one for every audit, which would be excessive.

Attendees stated they would send comments to Mr. Wagner, and Mr. Wagner would present a draft to SIAAB at the August 11, 2015, meeting with the intent to disseminate to Chief Internal Auditors for feedback after SIAAB agrees to disseminate.

OLD BUSINESS

Fall Conference

Mr. Allen indicated that Jim Pelletier, Director of American Center for Government Auditing (ACGA), has agreed to present the keynote at the fall conference. Further, Mr. Allen has invited Mr. Pelletier to teach a seminar slot but has not received a response yet. If he declines, Mr. Allen will find another government topic for the slot. Mr. Allen is also seeking a presenter for Statewide Enterprise Resource Planning (ERP) and has asked Ms. Abbott to reach out to the State's Chief Information Officer (CIO).

August 2014 Comment Request for SIAAB to Adopt Public Rules

Mr. Wagner indicated the request is still pending.

Change to QAR Matrix Regarding FCIAA Compliance

SIAAB has asserted that you cannot "partially comply" with FCIAA. However, during discussion about updating the FCIAA component of the QAR checklist to only permit complies or does not comply, the question arose as to whether the section is even necessary, as compliance is reviewed by the Auditor General every two years, and including it in the QAR is redundant and may risk disagreement. Ms. Zemaitis indicated she had reviewed historical minutes and could not find where it was positively determined whether or not FCIAA should be included in the QAR. Mr. Kirk suggested this be discussed with the Auditor General's office before making a decision.

Origin of SIAAB CPE Requirements

Mr. Allen disseminated a suggested update to the Bylaws (Section 2.5.1) regarding delinquent CPE. There was consensus that SIAAB should not be involved in deciding how to remedy the situation of an auditor who is delinquent on CPE. The update proposed the GAO standards, with a minor deviation: whereas GAO asserts auditors who are delinquent past a two month grace period cannot perform audits, Mr. Allen proposed a rule that asserted the auditor should not work independently. Ms. Zemaitis recommended changing "chief audit executive" to "chief internal auditor." Mr. Allen made a motion to approve the change, Mr. Wagner seconded. The motion carried unanimously.

NEW BUSINESS

Origins of Compliance with FCIAA as part of the QAR Process

The topic arose and was discussed in conjunction with "Change to QAR Matrix Regarding FCIAA Compliance" under Old Business.

ANNOUNCEMENTS

The next regular meeting is scheduled for August 11, 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. Kirk, seconded by Ms. Hewitt. Motion carried unanimously. Meeting adjourned at 2:10 p.m.