

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting – September 8, 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 1:00 p.m. by Chair 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
Jack Rakers, Proxy for Debbie Abbott, Central Management Services – Springfield
H. Jay Wagner, Office of the Attorney General – Springfield
Julie Zemaitis, University of Illinois – Teleconference

Members Absent:

Stell Mallios, Office of Secretary of State
Jane Hewitt, Department of Human Services

Visitors Present:

None

MINUTES

The minutes for the August 11, 2015 SIAAB meeting were accepted after minor updates. Mr. Kirk made a motion to accept, seconded by Mr. Allen. The motion passed unanimously, with Mr. Wagner, Ms. Bartlett, and Ms. Zemaitis abstaining due to being absent the prior meeting.

PUBLIC PARTICIPATION

None

REPORTS AND UPDATES

CPE Coordinator

Ms. Zemaitis provided two months of updates due to absence at the prior meeting. If Ms. Zemaitis was present on August 11, 2015, she would have reported that four individuals completed QAR training. For the past month, six individuals have completed the QAR training.

Quality Assurance Coordinator

Mr. Shadid noted that Teachers Retirement System (TRS) Chief Internal Auditor Stacy Smith submitted a review team request. Mr. Casey Evans, Chief Internal Auditor at the State Employees Retirement System, met all requirements as the independent validator. Mr. Wagner motioned to accept, with Mr. Allen seconding, and the motion passed unanimously.

The Illinois State Police QAR and will be tabled due to absences and planned abstentions, and will be discussed at the next meeting.

Mr. Shadid also noted he will be sending notices to agencies that have a QAR due but who have not communicated to SIAAB, and noted there are agencies who are exercising dissent as to whether they are required to communicate their QAR to SIAAB. Mr. Shadid also noted that notices will be statements of fact regarding the QAR requirement and deadline, without SIAAB expressing an opinion.

FOIA Officer

Ms. Bartlett stated there were no new requests.

Guidance Coordinator

Mr. Wagner asked about the resources section on the SIAAB website and the process to post. He also suggested that perhaps the disclaimers be adjusted to address not just resources that link to other websites, but clarify any resources shared are not endorsed by SIAAB. The practice will be for resources to be posted by the webmaster after SIAAB approves posting. Mr. Wagner stated he will look through the resources section and prepare to discuss at the next meeting.

Mr. Wagner asked if there were any comments relating to draft Guidance 05, small audit shops. Mr. Kirk shared comments that we should consider removing the “Level of Challenge” rating. Mr. Kirk also commented that in regards to collective proficiency (page 3), it should clarify that one must operate within the rules (hiring rules, union agreements, etc.). Further, a lack of proficiency should be accompanied by an allowance for supervision by proficient auditors (in both the proficiency section on page 3 and performing the engagement on page 7). Mr. Kirk also suggested “reasonable but not absolute” assurance be

emphasized. In the Acceptance of Risk section on page 5, a cross reference to Guidance #3 should be considered.

A proposal for possible guidance on pre-installation reviews was discussed. Mr. Wagner apologized for being absent during the prior month's discussion and for the misunderstanding that he intended comprehensive guidance, explaining was intending to assist with the minimal requirements set forth in FCIAA, particularly for smaller audit functions, not to list everything that ideally would be done. Mr. Wagner also discussed that this is a common request. Mr. Rakers stated CMS has various resources used for levels and types of pre-installation reviews that they would be willing to share. There was consensus that perhaps resource sharing would be useful. Other SIAAB members expressed that guidance on this topic may be overreaching. The discussion was tabled and Mr. Wagner and Mr. Rakers will work together on possibilities.

OLD BUSINESS

Fall Conference

Mr. Allen stated that registrations are progressing well. He stated that the Chief Internal Auditor roundtable will be facilitated by Steve Kirk, the IT roundtable by Jeremy Mehochko, and the university roundtable by Julie Zemaitis. Mr. Kirk stated he will solicit feedback on CIA roundtable topics.

August 2014 Comment Request for SIAAB to Adopt Public Rules

The Board was notified that the request is still pending.

Change to QAR Matrix Regarding FCIAA Compliance Update

Mr. Allen stated he spoke with the Auditor General's Office regarding whether or not FCIAA should be included in the QAR process. Mr. Allen stated the Auditor General's office said it would not take an official position on the matter but preferred the FCIAA requirement be left in the QAR process.

NEW BUSINESS

No new business.

ANNOUNCEMENTS

The next regular meeting is scheduled for October 13, 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 Mr. Allen. Motion carried unanimously. Meeting adjourned at 2:13 p.m.