

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting – March 8, 2016

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 1:01 p.m. by chair Stephen Kirk in Springfield.

ROLL CALL

Members Present/Location:

Stephen Kirk, (Chair), Department of Transportation – Springfield
Tracy Allen (Vice Chair), Office of the Comptroller - Springfield
Debbie Abbott, Central Management Services - Springfield
Stell Mallios, Office of Secretary of State - Chicago
Leighann Manning, Office of the Treasurer – Springfield
Gary Shadid, Department of Agriculture – Springfield
H. Jay Wagner, Office of the Attorney General – Springfield
Julie Zemaitis, University of Illinois – Springfield

Members Absent:

Jane Hewitt, Department of Human Services

Visitors Present:

None

MINUTES

The minutes for the February 9, 2016 SIAAB meeting were accepted as presented. Ms. Zemaitis made a motion to accept, seconded by Mr. Allen. The motion passed unanimously.

PUBLIC PARTICIPATION

None

REPORTS AND UPDATES

CPE Coordinator

Ms. Zemaitis stated five internal auditors completed the training, all were issued CPE, and two have registered and are pending.

Quality Assurance Coordinator

Mr. Allen presented the following team requests, all utilizing the Self Assurance with Independent Validation (SAIV) option:

State Universities Retirement System – SAIV with Ms. Stacy Smith meeting the qualifications as independent validator. Mr. Allen motioned to accept, seconded by Ms. Abbott. Motion passed unanimously.

Southern Illinois University – SAIV with Ms. Leigh Moon and Ms. Peggy Fish meeting the qualifications as independent validators. Mr. Allen motioned to accept, seconded by Ms. Manning. Motion passed unanimously, with Ms. Zemaitis abstaining as SIU did her QAR.

Department of Revenue – SAIV with Ms. Shayne Clennon meeting the qualifications as independent validator. Mr. Allen motioned to accept, seconded by Mr. Wagner. Motion passed unanimously, with Ms. Abbott abstaining as she is Ms. Clennon's boss.

Illinois State University – SAIV with Mr. Michael Sartorius meeting the qualifications as independent validator. Mr. Allen motioned to accept, seconded by Ms. Abbott. Motion passed unanimously.

Office of the Attorney General – SAIV with Mr. Tad Huskey meeting the qualifications as independent validator. Mr. Allen motioned to accept, seconded by Ms. Manning. Motion passed unanimously, with Mr. Wagner abstaining as he is the AG's Chief Internal Auditor.

Department of Commerce and Economic Opportunity – SAIV with Ms. Cassandra Rouse and Mr. Arthur Lemke meeting the qualifications as independent validators. Mr. Allen made a motion to accept, seconded by Ms. Zemaitis. Motion passed unanimously, with Mr. Shadid abstaining as DCEO's former Chief Internal Auditor.

It was noted that the QAR forms and instructions still list former chair Mr. Shadid as the point of contact. This should be changed to the current chair and vice-chair.

FOIA Officer

Ms. Manning stated there were no new requests.

Guidance Coordinator

Mr. Wagner stated he had no new requests for guidance, and is still working on #07 – Access and Disclosure of Engagement Reports. Regarding the standards update, Mr. Wagner stated he participated in the standards update webinar, and commented on most changes being wordsmithing. Mr. Kirk noted that he also sat in on the standards update webinar, and the only item he noted of relevance was the discussion that an individual cannot be a Board. Guidance 07 and the standards updates are both on the agenda for discussion at the April 7, 2016 chief internal auditor roundtable.

OLD BUSINESS

Fall Conference

Mr. Allen plans to send a survey out requesting topics and suggestions for the 2016 Fall Conference. Mr. Allen is also going to ask opinions on cost-impacting options, such as duration (2 day, 2.5 day, 3 day), venue, payment plans (invoice vs advance) and accommodations.

Mr. Allen plans to include a staff auditor roundtable. During the prior conference, many individuals went to the IT roundtable that may have been better suited to attend a staff roundtable. Ms. Zemaitis suggested using ground rules for all roundtables like those used during the chief roundtable.

Spring 2016 Chief Internal Auditor Roundtable

Mr. Allen stated he has prepared a list of topics for the chief internal auditor roundtable on April 7, 2016. Mr. Allen noted the list is shorter than the last roundtable to give time for open discussion.

August 2014 Comment Request for SIAAB to Adopt Public Rules

Ms. Zemaitis stated she received a call from Ms. Kristin Creel of the Attorney General's Office indicating the request is in progress. Ms. Creel stated she could not estimate a timeframe, and has no questions regarding the request at this time. Ms. Creel further stated that it is acceptable to continue as we have previously functioned pending response, and that the response will be guidance only.

Record Retention

No discussion.

Discussion with New Auditor General

Mr. Kirk stated he reached out to Mr. Bruce Bullard, Financial/Compliance Director, for the Auditor General. Mr. Bullard thanked him for reaching out, and said to follow up in a few weeks if we have not heard back from him. The meeting will be limited to two, most likely Mr. Kirk (Chair) and Mr. Allen (Vice Chair), as three or more is a majority of a quorum.

NEW BUSINESS

Appointments

The following appointments were presented by Mr. Kirk:

Quality Assurance Coordinator:	Mr. Kirk
Assistant Quality Assurance Coordinator:	Mr. Allen
CPE Coordinator:	Ms. Zemaitis
Guidance Coordinator:	Mr. Wagner
FOIA Officer:	Ms. Manning
Assistant FOIA Officer:	Ms. Abbott
Conference Chair:	Mr. Allen
Webmaster:	Eduardo Mascorro

Ms. Zemaitis made a motion to approve the entire slate of presented appointments, seconded by Ms. Manning. The motion passed unanimously, with each Board member abstaining on the vote for their own appointment.

Statements of Independence and Confidentiality

Mr. Kirk presented the statements of independence and confidentiality for all current Board members. Mr. Shadid made a motion to approve all statements, seconded by Ms. Zemaitis. The motion passed unanimously, with each Board member abstaining on the vote for their own statements.

Quality Assurance Matrix

Mr. Kirk noted he will add the Historic Preservation Agency to the Quality Assurance Matrix. HPA recently launched an internal audit function.

Other matters for discussion

Mr. Kirk discussed SB2739, which will extend the Financial Reporting Standards Board Act (30 ILCS 30) until June 30, 2018, including the annual audit requirements in Section 20. Mr. Shadid noted the third reading was scheduled for March 8, 2016. Mr. Kirk spoke with a contact on the FRSB, explaining that the

annual audits are detrimental to the State's controls as the mandate directs resources away from higher risk areas. The language should be less prescriptive and more risk based, in line with industry standards.

Mr. Kirk also noted he updated the term expiration dates for vacant seats on the agenda (i.e., updated the term expiration year from 2015 to 2018).

ANNOUNCEMENTS

The next regular meeting is scheduled for April 12, 2016, 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 Ms. Zemaitis, seconded by Mr. Allen. Motion carried unanimously. Meeting adjourned at 2:37 p.m.