

**STATE OF ILLINOIS**  
**INTERNAL AUDIT ADVISORY BOARD**

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

**MINUTES**

**Board Meeting – April 12, 2016**

**1:00 p.m.**

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**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 1:04 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  
Nick Barnard, proxy for Leighann Manning, Office of the Treasurer – Springfield  
Jane Hewitt, Department of Human Services – Springfield – Departed at 1:51p  
Gary Shadid, Illinois, Department of Agriculture – Springfield  
H. Jay Wagner, Office of the Attorney General – Springfield  
Julie Zemaitis, University of Illinois – Springfield

**Members Absent:**

Stell Mallios, Office of Secretary of State

**Visitors Present:**

None

**MINUTES**

The minutes for the March 8, 2016 SIAAB meeting were accepted after minor revisions. 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 four internal auditors completed the training, all were issued CPE, and three have registered. Ms. Zemaitis notified the Board that there is one individual who has registered three times yet has not yet taken the course. There was consensus to notify the individual that this places an administrative burden on SIAAB and the hosting entity. Ms. Zemaitis also noted CPE certificates for the April 7, 2016, roundtable were distributed.

### **Quality Assurance Coordinator**

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

Department of Lottery – Chief Internal Auditor Amy DeWeese is utilizing SAIV with Darick Clark meeting the qualifications as independent validator. Mr. Allen motioned to accept, seconded by Ms. Abbott. Motion passed unanimously, with Mr. Wagner (Mr. Clark's boss) and Ms. Hewitt abstaining.

Department of Insurance – Chief Internal Auditor Tad Huskey is utilizing SAIV with Max Paller meeting the qualifications as independent validator. Mr. Allen motioned to accept, seconded by Ms. Zemaitis. Motion passed unanimously, with Mr. Wagner and Ms. Hewitt abstaining.

Northern Illinois University – Chief Internal Auditor Dianne Schulz is utilizing SAIV with Leigh Moon and Neal Crowley meeting the qualifications as independent validators. Mr. Allen motioned to accept, seconded by Mr. Barnard. Motion passed unanimously, with Ms. Zemaitis and Ms. Hewitt abstaining.

The following agency turned in a late QAR notification:

Environmental Protection Agency – Was due June 30, 2015. Chief Internal Auditor Max Paller began on January 31, 2016. Anticipates a quality assurance review in March 2017.

The following agency turned in their QAR

Southern Illinois University – Mr. Allen and Ms. Abbott both did a special assistant review, as Mr. Allen noticed the bylaws currently require a review by a special assistant reviewer. Mr. Allen made a motion to accept the QAR, seconded by Mr. Shadid. The motion passed unanimously with Ms. Hewitt, Ms. Zemaitis, Ms. Abbott, and Mr. Allen abstaining.

Mr. Allen stated he reviewed the By-Laws and noted that as written they currently require a review by a Special Assistant Reviewer even if the Assistant Quality Assurance Coordinator or Quality Assurance Coordinator has already reviewed the QAR and found it acceptable. Mr. Allen noted that he and Mr. Kirk believed that the provision in the By-Laws should allow for the use of a Special Assistant Reviewer if they deem it necessary because of the workload or other reasons rather than it be mandated because they felt one was not always needed and that just added to the bureaucracy of the process. Mr. Allen and Mr. Kirk agreed to propose an amendment to the SIAAB By-Laws for consideration and approval at the next meeting.

Mr. Kirk submitted a draft of a late QAR letter to the SIAAB for review. The late QAR letter was discussed with no changes being suggested to the wording of the letter. Mr. Kirk stated that he would issue the letter to those who had not yet submitted a QAR or had a QAR currently in process but one was due.

### **FOIA Officer**

Mr. Barnard stated there were no new requests. Ms. Abbott noted she completed the FOIA training.

Ms. Abbott discussed the retention schedule. Ms. Zemaitis suggested categories of documents instead of documents as the basis for retention. Ms. Abbott agreed to revise the schedule accordingly. Mr. Barnard made a motion for a six year retention period, seconded by Mr. Allen, passing unanimously.

### **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. Kirk and Mr. Wagner presented a draft letter to the International Internal Auditing Standards Board (IIASB) which primarily discussed the concerns over the change to the definition of **Board**, and also discussed concerns over the wordsmithing and use of singular instead of plural. The letter was drafted after unanimous support from attendees at the April 7, 2016 chief internal auditor roundtable. There was consensus to add emphasis that a Board in government should either be created by law or the alternative should be the head of the government entity.

### **OLD BUSINESS**

#### **Financial Reporting Standards Board (FRSB)**

The legislation to extend 30 ILCS 30 is current in committee, and is expected to pass. Mr. Kirk stated he believes the best option at this time is to deal with it for the two year extension, and use the two years to work with FRSB on a future solution. Ms. Abbott stated she has had over 20 requests for audits. Mr. Kirk noted that he is open to seeking changes to FCIAA to make it more risk based and less prescriptive, in accordance with the Standards. There was also consensus that guidance on internal control and risk in the audit plan process would be preferable to the prescriptive language currently in FCIAA.

## **Fall Conference**

Mr. Allen noted the survey is closed, and he is also seeking suggestions for speakers. The dates will be Tuesday October 25, 2016 through Thursday October 27, 2016 at the Northfield Center, unless another venue can meet our needs. Mr. Allen also noted that survey respondents preferred a half day on the final day for roundtables, preferred Northfield as the venue, and preferred meals be served. Most respondents could still attend if they had to pay up front.

## **Spring 2016 Chief Internal Auditor Roundtable**

Mr. Allen presented minutes of the April 7, 2016 roundtable. The minutes will be discussed after the Board has had more time to review.

## **Record Retention**

Discussed in the FOIA Officer update.

## **Discussion with New Auditor General**

No new discussion, pending Auditor General Mautino's response.

## **August 2014 Comment Request for SIAAB to Adopt Public Rules**

No new discussion.

## **NEW BUSINESS**

### **Quality Assurance Matrix**

Mr. Kirk stated there needs to be more emphasis on workpaper quality. Currently the Matrix is very detailed on documents, but not enough on working papers. Ms. Zemaitis agreed to take a look at the Matrix. Mr. Wagner noted there will be another chief auditor roundtable on October 27, 2016, and this may be a good topic for discussion at that meeting.

## **ANNOUNCEMENTS**

The next regular meeting is scheduled for May 10, 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 Mr. Allen, seconded by Mr. Shadid. Motion carried unanimously. Meeting adjourned at 2:38 p.m.