

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

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

**MINUTES**

**Board Meeting – May 10, 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 1:01 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  
Jane Hewitt, Department of Human Services – Springfield  
Stell Mallios, Office of Secretary of State – Chicago  
Leighann Manning, Office of the Treasurer – Springfield (via telephone)  
Gary Shadid, Illinois, Department of Agriculture – Springfield  
H. Jay Wagner, Office of the Attorney General – Springfield  
Julie Zemaitis, University of Illinois – Springfield

**Members Absent:**

None

**Visitors Present:**

None

**MINUTES**

The minutes for the April 12, 2016 SIAAB meeting were accepted after minor revisions. Mr. Allen made a motion to accept, seconded by Mr. Shadid. The motion passed unanimously.

The minutes for the April 7, 2016 chief internal auditor roundtable were accepted after minor revisions. Ms. Abbott made a motion to accept, seconded by Mr. Wagner. The motion passed unanimously.

## **PUBLIC PARTICIPATION**

None

## **REPORTS AND UPDATES**

### **CPE Coordinator**

Ms. Zemaitis stated three internal auditors completed the training.

During the April 12, 2016 meeting, Ms. Zemaitis notified the Board of one individual who had registered three times yet never completed the course. The individual was notified, as agreed to by the Board in the prior meeting. However, the individual completed three sections of the course then did not finish the rest before their credentials expired. If the individual registers again, the Chief Internal Auditor of their agency will be notified.

### **Quality Assurance Coordinator**

Mr. Allen presented the following final QAR reports for acceptance:

- Attorney General – Motion to accept by Mr. Allen, seconded by Ms. Zemaitis. Motion accepted unanimously with abstentions by Mr. Wagner and Ms. Hewitt.
- Illinois State University - Motion to accept by Mr. Allen, seconded by Ms. Abbott. Motion accepted unanimously with abstentions by Ms. Zemaitis and Ms. Hewitt.
- Department of Revenue - Motion to accept by Mr. Allen, seconded by Mr. Wagner. Motion accepted unanimously with abstentions by Ms. Abbott and Ms. Hewitt.
- Northern Illinois University - Motion to accept by Mr. Allen, seconded by Ms. Abbott. Motion accepted unanimously with abstentions by Ms. Zemaitis and Ms. Hewitt.

The Department of Agriculture provided supplemental late QAR notice, with an anticipated completion in December 2016.

Late QAR notices were sent to the Department of Financial and Professional Regulation, the Historic Preservation Agency, the Department of Natural Resources, the Department of Children and Family Services, the Department of Employment Security, the Environmental Protection Agency, the Department of Public Health, the Department of Agriculture, the Department of Commerce and Economic Opportunity, and the Department of Veterans' Affairs.

### **FOIA Officer**

Ms. Manning stated there were no new requests.

Ms. Abbott discussed the retention process. Prior to the meeting, she provided a packet to SIAAB via email. There was consensus to review the packet prior to the next meeting, with a target date of the end of the calendar year as the goal for adopting, and being brought into conformance with, the retention rules.

### **Guidance Coordinator**

Mr. Wagner stated he had no new requests for guidance

He is still working on #07 – Access and Disclosure of Engagement Reports, and provided a draft the week prior to the meeting. The draft is still a work in progress and not ready for presentation. Mr. Wagner asked that members provide any feedback as they see fit, and his goal is to present at the June 14, 2016 meeting.

Regarding the standards update, Mr. Wagner spoke to American Center for Government Auditing (ACGA) Director John Wszelaki, who chaired an ACGA focus group on April 25, 2016 at IIA Leadership Academy. Mr. Wszelaki stated he read SIAAB's letter to the Standards Board, and demonstrated awareness of its contents. Other attendees at the ACGA focus group agreed with the concerns, yet had not previously voiced or considered the ramifications of the change to the definition of **Board**. Mr. Wszelaki also indicated he had discussed the letter with his boss, Mr. Jim Pelletier (the prior ACGA Director). Mr. Pelletier had previously received a copy of the letter through email and responded that the feedback was great and he would make sure the concerns received an appropriate amount of attention.

### **OLD BUSINESS**

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

The legislation to extend 30 ILCS 30 passed the Senate and was in the House Revenue Subcommittee. Mr. Allen noted that no June FRSB meeting date has been set.

#### **Fall Conference**

Nothing new to report.

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

Nothing new to report.

#### **Record Retention**

Discussed in the FOIA Officer update.

#### **Discussion with New Auditor General**

Mr. Kirk (Chair) and Mr. Allen (Vice Chair) will meet with the new Auditor General on May 24, 2016 at 10a. Items to be discussed, time permitting, include:

- The Financial Reporting Standards Board (FRSB)

- The Fiscal Control and Internal Auditing Act (FCIAA)
- Risk Based vs Mandate Based Auditing
- Materiality, specifically the inconsistency between agencies and managers.
- Performance Audit recommendations becoming findings in Compliance Examinations.

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

No new discussion.

### **NEW BUSINESS**

#### **Quality Assurance Matrix/Process**

Ms. Zemaitis presented a package of suggested updates to content. A shorter, less redundant Matrix format was presented. The proposed format cross references the Standards without repeating them, and will reduce overhead when minor changes to the Standards do not result in changes to the test procedures. There was consensus that the shorter, less redundant format is preferable. Final proposals will be made at subsequent meetings.

#### **Bylaw Updates**

Mr. Allen presented a proposed change to bylaw 3.4.4 that will remove the need for two special assistant quality assurance reviewers. This was not on the agenda, so will not be voted on until June 14, 2016.

### **ANNOUNCEMENTS**

The next regular meeting is scheduled for June 14, 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. Abbott, seconded by Ms. Hewitt. Motion carried unanimously. Meeting adjourned at 2:16 p.m.