

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting – July 12, 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 1:04 p.m. by chair Stephen Kirk in Springfield.

ROLL CALL

Members Present/Location:

Stephen Kirk, (Chair), Department of Transportation – Springfield
Val Koch, proxy for 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
Gary Shadid, Illinois, 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
Stell Mallios, Office of the Secretary of State

Visitors Present:

None

MINUTES

The minutes for the June 14, 2016 SIAAB meeting were accepted after minor revisions. Ms. Zemaitis made a motion to accept, seconded by Mr. Shadid. The motion passed unanimously.

PUBLIC PARTICIPATION

None

REPORTS AND UPDATES

CPE Coordinator

Ms. Zemaitis stated one internal auditor registered for training and one completed training.

Quality Assurance Coordinator

Note: The Secretary of State QAR Team Approval was on the agenda; however, this was approved during the prior month and was therefore not discussed.

Mr. Kirk presented the following QAR Reports for acceptance:

- Teacher's Retirement System – Mr. Wagner made a motion, seconded by Mr. Shadid. Motion passed unanimously.
- Illinois Students Assistance Commission – Mr. Wagner made a motion, seconded by Ms. Zemaitis. Motion passed unanimously.

Mr. Kirk noted a late notice was received from the Department of Commerce and Economic Opportunity (DCEO), with a timeframe of six to twelve months.

FOIA Officer

Mr. Barnard stated there were no new requests.

Ms. Abbott provided record retention documentation to the chair, which will be uploaded and discussed at a subsequent meeting.

Guidance Coordinator

Mr. Wagner stated there were no new requests for guidance

Mr. Wagner stated minimal feedback has been received on the draft of #07 – Access and Disclosure of Engagement Reports, which was provided prior to the May 10 meeting. Mr. Wagner stated he prefers to discuss Guidance 07 at the August 9, 2016 meeting, or table it until the October 11 meeting due to a potential conflict during the September 13 meeting. *Note: During the QAR and matrix discussion (under Old Business), Mr. Wagner suggested tabling Guidance 07 until October 11, in lieu of the current efforts regarding the QAR and matrix revisions, which are of higher priority.*

Mr. Wagner stated there were no new updates on the proposed Standards revisions and no further response to our letter to the International Internal Audit Standards Board (IIASB). Mr. Kirk suggesting reaching out to the point of contact.

OLD BUSINESS

Financial Reporting Standards Board (FRSB)

The legislation to extend 30 ILCS 30 has passed both houses with no nay votes.

Attorney General Request

No update.

Fall Conference

Mr. Kirk noted Mr. Allen has reached out to the Office of the Auditor General; Kirk Lonbom, the Chief Information Security Officer at the Department of Innovation and Technology (DoIT); and Mr. Steve Minder as a potential moderator for a staff auditor roundtable. Mr. Wagner noted Mr. Minder has also been invited to teach a stand-alone IIA course the afternoon of the final date of the Conference, after the roundtables.

Quality Assurance Matrix/Process

Ms. Zemaitis presented a revised QAR process and format proposal. Much of the new content was based on the IIA's QAR procedures.

In regards to the surveys, Mr. Kirk noted that there should be clarification between interviewing and surveys, noting the surveys are highly subjective. He also noted that it should be specific to the audience; for example, it inquires about audit plan development, and should clarify it means engagement level planning, not annual audit planning.

Ms. Abbott suggested the steps be more specific as to what actually needs to be done.

Mr. Kirk stated that the steps need to move away from the conceptual to the procedural. He also suggested that it should not be included if it cannot point to a document or thing, or otherwise never happens in the State. As an example, the Standard *encouraging* acknowledgement of satisfactory performance (2410.A2) is optional, so there is no need to test it. Mr. Kirk also commented that consulting should not be over-emphasized.

Mr. Kirk stated we need to try to preempt questions, especially common questions we are frequently asked.

Ms. Abbott inquired about timeframes of QARs, and how far back a review must go to assess conformance. There was consensus that biennial is a good rule of thumb.

Another concern was regarding proficiency, and the hiring process having rules beyond the control of audit. Continuing education would be an appropriate proficiency review.

Ms. Zemaitis asked that this most recent set of draft documents be reviewed and specific wording suggestions provided by August 5. Ms. Zemaitis stated she would provide revised drafts reflecting everyone's suggested changes to the Board for discussion at the August 9 meeting.

NEW BUSINESS

No new business.

ANNOUNCEMENTS

The next regular meeting is scheduled for August 9, 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 Mr. Wagner. Motion carried unanimously. Meeting adjourned at 2:31 p.m.