

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting – September 13, 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 1:02 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
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:

Stell Mallios, Office of the Secretary of State (email sent to chair Kirk on Friday, September 9, 2016 indicating she had a scheduling conflict)
Jane Hewitt, Department of Human Services

Visitors Present:

Joel Meints – Chief Internal Auditor - Illinois Department of Public Health (Springfield)

MINUTES

The minutes for the August 9, 2016 SIAAB meeting were accepted after minor revisions. Mr. Allen made a motion to accept, seconded by Ms. Zemaitis. The motion passed unanimously.

PUBLIC PARTICIPATION

Joel Meints, Chief Internal Auditor for the Illinois Department of Public Health, was present in Springfield. Mr. Meints stated he was there as an observer.

REPORTS AND UPDATES

CPE Coordinator

Ms. Zemaitis stated two completed training, and two registered.

Quality Assurance Coordinator

Mr. Allen presented the following QAR Report for acceptance:

- Office of the Treasurer – No nonconformance or FCIAA findings. Mr. Shadid made a motion, seconded by Ms. Abbott. Motion passed unanimously, with an abstention from Ms. Manning.

Mr. Allen presented the following team request for approval:

- Department of Employment Security – SAIV, Ms. Natalie Covello, Chief Internal Auditor for the Department of Children and Family Services. Mr. Allen made the motion to accept, seconded by Mr. Shadid. Motion passed unanimously.
- Illinois Commerce Commission – SAIV, Ms. Rita Moore, Chief Internal Auditor for the Historic Preservation Agency. Mr. Allen made the motion to accept, seconded by Mr. Shadid. Motion passed unanimously.
- Department of Public Health – SAIV, Mr. Tad Huskey, Chief Internal Auditor for the Department of Insurance. Mr. Allen made the motion to accept, seconded by Ms. Zemaitis. Motion passed unanimously with an abstention from Mr. Wagner.

FOIA Officer

Ms. Manning stated there were no new requests.

Guidance Coordinator

Mr. Wagner presented a draft of #07 – Access and Disclosure of Engagement Reports. The following points were discussed:

- General - Change “senior management” (language of the Standards) to “chief executive officer” or “agency head” (language of FCIAA).
- Page 3 under access within the agency, change “approved by Chief Internal Auditor” to be based on a policy, including confidentiality and distribution restrictions.

- Page 3 – general statement regarding access outside the agency that some access is automatic (federal/regulatory entities) for example.
- Page 4 – under access by external auditors remove part about “redaction where possible.”
- Page 4 – under access by inspectors general – there were concerns with the statement regarding the designated liaison, since the inspectors general may go directly to audit. Mr. Wagner will propose alternate language.
- Page 5 – under access to federal or regulatory entities, remove the portions about redacting and working with general counsel (as access is automatic).
- Page 5 – under voluntary distribution to other external parties, there were concerns regarding stating that voluntary release may negate FOIA exemptions; however, some legal counsels have advised this is true. Mr. Wagner will propose alternate language.

Mr. Wagner indicated the IIA has asserted the new Standards will be released on October 1, 2016, and will be effective January 1, 2017. Mr. Wagner stated he has set aside time on his calendar to review the Standards in early October, prior to the next SIAAB Board meeting and the October Chief Internal Auditor roundtable.

OLD BUSINESS

Financial Reporting Standards Board (FRSB)

Mr. Allen stated no meetings are scheduled.

Attorney General Request

No update.

Fall Conference

Mr. Allen presented a draft timeline, and still has a couple time slots to fill. Ms. Manning will discuss with staff at her office as possibilities.

Mr. Allen stated that the Springfield IIA’s Event Management Tool (EMT) will be used to handle registrations (as it can accept payments), and disseminate CPE certificates. Mr. Wagner and Ms. Zemaitis indicated a CPE certificate had been drafted for dissemination.

Mr. Wagner noted that the IIA’s American Center for Government Auditing (ACGA) has expressed interest in holding a government auditing conference in Springfield in a couple years.

Quality Assurance Matrix/Process

Ms. Zemaitis presented the latest revision of the QAR process and format proposal. The following points were discussed:

- In response to an inquiry, Ms. Zemaitis stated surveys and questionnaires are optional tools, based on the IIA questionnaires. The validators/reviewers can use them or tailor them as appropriate.
- A general comment was made to replace “senior management” (Standards language) with “chief executive officer” or “agency head” (FCIAA language).
- 1200 Series step 2(b) – consider changing “IT staff” to “IT audit staff.”
- 1200 Series step 3(b) – consider removing test step, appears redundant with other steps.
- 1200 Series step 3(c) – consider changing to address policies regarding fraud.
- 1200 Series step 4(d) – adopt the language in standards AS 1220.A2 regarding use of technology.
- 1200 Series steps 6(a) and 6(d) – combine step 6(d) into step 6(a).
- 1300 Series steps 4 and 6 – distinguish between communication of periodic assessments and ongoing monitoring.
- 2000 Series step 1(g) – consider adding criterial that may be considered in resource management.
- 2000 Series step 3 – Preface with “where applicable”
- 2000 Series step 4 – consider adding periodic meetings as an option.
- 2100 Series step 2 – Preface with “where applicable”
- 2300 Series step 1 – appears redundant with previous testwork. However, it is testing a different series of standards.
- 2300 Series step 3 – consider changing approval of senior management to “in accordance with policies.”
- 2400 Series step 4 – Preface with “where applicable”

Ms. Zemaitis will provide updated drafts of the QAR documents prior to the October SIAAB meeting for discussion at that meeting.

NEW BUSINESS

The 2017 meeting calendar was approved as presented. Ms. Zemaitis made the motion, Mr. Allen seconded. Motion passed unanimously.

ANNOUNCEMENTS

The next regular meeting is scheduled for October 11, 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 Ms. Zemaitis. Motion carried unanimously. Meeting adjourned at 3:00 p.m.