

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting – December 11, 2018

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 Leighann Manning in Springfield.

ROLL CALL

Members Present/Location:

Leighann Manning (Chair), Office of the Treasurer – Springfield
Gary Shadid, Illinois Office of the Comptroller – Springfield
Rex Crossland, Department of Employment Security – Springfield
H. Jay Wagner, Office of the Attorney General - Springfield
Amy De Weese, Department of Human Services – Springfield
Julie Zemaitis, University of Illinois – Springfield
Jack Rakers, Department of Central Management Services - Springfield
Brent Nolen, Illinois State Police – Springfield
Jamie Nardulli (Vice Chair), Department of Healthcare and Family Services - Springfield
Natalie Covello, Department of Commerce and Economic Opportunity – Chicago – Video Conference
Stell Mallios, Office of the Secretary of State – Chicago – Video Conference

MINUTES

A motion to approve the minutes for the November 13, 2018 SIAAB meeting was made by Mr. Crossland. The motion was seconded by Mr. Wagner. Mr. Nolen, Ms. Covello, Ms. Mallios and Ms. Nardulli abstained. The motion passed.

PUBLIC PARTICIPATION

James Misch, Department of Commerce and Economic Opportunity, was in attendance in Chicago. A request was made for James Misch to be granted access to the portal to facilitate his attendance as a proxy for Natalie Covello while she is on leave. Mr. Crossland made a motion to approve. The motion was seconded by Mr. Rakers. The motion passed unanimously.

REPORTS AND UPDATES

CPE Coordinator

Ms. Zemaitis reported that there were three completions of the SIAAB on-line training course and two persons registered for the training course since the last Board meeting.

Ms. Zemaitis reported that the Illinois Department of Professional and Financial Regulation (IDFPR) confirmed receipt of the Boards submission of their renewal for the CPE sponsor license and it is being processed. The current license expires December 31, 2018.

Quality Assurance Coordinator

Ms. Nardulli reported that the Department of Commerce and Economic Opportunity (DCEO) has notified her of their intent to submit an updated request to revise the timing of their QAR. Ms. Nardulli received a request from Ms. Rita Moore on behalf of Northeastern Illinois University to perform the Quality Assurance Review for the period September 11, 2017 through November 30, 2018. Ms. Zemaitis made a motion to approve the proposed review period. The motion was seconded by Mr. Shadid. The motion passed unanimously.

Due to availability of the IIA to perform the U of I QAR, the expected time of completion is anticipated to be very close to the five-year mark from the date the last QAR report was issued. The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing Section 1312 requires that an external assessment of the internal audit department be conducted at least once every five years. Ms. Zemaitis reached out to the IIA regarding the need for the current QAR report to be dated within five years of the prior QAR report. The IIA responded stating that the QAR does not necessarily have to be completed by the same date as the prior QAR. In addition, the IIA stated that completing the QAR within the calendar year or within about six months of five-year guideline would be reasonable for conformance with Standard 1312.

Mr. Wagner and Mr. Rakers volunteered to work on proposed changes to the bylaws regarding notification of agencies for late QARs.

No QAR reports were received by the Board since the last Board meeting.

FOIA Officer

Ms. Manning stated there was nothing to report.

Guidance Coordinator

Ms. Zemaitis provided the Board with the proposed revisions to Section 2.5.2, Qualifying CPE Activities, and Section 2.5.3, Recording CPE Activities. A motion to accept the changes was made by Mr. Wagner. The motion was seconded by Mr. Crossland. Mr. Shadid abstained. The motion passed.

Conference Coordinator

Ms. De Weese provided the 2018 SIAAB Fall Conference Chief Internal Auditor Roundtable meeting minutes to the Board. Mr. Wagner made a motion to approve the minutes. The motion was seconded by Mr. Nolen. The motion passed unanimously.

OLD BUSINESS

Mr. Wagner requested approval of the Board to change the CPE Ethics requirement within Section 2.5.1 of the SIAAB Bylaws from 2 hours every year to 4 hours every 2 years. Ms. Zemaitis made a motion to approve the suggested change. The motion was seconded by Mr. Shadid. Mr. Crossland opposed. The motion passed.

Mr. Wagner provided additional revisions to Section 2.5.1, Continuing Professional Education, of the SIAAB Bylaws. The revisions include addition of the GAO formula to calculate prorated CPE hours and language to address part-time or temporary auditors CPE requirements. Mr. Crossland made a motion to accept the changes. The motion was seconded by Ms. Nardulli. The motion passed unanimously.

NEW BUSINESS

Mr. Shadid reported that the Illinois Office of the Comptroller is working in consultation with the Department of Central Management Services to revise the Internal Control Review Checklist, Supplement 2, of the Statewide Accounting Management System Procedures Manual (SAMS Manual).

Ms. Nardulli reported that she was contacted by Jane Stricklin from the Legislative Audit Commission to attend a presentation by the Department of Central Management Services (CMS) Bureau of Internal Audit. The presentation covered the CMS program to provide internal audit services to agencies that do not have an internal audit function.

Mr. Rakers stated that he will work to form an exploratory committee to brainstorm on the various problems and inefficiencies facing the State's Internal Audit functions. Ms. Zemaitis suggested

that the Board host a Spring Chief Internal Auditor Roundtable meeting to draw on the collective knowledge of the group and discuss issues facing internal audit.

Ms. Manning reported that she received a call from Ms. Carol Kraus requesting that SIAAB review the draft changes to the Fiscal Control and Internal Auditing Act (FCIAA). Ms. Manning responded that she did not have any draft changes to review and made a request that Mr. Rakers provide the draft changes to the Board. Mr. Rakers stated that he would request “approval” to share the draft changes with the Board.

ANNOUNCEMENTS

The next regular meeting is scheduled for January 8, 2018, 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 James R. Thompson Center (JRTC), 100 W. Randolph St., will be reserved.

ADJOURNMENT

A motion to adjourn was made by Mr. Shadid, seconded by Mr. Crossland. Motion carried unanimously. Meeting adjourned at 2:40 P.M.