

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting- September 12, 2012

1:00 p.m.

CALL TO ORDER

The regularly scheduled 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 1:06 p.m. by Stephen Kirk, Chair.

ROLL CALL

Members Present/Location

Stephen Kirk, (Chair), Illinois Department of Transportation–Springfield
Doug Hathhorn, (Vice Chair) Illinois Department of Revenue- Springfield
Jane Cullen, Illinois Department on Aging-Springfield
Tracy Allen, Office of the Comptroller – Springfield
Julie Zemaitis, University of Illinois – Springfield
Barb Ringler, Office of the Treasurer- Springfield
Amy Walter, Central Management Services-Springfield
Marcus Dodd, Illinois Department of Employment Security-Chicago
Stell Mallios, Office of Secretary of State- Chicago

Members Absent

Lesslie Morgan, Office of the Attorney General

MINUTES

The August 8, 2012, meeting minutes were presented to the Board for discussion and approval. A motion was made by Mr. Allen and seconded by Mr. Dodd to accept the August 8, 2012 minutes. The motion carried unanimously.

REPORTS AND UPDATES

FOIA- Ms. Ringler reported that she had received no FOIA requests. She also noted that the website is out of date and she has attempted to provide updated information. The changes she suggested making are the names of the current Chair, Vice-Chair, members of SIAAB and their duties. Ms. Walter stated that “Acting” should be listed after her title since she is Acting Chief Internal Auditor. Ms. Ringler stated that

SIAAB should adopt a process to have the website updated each year subsequent to the election and whenever a new Board member is appointed.

Motion: Mr. Allen motioned to accept the changes to the website as presented by Ms. Ringler to reflect the current officers and their duties and the current Board members.

Second: Vice Chair Hathhorn

Vote was unanimous, motion passed.

CPE Coordinator –

Ms. Zemaitis reported that 3 people had taken and passed the 2011 QAR Course since the last meeting and that was Adrienne Burt of Employment Security, Brian Bailey of Western and Lisa Dienst of Western. CPE was issued to Adrienne Burt and Lisa Dienst but no CPE was requested by Brian Bailey.

Ms. Zemaitis stated that a copy of the training program had been relocated to a new server because the old server is being decommissioned. Ms. Zemaitis asked for volunteers to test the drive on the new server. The following volunteered: Ms. Walter, Ms. Ringler, Vice Chair Hathhorn, Mr. Allen and Ms. Zemaitis.

Quality Assurance Reviews – Current Reviews and Requests–

Chair Kirk provided an update.

External Quality Assurance Reviews Due CY12:

- **Illinois Office of the Comptroller-**

Chair Kirk noted that he provided the approved QAR form to Mr. Allen for the Comptroller's Self Evaluation with Independent Validation since Mr. Finley passed the QAR Course as noted at the previous meeting.

- **Illinois State Board of Education-** Chair Kirk presented the update from the State Board of Education regarding their QAR. The Board discussed what was fair since the QAR was past due. The State Board of Education is looking at beginning their QAR in October. The Board discussed the By-Laws and that a self evaluation was due within 1 year of a new Chief Internal Auditor not a full QAR. Ms. Cullen noted that the Board needs to make sure they are applying the Standards consistently across all agencies. The State Board of Education Chief Internal Auditor began in September 2010. Mr. Dodd stated that he thought that seemed like a fair timeline given the circumstances stated in the request and the fact that other new Chief Internal Auditors just appointed in 2010 had 5 years to have their QAR completed. Mr. Allen noted that the IIA stated they are concerned about the current process not what existed under the former Chief Internal Auditor.

A Motion was made by Ms. Zemaitis to have Chair Kirk send a letter to the Chief Internal Auditor of the State Board of Education stating that the extension had been granted. It should also state that the Board recognizes that the State board of Education is out of compliance because their QAR was past due. It should also state that a request for a QAR validator must be presented for

approval at the Board's next meeting on October 10 and the request should be sent to Chair Kirk no later than 5 days prior to the meeting or October 5. This request should also state a reasonable estimate for completion of the QAR, but no later than 12/31/12 for the report to be sent to the Board for approval.

Second: Ms. Ringler

Vote was unanimous, motion passed.

Chair Kirk called for a discussion of the request from Kacey Harris to establish a link to the SIAAB website. Motion was made by Vice Chair Hathhorn to deny the request because the Board does not show preference to one group over another.

Second: Mr. Allen

Vote was unanimous, motion passed.

Guidance Coordinator–

Chair Kirk stated that Ms. Morgan sent her regrets for not being able to attend the meeting but provided a discussion draft for review and discussion. Chair Kirk stated that he would like to thank Ms. Morgan for all of her hard work in preparing the draft guidance in response to questions posted by Staci Crane, Chief Internal Auditor for the Illinois Emergency Management Agency (IEMA). Chair Kirk noted that he agreed with most of the references but he believed the format should be more in line with a guidance memorandum or white paper on each issue as discussed at previous meetings. Several concurred with this point. Chair Kirk noted there was not much time left, but that everyone should plan on working through each of these during the next few meetings as separate guidance memorandums.

Board Appointments–

Ms. Walter stated no change in appointment status, still waiting approval from the Governor's Office. The contact is Ryan Croak. Ms. Walter stated that she spoke to his Administrative Assistant Amanda Sutton and she is looking into the status of the appointments. They are also trying to straighten out the confusion over the terms. They are awaiting the Governor's approval of the Board appointments. Chair Kirk stated to keep him informed of the status and let him know if he could provide any assistance by reaching out as the Chair.

SIAAB 2012 Training–

Vice Chair Hathhorn stated the conference has been set for October 24th and 25th at the Northfield Center in Springfield and that he has figured the cost at around \$56.50 per person. This is based upon an estimated attendance of 120 auditors at a cost of just under \$7,000. Vice Chair Hathhorn stated that the brochure is out and he has already received registrations for 65 people. Steve Minder will be providing the training for the internal auditor breakout session. He has provided Vice Chair Hathhorn with an outline of what he plans to cover. Vice Chair Hathhorn will send a copy to the Board members for review.

Chair Kirk presented the dates for the SIAAB meetings for the next calendar year, which will be the 2nd Tuesday of the month starting in January except for February which will be held the first Tuesday on February 5 due to the state holiday.

Motion: Mr. Dodd

Second: Ms. Ringler

Vote was unanimous, motion passed.

Financial Reporting Standards Act of 2012

The bill was signed by the Governor. Chair Kirk stated that he thought the Act should be discussed with all Chief Internal Auditors at the conference. SIAAB should also work with a group to help formulate a standard approach to meeting the requirements in regards to an Internal Audit of the GAAP Process. The SIAAB should then provide some guidance regarding the process in their role under FCIAA. Chair Kirk will send a notice to all Chief Internal Auditors stating that the Financial Standards Act will be discussed as a whole group of Chief Internal Auditors prior to the breakout of the Universities. The other main topic will be the role of SIAAB.

Mr. Allen suggested a survey be sent out to all Chief Internal Auditors requesting feedback on the QAR process and ask if they have any ideas for improving the current process. Mr. Kirk noted that it should provide an outline of the current process and reference the related material. Ms. Zemaitis stated she could prepare that and have it done through the SIAAB website.

Other New Business

Ms. Walter asked about whether the Rutan Interview Training course taken by one of her auditors would qualify for training. He received a certificate of completion for the course but CMS is not a CPE provider so no CPE certificate was issued. A discussion was held by the Board. The consensus of the Board was that CPE is recognized only if it is issued by an accredited CPE provider. This is established through DFPR or an equivalent entity that recognizes CPE providers. Therefore, it was the consensus of the Board that this course would not qualify for CPE under the existing By-Laws.

SIAAB 2012 Projects –

Chair Kirk asked everyone to review the document regarding the QAR process prepared by Ms. Cullen. He stated that SIAAB would also look at the survey responses as well as feedback regarding the process received from conference attendees. Therefore, this project will be on-going for the next few months until some decisions have been reached.

ANNOUNCEMENTS

The next regular meeting will be October 10, 2012 at 1:00 p.m., 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 has been reserved.

ADJOURNMENT

Motion made by Ms. Zemaitis to adjourn the meeting.

Second: Ms. Mallios

Vote was unanimous, motion passed and the meeting was adjourned at 2:57 p.m.