

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting- March 12, 2013

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 1:08 p.m. by Chair Stephen Kirk.

ROLL CALL

Members Present/Location:

Stephen Kirk, (Chair), Illinois Department of Transportation–Springfield
Douglas Hathhorn (Vice Chair) Illinois Department of Revenue- Springfield
Amy Walter on behalf of Debbie Abbott, Central Management Services-Springfield
Lesslie Morgan-Office of the Attorney General- Springfield
Nick Barnard on behalf of Barb Ringler, Office of the Treasurer- Springfield
Tracy Allen, Office of the Comptroller – Springfield
Gary Shadid-Illinois Department of Commerce and Economic Opportunity- Springfield
Julie Zemaitis, University of Illinois – by Telephone
Stell Mallios, Office of Secretary of State- Chicago

Members Absent

Jane Cullen, Illinois Department on Aging
Marcus Dodd, Illinois Department of Employment Security

MINUTES

The February 5, 2013, meeting minutes were presented to the Board for discussion and approval. Minor changes were suggested and accepted at the meeting. A motion was made by Ms. Morgan and seconded by Ms. Zemaitis to accept the February 5, 2013 minutes as amended. The motion carried unanimously.

REPORTS AND UPDATES

CPE Coordinator

Ms. Zemaitis reported that since the last meeting, one person Jennifer Boen of the Department of Insurance completed the SIAAB Training Course on March 11, 2013. Ms. Zemaitis stated that there were four SIAAB volunteers who agreed to test the 2013 version of the SIAAB Training Course; Ms. Morgan, Ms. Walter, Mr. Allen and Ms. Zemaitis. Three of the Board members have completed their testing of the new version Ms. Morgan, Ms. Walter and Mr. Allen. Ms. Walter noted some typos and reported those to Ms. Zemaitis. Ms. Morgan noted some revisions and corrections. One item in the lesson was a reference to a Government Auditing Standard and it contained the 2007 version of Yellow Book instead of the most recent 2011 version. This wording has not been changed, as Ms. Morgan noted that SIAAB has not yet approved the 2011 GAO version of the Independence Standard. We need to vote on this at the next meeting. Ms. Morgan noted this can be found beginning at 3.33 of the 2011 Yellow Book, which is in reference to non-audit services. Ms. Zemaitis stated that she will send out the relevant sections for SIAAB members to review.

Ms. Zemaitis stated that once the training is updated to reflect these changes it is ready. She noted that she will also be updating the links as well. Ms. Zemaitis stated that after that is complete she will update the SIAAB Compliance Matrix to reflect those changes.

Ms. Zemaitis stated that she had received permission from the IIA to reprint their Standards in the Training materials and she forwarded that to the FOIA Officer.

FOIA

Nick Barnard stated Ms. Ringler had nothing to report.

Guidance Coordinator

Ms. Morgan reported that there was nothing new to report.

Quality Assurance Reviews – Current Reviews and Request

Vice Chair Hathhorn reported that he is still waiting for the Matrix and Report from the State Board of Education. They expect to have it to him soon.

Vice Chair Hathhorn stated that the year after next all of the deconsolidated agencies will be coming due. In the year 2015 there are 18 due and there are 14 due in 2016. He stated that it is all listed in the schedule that he provided. Vice Chair Hathhorn stated that some could elect to have theirs conducted early, which may be something we would like to encourage to spread some of the reviews out. Ms. Walter stated the SIAAB could send something out to everyone who has their review due in 2015 and 2016 and encourage them to have it done early.

New Business

The election of new officers was held. Chair Kirk stated that the nominations made at the last meeting were as follows:

Chair- Vice Chair Hathhorn (no other nominations)

Vice Chair- Mr. Dodd (no other nominations)

Chair Kirk called for a vote for Chair and the vote was unanimous for Vice Chair Hathhorn to be the new SIAAB Chair.

Chair Kirk called for a vote for Vice Chair and the vote was unanimous for Mr. Dodd to be the new SIAAB Vice Chair.

Chair Kirk noted that the Chair will need to recommend to the SIAAB at the next meeting the positions the By-Laws requires them to fill. Ms. Zemaitis stated that they are the Coordinators and the Webmaster positions listed in the By-Laws

Old Business

Discussion of Responsibilities and Direction of the Board

Chair Kirk stated the SIAAB would discuss the By-Law changes that were suggested at the last meeting as the action items necessary as a result of the SIAAB's extension discussions held over the last year regarding its purpose, duties and responsibilities. Chair Kirk reminded everyone that the areas of responsibility outlined in the Fiscal Control and Internal Auditing Act (FCIAA) were as follows: Promulgating Professional Standards, Clearinghouse for the Correlation of Internal Auditor Training Needs, and Coordinating Peer Review or Quality Assurance Reviews.

Ms. Zemaitis addressed in a draft changes to Section 1.1.2 to add responsibilities to the "Purpose" to include duties regarding Promulgating Professional Standards, Clearinghouse for the Correlation of Internal Auditor Training Needs, and Coordinating Peer Review or Quality Assurance Reviews. She noted she was responsible for Clearinghouse. Ms. Morgan volunteered to handle the wording for Promulgate and Mr. Allen volunteered to handle the wording for Quality Assurance Reviews. It was stated that this section would give a brief summary of the responsibility. Chair Kirk further noted that the Promulgating Section should also make reference to the Guidance Coordinator and clarify the responsibility of SIAAB to provide guidance. These changes will all be brought to the next meeting for discussion and then presented as one amendment to vote upon.

Ms. Zemaitis stated the next section she had suggested wording for was 1.2.4, "General Responsibilities". The proposed language incorporates the responsibilities each new SIAAB member has regarding the Opens Meeting Act and FOIA.

Ms. Morgan stated that this training is required once per term of appointment, however the member may choose to take the training more often if there are any significant changes. Therefore, those appointed by the Governor would be required to take these courses every 3 years and the Constitutional Officer appointees would take these courses every 5 years to coincide with their term appointment as a Chief Internal Auditor. The FOIA Officer keeps a copy.

Mr. Allen presented changes to SIAAB By-Laws Section 3.4.2 “Establishment of Standards” to address QAR reviews that are not completed and the process to be followed.

Mr. Allen presented a change to SIAAB By-Laws Section 3.4.3 “Team Member Qualifications” to delete the drivers license reference. Ms. Morgan stated it also needs to have the addition of “unless waived by the Board” to the bullet that begins with “Successfully completed the Boards most recently updated Online Quality Assurance Review Training Program.”

Mr. Allen proposed changes to SIAAB By-Laws Section 3.4.4 to correct a typo for IIA in the first paragraph and change the SIAAB responsibility to “accept or decline to accept” a QAR. These changes are throughout this section and also in 3.4.6 and 3.4.7. In addition, Section 3.4.7 should also have the sentence deleted regarding the return of audit documents to the organization since the SIAAB receives these electronically now and does not receive the originals anymore as was the practice years ago.

The SIAAB will vote on all of these changes at the next meeting.

Guidance Drafts

Chair Kirk noted that time was running short to cover the Guidance Drafts so the Board will have to pick up that discussion at the next meeting. Chair Kirk stated that he believes 13-01 is ready to be voted upon for distribution to all members for comment. He also noted he received comments from Ms. Morgan and Ms. Walter regarding 13-03 and he had incorporated the changes he agreed with. Chair Kirk stated he agreed with all of Ms. Walter’s changes and many of Ms. Morgan’s. The SIAAB would need to discuss the drafts.

ANNOUNCEMENTS

The next regular meeting will be April 9, 2013 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. Morgan to adjourn the meeting.

Second: Mr. Shadid

Vote was unanimous, motion passed 9-0 and the meeting was adjourned at 3:08 p.m.