

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting-June 11, 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 1:06 p.m. by Chairman Hathhorn in Chicago.

ROLL CALL

Members Present/Location:

Douglas Hathhorn (Chairman), Illinois Department of Revenue- Chicago

Debbie Abbott, Central Management Services-Springfield

Lesslie Morgan-Office of the Attorney General- Springfield

Nick Barnard representing Barb Ringler, Office of the Treasurer- Springfield

Tracy Allen, Office of the Comptroller – Springfield

Stell Mallios, Office of Secretary of State- Chicago

Jane Cullen, Illinois Department on Aging - Springfield

Gary Shadid-Illinois Department of Commerce and Economic Opportunity- Springfield

Members Absent

Marcus Dodd (Vice Chair), Illinois Department of Employment Security - Chicago

Steve Kirk, Department of Transportation - Springfield

Julie Zemaitis, University of Illinois – Springfield

MINUTES

The May 23, 2013, meeting minutes were presented to the Board for discussion and approval. Minor changes were suggested by Ms. Morgan and accepted at the meeting. A motion was made by Ms. Morgan and seconded by Ms. Cullen to accept the May 23, 2013 minutes as amended. The motion carried unanimously.

REPORTS AND UPDATES

CPE Coordinator

Update has been tabled to next meeting.

FOIA

Ms. Ringler had nothing to report.

Guidance Coordinator

Update tabled to the next meeting. The next meeting will discuss any comments received from the draft guidance statements.

Quality Assurance Reviews – Current Reviews and Request

Chairman Hathhorn reported that the review of the Illinois State Board of Education (ISBE) QAR was completed. It was discussed by the Board that the acceptance of the QAR Review should be formally communicated to the Superintendent of ISBE, the Chairman of the Board of ISBE and the Chief Internal Auditor of ISBE. Chairman Hathhorn stated that he would ensure the required documents were maintained and the originals were returned to ISBE. The Board reviewed the QAR and no further comments were made.

A motion was made by Ms. Ringler and seconded by Mr. Allen to accept the ISBE QAR. Ms. Morgan abstained from the vote and the motion carried unanimously by the other Board members.

Chairman Hathhorn will complete the letter to the ISBE and send all finalized QAR forms to Ms. Ringler and Ms. Abbott to be maintained.

New Business

2013 Fall Conference

The Board discussed the 2013 Fall Conference. The conference has been scheduled for Tuesday and Wednesday, October 29th and 30th. We talked about using the same format and possible having a separate break-out time for all Chief Internal Auditors (CIAs) and then another break-out for University staff so the University CIAs can also participate in the Chief Internal Auditor break-out session. Chairman Hathhorn presented a rough schedule and potential speakers for the two day conference.

Agenda and Schedule	TUESDAY, OCTOBER 29, 2013	SPEAKER
8:00 to 8:30	registration	
8:30 to 8:40	Opening remarks	Doug Hathhorn, SIAAB Chairman
8:40 to 10:00	Auditing third party vendors and service providers	Linda Abernethy and Sean Hickey, McGladrey
10:00 to 10:15	BREAK	
10:15 to 11:05	Treasurer presentation	
11:05 to 12:00	Executive Ethics Commission	Chad Fornoff
12:00 to 1:00	Lunch and Announcements	
1:00 to 2:00	Inspector General	Ricardo Meza
2:00 to 3:00	Comptroller Presentations	Katie Madonia, Comptroller GAAP Coordinator
3:00 to 3:15	BREAK	
3:15 to 4:15	Conclude Comptroller Presentations	Marvin Becker, Comptroller Director Voucher Processing
4:20 to 4:30	Evaluation, Wrap-Up and Adjournment	
	TOTAL	

Agenda and Schedule	WEDNESDAY, OCTOBER 30, 2013	
8:00 to 8:30	registration	
8:30 to 10:15	Data Analytics for Detecting Fraud	Jeremy Clopton BKD Management Consultant - Forensics and Fraud Investigations
10:15 to 10:30	BREAK	
10:30 to 12:00	Reviewing and auditing project management	Jay Wagner and Stacy Crane
12:00 to 1:00	Lunch and Announcements	
1:00 to 2:00	Auditor General Presentation	Mr. Holland
2:00 to 4:20	To be determined	Steve Minder
2:00 to 4:20	Break Out Sessions	To be Determined
4:20 to 4:30	Evaluation, Wrap-Up and Adjournment	Doug Hathhorn
	TOTAL	

Ms. Cullen discussed the need of having Mr. Minder's presentation given to the entire group and not just at a breakout session. The following were additional topics that were suggested during the discussion of the Board:

- Audit sampling
- Update on COSO (Committee on Sponsoring Organizations)
- Enterprise Risk Assessment
- Engagement Risk Assessment
- Tools and Resources on performing investigations
- EEC presentation on ethics
- Soft skills on staying motivated

Chairman Hathhorn indicated that there would be more work done on the Fall Conference and will be discussed at the next Board meeting.

Old Business

Record Retention Listing

The Board discussed updating the retention listing that is maintained by the Board. It was discussed to remove the last column and not list the specific retention period. It was discussed that the retention listing was established to mirror the CMS record retention list, which was based on the Records Act. The Board will continue to work on the record retention policy with the input of CMS and FOIA requirements. We will need define records in certain categories for example “readily available”, “available upon request”, etc.

ANNOUNCEMENTS

The next regular meeting is scheduled for July 9, 2013 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

Motion made by Ms. Cullen to adjourn the meeting.
Second: Ms. Abbott

Vote was unanimous and the meeting was adjourned at 2:48 p.m.