

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting-February 11, 2014

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 1:03 p.m. by Julie Zemaitis in Springfield.

ROLL CALL

Members Present/Location:

Julie Zemaitis (Chair), University of Illinois – Springfield
Marcus Dodd (Vice Chair), Illinois Department of Employment Security – Chicago
Jack Rakers, Central Management Services-Springfield – Delegate of Debbie Abbott
Stell Mallios, Office of Secretary of State- Chicago
Lesslie Morgan-Office of the Attorney General- Springfield
Barb Ringler, Office of the Treasurer - Springfield
Tracy Allen, Office of the Comptroller – Springfield
Stephen Kirk, Department of Transportation - Springfield
Gary Shadid-Illinois Department of Commerce and Economic Opportunity- Springfield

Members Absent:

Jane Hewitt, Department of Human Services - Springfield

MINUTES

The minutes from the January 15, 2014, Regular Meeting were presented to the Board for discussion and approval. A clarification to the presentation of the results of the motion under the Guidance Coordinator section was made, as well as the correction of a typographical error. A motion was made by Ms. Morgan and seconded by Mr. Kirk to accept the January 15, 2014, minutes as revised. The motion carried unanimously.

The minutes from the January 22, 2014, Special Meeting were presented to the Board for discussion and approval. Minor clerical revisions were made. A motion was made by Mr. Allen and seconded by Ms.

Ringler to accept the January 22, 2014, minutes as revised. The motion carried unanimously.

REPORTS AND UPDATES

CPE Coordinator

Ms. Zemaitis reported that for the period of January 15, 2014 through February 11, 2014, four individuals had completed the 2013 QAR Course. Three individuals had registered but not yet completed the 2013 QAR Course.

Ms. Zemaitis stated that she had received a request from Ms. Rita Moore, Director, Internal Auditing, Western Illinois University. Ms. Moore stated that she would like to submit a proposal for a presentation at the 2014 Annual Association of College and University Auditors (ACUA) Conference regarding how the state of Illinois universities conduct QARs, using the SIAAB-developed QAR Course and QAR Process. She requested permission by SIAAB. Discussion followed. Motion made by Mr. Allen, seconded by Mr. Shadid, to grant approval to Ms. Moore to proceed contingent upon Ms. Zemaitis' review of the proposed presentation materials to ensure they are correctly represented, and that there are no IIA copyright issues. The motion carried unanimously. Ms. Zemaitis will communicate the Board's decision to Ms. Moore.

Quality Assurance Coordinator

Mr. Dodd, Vice Chairman, presented a request for the approval of the QAR Review Team for the University of Illinois. Ms. Zemaitis recused herself from this portion of the meeting. The Vice Chairman received a request from Julie Zemaitis, Executive Director of University Audits on February 3, 2014, for approval of the QAR Review Team of Robert Blemler, Director of Internal Audit, Illinois State University; Deb Dahlke, Director, Office of Internal Audit, University of Nebraska-Lincoln; and Kimberly Labonte, Executive Director of Internal Audits, Southern Illinois University. All three team members have submitted the required forms and have completed the 2013 QAR Course. Discussion followed. A motion was made by Ms. Morgan and seconded by Mr. Shadid to approve the QAR Review Team. Motion carried by a vote of 9 yes and 0 no; Ms. Zemaitis abstained.

Ms. Zemaitis stated that while preparing the request for the QAR Review Team approval, she noted that one of the review team requirements per the SIAAB Bylaws is that each review team member shall be complaint with SIAAB Bylaws – Article II Continuing Professional Education Requirements. Documentation that each review team member complies is not included in any of the QAR Review Team approval submissions. Each of the other three review team member requirements per the Bylaws is included in the submissions. The Board discussed efficient was to receive this documentation. Ms. Zemaitis will draft a proposed revision to the SIAAB External Quality Assurance Review Statement of Independence to certify compliance with SIAAB continuing professional education requirements, for discussion at the March meeting.

FOIA Officer

Ms. Ringler reported that there had been no FOIA requests since the last meeting.

Guidance Coordinator

Mr. Kirk reported that he had distributed the draft SIAAB Guidance 14-03 – Internal Audit Committee in State of Illinois Government to the State of Illinois Chief Internal Auditors, as approved at the January meeting. He reported that he had received a few responses. As the comment period does not close until February 28, 2014, Mr. Kirk stated he will present a full report of all responses for the Board's discussion at the March meeting.

OLD BUSINESS

Financial Reporting Standards Board Draft Internal Audit Guidelines (Guidelines)

Ms. Zemaitis had provided the Board with a copy of the revised draft Guidelines which included revisions made by the Financial Reporting Standards Board (FRSB pursuant to receiving the Board's comments. A Special Meeting of the SIAAB had taken place on January 22, 2014, during the FRSB's meeting where Ms. Zemaitis presented the Board's comments for discussion. (See separate SIAAB Special Meeting Minutes – January 22, 2014.) Ms. Zemaitis and Mr. Allen had received the revised draft Guidelines from Ms. Kathleen Madonia which were subsequently distributed to the Board for discussion.

A discussion of the revised draft Guidelines followed. The Board expressed appreciation for the FRSB making many of the Board's requested revisions. Ms. Zemaitis and Mr. Allen agreed to work together to document the Board's remaining comments to the revised draft Guidelines, provide a copy to the Board members, and provide a copy to Ms. Madonia for distribution to the FRSB prior to the FRSB's next meeting. For purposes of maintaining continuity, Mr. Kirk requested that Ms. Zemaitis continue to represent the Board in carrying this project through to conclusion with the FRSB. As there was Board consensus, Ms. Zemaitis will present the Board's additional comments and suggested revisions to the FRSB at that next meeting. Mr. Dodd, Mr. Kirk, Mr. Shadid, Ms. Hewitt, Ms. Abbott, Mr. Allen, and Ms. Ringler expressed an interest in attending on behalf of their respective agencies. The FRSB's next meeting is scheduled for February 19, 2014, at 9:00 a.m., at the Illinois Office of the Comptroller, 325 W. Adams, Springfield, Illinois.

SIAAB Resource Page

The Board discussed that it was previously determined that the SIAAB Resource Page is not urgent and will be tabled for later discussion.

Records Retention Project

The Board discussed that it was previously determined that the Records Retention project is not urgent and will be tabled for later discussion.

New Business

Elections of Chair and Vice Chair

In accordance with SIAAB Bylaws, nominations for Chair and Vice Chair shall be made by the Board at its January Board meeting, and the Board shall elect the Chair and Vice Chair by majority vote at the February Board meeting. Mr. Dodd was nominated for Chair and Mr. Shadid for Vice Chair at the November meeting. No other nominations had been made. Accordingly, Ms. Zemaitis entertained motions for election of Chair and Vice Chair. Mr. Shadid made a motion to elect Marcus Dodd as Chair, seconded by Mr. Allen. Motion carried unanimously. A motion was made by Mr. Allen, seconded by Mr. Kirk, to elect Gary Shadid as Vice Chair. Motion carried unanimously.

ANNOUNCEMENTS

Ms. Zemaitis reminded the Board members that according to SIAAB Bylaws, Coordinators and the Webmaster are to be selected by the Chair and approved by the Board at the March meeting. Additionally, Board members were reminded that according to SIAAB Bylaws, each member is to complete the SIAAB External Quality Assurance Review Confidentiality Policy/Commitment Statement and SIAAB External Quality Assurance Review Statement of Independence and submit for Board approval at the March meeting

The next regular meeting is scheduled for March 11, 2014, 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. Kirk, seconded by Ms. Morgan. Motion carried unanimously. Meeting adjourned at 2:47 p.m.