

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting – May 13, 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 Marcus Dodd in Chicago.

ROLL CALL

Members Present/Location:

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

Gary Shadid (Vice Chair), Illinois Department of Commerce and Economic Opportunity – Springfield

Debbie Abbott, Central Management Services – Chicago

Stell Mallios, Office of Secretary of State – Chicago

Tracy Allen, Office of the Comptroller – Springfield

Stephen Kirk, Department of Transportation – Springfield

Members Absent:

Jane Hewitt, Department of Human Services – Springfield

Julie Zemaitis, University of Illinois – Springfield

Barb Ringler, Office of the Treasurer – Springfield

MINUTES

The minutes from the April 8, 2014, Regular Meeting were presented to the Board for discussion and approval. Board members identified and corrected two grammatical mistakes in the minutes. A motion was made by Mr. Kirk and seconded by Mr. Shadid to accept the April 8, 2014, minutes as revised. The motion carried unanimously.

PUBLIC PARTICIPATION

Mr. Dodd introduced Marty Green from the Illinois CPA Society and Martha Reggi from the Illinois Department of Financial and Professional Regulation (IPFPR) who requested to participate in the board meeting.

Mr. Green described an issue that has come to his attention regarding CPA Firms. In summary, CPA firms can take many different business structures including sole proprietorship, partnership, corporation, etc. Some of these firms must be registered with the IDFPFPR as a Licensed CPA Firm in order to provide audit services in the State of Illinois, while others may be registered as a Professional Services Corporation. The two different options for registration with the IDFPFPR has led to confusion within certain State agencies.

Ms. Reggi discussed the IDFPFPR will be rolling out a new license look-up system which will address this issue and allow users to find all firms registered to provide audit services in the State of Illinois in one place.

There was some discussion of this topic among the Board, and then Mr. Dodd thanked Mr. Green and Ms. Reggi for attending our meeting. Mr. Green and Ms. Reggi then exited the meeting.

REPORTS AND UPDATES

CPE Coordinator

Mr. Dodd indicated that Ms. Zemaitis was not present and reported that there was no significant CPE activity during the month.

Quality Assurance Coordinator

Mr. Dodd presented revised language related to the SIAAB QAR Special Assistants. Revisions were made to more accurately describe the role of the Special Assistant and the required qualifications. There was a brief discussion amongst the Board. Mr. Shadid made a motion to accept the language as revised. Ms. Abbott seconded the motion. The motion carried unanimously.

Mr. Dodd began a discussion of whether or not the SIAAB Board Members had inherent independence conflicts with the other Board members that needed to be discussed. Both Mr. Kirk and Ms. Abbott provided comments to indicate that such conflicts did not inherently exist, and that individuals have disclosed their specific situations accordingly. In addition, a comment was made that Board members should abstain from voting on matters where they have a conflict. Mr. Dodd agreed with the comments and no further action was taken.

Mr. Dodd indicated that the SIAAB Board Member Confidentiality and Independence statement for the Jane Hewitt had not yet been received. Mr. Dodd indicated he would follow-up with Ms. Hewitt.

FOIA Officer

Mr. Dodd indicated that Ms. Ringler was not present and she had reported to him there had been no FOIA requests since the last meeting.

Guidance Coordinator

Mr. Kirk indicated that he had no updates and indicated that he expects to work on the next guidance document after August 2014.

OLD BUSINESS

Financial Reporting Standards Board Draft Internal Audit Guidelines

There was discussion between the Board members of the effective date of the Internal Audit Guidelines, as several Chief Internal Auditors have raised this question to Board members. Mr. Allen clarified that the guidelines are effective for GAAP forms submitted after July 1, 2014 and drew the Board member's attention to the following passage at the bottom of the published guidelines. "These guidelines are effective for audits of GAAP forms submitted after June 30, 2014. Early implementation is permissible."

Fall Conference Discussion

Mr. Allen provided an updated on the speaker line-up for the conference. He indicated that the Auditor General would not be sending a representative, but that he was in communications with the FBI to attempt to secure another speaker.

Mr. Allen also discussed the financial projections for the conference. He described how most of the conference expenses are variable (e.g., food). Mr. Allen suggested a conference fee of \$75 which would allow the Board to earn a small profit and indicated he would send a detailed analysis of the proposed menu and cost to be discussed at the next meeting. The Board agreed with this approach.

SIAAB Resource Page

Ms. Zemaitis was not present, so this topic was tabled until the next meeting.

Records Retention Project

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

New Business

CMS Shared Drive Access

Ms. Abbott indicated that she was having an ongoing discussion with CMS IT staff about establishing the CMS Shared Drive. To establish the shared drive CMS needs an email address of a person to act as the shared drive administrator. The Board discussed that Ms. Abbott was authorized to work with CMS and

make decisions on behalf of the Board with respect to the establishing the CMS Shared Drive. In addition, Mr. Dodd agreed to serve as administrator for the Sharepoint site.

University of Illinois QAR Review

Mr. Dodd indicated that University of Illinois QAR Review was completed and distributed to the Board by Mr. Shadid. The Board was asked to review the documentation so that we can vote on it during the June Board meeting.

Chief Internal Auditor 5-Year Terms

Mr. Dodd indicated that a Chief Internal Auditor raised a question about the 5-year term of the Chief Internal Auditors. There was discussion among Board members regarding when the terms began (July 1, 2010 or when the Chief Internal Auditor was appointed), and what happens when there is a change in Chief Internal Auditors. There were no clear answers provided, but this is a topic which will be discussed at a future SIAAB Board Meeting.

ANNOUNCEMENTS

The next regular meeting is scheduled for June 10, 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. Abbott. Motion carried unanimously. Meeting adjourned at 2:30 p.m.