

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD
Web Address: [HTTP://SIAAB.AUDITS.UILLINOIS.EDU](http://SIAAB.AUDITS.UILLINOIS.EDU)

MINUTES
Board Meeting – June 14, 2022
1:00 p.m.

CALL TO ORDER

A meeting of the State Internal Audit Advisory Board (SIAAB) was held via videoconference pursuant to the May 27, 2022, Governor’s Executive Order which declared all Illinois counties to be a disaster area and permits virtual meetings. The meeting was called to order at 1:00 P.M. by Chair Natalie Covello.

ROLL CALL

Members present:

Natalie Covello, (Chair), Chicago State University
Nikki Lanier, (Vice Chair) Department of Revenue
Kishor Desai, Student Assistance Commission
Stephen Kirk, Department of Transportation (Left the meeting at 1:25 pm)
Stell Mallios, Office of the Secretary of State
Leighann Manning, Office of the Treasurer
Jack Rakers, Department of Central Management Services
Julie Zemaitis, University of Illinois System
H. Jay Wagner, Office of the Attorney General

Members absent:

Amy Macklin, Department of Human Services (Notified the Chair)

MINUTES

The draft minutes were presented for approval. Stephen Kirk asked that a sentence be included that Julie Zemaitis would ensure the proposed changes to the Bylaws would be posted to the SIAAB website. A motion to approve the minutes with this revision for the May 10, 2022, SIAAB meeting was made by Stephen Kirk and seconded by Jack Rakers. The motion passed unanimously.

PUBLIC PARTICIPATION

There was no public participation.

REPORTS AND UPDATES

CPE Coordinator

Julie Zemaitis reported that there was one individual from IDOT who completed the online course and received the CPE and another individual from State Board of Education registered for the SIAAB online training course; but has not completed the course.

Quality Assurance Coordinator

Vice Chair Nikki Lanier reported that there was a request from Amy Jenkins at the Department of Correction for a revised team request related to the review period, revised from July 2020 to July 12, 2022. Stephen Kirk asked if the ending date of July 12, 2022 should be earlier considering the review had already started. Nikki Lanier stated she would reach out to Amy Jenkins for clarification. A motion to approve the revised review period was made by Natalie Covello and seconded by Kishor Desai. The motion passed unanimously with Jack Rakers abstaining.

Vice Chair Nikki Lanier presented the completed QAR report and matrix for the Department of Innovation & Technology. The QAR matrix indicated general conformance with some standards listed as partial conformance; however, the report listed all standards as generally conforms. Julie Zemaitis raised the question if the report should include the standards where partial conformance was noted. General discussion was held as to the fact that professional judgment must be used by the external validator and thus relied on by the Board when considering the acceptance of the final QAR report. Nikki Lanier outlined the discussion with the external validator who was comfortable that the areas of partial conformance were not material. As a result, the external validator believed the general conformance rating was appropriate. The general consensus of the Board was to approve based on the additional information provided in the meeting. A motion to approve the QAR report and related documents was made by H. Jay Wagner and seconded by Julie Zemaitis. The motion passed unanimously.

H. Jay Wagner informed that Board that he had received a question from someone asking if the Board would consider allowing the detailed compliance examination by the Office of the Auditor General (OAG) in lieu of the quality assurance review. He advised them that the compliance examination does not constitute a peer review. He further advised that the QAIP is the responsibility of the Chief Internal Auditor, and the OAG is not subordinate to that responsibility. Ms. Zemaitis also stated that IIA Standards require the Chief Internal Auditor to discuss with Department Head, or President and Board of Trustees if applicable, the scope of the QAR and qualifications and independence of the QAR team.

FOIA Officer

Ms. Manning reported that there have been no FOIA requests.

Guidance Coordinator

Stephen Kirk left the meeting at 1:25 pm and had no update.

Conference Coordinator

H. Jay Wagner stated that he was still working on lining up the conference speakers and a chief Internal Auditors' roundtable moderator.

OLD BUSINESS

FCIAA Checklists

Jack Rakers updated the Board on responses received for the revised FCIAA checklists. The Board supports the FCIAA checklist revisions. The Chair appreciated the efforts made by Jack Rakers to revise the FCIAA checklists. Nikki Lanier motioned and Kishor Desai seconded to support the FCIAA checklist revisions. The motion passed unanimously with Jack Rakers abstaining.

Revision to Bylaw 3.4.2 – Standards Nonconformance Explanatory Paragraph

ESTABLISHMENT OF STANDARDS

Internal auditors may report that their activities are "conducted in accordance with the International Standards for the Professional Practice of Internal Auditing," without an explanatory statement, only if internal and external assessments of the quality improvement program support a conclusion that the internal audit activity Generally Conforms with the *Standards*. . When internal or external assessments result in a conclusion of Partially Conforms or Does Not Conform to the Standards and/or Code of Ethics adopted by the Board's Bylaws in Article II, Sections III and IV, audit organizations are required by the SIAAB to disclose the nonconformance and corrective action to be taken to senior management and the Board. The Chief Internal Auditor shall determine the manner of disclosure appropriate for the agency which may include explanatory paragraphs in audit reports, inclusion in the internal audit annual report, or other as deemed appropriate. The disclosure is required annually until a subsequent review has been conducted by an external validator verifying that appropriate corrective action has been taken and approved by the Board. Julie Zemaitis motioned and H. Jay Wagner seconded the approval of the Bylaw 3.4.2 revision. The motion passed unanimously.

NEW BUSINESS

Natalie Covello, (Chair) announced her resignation from the SIAAB Board, effective immediately after the meeting as she planned to leave State employment and could no longer serve. Nikki Lanier, (Vice Chair) will be acting Chair starting with the July 2022 SIAAB meeting. Julie Zemaitis stated that she would make sure that appropriate updates are made on the SIAAB website.

ANNOUNCEMENTS

The next regular meeting is scheduled for July 12, 2022, at 1:00 p.m.

ADJOURNMENT

A motion to adjourn was made by H. Jay Wagner and seconded by Julie Zemaitis. The motion passed unanimously. The meeting adjourned at 1:44 p.m.