



State Agency Coordinating Committee

# STATE AGENCY INTERNAL AUDIT FORUM

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April 20, 2017

# Agenda

- Introductions
- Approval of Minutes – March 10, 2017
- Committee Updates
- Open Comments
- Adjourn

# Approval of Minutes

## Committee Updates

- Peer Review
- Internal Audit Leadership Development
- Information Technology
- Teammate

# Peer Review

# SAIAF Endorsed Program

*Requires strong governance over program, with responsibility on SAIAF Peer Review Committee to provide requirements, monitoring and oversight*

## Section 2.1 Ground Rules

3. The SAIAF Peer Review Committee (Committee) is responsible for developing and monitoring procedures that promote reliability and integrity in the SAIAF Peer Review Process. This Committee reports to the SAIAF Chair, and shall provide assistance with the SAIAF Peer Review Process, as described in item 4 below.
  
4. The Peer Review Committee's responsibilities are as follows:
  - a) Develop and maintain a database of information that includes:
    - Historical information about SAIAF member agencies
    - A list of qualified peer review team leaders and team members  Shrinking population; need newly trained individuals
    - The peer review credit status of each SAIAF member agency
  - b) Distribute a summary report listing this information periodically to the SAIAF member agencies  Not public; need to publish and promote engagement
  - c) Provide guidance as needed to the Director and Peer Review Team regarding the SAIAF Peer Review Process  Committee not designed to engage; no info required
  - d) Provide SAIAF-approved policies and procedures to be followed by the Director and Peer Review Team, as indicated in the introductory paragraph above. These policies and procedures are supplemented by the Master Peer Review Program
  - e) Be available to assist in resolving disputes, as requested by the Director or Peer Review Team, in accordance with the Dispute Resolution Policies and Procedures  No formal mechanism for feedback
  - f) Survey each department that received a Peer Review and each person who participated on a Review, and report the results annually  Committee not designed to engage; no info required

### Other improvements recommended:

- (1) Require training, (2) require QC of reports prior to issuance, (3) maintain central repository of reports issued.

# SAIAF Recommended Program

*Requires delivery of guidance and best practices; provides support and updates, as deemed needed.*

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  - e) Be available to assist in resolving disputes, as requested by the Director or Peer Review Team, in accordance with the Dispute Resolution Policies and Procedures
  - ~~f) Survey each department that received a Peer Review and each person who participated on a Review, and report the results annually~~

Eliminate activities ~~stricken through~~ to focus efforts on maintenance of documents only.

Add SAIAF Peer Review training as an option.

Potential to add responsibility to review and update material, as needed.

# Impacts of Proposals

## *Option 1: SAIAF Endorsed Program*

- *Stronger stance from SAIAF regarding quality and accountability*
- *Re-write ground rules to include more active, authoritative position of SAIAF Peer Review Committee*
- *Potential for SAIAF Peer Review Committee Chair/members to be conflicted from performing peer reviews while on committee (since doing QC)*
- *Posting reports (points, qualified team members, etc.) publicly on SAIAF website*

## *Option 2: SAIAF Recommended Program*

- *Softer stance; quality assurance provided by those involved in performing peer reviews*
- *Re-write ground rules to eliminate activities previously mentioned*



# Approval Requested

## *Discussion/Q&A*

### *Motion to approve:*

- *Option 1: SAIAF Endorsed Program*
- *Option 2: SAIAF Recommended Program*

# Internal Audit Leadership Development Program

# Internal Audit Leadership Development

- Session 7 was hosted by the Chief Audit Executive of UT System and incoming Chairman of the IIA Global Board of Directors, Mike Peppers. In this session, Mike covered:
  - Ethical considerations for the internal auditor and how to handle ethical challenges;
  - The value of service to one's profession, and
  - An update on the state of the profession of internal auditing
- Session 8 is scheduled for April 21<sup>st</sup>, at which the students will have the opportunity to present an audit report to a mock Audit Committee
- Papers – We are still seeking a couple more CAEs to volunteer to offer review comments on papers. Reviewers are asked to:
  - Review 2 papers. Each approximately 2 – 4 pages, double spaced
  - Complete the rubric to provide feedback & comments to the student
  - Return the papers and completed rubric to Catherine Melvin by Thursday, May 4th
- IALDP Cohort VIII students will be presenting their white paper at the May 12<sup>th</sup> SAIAF meeting
- The Final session & graduation is scheduled for May 19<sup>th</sup>. Thank you to all who have participated and offered their support of the IALDP!

# Information Technology

# Information Technology

Deliverable	Current Status/ Accomplishments	Next Step(s)	Completion Date	Assistance Required
IT Training	Exploring options and partners	Survey to be sent out in early May	2019 - 2020	
IT Annual Audit Plan Risk Methodology/ IT Tools	Collecting tools to evaluate	Evaluate Tools	2018	
IT Auditor Development	On-hold	Survey to be sent out in early May	2019 - 2020	

# Teammate

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**We will conduct a survey** to determine:

- Teammate Version by agency
- Teammate contact for each agency

The survey will be sent out no later than April 28, 2017

If anyone has other elements they would like included in the survey please reach out to Nicole Kludt by April 26, 2017

- *Please contact Nicole Kludt with potential topics/requests for information*

# Open Comments



# Motion to Adjourn

*Next Meeting Date:*

*Physical Location:*

*May 12, 2017*

*TxDOT Delegation Room*

*125 E. 11<sup>th</sup> Street*

# Reference Material

# Legislative Issues Committee

## Co-Chairs

- Cheryl Scott
- Zoi Kondis
- Darrell Carter (as available)

## Objective / Deliverable

- To monitor proposed legislation that may directly or indirectly impact the Internal Audit function.
- Provide SAIAF members a monthly summary of pending legislation impacting the Internal Audit function.

## Deliverable Update / Requests

- Bills Update submitted to SAIAF website
- Will continue to update bi-weekly
- Bill Analysis for next meeting

# Peer Review Committee

## Chair

- Luis Solis, Texas Workforce Commission

## Objective

- To provide SAIAF members with a peer review program to prepare for, conduct and report the results of a quality assessment review in accordance with Standards and guidance.

## Deliverables

- Provide training to qualified, independent assessors to conduct peer reviews at member institutions.
- Update and maintain the peer review program.
- Maintain point balances and communicate them.
- Coordinate peer reviews actively.

# Internal Audit Leadership Development

## Chair

- Catherine Melvin, Department of Public Safety

## Objective

- To promote and develop the future leaders of the Texas state government internal auditing community. The IALDP is specifically designed to develop and prepare future Texas state government Chief Audit Executives (CAEs).

## Deliverables

- Curriculum-based program with help from SAIAF leaders/volunteers
- Role-play/simulation-based exercises
- Continuing Professional Education

# Information Technology Committee

## Chair

- Sandra Menjivar-Suddeath, Department of Motor Vehicles

## Objective

- To help state internal audit functions create, identify, and retain quality IT auditors and help mitigate risks by increasing awareness of IT risks by:
  - Improving the IT audit function
  - Increasing visibility and understanding of emerging and high IT risks areas
  - Identifying IT technologies that can help audit functions gain efficiencies

## Planned Deliverables

- IT Training
- IT Annual Audit Plan Risk Methodology
- IT Auditor Development

# Teammate Committee

## Chair

- Nicole Kludt, Health and Human Services Commission

## Objectives

- To provide a source of information and expertise related to the operation and maintenance of TeamMate by:
  - Staying current on new releases of TeamMate as well as any known issues
  - Reviewing TeamMate Connect for discussions from other users that may be relevant to SAIAF users
  - Serving as a resource for SAIAF members

## Deliverable

- Training/Presentations