

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

SIAAB Fall Government Auditing Conference
September 27, 2011 and September 28, 2011

1:00 p.m.

ROLL CALL

Members Present/Location

Lesslie Morgan (Chair), Office of the Attorney General – Springfield
Steve Kirk, (Vice-Chair) Illinois Department of Transportation– Springfield
Tracy Allen, Office of the Comptroller – Springfield
Nancy Bowyer, Office of the Secretary of State – Springfield
Barb Ringler, Office of the Treasurer - Springfield
Spenser Staton, Illinois Department of Central Management Services – Springfield
Jane Cullen, Illinois Department on Aging – Springfield
Marcus Dodd, Illinois Department of Employment Security - Springfield
Doug Hathhorn, Illinois Department of Revenue - Springfield
Lisa LaBonte, Illinois Department of Natural Resources – Springfield
Julie Zemaitis, University of Illinois – Springfield

MINUTES

The SIAAB Fall Government Auditing Conference was held on September 27, 2011 and September 28, 2011 at the Northfield Center, 3280 Northfield Drive, in Springfield, Illinois. The conference was scheduled, in accordance with the Fiscal Control and Internal Auditing Act requirements, to provide internal audit training only and accordingly, there were no Board actions taken, nor were there any motions taken or voted upon during the training event.

September 27, 2011

Registration for the conference began at 8:00 a.m. Opening remarks were made at 8:35 a.m. by Ms. Lesslie Morgan, SIAAB Chair.

The first presenter was Mr. Matthew Brown of the Executive Ethics Commission. Mr. Brown's presentation was on "*Procurement & Third Party Vendors*" and focused on the changes that have occurred in the procurement process since the enactment of PA 96-795.

The second presenter was Honorable William G. Holland, Auditor General for the State of Illinois. Mr. Holland's presentation focused on "*Management Responsibilities Under the State Law.*" Mr. Holland discussed the changes that have occurred in the results of agency audits conducted by his Office and the annual Audit Advisory, which described some of the most significant issues identified.

The third presenter was Ms. Rhonda Poeschel, Director of State Portfolio & Banking at the State Treasurer's Office and Mr. Mike Eifert, Assistant Vice President, Treasury Management, Fifth Third Bank. The presentation titled "*Desktop Check Scanning*" went over the advancements in timeliness and efficiency that have occurred with the implementation of Check 21.

The fourth presentation was provided by Mr. Doug Tinch, Chief Internal Auditor of the Capital Development Board and was on "*Pre-Implementation Reviews, Determination of Need to Conduct One, and Conducting a Pre-Implementation Audit.*" The presentation went over the processes for conducting a pre-implementation review and changes is the Statement of Auditing Standards No. 70 replaced by the Statement on Standards of Attestation Engagements No. 16.

The fifth presentation by Ms. Lisa LaBonte, Chief Internal Auditor for the Department of Natural Resources and was titled "*Auditing Federal Grants.*" Ms. LaBonte went over the grant process and specific requirements under the Uniform Administrative Requirements for Grants and Cooperative Agreements to State & Local Governments (OMB Circular 102); Cost Principles (OMB Circular A-87); and Single Audits (OMB Circular A-133 Compliance Supplement).

The sixth presentation titled "*Fraud Awareness – A Deconstruct of Recent Fraud Cases,*" was provided by Ms. Darla Hill, Director of Audits and Ms. Jessica Hoppe, Enterprise-wide-Auditor for the University of Illinois. Ms. Hill and Ms. Hoppe, described various fraud related case scenarios and provided control tips for fraud prevention.

The first day of the two-day Conference adjourned at 4:32 p.m.

September 28, 2011

Registration for the conference began at 8:00 a.m. Opening remarks were made at 8:28 a.m. by Ms. Lesslie Morgan, SIAAB Chair.

The first presenter was Honorable Ricardo Meza, Governor's Executive Inspector General. Inspector General Meza provided a presentation on the "*Internal Auditors – External Investigation: Cowboys and Aliens*" which focused on the changes that he has implemented within his Office since becoming the Executive Inspector General.

The second presenter was Mr. Rafael Diaz, Chief Security Officer for CMS Bureau of Communications & Computer Services. Mr. Diaz provided a speech on “*BCCS*” which focused on the role of internal auditors and information technology personnel in improving security controls.

The third presenter was Ms. Staci Crane, Chief Internal Auditor for the Illinois Emergency Management Agency. Ms. Crane provided a presentation titled “*IT Security Policies, How Do CMS BCCS Security Policies Fit, and How Would we Audit Security Policies?*” Ms. Crane went over various IT security policies and procedures, as well, as, their purpose for ensuring confidentiality, integrity, and availability of data.

After lunch, three concurrent break-out sessions were offered. Mr. Stephen Kirk, Chief Internal Auditor for the Illinois Department of Transportation facilitated the “*Chief Internal Auditors*” session. While, Mr. Spenser Staton, Chief Internal Auditor for the Department of Central Management Services facilitated the “*Audit Staff*” session. Finally, Ms. Julie Zemaitis, Executive Director of University Audits for the University of Illinois facilitated the “*University Auditor*” session.

The fourth presentation was provided by Mr. Chris Trifiletti, from the FBI, who spoke on “*Cyber Intrusion*.” Mr. Trifiletti discussed some of the different methods used by individuals to circumvent security practices and the increase in cyber intrusion targeting individuals, companies, and countries.

The fifth presentation was provided by Mr. Marvin Becker, Director of State Accounting, for the Illinois Office of the Comptroller. Mr. Becker provided an update on the Comptroller’s Office “Hot Topics” that currently impact state accounting and reporting practices.

Ms. Morgan made closing remarks, and the second day of the conference adjourned at 4:25 p.m.