

STATE OF ILLINOIS
INTERNAL AUDIT ADVISORY BOARD

WEB ADDRESS: SIAAB.AUDITS.UILLINOIS.EDU

MINUTES

Board Meeting February 9th, 2005

The regular meeting of the State Internal Audit Advisory Board was held on February 9th, 2005 at the Capital City Center, Springfield, Illinois. This meeting was called to order by Chair Rusti Cummings at 10:07 A.M.

Members Present

Rusti Cummings, Chair - Office of the Comptroller
Barbara Ringler, Vice-Chair - Office of the Treasurer
Kathleen Moreno - Eastern Illinois University
Lesslie D. Morgan - Office of the Attorney General
John W. Cressman - Illinois Office of Internal Audit

Members Absent

Al DiSilvestro - IL Secretary of State

(After the meeting began, the Capital City Center's receptionist indicated that she had Mr. DiSilvestro on her phone and he wished to join the meeting by conference call. However, a conference phone was not available. Ms. Cummings will contact Mr. DiSilvestro to explain this situation.)

Guests

Brad Hammond – Illinois Office of Internal Audit
Steve Kirk – Illinois Office of Internal Audit

Minutes

The Board reviewed the minutes from the January 12th, 2005 meeting. Ms. Morgan requested that the minutes be revised to reflect that the information under Sections 2100-8 and 2300-1 were from practice advisories and that such advisories should be given formal Board consideration and approved prior to inclusion in the template. Ms. Ringler motioned to approve the minutes with this revision. This motion was seconded by Mr. Cressman. All Board members approved and the motion was passed.

Old Business

Performance Committee

During the January meeting, the Board discussed the IIA Standard 1312 (External Assessments) and 1330 (Use of “Conducted in Accordance with the Standards”) and tabled a decision until this meeting. Ms. Morgan presented a timeline of when the Board adopted of the bylaw language (Article III, Section IV, paragraph 4.2) in relation to when the IIA revised the related practice advisories. After further discussion, the Board decided the optional IIA Practice Advisory 1330-1 (revised May 25, 2004) will not be adopted.

It was also noted that the current SIAAB bylaws do not permit an audit organization to conduct a self assessment with independent validation. Ms. Morgan will draft a language revision for consideration.

Also discussed during the January meeting and tabled was Ms. Moreno’s peer review matrix Sections 2100-8 and 2300-1. These sections are based upon practice advisories which have not been given Board consideration and approval. These advisories are titled “The Internal Auditor’s Role in Evaluating an Organization’s Privacy Framework” and “The Internal Auditor’s Use of Personal Information in Conducting Audits” respectively. Mr. Cressman raised the concern that it was not always clear as to when the Board had adopted IIA *Standards* and when the Board had adopted IIA *Practice Advisories*. Based upon these discussions, it was agreed that Ms. Moreno’s matrix could be utilized to more formally document the standards and practice advisories which the SIAAB had adopted as well as provide a format for the independent self assessments. Ms. Moreno agreed to include the original implementation date and any revision dates in the matrix. Ms. Morgan offered assistance in identifying any relevant dates. Ms. Morgan made a motion and Mr. Cressman seconded the motion to accept the wording in the template for Practice Advisories 2100-8 and 2300-1 as stated below:

Practice Advisory 2100-8 “**The Internal Auditor’s Role in Evaluating an Organization’s Privacy Framework** Internal Auditor’s Role: 1. Evaluate the privacy framework using third party experts, if necessary; 2. Identify the types and appropriateness of personal or private information gathered by their organization and whether its use is in accordance with laws, regulations, and policies; 3. If the Internal Auditor assumes any responsibility for developing and implementing a privacy program, the auditor’s independence may be impaired.”

Practice Advisory 2300-1 “**The Internal Auditor’s Use of Personal Information in Conducting Audits** Internal Auditor’s: 1. Understanding and comply with all laws regarding the use of personal information in their jurisdiction and those jurisdictions where their organization conducts business; 2. In some cases, it may be illegal, to access, retrieve, review, manipulate, or use personal information in conducting certain internal audit engagements; 3. Seek advise from in-house counsel if there are questions or concerns”.

CPE Coordinator's Report

Ms. Cummings researched the procedures used by the IIA for issuing online training certificates. The IIA Online CPE webpage states that a participant can “print your CPE certificate after completing the course and taking a quiz.” The IIA website did not include a delay for administrative review. Mr. Cressman motioned that the SIAAB online peer review certificate reflect the date that participant successfully completed the final online quiz. This was seconded by Ms. Ringler and approved by all. The date in the body of the certificate will reflect the successful completion of the last quiz and the bottom date will reflect Ms. Morgan’s issuance date. All candidates who successfully completed their final online quiz prior to December 31, 2004 11:59 PM will be counted towards their Calendar Year 2004 CPE requirement.

Ms. Morgan distributed Ms. Cummings’ and Ms. Goza’s certificates and will distribute the remaining certificates to the other participants.

Appointment of State College and University Board Member

There still has been no reply received from the Boards and Commissions Director. Until a replacement has been appointed, Ms. Moreno will continue to serve as the representative for the colleges and universities.

New Business

Nominations of Officers

Ms. Cummings reported that the Board nominated Ms. Ringler for Chair and Mr. Cressman for the Vice-Chair at the January meeting as required by the Board’s Bylaws. The Bylaws further require the Board to elect these officers, by majority vote, at the February meeting. A motion was made by Ms. Morgan to the nominations and seconded by Ms. Moreno. The Board unanimously approved the nominations.

IIA Position Statement

At the January meeting, Mr. Cressman mentioned that he wanted to request the Board’s consideration of IIA Standard 1110 as it relates to audit committee establishment and structure. During discussion regarding the Audit Committee Mr. Cressman, Mr. Hammond, and Mr. Kirk explained some of the difficulties they have experienced in establishing the reporting structure for their audit organization since it had multiple agencies within their audit scope. Mr. Cressman provided an email which contained a proposal and a list of several related IIA documents. Although this proposal was discussed, a final decision was tabled until March to allow the members to locate The IIA’s Position Statement: *The Audit Committee in the Public Sector* and further research the proposal.

Announcements

There were no announcements.

Schedule Next Meeting

The next meeting will be held on March 9th, 2005 at the Capital City Center, 130 West Mason, Springfield, Illinois in Room 103.

Adjournment

The meeting was adjourned at 12:15 P.M.