

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

**MINUTES**

**Board Meeting September 13, 2006**

The regular meeting of the State Internal Audit Advisory Board was held on September 13<sup>th</sup>, 2006 at the Capital City Center, Springfield, Illinois, Room 103. Chair John Cressman called the meeting to order at 10:06 AM.

**Members Present**

John W. Cressman, Chair – Illinois Office of Internal Audits  
Lesslie D. Morgan, Vice-Chair – Office of the Attorney General  
Barbara Ringler, Office of the Treasurer  
Rusti Cummings, Office of the Comptroller  
Al DiSilvestro, Office of the Secretary of State (via phone)

**Guest Present**

None

**Members Absent**

Kathleen Moreno

**Minutes**

The Board reviewed the minutes from the August 9<sup>th</sup>, 2006 meeting. Mr. Cressman asked if there were any corrections or additions to the minutes. Ms. Morgan said that on the first page, line five under Minutes, *Illinois State University* should be changed to *Northeastern Illinois University*. On page two under CPE Coordinator *Tom Salsman's* name is misspelled, it should be corrected to *Tom Salzman*. Under Performance Committee, page two, fourth line down should actually be Illinois State University also on the first line it reads Northeastern University it should be Northeastern Illinois University. Under heading of Old Business the second paragraph, third line down *Mr. Salzman's* name is misspelled. The fourth paragraph down, third line after 2006 should be added "*was re-approved*". Mr. Cressman entertained a motion to approve the adjustments to the minutes, Ms. Morgan made the motion to approve the minutes and Ms. Ringler seconded, all members were in favor.

**Reports/Updates**

*CPE Coordinator – Online Peer Review Training Update*

Ms. Morgan stated that Tom Salzman has completed his course on September 8<sup>th</sup>. She still has nothing on Ben Burton; she has however, sent him an email but at this time has not yet received a response. Mary Murray from Illinois Student Assistant Commission is registered to take the course.

### *Performance Committee*

Ms. Morgan said she is tracking the progress of the Quality Assurance/Self-Assessment and that Northern Illinois University, Northeastern Illinois University and the Teacher's Retirement System would be released by the Executive Committee within the next few days. As of September 13<sup>th</sup> Ms. Morgan stated the Eastern Illinois University and ICC reviews are in the proposed draft stage. The Performance Committee has not received any request for approvals from the Comptroller's Office, Illinois Army National Guard, Secretary of State and Western Illinois University. Illinois Student Assistance Commission and the Treasurer's Office have submitted a request for the Board's approval, and Illinois Supreme Court has elected not to conduct an external assessment. Mr. Cressman said he would send out a letter to the Directors asking the status of their participation.

Ms. Morgan stated that in conducting the Performance Committee reviews we are seeing some opinions for an Internal Audit activity stating that it "generally conforms" to the IIA Standards, IIA Code of Ethics and FCIAA. Yet, there have been instances within the body of the report in which both the CAE and Validator reported "partially conformed". The Board had used a literal translation where "generally conforms" is used when no compliance issues are noted, "partially conforms" is used when there are deficiencies, but they are not so significant to preclude the internal audit activity from meeting its responsibilities in an acceptable manner, and "does not conform" is used where deficiencies in practice are judged to be so significant as to seriously impair or preclude the internal audit activity from performing adequately in all or in significant areas of responsibilities. Some of the confusion is that IIA uses Tool 19 which is used to compile the results of individual standards. The Board has never adopted IIA's Tool 19, since all State audit organizations are subject to statutory requirements under FCIAA and the need to ensure consistency in reporting among state internal audit organizations.

Ms. Morgan stated that when sending out the letter and report for the Quality Assurance Report for the Self-Assessment with Independent External Validation there should be a time frame as a courtesy to the Chief Internal Auditor notifying them that their report is being sent to the Director or President. Mr. Cressman recommended that a phone call be made to alert them that an email would be sent to confirm the phone call and in three days the report would be sent out.

Ms. Morgan said there were some changes to the Matrix the Board may want to consider. It was decided this should be tabled until the January meeting.

### *Executive Committee*

Ms. Morgan brought up the question that when the Quality Assurance Report for the Self-Assessment with Independent External Validation has passed the Executive Committee should the reports be sent out as soon as they are finished or wait until the next SIAAB meeting. It was decided they should be sent out as soon as they are finished and also be marked "confidential".

### **Old Business**

No old business.

### **New Business**

Mr. Cressman made the motion to approve the Peer Review Team Approval and Statement of Independence and Confidentiality Policy Statement for the Office of the Treasurer. Ms. Morgan made the motion for approval and Ms. Cummings seconded all members were in agreement.

Mr. Cressman made the motion to approve the Peer Review Team Approval and Statement of Independence and Confidentiality Policy Statement for Illinois Student Assistance Commission. Mr. Cressman then entertained a motion that approval is contingent upon response from ISAC that there is no conflict between the external Validator and the out source Audit Firm. Ms. Morgan made the motion and Ms. Ringler seconded, all members were in agreement.

### **Announcements**

The next meeting will be October 11, 2006 at 10:00AM at the Capitol City Center in Springfield.

### **Adjournment**

A motion to adjourn was made by Ms. Cummings and seconded by Ms. Ringler. All were in favor. The meeting was adjourned at 11:53 AM.