

State of Illinois

Internal Audit Advisory Board

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

MINUTES

Board Meeting February 22, 2007

The regular meeting of the State Internal Audit Advisory Board originally scheduled for February 14, 2007 was postponed due to weather conditions. In compliance with the Open Meetings Act, the postponement date and location were posted. The regular meeting was then held on February 22, 2007 at the Capital City Center, Springfield, Illinois, Room 104 with video conferencing available at the JRTC Room 9035. Chair Lesslie D. Morgan called the meeting to order at 10:02 a.m. Per Ms. Morgan's request, Kathleen Moreno, SIAAB Member, recorded the minutes.

Members Present

Lesslie D. Morgan, Acting Chair –Office of the Attorney General (In Person/CMS Video Conference Room #104 Capital City Center, Springfield)

Barbara Ringler, Office of the Treasurer (In Person/CMS Video Conference Room #104 Capital City Center, Springfield)

Rusti Cummings, Office of the Comptroller (In Person/CMS Video Conference Room #104 Capital City Center, Springfield)

Kathleen Moreno, Eastern Illinois University (Term to 2/1/04) (In Person/CMS Video Conference Room Capital City Center, Springfield)

Carol Kraus, Illinois Office of Internal Audit (WIU Portion of meeting, via phone)

Note: The CMS Video Conference Room #9035 on the 9th floor of the James R. Thompson Center (JRTC) Chicago was also available for this meeting.

Members Absent

Al DiSilvestro, Office of the Secretary of State

Minutes

There was a request by Ms. Morgan for members to read (out loud) the minutes. Cosmetic changes were suggested and a motion by Ms. Ringler to approve the minutes for the January 10th 2007 meeting as amended was made. Ms. Cummings seconded the motion. All Board members were in favor so the minutes were approved.

The Board reviewed the minutes from the January 17, 2007 Board Training session. A motion was made by Ms. Cummings and seconded by Ms. Ringler to approve these minutes as amended (6th bullet point was revised to “For a quorum, members may attend via video conference at another public building (JRTC), as long as public notice and

public access had been given. After a quorum is reached, remaining members may attend by teleconference.” All Board members were in favor so the minutes were approved.

Reports/Updates

CPE Coordinator – Online Peer Review Training Update

Ms. Morgan indicated that Rita Moore, from Western Illinois University successfully passed the Board’s online training course since the last meeting.

Performance Committee

In compliance with the SIAAB Bylaws “**4.2 PERFORMANCE COMMITTEE**

The Performance Committee shall be comprised of at least three **(3) members selected by the Chair and approved by the Board.** The Board’s Chair shall appoint the chair of the Performance Committee. All members of the Performance Committee must be members of the Board or the Chief Internal Auditor or Audit Manager of a State Audit Organization. Members shall serve a one year term, but may be reappointed and serve until replaced. “

Ms. Morgan indicated that she would provide a recommendation for the Performance Committee Chair and committee members at the March 14, 2007 meeting.

Executive Committee

Ms. Morgan stated that responses from the two state agencies, their external quality assurance reports were not approved/held—the Illinois State Board of Education (ISBE) and the Illinois Housing Development Authority (IHDA) were received.

ISBE:

The Board discussed Ms. LaBonte’s request for consideration of language to be included in the Board’s cover letter accompanying the release of the report. A motion by Ms. Moreno was made to provide two options to ISBE. The motion was seconded by Ms. Cummings. All Board members were in favor so the motion was approved.

IHDA:

The Board discussed the IHDA report and a motion by Ms. Ringler was made to accept the external validator’s opinion with one exception that would be included in the Board’s cover letter accompanying the release of the report. The motion was seconded by Ms. Cummings. All Board members were in favor so the motion passed.

The remaining outstanding agencies:

- **Western Illinois University:**
WIU's newly appointed Chief Audit Executive, Rita Moore submitted a Request to SIAAB for Peer Review Team Approval. Ms. Moore opted for the Self-Assessment with External Validation. Ms. Moore submitted Ms. Moreno, EIU's CAE as the External Validator. A motion by Ms. Kraus was made for Ms. Moreno, EIU's CAE, to serve as the external validator to WIU's Self-Assessment with External Validation. The motion was seconded by Ms. Ringler. Since Ms. Moreno is a Board member, she abstained from voting. The remaining Board members voted in favor so, the motion was passed. Ms. Moreno's Statement of Independence and Conflict of Interest had already been submitted to Ms. Morgan, Chair for approval.
- **Illinois Toll Highway Authority:**
No response has been received since the Request for extension (received 1/2/07) was denied by the Board—Jan. 10, 2007 minutes.
- **Illinois Supreme Court:**
No submission for an external quality assurance review.
- **Illinois Army National Guard:**
No submission for an external quality assurance review.
- **Illinois Comptroller's Office:**
No submission for an external quality assurance review.

Old Business

According to the SIAAB Bylaws Section III 3.2 **ELECTION OF OFFICERS:**

Nominations for Chair and Vice Chair shall be made by the Board, from within the Board's existing membership, at its January Board meeting. The Board shall elect the Chair and Vice Chair by majority vote at the February Board meeting. The newly elected Chair and Vice Chair shall begin serving their one-year terms immediately.

If the Chair becomes unable to perform his/her duties or no longer holds a position that would allow him/her to continue to serve on the Board, the Vice Chair shall serve as the Acting Chair until the next Board meeting, at which time an election shall be held to fulfill the remainder of the original term.

If the Chair and the Vice Chair become unable to perform their duties or no longer holds positions that would allow them to continue serving on the Board, the immediate Past Chair shall serve as the Acting Chair until the next Board meeting, at which time an election shall be held to fulfill the remainder of the original term.

Election:

Nominations at the January 10th Board Meeting were voted upon:

Chair—Ms. Morgan

Vice-Chair—Ms. Cummings

The Board members voted unanimously in favor of the nominations.

NEIU:

Ms. Morgan responded to Mr. Cierny's request by referring him to the IIA's Practice Advisories.

New Business

Ms. Morgan stated that she had received a CPE Request for Extension from Karl Vogl, Principal Staff Auditor, ISBE. A motion to grant the extension was made by Ms. Ringle and seconded by Ms. Cummings. All Board members were in favor so the motion passed.

Ms. Moreno stated that she would like to consult with the SIAAB on the differing interpretations between the most recent EIU Peer Review and EIU's upper management of the Fiscal Control and Internal Auditing Act (FCIAA)'s reporting responsibilities. The SIAAB recommended that Ms. Moreno consult with the Auditor General's Office and reiterated its support of the opinion rendered in the most recently released quality assessment report.

(30 ILCS 10/2004) (from Ch. 15, par. 2004)

Sec. 2004. Consultations by internal auditor. Each chief internal auditor may consult with the Auditor General, the Department of Central Management Services, the Commission on Government Forecasting and Accountability, the appropriations committees of the General Assembly, the Governor's Office of Management and Budget, or the Internal Audit Advisory Board on matters affecting the duties or responsibilities of the chief internal auditor under this Act.

(Source: P.A. 931067, eff. 11505).

Announcements

The next regular meeting will be March 14, 2007 -- 10:00 a.m. at the Capital City Center's Video Conference Room 104, 130 West Mason, Springfield, Illinois. For those attending via video conference in Chicago, the JRTC Room 9035 has been reserved.

Adjournment

A motion to adjourn the Regular Session was made by Ms. Moreno and seconded by Ms. Cummings. Motion was passed at 11:52 a.m.

Board Committee Meetings

Performance Committee—No meeting was held.

In compliance with the Open Meetings Act, minutes were taken of the SIAAB Executive Committee Meeting.

4.1 EXECUTIVE COMMITTEE

The Executive Committee shall consist of the Chair, Vice Chair, and Immediate Past Chair. The Board's Chair shall also chair the Executive Committee. The Executive Committee is responsible for interpreting all policies and procedures established by the State's Internal Audit Advisory Board related to peer review. The Committee also approves members of the peer review teams and signs and issues all accepted Peer Review Reports. Members shall serve a one-year term.

The Executive Committee is comprised of only two individuals (newly elected Chair, Ms. Morgan and Vice-Chair, Ms. Cummings) since the Immediate Past Chair was Mr. Cressman Ms. Morgan recommended that the "next immediate past chair" Barb Ringler remain on the Committee. With the Board's discussion of the ISBE/IHDA issues, the Executive Committee had no additional business to discuss.

The Board Committee Meetings were concluded at 12:10 a.m. a motion was made by Ms. Cummings and seconded by Ms. Ringler.