

# STATE OF ILLINOIS

## INTERNAL AUDIT ADVISORY BOARD

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

### MINUTES

#### **Board Meeting June 21, 2007**

#### Call to Order

The regular meeting of the State Internal Audit Advisory Board (SIAAB) was held on June 21, 2007 at the Capital City Center, Springfield, Illinois, Room #104 with video conferencing available at the JRTC Room #9036. Chair Lesslie D. Morgan called the meeting to order at 10:00 a.m. Per Ms. Morgan's request, Ms. Denise Behl, Financial/Compliance Internal Auditor at the Office of the Attorney General attended and recorded the minutes.

#### Roll Call

##### **Members Present**

- Lesslie D. Morgan, Chair – Office of the Attorney General (In Person/CMS Video Conference Room #104 Capital City Center, Springfield)
- Rusti Cummings, Vice-Chair – Office of the Comptroller (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)
- Carol Kraus - Governor's Office of Internal Audit (In Person/CMS Video Conference Room #104 Capital City Center, Springfield) – arrived 10:06 a.m.

##### **Members Absent**

- Stell Mallios – Office of the Secretary of State (Jim Busick attended on her behalf)

##### **Guests**

- Jim Busick – Office of the Secretary of State (In Person/CMS Video Conference Room #104 Capital City Center, Springfield) – Attended on behalf of Stell Mallios.
- Denise Behl – Office of the Attorney General (In Person/CMS Video Conference Room #104 Capital City Center, Springfield)

#### Minutes

The minutes of the May 9, 2007 meeting were reviewed by all present (except Ms. Kraus who arrived at 10:06 a.m.) Upon discussion of the minutes, Ms. Morgan suggested amendments to the minutes including a few typing errors and the addition of dates to the Executive Committee Board update. In addition, "Summary of External Assessment and Independent Validation Subsequent Review form completed and signed by both the CAE and Validator" was added to the SAIV

Subsequent Review Process section of Old Business. A motion to approve the minutes, as amended, was made by Ms. Ringler and seconded by Mr. Busick, and motion carried.

### Reports/Updates

#### **CPE Coordinator – Online Peer Review Training Update**

Ms. Morgan stated that no new requests to take the online training course had been received since the last month's meeting. The last request received was in February 2007.

#### **Board Committees – Reviews Updates**

Executive Committee – No new updates available.

Performance Committee – The Performance Committee Chair provided updates for the NIU and WIU Peer Review Process.

NIU – Ms. Cummings reported that Ms. Downen and the external validator are in the process of finalizing their subsequent review and will be forwarding the supporting documentation to the Performance Committee.

WIU – Ms. Cummings reported that the WIU external quality assessment received on April 12, 2007 was tentatively scheduled to be assigned to Ms. Smith from the Teachers' Retirement System. However, she would not be available after all in July to complete the review as anticipated.

The Board discussed whether reviews should be completed by someone other than the Performance Committee Chair. Ms. Morgan indicated that in order to do so, the review should be assigned to a Performance Committee Member who was not employed by the same branch to ensure that an independent review is conducted. For example a Performance Committee member employed by a university should not complete the Performance Committee review if the entity completing the subsequent review was also a university. Since some of the reviews to be completed by the Performance Committee involve universities the Board discussed potential candidates to serve on the Performance Committee who were not employed by a university and who had prior experience in performing reviews.

The Board agreed to contact Mr. Jim Kincaid, Illinois Office of Internal Audit to see if he would be willing to serve on the Performance Committee. If Mr. Kincaid agreed to serve on the Performance Committee it would be possible for his Statement on Independence and Confidentiality Policy/Commitment Forms if available, to be reviewed by the Board and approved at the July 11<sup>th</sup> meeting. With this time frame, it would then be possible to review both NIU and WIU and possibly release their reports in August. Ms. Morgan agreed to contact Mr. Kincaid to ask if he would be willing to serve on the Performance Committee.

Ms. Cummings reported that she has not contacted the other agencies for which a subsequent review would be required as she was not sure whether she should proceed or not. Ms. Morgan stated that she thought these notifications had been sent after the May meeting and recommended that the notices be forwarded to these agencies immediately to ensure that the opinions on audits completed and released properly reflect the qualifying statement required by the Board's Bylaws 4.2 – Establishment of Standards which states:

*Whenever internal or external assessments identify noncompliance with the Standards or FCIAA, audit organizations are required by the SIAAB to include an explanatory paragraph identifying the noncompliance and corrective action to be taken. The explanatory paragraph is required to be included in each report released by the audit organization until a subsequent review has been conducted by an external validator verifying that appropriate corrective action has been taken and approved by the Board.*

## **Old Business**

### **Fall Training Update**

Ms. Morgan distributed the Preliminary Fall Conference Training Agenda to Board members for their review. The Capital City Center – Lower Level Conference Center would allow 80 seats to be available for the training. The Board discussed the number of audit supervisors and staff that should be allowed to register. Based on the discussion it was determined that the room size would be sufficient to allow managers/supervisors from State internal audit functions, as well as, the Auditor General's Office to attend the training conference on the first day. The second day's training has been historically restricted to Chief Internal Auditors/and Managers.

The SIAMG Fall Conference would provide 8 hours of CPE the first day and 6 hours the second day. The Board discussed the cost for the conference and decided that \$20 per day per registered attendee appeared reasonable. Ms. Morgan stated that she has discussed the SIAMG's Fall Conference with the IIA's Springfield Chapter's President, Doug Tinch. Mr. Tinch stated that he would include the request for co-sponsorship on the Board's next meeting agenda. Historically, the IIA has been a co-sponsor of the training conferences as a means to provide CAP points for the Chapter and since many of the attendees are also members of the IIA. The Board does not have receipt authority and so the IIA's co-sponsorship would be necessary.

The notice to the Chief Internal Auditors of the Fall Conference dates and agenda will be sent out after the July 11, 2007 board meeting to gather preliminary attendance counts.

### **University Appointment**

Ms. Kraus reported that there has been no action taken thus far on the university vacancy.

## **New Business**

### **Agency Requests for Review**

Ms. Morgan reported that she has received a request from Mr. Kazan, Illinois Housing Development Authority, to have Ms. Deborah Ringer from Kerber, Eck and Braeckel perform a subsequent external validation. A motion to approve the request was made by Ms. Ringler and seconded by Ms. Kraus; motion carried.

## **Announcements**

The CMS Video Conference Room in the JRTC will return to Room #9035 in July. Ms. Morgan called CMS to verify room reservation and was told that the scheduling request to reserve the 2<sup>nd</sup> Wednesday of each month had been recorded in error. This has caused a change in time for the September 12<sup>th</sup> and November 14<sup>th</sup> meetings. The meeting dates and locations stay the same; however the meeting time has changed to 3:00 p.m. both days.

The next regular board meeting will be July 11, 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. Cummings and seconded by Mr. Busick. Motion passed at 10:50 a.m.

### **Board Committee Meetings**

Performance Committee – No Meeting Held.

Executive Committee – No Meeting Held.