

STATE OF ILLINOIS

INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting October 10, 2007

Call to Order

The regular meeting of the State Internal Audit Advisory Board (SIAAB) was held on October 10, 2007 at the Capital City Center, Springfield, Illinois, Room 104 with video conferencing available at the JRTC, Chicago, Illinois, Room 9035. Chair Lesslie D. Morgan called the meeting to order at 10:10 a.m. Per Ms. Morgan's request, 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)

Members Absent

- Carol Kraus - Governor's Office of Internal Audit
- Stell Mallios – Office of the Secretary of State

Guests

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

Minutes

The minutes of the September 12, 2007 meeting were reviewed by all present. A motion to approve the minutes 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 one outstanding individual from the Governor's Office of Internal Audit completed the online course and was issued CPE on September 28, 2007.

Ms. Morgan stated she had not received the annual renewal from the Department of Financial & Professional Regulation for the Board's CPE Sponsor license.

Board Committees – Reviews Updates

Executive Committee – Ms. Morgan stated that the Executive Committee did not receive the WIU assessment by the scheduled date of October 5, 2007. See Executive Committee meeting below for further information.

Performance Committee – The Performance Committee Chair provided updates on outstanding peer reviews.

Ms. Cummings presented the Board with the changes to the Peer Review Matrix. A motion to approve the changes to the Peer Review Matrix was made by Ms. Ringler and seconded by Mr. Busick, and motion carried. Ms. Cummings stated that she would forward Ms. Morgan the electronic file so that it could be added to the Board's webpage.

Ms. Cummings presented the Board with the changes to the Subsequent Review templates. A motion to approve the changes to the Subsequent Review templates was made by Ms. Ringler and seconded by Mr. Busick, and motion carried.

Ms. Morgan stated that there were two agencies whose external assessment did not fall within the January 1, 2007 category. The two were the Governor's Illinois Office of Internal Audit must be completed and report issued by October 2008, due to EO10's consolidation of internal audits, and the University of Illinois whose report must be released no later than May 2009.

NIU – Ms. Cummings reported the review is complete and is ready to be given to the Executive Committee. See Executive Committee Meeting below.

IHDA – Ms. Morgan reported that she received a call on October 5, 2007 from Kerber, Eck and Brackel indicating that they have a conflict of interest due to a partner is completing agreed upon procedures for that agency. The Board decided that there were two possible means to remedy the conflict of interest, Option #1 - to assign the review to a Performance Committee member located in the Chicago area or Option #2 the agency could procure a new external validator subject to the Board's approval and begin the subsequent review process over.

WIU – Kathleen Moreno corresponded with Ms. Rita Moore that they have changed the wording and reports have been revised to indicate non-compliance.

Secretary of State – The CPA firm that performed the External Assessment completed the IIA Matrix Tool instead of the matrix adopted by SIAAB. The Performance Committee indicated they have not received the Peer Review Matrix that is required by the SIAAB. Mr. Busick indicated that he may have already completed one but if he can not locate it he will pull the correct matrix from the SIAAB website and send it to Rusti Cummings, Performance Committee Chair.

Old Business

Fall Training Update

There are 61 individuals registered for day one and 38 individuals registered for day two of the conference. An analysis of expenditures for the conference was provided to the Board members for their review. Ms. Morgan stated she is still waiting on Bio's for some of the presenters. Ms. Morgan stated that she has prepared a presentation on the CPE changes to present as part of a roundtable discussion. In addition, Ms. Julie Zemiatis has prepared a presentation on IIA Practice Advisories and Performance Matrix's as part of a roundtable discussion. Other roundtable ideas are FCIAA revisions and external and internal assessment (types, frequency, etc).

Ms. Morgan stated that when making the CPE changes that were discussed during the September Board meeting she identified areas that needed further clarification. Areas clarified were the examples of prorated hours and examples of qualifying subjects and topics. A motion to approve the CPE requirement changes was made by Ms. Ringler and seconded by Mr. Busick, and motion carried.

Ms. Morgan stated that she will issue the CPE certificates for the training.

University Appointment – No update available.

IIA Practice Advisory – Quality Assessments

PA 1311-1 Internal Assessments

The Board discussed the PA 1311-1 and determined that if the PA was adopted in whole or in part (item #2) that further guidelines may need to be established taking into consideration the audit organizations' staff size. The Board tabled the discussion until after the roundtable discussion at the Fall Conference to determine what tools the different agencies are utilizing.

PA 2030 Resource Management

The Board discussed PA 2030-1 and decided to table any decision until after the Fall Conference to determine what resource tools the different agencies are utilizing. Ms. Zemaitis has prepared a presentation which includes this practice advisory.

GAO – Governmental Auditing Standards Revisions

The Board decided to table the discussion on the GAO – Governmental Auditing Standards revisions until the next monthly Board meeting.

Fiscal Control and Internal Auditing Act

The Board decided to table the discussion on the Fiscal Control and Internal Auditing Act revisions until the next monthly Board meeting.

New Business

Ms. Morgan stated that an email was forwarded to her from Ms. Kraus on October 9, 2007 requesting that CMS formally identify an Ethics Officer for each of the various Boards/Commission that the OEIG has identified under CMS. However further discussion was tabled until the next Board meeting due to Ms. Kraus was not in attendance and each Board member preferred to discuss this issue within their respective agencies.

Announcements

The next regular meeting will be November 14, 2007 – 3:00 p.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 12:15 p.m.

Board Committee Meetings

Performance Committee – None.

Executive Committee – Ms. Cummings forwarded the NIU and WIU reports to the Executive Committee for review and discussion at the November Board meeting. A motion to adjourn the Executive Committee meeting was made by Ms. Cummings and seconded by Ms. Ringler. Motion passed at 12:17 p.m.