

STATE OF ILLINOIS INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting November 14, 2007

Call to Order

The regular meeting of the State Internal Audit Advisory Board (SIAAB) was held on November 14, 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 3:00 p.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)
- Carol Kraus - Governor's Office of Internal Audit (Via Teleconference)

Members Absent

- 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 October 10, 2007 board meeting were reviewed by all present. Ms. Morgan noted a correction to the minutes within the Performance Committee Reviews Update section. A motion to approve the minutes, as corrected, was made by Ms. Ringler and seconded by Mr. Busick, and motion carried.

The minutes of the October 15-16, 2007 Fall Conference were reviewed by all present. A motion to approve the minutes was made by Ms. Kraus and seconded by Mr. Busick, and motion carried.

Reports/Updates

CPE Coordinator – Online Peer Review Training Update

Ms. Morgan stated that 1 new request to take the online training course had been received since the last month's meeting. The individual is from the University of Illinois and has not yet completed the exam.

Ms. Morgan stated that she has mailed the revised CPE certificates for the 2007 SIAAB Fall Conference for the individuals who needed hours changed.

Ms. Morgan stated that she has received the online renewal notice from the Department of Financial and Professional Regulation for the Board's CPE Sponsor license. The current license ends 12/31/07. The Department of Financial and Professional Regulation has indicated that the renewal will be processed. This is at no cost to the Board. Ms. Morgan stated she will follow up with the Department of Financial and Professional Regulation if she does not receive confirmation of the renewal.

Board Committees – Quality Assessment Review Updates

Executive Committee – See Executive Committee meeting below.

Performance Committee

Ms. Cummings stated that there had been no new requests for Peer Reviews since the last Board meeting.

The IHDA, WIU and NIU reviews were discussed during the Executive Committee Meeting following the regular SIAAB Board Meeting.

Ms. Cummings stated that the Secretary of State matrix submitted did not have handwritten signatures of the independent validators. It was discussed that an email from the Firm that they agree with the matrix would be sufficient to compensate for the actual written signatures in order to not delay the review process.

Ms. Morgan reported on the correspondence between IHDA and herself regarding the conflict of interest with IHDA's subsequent reviewer. Ms. Morgan mailed IHDA a letter on October 19, 2007 indicating that due to the conflict of interest identified that IHDA had two options for proceeding. Option 1 – Assign the IHDA review to a Performance Committee member located in Chicago who would be available to conduct the review in late November 2007 upon approval prior to the November 14, 2007 Board meeting. Option 2 – IHDA obtain a new external validator to perform the subsequent review.

On October 24, 2007, Ms. Morgan received an email from IHDA with an attached document of the chronological timeline of events for the IHDA peer review process. Ms. Morgan responded back to IHDA through email on October 31, 2007 discussing the process IHDA will need to proceed with due to their decision to obtain a new external validator.

The Board agreed that the IHDA subsequent review is on hold until the Board receives further information from them.

Old Business

Fall Training Update

The 2007 Fall Conference evaluation results were distributed to the Board members for their review. It was discussed that the overall result was that the training event was well received.

A comment to open the training event to all internal audit staff in order to allow audit staff an opportunity to meet the newly accepted governmental CPE requirements was discussed. It was concluded that the purpose of the SIAAB Training Conference is for Chief Internal Auditors and their Managers and that the IIA Springfield Chapter is focusing efforts to offer more governmental training for opportunities of audit staff to meet their CPE requirements.

University Appointment

Ms. Kraus reported that Ms. Julie Zemaitis and she both wrote letters to request that Ms. Zemaitis be appointed to the Board. No further response has been received.

IIA Practice Advisory

PA 1311-1 Internal Assessments

The Board discussed PA 1311-1, Internal Assessment, items #2 and #5. Based on discussions, PA 1311-1 is tabled and the Board will not be adopting at this time.

PA 2030-1 Resource Management

The Board discussed PA 2030-1, Resource Management, items #2 and #7. Based on discussions, PA 2030-1 is tabled and the Board will not be adopting at this time.

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 until the next monthly Board meeting.

New Business

Ethics Officer

Ms. Morgan stated that she had received an email from the Governor's Office of Internal Audit on October 9, 2007 requesting that the Board identify an Ethics Officer who would serve as a general point of contact with the OEIG as needed and to work with the OEIG to assure the completion of mandatory annual ethics training. The Board discussed whether CMS should be identified as the lead agency and decided that based upon FCIAA the Governor's Office had the most number of appointees to the Board. Ms. Cummings stated that the Board members have not had to take additional ethics training through CMS in the past and only had to provide evidence that they had taken the ethics training within their employing agencies. The Board agreed that taking a second ethics training course seemed duplicative. Ms. Morgan stated that with the short notice it would be difficult to find someone to serve as the Board's Ethics Officer. The Board agreed to allow the CMS/Ethics Officer to serve as the general point of contact with the OEIG to assure completion of mandatory annual ethics training. Ms. Morgan agreed to prepare a response to Governor's Office of Internal Audit/CMS indicating the past practice that each board member meets Ethics requirements through their respective agencies; however the Board will agree to allow CMS to be the Board's Ethics Officer.

Announcements

The next regular meeting will be December 13, 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 Mr. Busick and seconded by Ms. Ringler. Motion passed at 4:26 p.m.

Board Committee Meetings

Performance Committee – None.

Executive Committee

The Executive Committee discussed that the NIU review is on hold until the Board receives additional information from the validator.

The Executive Committee discussed that the WIU review is on hold until the Board receive additional information from the validator.

The IHDA subsequent review was discussed during the Regular Board meeting. See Performance Committee Update Section.

A motion to adjourn the Executive Committee meeting was made by Ms. Ringler and seconded by Ms. Cummings. Motion passed at 4:52 p.m.