

# STATE OF ILLINOIS

## INTERNAL AUDIT ADVISORY BOARD

Web Address: SIAAB.AUDITS.UILLINOIS.EDU

### MINUTES

**Board Meeting May 14, 2008**

**10:00 AM**

#### Call to Order

The regular meeting of the State Internal Audit Advisory Board (SIAAB) was held on May 14, 2008 at the Capital City Center, Springfield, Illinois, Room 104. The scheduled video conferencing site at the JRTC, Chicago, Illinois, Room 9035 was not able to be accomplished. Although the CMS teleconferencing personnel confirmed this room was scheduled for our Board meeting, the room was occupied by another group when the teleconference was connected. Several attempts to secure alternative video conferencing at the Chicago facility were not successful. The group occupying the scheduled room stated that only one person had come to the room but indicated she would try another conference room. It was assumed this person was Ms. Bowyer but the Springfield site was unable to reach Ms. Bowyer after several attempts. Chair Rusti Cummings called the meeting to order at 10:40 a.m.

#### Roll Call

##### **Members Present**

- 1 Rusti Cummings, Chair – Office of the Comptroller (In Person/CMS Video Conference Room #104 Capital City Center, Springfield)
- 2 Carol Kraus, Vice-Chair – Governor's Office of Internal Audit (In Person/CMS Video Conference Room #104 Capital City Center, Springfield)
- 3 Lesslie Morgan – Office of the Attorney General (In Person/CMS Video Conference Room #104 Capital City Center, Springfield)
- 4 Barbara Ringler – Office of the Treasurer (In Person/CMS Video Conference Room #104 Capital City Center, Springfield)

##### **Members Absent**

- 5 Nancy Bowyer – Office of the Secretary of State (Ms. Bowyer had attempted to attend but encountered the problems noted above)

##### **Guests**

None

#### Minutes

The minutes of the April 9, 2008 board meeting were reviewed by all present. A motion to approve the minutes was made by Ms. Ringler, seconded by Ms. Kraus and motion carried.

## Reports/Updates

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

Ms. Morgan indicated two individuals had completed the training. An individual with Deloitte had been given an extension for May 20th. Another person had registered for the course on April 22, accessed the course on April 23, and was waiting an email from webmaster to indicate this person had finalized the course.

### **Board Executive and Performance Committees – Quality Assessment Review Update**

Ms. Kraus indicated that she needed to change the external assessment team approved by the Board for the Illinois Office of Internal Audit. Ms. Lazar had communicated to Ms. Kraus that she was not able to sign the contract due to a certification that the vendor was not restricted by the State Finance Act from performing contractual services as a state retiree who had accepted an early retirement initiative in 2002. Since Ms. Kraus had not been able to locate a third team member, she was trying to secure these services from several CPA firms. However, these firms were either not independent due to the firm's other engagements or were not available during the needed timeframe. Ms. Kraus will try to finalize the necessary team changes and discuss this further at the next meeting.

After a lengthy discussion about Ms. Lazar's current approval as a subsequent review team member for Illinois Housing Development Authority, it was decided that the Board had a responsibility to send Mr. Kazan an email to communicate Ms. Kraus' situation and provide him an opportunity to consider the impact of this statutory provision on the procurement of similar services for his agency. Ms. Cummings was asked to send an email to communicate this situation, Board responsibilities, and agency procurement responsibilities.

An independent person to perform the Performance Committee Review for State University Retirement System subsequent review had not been able to be located. Ms. Cummings indicated many agencies have an independence impairment due to their relation with this agency or other quality assurance assignments. One independent agency had been identified but this person had not responded to the request to serve on the Performance Committee. It was also noted that if Ms. Kraus finalizes her team and Mr. Hayward is not a part of that team, Ms. Kraus' staff could perform this function. Ms. Cummings will continue to attempt to convince the one agency to serve in this capacity. If unable to accomplish this, the assignment of Mr. Hayward's subsequent review will be held until our next meeting.

Reviews are in progress for Illinois Office of the Secretary of State, Illinois Office of Internal Audit, and Illinois Office of the Comptroller. As noted above, the State University Retirement System is awaiting the assignment for Performance Committee review and Illinois Housing Development Authority is in progress.

## Old Business

## **University Appointment –**

Although Ms. Kraus had been told that an appointment would be made in April, she had not received that appointment yet. She will continue attempting to secure this appointment.

## **New Business**

As Ms. Cummings mentioned in the previous meeting, it is becoming increasingly difficult to document independence when considering the number of quality assurance projects completed during the prior two years and the work anticipated for this next year. Ms. Cummings presented additional language to be included in the Independence Form. This information will help to ensure volunteers and Board members consider common impairments created by prior employment; agency interrelationships; prior SIAAB service such as Quality Assurance / Subsequent Review teams, Performance Committee duties, or other Board functions; and other factors. The Board suggested a few changes to be made before final approval.

Ms. Cummings stated that Ms. Hall had a contract ready for the Capital City Center's large basement meeting room to be used on October 6 and 7, 2008 for the SIAAB fall conference. This had historically been signed by CMS. Ms. Kraus indicated that Ms. Ward had retired and requested the contract be sent to Ms. Newberry for processing.

It was suggested that Senate Bill 2113 related to Identity Protection Act might be a good topic if it were enacted. Other topics might include fraud risk, auditor responsibility, or risk assessment. Since many agencies have received two days of training by attending the Office of the Auditor General's June conference in the past and this conference was not being held this year, Ms. Kraus offered to speak on the Schedule of Federal Awards, GASB changes, AICPA audit guide, or other standards which might be of interest to the State Internal Audit Managers Group. Consideration is also being given to expanding the participation for one conference day to more people to make available additional hours. Board members will consider additional topics and conference attendance for further discussion in June.

## **Announcements**

The next regular meeting will be July 9, 2008 – 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. Kraus and seconded by Ms. Morgan. The motion was approved at 12:10 p.m.

## **Board Committee Meetings**

**Performance Committee – None.**

**Executive Committee – None.**