

STATE OF ILLINOIS

INTERNAL AUDIT ADVISORY BOARD

Web Address: SIAAB.AUDITS.UILLINOIS.EDU

MINUTES

Board Meeting, August 13, 2008

10:00 AM

Call to Order

The regular meeting of the State Internal Audit Advisory Board (SIAAB) was held on August 13, 2008 at the Capital City Center, Springfield, Illinois, Room 104 with video conferencing available at the JRTC, Chicago, Illinois, Room 9035. Chair Rusti Cummings called the meeting to order at 10:05 a.m. Per Ms. Cummings request, Mary Ishmael, Office of the Comptroller attended and recorded the minutes.

Roll Call

Members Present

- Rusti Cummings, Chair – Office of the Comptroller
(In Person/CMS Video Conference Room #104 Capital City Center, Springfield)
- Carol Kraus, Illinois Office of Internal Audits
(In Person/CMS Video Conference Room #104 Capital City Center, Springfield)
- Lesslie Morgan, 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)
- Julie Zemaitis, University of Illinois
(In Person/CMS Video Conference Room #104 Capital City Center, Springfield)
Ms. Zemaitis left the meeting at 11:55 to attend another commitment.
- Nancy Bowyer, Office of the Secretary of State
(In Person/CMS Video Conference Room 9035, JRTC, Chicago)
Ms. Bowyer left the meeting at 10:55 to attend another commitment.

Members Absent

None

Guests

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

Minutes

The minutes of the July 9, 2008 Board meeting were reviewed and revised as follows:

- (1) “The Illinois Office of Internal Audit quality assurance project is required by September 30, 2008 which is five years after this function was established on October 1, 2003.” (page 2, 3rd paragraph; this reflects the dates previously communicated to the Board by Mr. Cressman),
- (2) “This subsequent review had been scheduled to be submitted in July but was delayed due to the Board’s communications regarding the Illinois Office of Internal Audit’s contract issue.” (page 2, last full sentence),
- (3) “al” should be replaced with “all” (page 3, 1st paragraph, item 2), and
- (4) “September 10” should be “August 13” (page 4, 4th paragraph).

Ms. Morgan motioned to approve the corrected minutes, Ms. Zemaitis seconded, and the motion carried.

Reports/Updates

CPE Coordinator – Online Peer Review Training Update

Ms. Morgan reported three individuals registered for the online course, two people finished on July 30th, one finished on August 4th, and the certificates have been sent. The Board discussed how much time participants needed to review materials and take the online test. It was decided that four CPE credit hours was still reasonable. Ms. Morgan reported that internal auditing standards are anticipated to change January 1, 2009. At that time, the Board should obtain permission to reprint the revised standards, consider changes to the online course, and re-consider the number of CPE hours.

Board Committees – Quality Assessment Review Updates

Status of Quality Assessment Reviews –

Ms. Morgan and Ms. Cummings provided the Board members with a quality assurance spreadsheet to outline the status of each agency’s review. Ms. Cummings reported the Illinois Office of Internal Audit’s quality assurance review team completed their testing and was preparing the draft report. The Board discussed the Performance Committee External Quality Review Program and identified three possible individuals to complete this work. Ms. Cummings will contact Ms. Stacy Smith, Ms. Sherry McRaven, and Ms. Becky Litton to determine which person is available. There are no changes to the Illinois Office of Comptroller, Illinois Secretary of State, Illinois Toll Highway Authority, and Supreme Court.

Subsequent Reviews are underway for the State University Retirement System (SURS), Governor’s State University (GSU), and the Illinois Housing Development Authority (IHDA). Ms. Cummings requested the Board’s approval to ask Mr. Rick Papuga to conduct the Performance Committee External Quality Review Program for the State University Retirement System. Based upon his confidentiality and independence forms and the Auditing Standards presented by Ms. Morgan in the prior month, the Board concluded Mr. Papuga’s independence was not impaired as a participant in the retirement system. Ms. Cummings will contact Mr. Papuga to begin this review. Ms. Kraus indicated that Mr. Jim Kincaid could conduct the Performance Committee External Quality Review Program for the Governor’s State University

subsequent review. Ms. Cummings distributed a copy of the email sent to Ms. Judy Lazar and Mr. Bill Kazan on July 10, 2008 for the Illinois Housing Development Authority subsequent review. There had been no reply received from Ms. Lazar or Mr. Kazan. There are no changes to the Illinois State Board of Education, State Employees Retirement System, Eastern Illinois University, Northeastern Illinois University, and Western Illinois University.

The remaining internal audit departments had completed their quality assurance reviews for the period ending January 1, 2007 as “generally conforms” or have completed their subsequent review and reported all non-conformances had been corrected.

Ms. Cummings read the information presented on the following individual’s independence form, confidentiality form, and addendum for quality assurance related assignments: Mr. Tracy Allen, Ms. Julie Zemaitis, Ms. Stacy Smith, Mr. Richard Papuga, Mr. Jim Kincaid, and Mr. Steve Hayward. A motion to approve was made by Ms. Kraus and seconded by Ms. Ringler. Motion was approved and accepted by all present.

Old Business

University Appointment –

A discussion was held concerning the expiration date of university appointment. Ms. Morgan checked the Fiscal Control and Internal Auditing Act and read the language to the Board Members. The Governor appointments are three year terms. When a vacancy occurs, persons appointed to fill the vacancy shall serve the balance of the term. Ms. Moreno’s term expired February 2004. Therefore, Ms. Zemaitis’ term should expire February 2010. All present agreed.

Fall Conference –

Ms. Cummings presented the tentative October 6th & 7th training conference agenda and speakers list. The subjects for Monday have been finalized. However, Tuesday’s subjects are still open. Ms. Cummings had contacted Mr. Sampias to discuss potential Information Technology subjects as well as invite Mr. Holland to be a guest speaker. Mr. Sampias indicated that they appreciated the invitation but were unable to make such a commitment this fall. The Board members requested Ms. Cummings contact Mr. Sampias to extend the invitation to the Directors of the Auditor General’s Office. In addition, several other potential topics were discussed. These will be finalized at the September meeting. The Board members also finalized the menu selections.

New Business

The University of Illinois’ original peer review report was transmitted on September 8, 2004. Ms. Zemaitis presented a Request for Peer Review Team approval for their next peer review. The team members are from the Titus Consultant firm. Team leader is Bryan Kruk with team members Richard Epping, Clarke Spanburg , and Dave McLaughlin. This review will start November 3, 2008, with a draft by January 1, 2009 and a final report out by April 2009. A motion to conditionally accept this team based upon their completion of the State Internal Audit Advisory Board online review course was made by Ms. Morgan and seconded by Ms. Ringler.

All present approved, Ms. Zemaitis abstained.

Announcements

The next regular meeting will be September 10, 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. Ringler and seconded by Ms. Kraus. Motion passed and meeting was adjourned at 12:50 pm.

Board Committee Meetings

Performance Committee – None.

Executive Committee – None.