

# STATE OF ILLINOIS

## INTERNAL AUDIT ADVISORY BOARD

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

### MINUTES

**Board Meeting, February 11, 2009**

**10:00 AM**

#### Call to Order

The regular meeting of the State Internal Audit Advisory Board (SIAAB) was held on February 11, 2009 at the Capital City Center, Springfield, Illinois, Room 104 with video conferencing available at the JRTC, Chicago, Illinois, Room 9035. Ms. Zemaitis joined the meeting by teleconference from her Champaign office. Chair Rusti Cummings called the meeting to order at 10:10 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)
- Julie Zemaitis, University of Illinois  
(Via telephone conference from her Champaign office)
- Nancy Bowyer, Office of the Secretary of State  
In Person/CMS Video Conference Room #9035, JRT Center, Chicago, IL)
- Barbara Ringler, Office of the Treasurer  
(In Person/CMS Video Conference Room #104 Capital City Center, Springfield)

##### **Members Absent**

Ms. Lesslie Morgan, Office of the Attorney General

##### **Guests**

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

#### Minutes

The draft minutes for the Regular Meeting December 10, 2009 were reviewed. There were two corrections made: (1) page 2, Old Business section, Fiscal Control and Internal Guidelines paragraph, fourth sentence, item 6 should be “modify the assessment” and (2) page 3, Peer Review Process and Documentation section, first paragraph should read “she indicated this seemed...” Ms. Kraus motioned to approve the minutes, Ms. Ringler seconded, and the motion carried.

## **Reports/Updates**

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

Ms. Morgan was not present to make a formal report. Ms. Zemaitis shared with the Board that two of U of I's peer review team members had passed the online course. They had both been told that a continuing education certificate would not be issued for the course because it covered the standards in place prior to the IIA's January 1, 2009 revisions. They were also aware that the Board requested they be tested on the old standards since the U of I's peer review period was prior to January 1, 2009.

Ms. Zemaitis requested the approval of changes to the U of I's peer review team from Titus. Brian Kruk would remain the team leader. Titus would like to replace David McLaughlin and Clarke Spanburg with Michael Smith and David Walsh.

Ms. Cummings presented their resumes, independence form, and confidentiality statements which were reviewed by the members present in Springfield. It was agreed that they possessed the skills necessary to conduct a peer review and had no conflicts of interest identified on their forms. Ms. Kraus made a motion to accept, Ms. Ringler 2<sup>nd</sup>, and the motion carried.

### **Board Committees-Quality Assessment/Subsequent Review**

The Illinois Toll Highway Authority had contacted Rusti to inquire about the peer review process but have not submitted a peer review request at this time.

The Illinois Housing Development Authority (IHDA) has appointed a new Chief Internal Auditor, Ms. Barbara Manning. She contacted Ms. Cummings to request that the subsequent review package be returned to IHDA since it had been submitted before Ms. Judy Lazar had concluded her review. At Ms. Manning's request, Ms. Cummings met with Ms. Lazar and Ms. Manning to discuss the original quality assurance report issued by the Board on March 8, 2007. Although plans are not finalized, IHDA is considering delaying their subsequent review until later this summer.

Ms. Cummings distributed the report for the Governor State University's subsequent review on December 10, 2008.

## **Old Business**

### **Fiscal Control and Internal Auditing Guidelines**

Ms. Cummings indicated she had received an inquiry about the Governor's designations of state agencies as provided for in Section 2001 in the Fiscal Control and Internal Auditing Act. Ms. Cummings reported that she could not locate the designations on the Secretary of State Index Division's website. The other Board members also indicated they did not have a copy of the designations either. The timetable for such designation is April 1<sup>st</sup> of odd numbered years.

Ms. Kraus indicated that she had talked with Mr. Larry Stone from the Illinois State Employees Retirement System about serving on the Board. Mr. Stone indicated that he

would be willing to serve on the Board if appointed by the Governor. Ms. Kraus said that she would contact the Governor's Office about this appointment.

Ms. Cummings reported that the Illinois Compiled Statute references had been added to the SAMs internal control guidelines. Ms. Cummings and Ms. Kraus agreed to schedule a meeting to discuss a timetable for further revisions. The revisions should definitely address the need for additional guidance as it relates to federal programs and information systems. Ms. Kraus mentioned that the Government Accounting Office had recently released new IS guidance for Federal agencies. Ms. Kraus indicated the January Internal Control training session sponsored by the Institute of Internal Auditor's local chapter was very well attended. Most of the attendees were state fiscal personnel and offered favorable comments about this subject.

### **Peer Review Process & Documentation (Consideration of Tool 19, SIAAB Matrix, etc.)**

Ms. Cummings forwarded Ms. Zemaitis' draft revisions to the Audit Requirement Matrix used by the Board for quality assurance reviews. This matrix was not changed significantly. By inserting the evaluator's conclusion for each standard, the Performance Committee is better able to review each standard, section, and overall conclusion reached by the quality assurance team. The Standards and Code of Ethics sections are assessed as "generally conforms, partially conforms or does not conform". The Fiscal Control and Internal Auditing section conclusions are "complies" and "does not comply". Ms. Kraus made a motion to accept these changes, Ms Zemaitis 2<sup>nd</sup> and the motion carried.

### **New Business**

#### **Officer Nominations & Elections**

Ms. Cummings explained the situation which led to the cancellation of the January meeting. She also explained that the Board's By-laws require nominations for the Chair and Vice-Chair positions to be made at the January meeting and elections to be held at the February meeting. Ms. Ringler motioned that the By-Law requirement for nominations be waived for January 2009 and such nominations could be presented at the current meeting. Ms. Zemaitis seconded this motion and the motion was approved.

Ms. Cummings distributed a spreadsheet outlining the individuals who had served as prior Chairs and Vice Chairs for the past seven years. As shown on that spreadsheet, it is customary for the prior year Vice Chair to be elected to serve as Chair the following year. This helps to ensure that the Chair is familiar with the Board business. In the past seven years, Ms. Morgan, Ms. Ringler, and Ms. Cummings have each served two terms as Board chairs.

Ms Cummings opened nominations for Chair position. Ms. Ringler nominated Ms Kraus for Chair. There were no other nominations. Ms Ringler motioned to elect Ms. Kraus as the Chair, Ms Zemaitis 2<sup>nd</sup> and all agreed.

Ms. Cummings opened nominations for Vice Chair. Ms Ringler nominated Ms. Zemaitis for Vice Chair. There were no other nominations. Ms Kraus made a motion to elect Ms Zemaitis Vice-Chair, Ms Ringler seconded, and all agreed.

**Announcements**

The next regular meeting will be held March 11, 2009 – 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. Ringler. Motion passed and meeting was adjourned at 10:47 am.

**Performance Committee**

There was no performance committee business at this time.

**Executive Committee**

There was no executive committee business at this time.