

STATE OF ILLINOIS INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

**Board Meeting, August 12, 2009
10:00 AM**

Call to Order

The August 12, 2009 meeting of the State Internal Audit Advisory Board (SIAAB) was held at the Capital City Center, Room 104, Springfield, Illinois, with video conferencing available at the JRTC, Room 9035, Chicago, Illinois. Ms. Zemaitis joined the meeting by teleconference from her Champaign office. Chair Carol Kraus called the meeting to order at 10:10 a.m. Per Ms. Kraus' request, Jewel Bishop, Illinois Office of Internal Audit attended and recorded the minutes.

Roll Call

Members Present

Carol Kraus (Chair), Illinois Office of Internal Audit – Springfield
Julie Zemaitis (Vice Chair), University of Illinois – Champaign, via teleconference
Barb Ringler, Office of the Treasurer – Springfield
Lesslie Morgan, Office of the Attorney General – Springfield
Nancy Bowyer, Office of the Secretary of State – Chicago
Rusti Cummings, Office of the Comptroller – Springfield

Minutes

The minutes for the July 14, 2009 meeting were reviewed and revised as follows:

1. "By Laws" section, page 4, 2nd bullet point, change "IIA Standard 13.11" to "IIA Standard 1311"
2. "SIAAB Fall Conference" section, page 5, remove the language "will find speaker" from three proposed sessions.

Ms. Ringler motioned to approve the minutes with changes, Ms. Morgan seconded, and the motion carried.

Reports/Updates

CPE Coordinator – Online Peer Review Training Update

Ms. Morgan reported that all but one Board member has taken the revised online training course and all previously suggested revisions have been made. Ms. Morgan shared an e-mail from Ms. Cummings regarding two additional revisions and noted that these requested changes would also be made.

Also, in her email, Ms. Cummings raised a question concerning the Bylaws' knowledge level requirement for Review Team members. The knowledge level for Chief Internal Auditors (CIA) is established by statute. However, Board Bylaws require less experience for a review team member than what is required for a CIA. This could allow someone with less experience than the person who runs the department to assess the department. Because Senate Bill 51, which moves the internal audit function back to agencies and changes the requirements to be a Chief Internal Auditor, is before the Governor at this time, discussion of this question was tabled until the September meeting.

Ms. Bowyer raised a question as to whether or not the training course should display the correct answer in the event a wrong answer is given. The correct answer can only be displayed by going back and retaking the test and getting the answer right. After discussion, it was decided that since this method was carried-over from prior training courses and that there have not been any other comments raised concerning the method, no changes should be made at this time.

Ms. Morgan asked for clarification of the number of CPE hours to be awarded to Board members for their part in reviewing the training course. In accordance with SIAAB Bylaws Article II, Section 5.2, c, 2, up to 2 CPE hours for each 50 minutes may be granted for time spent developing, writing, or advance preparation of a training course. Therefore, Ms. Morgan will receive 8 hours of CPE for developing the revisions to the on-line course and Board members who took the on-line course as part of the review will receive 4 hours of CPE. Ms. Morgan will issue CPE certificates to Board members with the exception of herself and Ms. Kraus will issue Ms. Morgan's certificate.

The Board thanked Ed Mascorro of the University of Illinois' Internal Audit staff for all of his hard work on implementing the changes to the online training course and for other work he does keeping the Board's website running.

Motion to approve the new online course and make it available for use was made by Ms. Ringler, seconded by Ms. Zemaitis, and the motion carried.

Ms. Morgan will send a notice to all audit managers informing them that the updated course is now available.

Quality Assessment/Subsequent Review

Ms. Zemaitis has the subsequent review for the Housing Development Authority. The field work on the Toll Highway Authority's (THA) review is done and workpapers will be sent to Ms. Kraus in the near future. Ms. Zemaitis will not review THA's workpapers because a member of her staff was on the review team.

Ms. Morgan would like to have the Quality Assurance Matrix finalized at the September meeting so that it will be available for those audit offices that would like to use it in the preparation of their annual report. Board members that have not reviewed the revised Matrix should do so by the September meeting.

Fall Conference

Speakers/Sessions - The Board reviewed the draft conference agenda. Ms. Morgan informed the Board that Mike Luke, Opinions Director for the Office of the Attorney General, has agreed to give a presentation on ethics. Mr. Luke would also be able to speak on changes to the Open Meetings Act or Freedom of Information Act if the proposed legislation is signed by the Governor. Since several of the proposed sessions are dependent upon legislation awaiting the Governor's action, it was decided to wait until the September meeting to finalize conference sessions.

ARRA will likely be a very important topic for the conference. The first reporting period for ARRA will take place before the conference, so we might get additional ideas for ARRA subtopics to present at the conference based on the outcome of the first reporting period.

Ms. Kraus will contact Carol Lampard, former Executive Director of the Legislative Audit Commission (LAC) to see if she would speak at the University Break-out Session on LAC guidelines. Ms. Kraus will also contact the Office of the Auditor General to see if they would like to present a session at the conference.

Conference registration/site: The site for this year's SIAAB Fall Conference will be the President Abraham Lincoln Hotel & Conference Room (formerly the Ramada Renaissance) in Springfield. The Board decided to add a cancellation policy to this year's conference registration. Jewel Bishop is currently working with the hotel on arrangements and will report back to the Board at the September meeting. The official registration period will begin after the September SIAAB meeting.

Ms. Kraus asked if anyone had or was aware of a program for testing/auditing performance measures. Ms. Zemaitis stated she had just ordered and received a book on the subject and will share it with the Board.

Fiscal Control and Internal Auditing Guidelines

Ms. Cummings reported that her office's review of FCIAA guidelines is still on hold due to budget constraints and audit priorities. There is also legislation awaiting the Governor's action that will impact FCIAA. If the legislation is approved, these revisions would also need to be incorporated. The new goal for completing the review of the FCIAA guidelines is by the start of FY 2011.

Adjournment

Motion to adjourn the regular session of the Board meeting was made by Ms. Morgan, seconded by Ms. Ringler and the motion was carried.

Performance Committee

Ms. Kraus, the Performance Committee chair for the University of Illinois subsequent review, recommended that this review be accepted for approval by the Executive Committee. There were no problems or concerns noted.

Executive Committee

The Executive Committee accepted the Performance Committee's recommendation. Motion to accept the University of Illinois' subsequent review was made by Ms. Cummings, seconded by Ms. Kraus and the motion carried.

The regular session of the Board meeting resumed at 11:55.

Announcements

The next regular meeting will be held September 9, 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, Room 9035 of the JRTC has been reserved.

Adjournment

A motion to adjourn the Regular Session was made by Ms. Cummings, seconded by Ms. Kraus and the motion carried. The meeting was adjourned at 12:00 noon.