

STATE OF ILLINOIS INTERNAL AUDIT ADVISORY BOARD

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

MINUTES

Board Meeting, September 9, 2009

10:00 AM

Call to Order

The September 9, 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. Kraus, Chair, was absent and the meeting was called to order by Ms. Zemaitis, Vice Chair, at 10:30 a.m. Jewel Bishop, Illinois Office of Internal Audit attended and recorded the minutes.

Roll Call

Members Present

Julie Zemaitis (Vice Chair), University of Illinois – Springfield
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
Denise Caldwell, for Ms. Kraus, Illinois Office of Internal Audit - Springfield

Absent

Carol Kraus (Chair), Illinois Office of Internal Audit

Guests

Nick Barnard, Office of the Treasurer – Springfield
Steve Kirk, Illinois Office of Internal Audit - Springfield

Minutes

The minutes for the August 12, 2009 meeting were reviewed and revised as follows:

1. CPE Coordinator-Online Peer Review Training Update, page 2, 3rd paragraph – replace entire paragraph with the following language: “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. Board members who took the on-line course will receive 4 hours CPE. In accordance with SIAAB Bylaws, Article II, Section V, 5.2c(2) Ms. Morgan will receive 2 hours CPE for each 50 minutes spent in developing, writing or preparing the course material for a total of 8 hours CPE.”

2. Fiscal Control and Internal Auditing Guidelines, page 3, 6th paragraph – delete the paragraph and replace with the following language: “Ms. Cummings reported that her office’s review of the 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 to complete the review of the FCIAA guidelines is by the start of FY2011.”

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

Reports/Updates

CPE Coordinator – Online Peer Review Training Update

Ms. Morgan reported that notice was sent on August 12, 2009 to all audit managers letting them know that the updated online Peer Review Training course is now available. Ms. Morgan reported that, to date, 11 individuals have completed the revised course and CPE certificates have been issued. In addition, eight more are registered to take the course.

In Ms. Kraus’ absence, Ms. Zemaitis signed Ms. Morgan’s CPE certificate for her work on the on-line training course.

Quality Assessment/Subsequent Review

Ms. Zemaitis has received the workpapers for the Toll Highway Authorities’ subsequent review. Because a member of Ms. Zemaitis’ staff was a part of the review team, the workpapers will be reviewed by Ms. Kraus’ office. Ms. Zemaitis turned the workpapers over to Denise Caldwell.

Fall Conference

Proposed Agenda

The proposed agenda for the fall conference was reviewed and discussed. Due to Ms. Kraus’ absence, no update was available as to whether or not Ms. Kraus had contacted Carol Lampard or the Auditor General’s Office to see if either one would be a presenter at the conference or if she had a confirmed speaker for the GASB presentation. Ms. Zemaitis stated that she could facilitate a roundtable discussion for the LAC Guidelines portion of the University break-out session in the event that a speaker was unavailable. The conference agenda will be finalized at the rescheduled October Board meeting.

The Board discussed several ideas for the open presentation time on November 6. IT audit issues (security, firewalls) or GAAP package issues (common errors and specifics for new GAAP procedures) were two of the suggestions made.

On the end of the first day an ARRA roundtable discussion was initially scheduled. The Board decided to change from just an ARRA roundtable to simultaneous roundtables on GASB, ARRA and Performance Measures.

A copy of the revised agenda is appended to the minutes.

As requested at the August meeting, Ms. Zemaitis brought the book *Performance Auditing*, by the IIA Research Foundation.

Conference Cost

Jewel Bishop gave an update on conference arrangements. So far, the cost is running about \$64 per person. The Board would like to see the cost at \$60 per person/\$30 per day. Ms. Bishop will work with the hotel. Registration fee will be \$60 for 2-day or \$30 per day. For any incidental charges the SIAAB has approximately a \$1,000 balance of funds with the IIA-Springfield Chapter.

Fiscal Control and Internal Auditing Guidelines

Revisions need to be made to Sections 4 (incorporate changes made as a result of SB 51), 10 (grants) and 11 (IT). Goal is to have changes incorporated and revised guidelines available by beginning of FY 2011.

Peer Review Process and Documentation

Quality Assurance Matrix – Ms. Morgan asked if Board members had reviewed the revised Matrix and had any comments. There were no comments with the exception of comments outlined in an email Ms. Morgan received from Ms. Cummings. Ms. Morgan will make the requested changes. The Board thanked Ms. Morgan for her hard work and time spent on revising the Matrix. Motion was made to approve the revised Quality Assurance Matrix, as amended, by Ms. Cummings, seconded by Ms. Ringler and motion carried.

Ms. Morgan will have Mr. Moscarro post the updated version of the Quality Assurance Matrix to the Board's website.

New Business

Ms. Morgan said that with the Matrix done and the Bylaws to be done at next meeting, the next project will be updating the SIAAB website. Ms. Morgan distributed a draft of the revised SIAAB Bylaws for Board members to review. The goal is to finalize the revised Bylaws at the October meeting.

Announcements

The next regular meeting is scheduled for October 14, 2009. Due to conflicts with schedules it was requested that the October meeting be moved to sometime after October 21st. Ms. Bishop will reschedule the meeting and send out a notice with the revised date.

Adjournment

Motion to adjourn the regular session of the Board meeting was made by Ms. Morgan, seconded by Ms. Cummings and the motion was carried. The regular session was adjourned at 12:10 p.m.

The Executive Session was called to order at 12:10 p.m.

Performance Committee

Motion to recommend that the Housing Development Authority's subsequent self-review be accepted for approval by the Executive Committee was made by Ms. Morgan, seconded by Ms. Zemaitis and the motion carried.

Executive Committee

The Executive Committee accepted the Performance Committee's recommendation to approve the subsequent self-review for the Housing Development Authority (HDA). Motion to accept the HDA's subsequent review was made by Ms. Cummings, seconded by Ms. Zemaitis and the motion carried. Ms. Kraus, Chair, should send letter to HDA.

Motion to adjourn the Executive Session of the Board was made by Ms. Cummings, seconded by Ms. Zemaitis and the motion carried. The Executive Session of the Board was adjourned at 12:15 p.m.

November 5

8:00 am–8:30 am	Registration/Sign In
8:30 am–8:40 am	Opening Remarks (Carol Kraus)
8:40 am–9:30 am	Fraud Prevention & Detection (Carol Kraus)
9:30 am–10:20 am	New IIA Standards (Julie Zemaitis)
10:20 am–10:40 am	Break
10:40 am–11:30 am	Performance Measures (Joan Small)
11:30 am–12:20 pm	Overview of GASB Changes (Bert Nuehring)
12:20 pm–12:30 pm	Announcements
12:30 pm–1:30 pm	Lunch
1:30 pm–3:00 pm	American Reinvestment & Recovery Act (Unknown)
3:00 pm–3:20 pm	Break
3:20 pm–4:30 pm	Round Tables – GASB, ARRA, Performance Measures
4:30 pm	Evaluation, Wrap-up and Adjournment

November 6

8:00 am–8:30 am	Registration/Sign In	
8:30 am–8:40 am	Opening Remarks	
8:40 am–9:20 am	University Break-out Session - LAC Guidelines (Unknown)	Other Break-out Session - GAAP (Scott Reeser)
9:20 am–10:10 am	University Break-out Session - Ethics (Donna McNeely)	Other Break-out Session - Ethics (Michael Luke)
10:10 am–10:30 am	Break	
10:30 am–12:00 noon	Freedom of Information Act (Michael Luke)	
12:00 noon–12:15 pm	Announcements	
12:15 pm–1:15 pm	Lunch	
1:15 pm–2:10 pm	Unknown presentation	
2:10 pm–3:00 pm	Closing Remarks, Evaluation and Adjournment	